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May 13, 2020

Brian Bilberry
200 South High Street
Wailuku, Maui, Hawaii 96793

RE: *Amiri v. County of Maui*, Civ. No. 19-00373 JAO-RT
U.S. District Court, District of Hawaii

Dear Mr. Bilberry:

This email is subject to Rule 408 of the *Hawaii Rules of Evidence*.

My client's damages are substantial and were enumerated in his interrogatory responses. Specifically, my client responded that is damages are as follows:

First, a tenant, Tom Taylor, was scheduled to lease the property for a period of one year beginning on September 1, 2018 at a rate of \$24,500 per month but ended up cancelling the lease after the incident. The principal amount of lost rental income thus stands at \$294,000, not including potential lost income that would have occurred if the lease had been extended or a new tenant moved in after the lease expired.

Second, in 2016, the property was appraised at \$3,450,000 but, after the incident, was listed for \$2,000,000 and then dropped to \$1,700,000 and still did not sell. The County assessed value for taxes is close to \$2.7 million. Despite the fact that access has now been restored, I believe that the value of the property is still significantly and permanently lower than it was due to the perceived risk and stigma of the road and having being washed out and culvert having failed. Additionally, according to my real estate agent, because the MLS shows that the property was recently listed at \$1,700,000 and did not sell, this amount is now perceived to be the highest market value for the property. Furthermore, I was forced to pay for both mortgages and taxes out of pocket instead of through rental income. I paid out approximately \$100,000 from my savings and cannot afford to continue to cover the high monthly costs. Therefore, once the repairs are complete, I probably will need to be drop the price even lower to encourage quicker sale since the lack of access put me into a situation that drained my liquidity.

Third, because access to the property was extremely limited, its physical condition, as well as personal property therein, deteriorated. *See also*, response to Interrogatory Nos. 15 and 16 below, incorporated herein by reference.

Fourth, during the time that there was no access to the property, it was burglarized and the police were unable or unwilling to get to the property to investigate. The value of stolen goods was approximately \$90,000. I believe that the burglary took

place because of the condition of the roadway and fact that the property sat empty due to the lack of access, which was publicized by the media. The inability of the police to investigate the crime was also a result of the lack of access. The officers could go as far as the culvert failure and then refused climb the embankments and cross the river to go to the property. *See also*, response to Interrogatory Nos. 17 and 18 below, incorporated herein by reference.

Fifth, due to the lack of any rental income and the inability to sell the property, I was not able to make mortgage payments on a monthly basis. This significantly hurt my credit score and my ability to qualify for loans. I am designated as a real estate professional on my taxes. As a real estate professional, I rely heavily on access to credit for new property purchases, remodeling loans, and so forth. Prior to this event, my credit score was over 800 and I was able to draw credit lines from Key Bank routinely for several hundred thousand dollars at a time. Due to the drop in my credit score, I was not able to secure a large line of credit on my primary home, which is crucial for me in order to have liquidity for real estate investments and business endeavors. For example, I had a business opportunity in September 2019 in which I had planned to borrow \$1 million at four percent interest, then use the money to make a construction loan at 8 percent interest plus a two percent origination fee. I would have earned approximately \$100,000 on this endeavor. However, since my credit score had dropped so much, I was unable to borrow the money and the bank rejected the Home Equity Line of Credit application.

Sixth, I had to spend my savings and sell other properties in my attempts to cover the costs of the Maui property. As mentioned above, I spent approximately \$100,000 in savings to cover the costs of the property. In 2019, I sold three townhomes in Ogden, Utah so I could cover the costs of floating the Maui expenses and other Maui property related expenses coming due. These were expenses I would have had no issue covering under normal circumstances had I received the planned rents. The properties were sold at an average price of \$215,000. They are worth about \$245,000. I would not have sold them if not for the financial problems I was having in connection with the Maui property.

Seventh, because of concerns about another theft, I hired a house sitter, Diane Bryant, at \$3500 per month to stay at the property. Checks indicating payments to Ms. Bryant will be included with Plaintiff's document production, although she was sometimes also paid with cash.

Eighth, I have incurred expenses relating to repairs to the property caused by it be landlocked and neglected for such a long period of time. Checks reflecting payments for repairs will be included with Plaintiff's document production.

See, Plaintiff Avid Amiri, Individually' S Response To Defendant County Of Maui's First Request For Answers To Interrogatories To Plaintiff Avid Amiri, Individually no. 7.

If this case goes to trial, my client will seek damages well in excess of \$2 million. Nevertheless, my client is willing to accept a settlement in the amount of \$950,000 in exchange for a release of all claims. This offer will remain in effect until the settlement

conference scheduled for June 18, 2020. We look forward to working with you to resolve this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Gy Ferren', written in a cursive style.

Gregory A. Ferren

cc: client