COUNTY OF SANTA BARBARA

Mobilehome Rent Control Ordinance

Chapter 11A

DEL CIELO MOBILEHOME PARK

Board Hearing Supporting Documents

VOLUME 2 OF 3

Arbitration Proceeding Supporting Documents

Includes:

Arbitrator Selection• Procedural Summary • Redacted Petition • Petition Verification • Party Filings

Hearing Transcript • Closing Arguments

Matter: Petition Regarding Management's Notice of Rent Increase

Park: Del Cielo Mobilehome Park

Location: 3210 Santa Maria Way, Santa Maria, California

County Case No.: 004144

Prepared for

Santa Barbara County Board of Supervisors

Board Hearing — June 23, 2026

Prepared by

Clerk of the Mobilehome Rent Control Ordinance

County of Santa Barbara Real Property Division

County of Santa Barbara

BOARD OF SUPERVISORS

Minute Order

October 7, 2025

Present: 5 - Supervisor Lee, Supervisor Capps, Supervisor Hartmann, Supervisor Nelson, and Supervisor Lavagnino

GENERAL SERVICES DEPARTMENT

File Reference No. 25-00851

RE: Consider recommendations regarding appointment of Mobilehome Rent Control Arbitrators, Santa Barbara County Code of Ordinances Chapter 11A - Mobilehome Rent Control, as follows:

a) Reappoint the following candidate to the County of Santa Barbara's Panel of prospective Mobilehome Rent Control Arbitrators:

i) Luis Esparza, Attorney at Law;

b) Appoint the following four (4) candidates to the County of Santa Barbara's Panel of prospective Mobilehome Rent Control Arbitrators:

i) L. Donald Boden, Attorney at Law;

ii) Janean Acevedo Daniels, Attorney at Law;

iii) John Derrick, Attorney at Law; and

iv) Janet K. McGinnis, Attorney at Law;

c) Appoint the following additional candidate to the County of Santa Barbara's Panel of prospective Mobilehome Rent Control Arbitrators, in the event that a resignation or other removal reduces the panel to less than five (5):

i) Joan Vignocchi, Attorney at Law; and

d) Determine that the Board's appointment and reappointment of Mobilehome Rent Control Arbitrators is not a project pursuant to California Environmental Quality Act (CEQA) Guidelines section 15378(b)(5), as it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

County of Santa Barbara

BOARD OF SUPERVISORS

Minute Order

October 7, 2025

A motion was made by Supervisor Hartmann, seconded by Supervisor Lee, that this matter be acted on as follows:

a) i) Reappointed;

b) i) through iv) Appointed;

c) i) Appointed; and

d) Approved.

The motion carried by the following vote:

Ayes:	4 -	Supervisor Lee, Supervisor Capps, Supervisor Hartmann, and Supervisor Lavagnino
Recused:	1 -	Supervisor Nelson

Procedural Record Summary

Del Cielo Mobilehome Park Rent Control Proceeding

Santa Barbara County Mobilehome Rent Control Ordinance, Chapter 11A

This matter concerns a rent increase proceeding under the Santa Barbara County Mobilehome Rent Control Ordinance, Chapter 11A, involving Del Cielo Mobilehome Park, located at 3210 Santa Maria Way, Santa Maria, California.

Management served a Notice of Rent Increase dated August 29, 2025, seeking a rent increase for Del Cielo Mobilehome Park, with an effective date of January 1, 2026. Because the proposed rent increase exceeded the automatic increase amount permitted under the Ordinance, affected homeowners were permitted to file a petition requesting a hearing under the Ordinance.

A petition objecting to the proposed rent increase was filed with the Clerk of the Mobilehome Rent Control Ordinance on October 6, 2025. The Clerk reviewed the petition for administrative sufficiency, including timeliness, required petition contents, and homeowner-majority support. The petition was verified on October 9, 2025. Based on the verification review, the petition met the required majority threshold and was accepted for further proceedings under the Ordinance.

Following acceptance of the petition, the Clerk issued notice of the hearing process. The Ordinance requires the Clerk to set a petition for hearing not less than forty days and not more than sixty days after filing, and to send notice of the time and place of hearing within fourteen calendar days of filing. The original hearing date was set for November 21, 2025. Public notice was arranged through publication in the Santa Maria Times.

During the pre-hearing process, management did not file a timely response within the original response period. Under the Ordinance and the Rules for Hearings, that failure resulted in a sixty-day delay in the effective date of any rent increase ultimately approved by the arbitrator. Management later submitted a response, and the matter proceeded to hearing with both parties represented by counsel.

The parties thereafter participated in scheduling discussions and agreed to continue the hearing into January 2026. A status conference recap confirmed the revised schedule, including deadlines for management's response, homeowners' counter-response, pre-hearing briefs, witness lists, and the evidentiary hearing date.

The evidentiary hearing was conducted on January 21, 2026. By agreement of the parties, the hearing was held by Zoom, with a public viewing location made available at the County facility in Santa Maria. Both parties were represented by counsel. The parties presented testimony, documentary evidence, and argument. Public comment was made available, but no public comments were received.

Following the evidentiary hearing, the parties submitted written closing arguments. The record remained open until the final written submission was received. The hearing record was closed on March 13, 2026.

The arbitrator issued a written Final Award dated March 31, 2026. The decision identified the issues, made findings based on the evidence presented, applied the Ordinance's rent increase framework, and imposed a rent schedule. The arbitrator allowed a rent increase of $24.02 per month, per unit. Due to the sixty-day delay resulting from management's failure to file a timely response, the approved increase was made effective March 2, 2026.

The Clerk mailed notice of the arbitrator's decision to the parties on April 2, 2026. Under the Ordinance, the arbitrator's decision may be reviewed by the Santa Barbara County Board of Supervisors upon a petition alleging prejudicial abuse of discretion, filed with the Clerk of the Ordinance no later than the fifteenth judicial day following the date the Clerk mails the decision to the parties.

The Clerk processed the petitions for Board review and any related responses submitted by the parties. The Clerk then compiled the Board review materials, including the arbitrator's Final Award, the petitions for review, responses, procedural timeline, and supporting administrative record documents.

On June 11, 2026, the Clerk of the Ordinance sent notice to the parties, and issued public notice of the Board hearing. On June 18th the Clerk of the Board will deliver the Board review materials to the Board of Supervisors for consideration.

Sue DeWeese
[redacted]

RECEIVED
2025 OCT -6 A 11:08
[illegible]

October 5, 2025

RECEIVED
OCT 06 2025
COUNTY OF SANTA BARBARA
GENERAL SERVICES DEPARTMENT

The County of Santa Barbara General Services Department
Real Property Division
Clerk of the Mobile Home Rent Control Ordinance
260 N. San Antonio Rd.
Santa Barbara, CA 93110-1315

RE: Petition for an Arbitration Hearing to Contest a Noticed Increase in the Maximum Rent Schedule for Mobilehome Rent

Dear Clerk of the Mobilehome Rent Control Ordinance,

We, the homeowner majority and homeowners' representative of Del Cielo Mobile Estates, 3210 Santa Maria Way, Santa Maria, California 93455, submit this petition to request an arbitration hearing under County of Santa Barbara County Code Chapter 11A to contest a proposed increase in the maximum rent schedule for mobile home rent. I am attaching the 2025 rent increase letter, the 2026 increase letter and the 10 year plan that Harmony came up with.

As you can see, we could not find the Petition signup sheets so we made our own. We have 3 columns you do not require but we wanted to give the homeowners a choice of how they wanted to proceed with the increases Harmony was giving us a choice on. We voted arbitration.

The date of the notice increasing rent was 8/29/25. The amount of the proposed rent increase was 2.41% but as you can see on the letter Harmony figured a base rate for all the homeowner's and charged everyone the same amount. My space rent would be lower than others, but I am paying more. It should be a rate on each mobile home rent space. I had to ask Harmony what the CPI rates they used since the do not disclose that in the letter. An additional monthly rent increase of $23.20 will be added also to equal the $39.16. The effective date of the increase will be 1/1/26.

In September 2024 we received a rent increase of $57.40 plus our individual CPI for property tax, which Harmony purchased the park in April 2024. We had a petition for

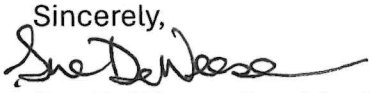
arbitration but it sat in a box at the clerk's office and did not get stamped so we could not arbitrate. These seniors are on a tight income and Harmony will try to do this every year until they drive out the seniors. If we could find 2025 rent increase is illegal we want to pursue that also. Harmony is not satisfied with collecting more than $140K from us for 2025 now they want us to pay all their expenses. We have our own expenses and we did not ask them to buy the park and create havoc on a once peaceful park.

The name and address of the homeowners' representative, meaning the person designated by the undersigned homeowners on whom all notices and papers may be served on behalf of the

"homeowner majority" and who is empowered to enter into stipulations and agreements on behalf of the homeowner majority is Sue DeWeese, President Del Cielo Residents Association,

[redacted]

Sincerely,



Sue DeWeese, President
Del Cielo Residents Association

6653 Embarcadero Drive, Suite C,
Stockton, CA 95219
Phone (209) 932-8747 Fax (209) 451-1297 Email info@HarmonyCom.com

NOTICE OF RENT INCREASE
Del Cielo MHC, LLC
3210 Santa Maria Way
Santa Maria, CA 93455

8/29/2025

SUE DEWEESE
[redacted]

Dear SUE DEWEESE

Please take note that your rent will be increased by **$39.16** to **$557.24** effective **January 1, 2026**. Late fees are a flat rate of **$50.00**.

Based on the average rent in the Park, the monthly rent increase using 75% of the annual CPI increase would be **$15.96** per space.

The costs to run the Park were $430,726 in 2023 and jumped to $677,474 in 2024. That's an increase of $246,748, which would mean a monthly rent increase of **$111.15** per space.

The **$39.16** rent increase sought by the Park is for only $86,930.03 in increased operating costs – instead of the full $246,748. This is 35.2% of the increase from last year to this year, and only $23.20 (based on average rent) above the automatic increase permitted under the County's Ordinance. Dividing the $86,930.03 increase by 185 spaces equals $688.75 per space annually, which equals a monthly increase of $39.16 per space.

In accordance with provisions of the County Mobilehome Rent Control Ordinance and Rules for Hearing, we are providing you with the following information:

The increase in this notice is greater than 75% of the increase in the Consumer Price Index. A meet and confer session is scheduled for 2:00 p.m. on 9/17/2025 at the Park clubhouse to discuss the basis for this increase. You must send representatives to this session. If you fail to send representatives to this session, you may be forfeiting your right to a hearing to contest this increase. Your representative may obtain information upon which this increase is based at the Park office beginning September 7, 2025. If the

6653 Embarcadero Drive, Ste C
Stockton, CA 95219
Phone (209) 932-8747 Fax (209) 451-1297 Email info@HarmonyCom.com

NOTICE OF RENT INCREASE
Del Cielo MHC, LLC
3210 Santa Maria Way
Santa Maria, CA 93455

9/27/2024

SUE DEWEESE
[redacted]

Dear SUE DEWEESE

Please take note that your rent will be increased to **$518.08** effective **January 1, 2025**. Late fees are a flat rate of **$50.00**.

This rent increase is comprised of the following:

1. The allowable CPI increase pursuant to the Santa Barbara County Mobilehome Rent Control Ordinance in the amount of **$8.81 .**

2. An additional rent increase in the amount of **$57.40** for increased operating costs for increased property taxes resulting from the reassessment following the park's sale. The property taxes prior to the sale totaled $220,307.92 and the new property taxes total $347,727.32, resulting in an increase of $127,419.40. Taking the $127,419.40 increase and dividing it by 185 spaces equals $688.75 per space annually, which equals a monthly increase of $57.40 per space.

In accordance with provisions of the County Mobilehome Rent Control Ordinance and Rules for Hearing, we are providing you with the following information:

The increase in this notice is greater than 75% of the increase in the Consumer Price Index. A meet and confer session is scheduled for 2:00 p.m. on 10/21/2024 at the Park clubhouse to discuss the basis for this increase. You must send representatives to this session. If you fail to send representatives to this session, you may be forfeiting your right to a hearing to contest this increase. Your representative may obtain information upon which this increase is based at the Park office beginning 10/6/2024. If the date for meet and confer is not convenient for your representatives, it may be possible to change that date by consulting with Tanya Beagles.

You are hereby notified in accordance with the California Civil Code Provision 798.30 that ninety days (90) after you have been served this rent increase notice or **January 1, 2025**, whichever is later, your rent increase will be effective.

Del Cielo Settlement Agreement Outline:

- $375 increase phased in over 10 years, with $60 increase this year and the remaining balance will be spread annually over the next 9 years. $35 annually (Example below based on $500 current rent).
- Park will immediately and permanently convert to a senior park and dismiss all current litigation (a losing battle for the County). See attached Cotati decision which is a harbinger for Del Cielo.
- Annual rent control increases at 70% CPI will be applied to new base rent.
- Rental Assistance program will be offered to those that cannot afford the increase, which will provide a rent subsidy up to the entire $375.
- This agreement will allow us to properly manage and maintain this property for the foreseeable future.
- Example of how increase will be phased in:
    - Sample Rent: $500
    - New increase: $375
    - New Base Rent before credit: $875

Schedule of rent due reflecting phased in credit (based on above):

Year 1: $560	$60 X 12 months = $720
Year 2: $595	$35 X 12 months = $420
Year 3: $630	$35 X 12 months = $420
Year 4: $665	$35 X 12 months = $420
Year 5: $700	$35 X 12 months = $420
Year 6: $735	$35 X 12 months = $420
Year 7: $770	$35 X 12 months = $420
Year 8: $805	$35 X 12 months = $420
Year 9: $840	$35 X 12 months = $420
Year 10: $875	$35 X 12 months = $420

TOTAL AFTER 10 YEARS $4,500 on 500.00 space Rent

- Residents have the option to purchase the park as either a resident owned community or a non-profit. We have fielded multiple requests, from organizations looking to help residents purchase the park but it is ultimately up to you all.

PROPOSED RENT INCREASE FOR DEL CIELO

SUBJECT:	**PETITION FOR ARBITRATION AGAINST RENT INCREASE FROM HARMONY COMMUNITIES**	**MEETING DATE:**	**SEPTEMBER 27, 2025, 4 P.M.**
REPRESENTATIVE:	**SUE DEWEESE, PRESIDENT DEL CIELO RESIDENTS ASSOCIATION**	**LOCATION:**	***ALL HOMEOWNERS RESIDE IN:*** **DEL CIELO MHC 3210 SANTA MARIA WAY, SANTA MARIA, CA 93455**

DATE OF NOTICE OF RENT INCREASE: **AUGUST 29, 2025**
DATE OF PREVIOUS RENT SCHEDULE: **JANUARY 1, 2025**
EFFECTIVE DATE OF PROPOSED INCREASE: **JANUARY 1, 2026**

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	Yes
			NO	No	Yes!!
			NO	NO	YeS
			NO	NO	Yes
			NO	NO	Yes
			NO	NO	YES

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	YES
			NO	NO	YES
			NO	NO	Yes
			NO	NO	Yes
			NO	NO	YES
			NO	NO	Yes
			No	No	Yes
			No	No	yes
			NO	NO	Yes
			NO	NO	Yes
			NO	NO	yes
			NO	NO	Yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	YES
			NO	NO	yes
			NO	NO	yes
			NO	NO	Yes
			NO	NO	YES
			NO	NO	yes
			NO	NO	yes
			NO	xo	Yes
			NO	xo	yes
			NO!	NO!	YES!
			No	No	Yes
			No	No	Yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	~~ARB~~ Yes
			No	No	Yes
			NO	NO	yes
			No	No	Yes
			no	no	yes
			NO	NO	YES
			no	no	yes
			NO	NO	Yes
			NO	NO	yes
			NO	NO	YES
			NO	NO	Yes
			NO	NO	Yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			No	No	YES
			No	No	Yes
			NO	NO	YES
			NO	No	yes
			NO	NO	Yes
			NO	NO	YES
			NO	NO	YES
			NO	NO	YES.
			No	no	Yes
			No	No	Yes
			No	No	Yes
			No	No	YES

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	Yes
			NO	NO	Yes
			~~NO~~	~~NO~~	~~Yes~~
			NO	NO	YES
			NO	NO	YES
			NO	NO	YES
			NO	NO	Yes
			NO	NO	yes
			NO	NO	yes
			NO	NO	yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	YES
			NO	NO	YES
			NO	NO	YES
			NO	NO	YES
			No	No	Yes
			NO	NO	YES
			No	No	Yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	YES
			No	No	Yes
			NO	NO	yes
			NO	NO	yes
			NO	NO	Yes
			NO	No	Yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	Yes
			No	No	yes
			NO	NO	Yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	1 ACCEPT MONTHLY INCREASE (YES OR NO)	2 ACCEPT 10 YEAR PLAN (YES OR NO)	3 ARBITRATION (YES OR NO)
[redacted]					Yes
					Yes
					YES
					YES
					Yes
					Yes
					Yes
					Yes
					Yes
					Yes
					Yes.
					YES

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	Yes
			NO	NO	yes
			NO	NO	Yes
			no	no	Yes
			No	No	YES
			N	NO	YES
			NO	NO	YES
			NO	NO	YES
			NO	NO	Yes
			NO	No	YES
			NO	NO	yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			No	No	Yes
			NO	NO	Yes
			No	NO	Yes
			NO	NO	Yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]	[redacted]	[redacted]	No	No	Yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]					YES
					Yes
					Yes
					Yes
					Yes
					yes
					Yes

NAME (PLEASE PRINT)	SIGNATURE	SPACE #	ACCEPT MONTHLY INCREASE (YES OR NO)	ACCEPT 10 YEAR PLAN (YES OR NO)	ARBITRATION (YES OR NO)
[redacted]			NO	NO	yes
			No	NO	yes
			NO	NO	yes
			No	No	yes
			No	No	Yes
			NO	NO	yes
			NO	NO	yes
			No	NO	yes
			No	NO	Yes
			no	no	yes

DEL CIELO MOBILEHOME PARK

Petition Verification Summary and Administrative Checklist

Santa Barbara County Mobilehome Rent Control Ordinance, Chapter 11A

Confidentiality / Public Record Note: This summary is intended to document the Clerk's administrative verification of the petition without disclosing individual homeowner signers or non-signers. Signature pages, signer lists, ownership-check backup, and trust-related verification materials are maintained separately and reviewed for confidentiality before public release.

1. Case and Park Information

Field	Information
Matter	Del Cielo Mobilehome Park Rent Control Petition
Park Address	Del Cielo MHC, LLC; 3210 Santa Maria Way, Santa Maria, CA 93445
Assessor Parcel Numbers	109-200-023; 109-200-021; 109-200-006
Park Owner / Management	Harmony Communities, 6653 Embarcadero Drive, Suite C, Stockton, CA 95219
Park Management Contact	Jason Dilday, Harmony Communities
Homeowner Representative	Sue DeWeese
Homeowner Counsel	Bruce E. Stanton

2. Rent Increase Notice and CPI Information

Field	Information
Notice of Rent Increase Date	August 29, 2025
Effective Date Stated in Notice	January 1, 2026
CPI Reference Used	July 2025 CPI: 3.2%
Automatic Increase Calculation	75% of CPI = 2.4%
Management's Proposed Increase	Management stated proposed increase as 35.2%; amount varied depending on site.

3. Petition Filing and Verification Determination

Field	Determination
Petition Filed / Received by County	October 6, 2025
Petition Verified	October 9, 2025
Total Mobilehome Sites Used for Verification	185
Majority Threshold	51% majority = 94 spaces
Administrative Determination	Petition met the verified majority threshold and was accepted for further proceedings.

4. Required Petition Contents Reviewed

Requirement	Status
Petition filed within 45 days of management's rent increase notice	Verified
Petition signed and dated by homeowners and/or homeowner representative	Verified
Name and address of homeowners and mobilehome park included	Verified
Date of rent increase notice, amount of proposed increase, and effective date included	Verified
Name of homeowners' representative included	Verified

Date previous rent schedule was first charged included	Verified
Petition shows signatures from a homeowner majority	Verified

5. Verification Methodology

- Transcribed petition information into a working verification spreadsheet by space number.
- Performed an initial count of petition signatures by space, counting no more than one qualifying signature per space.
- Identified duplicate signatures or duplicate space entries.
- Reviewed mobilehome ownership information against available Assessor/APN records.
- Confirmed whether petition signer names matched ownership information, where available.
- Where ownership was held in trust or otherwise required additional verification, treated the materials as private verification records and excluded unsupported signatures from the verified count.
- For spaces with more than one owner, counted one qualifying owner signature as sufficient for that space.
- Confirmed that counted signatures were signed.

6. Verification Results

Category	Count
Total Signatures Submitted	124
Duplicates / Duplicate Space Entries	3
Total Verifiable Signatures After Duplicate Review	121
Total Verified Signatures Counted Toward Majority	94
Not Verified - Trust / Insufficient Private Verification	9
Not Verified - Signer Not Confirmed as Owner	18

Verification Note: The verification review resulted in 94 verified signatures, meeting the 51% majority threshold based on 185 spaces.

7. Hearing and Notice Timing

Event	Date / Deadline	Administrative Note
Petition Filed	October 6, 2025	Starts Clerk notice and hearing-setting deadlines.
Clerk's 14-Day Notice Deadline	October 20, 2025	Deadline to send parties notice of time and place set for hearing.
Original Hearing Window Opens	November 15, 2025	40 days after petition filing.
Original Hearing Deadline	December 5, 2025	60 days after petition filing.
Original Hearing Date	November 21, 2025	Within 40-60 day hearing window.
Public Notice Publication Target	At least 10 days before hearing	Public notice required by law; publication arranged through Santa Maria Times.

8. Public Notice Requirements

Public notice requirement: Public notice must include the date, time, and place of hearing; the identity of the hearing body or officer; a general explanation of the matter to be considered; and a general description of the real property, if applicable. Notice should be published at least 10 days before the hearing in a newspaper of general circulation, or otherwise posted as permitted by law where no such newspaper is available.

9. Administrative Verification Conclusion

Based on the Clerk's administrative verification review, the petition was timely filed, contained the required information, and demonstrated the verified homeowner-majority support necessary to proceed to hearing under the Santa Barbara County Mobilehome Rent Control Ordinance. The petition was therefore verified and accepted on October 9, 2025.

DEL CIELO MHC, LLC: MANAGEMENT'S RESPONSE TO HOMEOWNERS' PETITION
(Santa Barbara County Mobilehome Rent Control Ordinance – Rule 8(b))

I. INTRODUCTION

Pursuant to Rule 8(b) of the Santa Barbara County Mobilehome Rent Control Rules for Hearings, Management submits this Response to the homeowners' petition dated October 5, 2025 contesting the noticed January 1, 2026 rent increase of **$39.16 per space per month**.

The petition identifies no procedural defects in the notice, meet-and-confer, timing, or documentation provided by Management. Instead, it challenges the amount of the increase and expresses resident concerns about the park's sale, prior increases, and personal financial circumstances. These issues, while understandable, are not legally relevant under Chapter 11A.

By contrast, Management's submission includes verified CPA workpapers and full financial documentation showing that the requested increase is substantially less than what is justified under any of the governing frameworks, including fair return, operating-cost increases, and the ordinance's internal §11A-5(i) structure.

II. RELEVANT FINANCIAL EVIDENCE

A. Fair-Return Requirement

California law requires that rent control ordinances must allow property owners to receive a **fair and reasonable return** on their investment. (*Galland v. City of Clovis*, 24 Cal.4th 1003; *Kavanau v. Santa Monica Rent Control Bd.*, 16 Cal.4th 761.) Chapter 11A expressly reflects this requirement. Section 11A-1 states that the ordinance must protect homeowners **"while at the same time recognizing the need for mobilehome park owners to receive a fair return on their investment."**

The park's CPA-prepared fair-return analysis (Exhibit 1, p. 1) shows:

- **Annual NOI shortfall:** $336,027
- **Monthly fair-return need per space: $152.19**

The requested $39.16 increase does not attempt to restore the full fair return. It addresses only a portion of the shortfall and is therefore conservative under constitutional standards.

B. Operating-Cost Increase

The CPA's operating-cost workpapers (Exhibit 1, p. 2) show:

- 2023 operating costs: $511,916
- 2024 operating costs: $686,389
- Increase: $174,472
- Operating-cost increase per space per month: $79.02

The requested increase of $39.16 recovers roughly half of the actual increase in operating expenses.

C. Comparison to Ordinance §11A-5(i)

Although Management's constitutional fair-return right is controlling, the ordinance also contains an internal formula at §11A-5(i) describing the structure the Arbitrator follows when allocating the automatic CPI increase and evaluating additional cost components.

Applying that structure to the verified financial data results in a permanent increase of $30.45 per space per month.

D. Summary of Independent Benchmarks Supporting the Requested Increase

Three independent reference points—each derived from the CPA's verified financial workpapers—demonstrate that the requested increase is modest:

- **Fair-Return Requirement**: $152.19 per space per month
- **Operating-Cost Requirement**: $79.02 per space per month
- **§11A-5(i) Framework**: $30.45 per space per month

The park has requested only $39.16, which is substantially below the fair-return benchmark, well below the operating-cost benchmark, and only modestly above the ordinance's internal §11A-5(i) calculation.

III. RESPONSE TO PETITION ALLEGATIONS

A. Uniform Per-Space Increase Is Required Under Chapter 11A

The petition argues that Management should not apply a uniform increase to all residents. That argument misstates the law. Chapter 11A:

- Provides a single, park-wide CPI-based increase (§11A-5(g));

- Requires cost allocations to be performed on a per-space basis (§11A-5(i)); and
- Measures operating expenses, taxes, repairs, and capital items on a park-wide, not tenant-specific, basis (§11A-5(f)).

Nothing in Chapter 11A authorizes individualized rent adjustments or tenant-specific CPI calculations.

Uniform per-space increases are therefore legally required.

B. The Petition Improperly Attempts to Relitigate the 2025 Increase

The petition references the 2025 increase and asserts that it was "illegal."
The Arbitrator lacks jurisdiction to review that prior increase.

Under §11A-5(b):

- A petition must be filed within 45 days of the notice, and
- Only increases in excess of 75% of CPI may be contested.

The current verified petition concerns the **2026** increase only.

C. Resident Hardship and Dissatisfaction Are Not Lawful Factors—and the Ordinance Recognizes the Owner's Right to a Fair Return

Residents express concern about affordability and dissatisfaction with park ownership. These concerns are understandable but not legally relevant to the setting of the maximum rent schedule.

Under the ordinance, the Arbitrator may consider:

- Operating expenses
- Property taxes
- Repairs and maintenance
- Capital expenses and improvements
- Changes in services
- Fair-return considerations

The ordinance does **not** permit consideration of:

- Resident hardship
- Resident income or personal circumstances

- Objections to Management's operation of the park
- Whether residents approve of the park's sale
- General concerns about the "fairness" of rent levels

Moreover, §11A-1 explicitly states that the ordinance must protect homeowners *while at the same time recognizing* the park owner's right to a **fair return on investment**.

California constitutional law enforces this requirement. (*Galland*, *Kavanau*.)
A rent-setting process may not deprive a park owner of a fair and reasonable return.

Thus, personal hardship or dissatisfaction cannot affect the outcome here; the Arbitrator must apply Chapter 11A's criteria and ensure that the resulting rent schedule is consistent with the park's constitutional right to a fair return.

D. Management Fully Complied with All Procedural Requirements

The record shows:

- A proper written notice of increase;
- Inclusion of all required §11A-5(a)(3) financial information;
- A timely and properly noticed meet-and-confer session;
- Availability of all required financial documentation;
- A timely response under Rule 8(b).

There is no procedural defect that would support denying or reducing the increase.

IV. MANAGEMENT'S EXHIBITS

Management has previously provided extensive financial documentation to the resident representative, including the owner's 2024 general ledger (which begins in April following purchase). The following exhibits are attached:

1. **Exhibit 1 – CPA Workpapers**
2. **Exhibit 2 – Profit & Loss Statements (2019 through 2024)**
3. **Exhibit 3 – Rent Roll**

V. CONCLUSION

Three independent and validated measures demonstrate the reasonableness—and conservatism—of the proposed increase:

- **Fair-Return Requirement:** $152.19 per space per month
- **Operating-Cost Requirement:** $79.02 per space per month
- **§11A-5(i) Framework:** $30.45 per space per month
- **Requested Increase: $39.16 per space per month**

The requested increase:

- Is substantially below the fair-return need,
- Recovers only part of the operating-cost increase,
- Falls comfortably above the ordinance's §11A-5(i) reference point, and
- Fully complies with all procedural and substantive requirements.

Management respectfully requests approval of the full $39.16 increase effective on or after January 1, 2026.

Sincerely,



Jason Didlay
Attorney for Del Cielo MHC, LLC

EXHIBIT 1

Del Cielo Mobile Home Park
Fair Return Calculation
2023-2024

Rate of Return Related Analysis	Reference				Calculation
Purchase Cost of Park	*		A	$	20,986,398
CPI Index Apr 2024	^	947.050	B		
CPI Index Dec 2024	^	951.596	C		
CPI Increase/(Decrease)	(C-B)/B		D		0.48%
Inflation Adjustment	A*D		E	$	100,738
Inflation-Adjusted Investment In Park	A+E		F	$	21,087,136
Rate of Return			G		6.00%
Fair Return	F*G		H	$	1,265,228
Actual 2024 NOI	Exhibit 2		I	$	929,201
NOI Shortfall	H-I		J	$	336,027
NOI Shortfall per Space, per Month	J/184/12			**$**	**152.19**
Percent of existing average rent					*23%*

Rent Increase at Various Rates of Return		
6.00%	$	152.19
6.25%	$	176.06
6.50%	$	199.94
7.00%	$	247.69
7.25%	$	271.57
7.50%	$	295.44
7.75%	$	319.32
8.00%	$	343.19
8.25%	$	367.07
8.50%	$	390.94
9.00%	$	438.70

* - *Buyer's Settlement Statement dated April 22, 2024*
** - *2024 General Ledger*
^ - bls.gov series ID CWURS49AAA0 and Ordinance section 11A-5(a)2

Del Cielo MHP
Calculation of Monthly Rent Increase 11A-5(i)
2024

	Reference	Amount	Line
ROI Increase 11A-5(i)(1)			
CPI July 2024	^	950.094	A
CPI July 2025	^	983.714	B
CPI Incresae	(B-A)/A	3.539%	C
75% of CPI Increase	C*75%	2.654%	D
Average Rents at 9/1/25	Per Rent Roll	$ 665.61	E
Automatic Increase	D*E	$ 17.67	F
Half of Automatic Increase	F*50%	**$ 8.83**	G
Operating Cost Increase 11A-5(i)(2)			
Half of Automatic Increase	G	**$ 8.83**	H
Excess Operating Cost Increase 11A-5(i)(3)			
2023 Operating Costs	Exhibit 2	$ 511,916	I
2024 Operating Costs	Exhibit 2	$ 686,389	J
Increase in Operating Costs	J-I	$ 174,472	K
Number of Spaces		184	L
12 Months		12	M
Increase in Operating Costs per Space per Month	K/L/M	$ 79.02	N
Half of Automatic Increase	G	$ 8.83	O
Property Taxes Already Passed Through To Tenants	*	$ 57.40	P
Excess Operating Costs over half of Automatic Increase	N-O	**$ 12.79**	Q
New Capital Expenses 11A-5(i)(4)			
New Capital Expenses per Space per Month		**$ -**	R
Old Capital Expenses 11A-5(i)(5)			
None		**$ -**	S
Capital Improvements 11A-5(i)(6)			
None		**$ -**	T
Total Monthly Rent Increase (permanent)	G+H+Q	$ 30.45	U
Total Monthly Rent Increase (Temporary 10 Years)	R+S+T	$ -	V
Total Monthly Rent Increase	U+V	**$ 30.45**	

^ - bls.gov series ID CWURS49AAA0 and Ordinance section 11A-5(a)2
* - Del Cielo MHP Notice of Rent Increase dated 9/27/24

Del Cielo Mobile Home Park
Net Operating Income Calculation
2023-2024

	2023				2024			
Income	Books and Records	Adjustments^	NOI	% Rev^^	Books and Records	Adjustments^	NOI	% Rev^^
Gross Rental Income	1,263,229	$ -	$ 1,263,229	*98.4%*	1,260,832	$ 189,154	$ 1,449,986	*100.5%*
Uncollected Rents Due To Vacancy	-		-	*0.0%*	-	(35,174)	(35,174)	*-2.4%*
Uncollected Rents due to Bad Debt	(667)		(667)	*-0.1%*	-	-	-	*0.0%*
Gas Income	55,947	(55,601)	345	*0.0%*	34,527	(31,918)	2,609	*0.2%*
Electric Income	51,548	(42,594)	8,954	*0.7%*	63,151	(57,413)	5,738	*0.4%*
Sewer Income	164,661		164,661	*12.8%*	163,957		163,957	*11.4%*
Water Income	30,921	(30,921)	-	*0.0%*	42,698	(42,698)	-	*0.0%*
Trash Income	26,290	(26,290)	-	*0.0%*	-	-	-	*0.0%*
Total Utility Income	-		-	*0.0%*	-		-	*0.0%*
Laundry Income	2,009		2,009	*0.2%*	1,069		1,069	*0.1%*
Storage Income	-		-	*0.0%*	14,500		14,500	*1.0%*
Passthrough Income	21	(21)	-	*0.0%*	377,740	(377,740)	-	*0.0%*
Other Income	18,886		18,886	*1.5%*	12,906		12,906	*0.9%*
Net Rental Income	1,612,844	(155,428)	1,457,416	*113.6%*	1,971,379	(355,789)	1,615,590	*111.9%*
Wages	(89,601)		(89,601)	*-7.0%*	(117,495)		(117,495)	*-8.1%*
Employer PR Taxes	(8,688)		(8,688)	*-0.7%*	(8,118)		(8,118)	*-0.6%*
Insurance - Workers Comp	(6,276)		(6,276)	*-0.5%*	(10,989)		(10,989)	*-0.8%*
Insurance - Health	(4,529)		(4,529)	*-0.4%*	-		-	*0.0%*
Retirement Benefits			-	*0.0%*	-		-	*0.0%*
Insurance - Property	(19,270)		(19,270)	*-1.5%*	(29,552)		(29,552)	*-2.0%*
Insurance - Other			-	*0.0%*	-		-	*0.0%*
Gas	(55,601)	55,601	-	*0.0%*	(31,918)	31,918	-	*0.0%*
Electric	(42,594)	42,594	-	*0.0%*	(57,413)	57,413	-	*0.0%*
Water	(34,254)	30,921	(3,333)	*-0.3%*	(45,026)	42,698	(2,328)	*-0.2%*
Trash	(27,579)	26,290	(1,289)	*-0.1%*	(918)	-	(918)	*-0.1%*
Repairs and Maintenance	(61,213)		(61,213)	*-4.8%*	(91,727)	30,151	(61,577)	*-4.3%*
Legal - General	(2,696)		(2,696)	*-0.2%*	(25,412)		(25,412)	*-1.8%*
Outside Services	(6,003)		(6,003)	*-0.5%*	(23,496)	20,000	(3,496)	*-0.2%*
Payroll Service	(1,564)		(1,564)	*-0.1%*	(1,232)		(1,232)	*-0.1%*
Advertising	(203)		(203)	*0.0%*	-		-	*0.0%*
Bank Charges	(1,333)		(1,333)	*-0.1%*	-		-	*0.0%*
Office Supplies	(1,183)		(1,183)	*-0.1%*	(11,972)		(11,972)	*-0.8%*
Supplies	(1,451)		(1,451)	*-0.1%*	-		-	*0.0%*
Postage	(394)		(394)	*0.0%*	(80)		(80)	*0.0%*
Telephone/Internet	(2,397)		(2,397)	*-0.2%*	(1,440)		(1,440)	*-0.1%*
Security			-	*0.0%*	-		-	*0.0%*
Travel	(1,520)		(1,520)	*-0.1%*	(119)		(119)	*0.0%*
Auto Expense	(442)		(442)	*0.0%*	-		-	*0.0%*
Management Fees	(69,062)		(69,062)	*-5.4%*	(47,449)		(47,449)	*-3.3%*
Meals - Entertainment	(571)		(571)	*0.0%*	-		-	*0.0%*
Licenses/Permits/Fees	(6,382)		(6,382)	*-0.5%*	(6,510)		(6,510)	*-0.5%*
Dues and Subscriptions	(3,829)		(3,829)	*-0.3%*	(5,707)		(5,707)	*-0.4%*
Tenant Services			-	*0.0%*	-		-	*0.0%*
Property Taxes		(218,691)	(218,691)	*-17.0%*	(159,818)	(191,435)	(351,253)	*-24.3%*
Mortgage Interest		-	-	*0.0%*	(401,203)	401,203	-	*0.0%*
LLC Fees			-	*0.0%*	(745)		(745)	*-0.1%*
Charity			-	*0.0%*	(1,665)	1,665	-	*0.0%*
Other expense			-	*0.0%*	-		-	*0.0%*
Owner Distribution	(1,175,553)	1,175,553	-	*0.0%*			-	
Gain/(Loss) on Sale of Assets		-	-	*0.0%*	200	(200)	-	*0.0%*
TOTAL EXPENSES	(1,624,185)	1,112,269	(511,916)	*-39.9%*	(1,079,802)	393,414	(686,389)	*-47.6%*
Net Income	(11,341)	956,841	$ 945,500	*73.7%*	891,577	37,624	$ 929,201	*64.4%*
Depreciation	-	(21,475)	(21,475)	*-1.7%*	(835,314)		(835,314)	*-57.9%*
Amortization	-	(1,263)	(1,263)	*-0.1%*	-	0	-	*0.0%*

Del Cielo Mobile Home Park
Net Operating Income Calculation
2023-2024

	2023				2024			
Net Income with Depreciation and amortization	$ (11,341)	$ 934,103	$ 922,762	*71.9%*	$ 56,263	$ 37,624	$ 93,887	*6.5%*

^ - See Exhibit 2A
^^ - Non-utility revenue
~ - Depreciation for 2023 are calculated at 2.1% of non-utility revenue. This was obtained from *IBISWorld Report on Land Leasing in the US, December 2024* for businesses with <$500k in assets for 3year

EXHIBIT 2

Profit & Loss 12 Month Recap
Property: Del Cielo MHC, LLC
01/01/24 - 12/31/24 (cash basis)

	JAN 24	FEB 24	MAR 24	APR 24	MAY 24	JUN 24	JUL 24	AUG 24	SEP 24	OCT 24	NOV 24	DEC 24	TOTAL
INCOME													
40000 RENT INCOME													
40001 Rental Revenue - Park Owned	-	-	-	-	2,665	2,655	2,655	2,655	2,655	-	1,352	-	14,636
40002 Rental Revenue - Space Rent	107,822	105,354	107,007	99,376	103,708	103,414	102,094	102,309	103,042	100,728	105,933	105,408	1,246,196
40006 Late Fees	-	-	-	-	122	253	125	175	-	125	250	100	1,150
40007 Laundry	-	-	-	-	-	-	83	395	354	-	-	237	1,069
40010 Application Fee	-	-	-	-	-	(70)	(35)	(35)	(70)	-	(70)	(105)	(385)
40000 Total RENT INCOME	107,822	105,354	107,007	99,376	106,495	106,253	104,921	105,499	105,981	100,853	107,465	105,640	1,262,665
40020 UTILITY INCOME													
40022 Electric Income	5,523	6,165	7,269	6,851	8,474	(1,094)	5,618	5,211	4,789	4,923	4,858	4,563	63,151
40024 Gas Income	4,591	4,412	5,340	5,064	6,116	(4,448)	2,681	2,143	1,853	1,904	2,180	2,689	34,527
40026 Sewer Income	13,811	13,717	13,929	13,919	13,819	13,667	13,516	13,516	13,591	13,136	13,743	13,591	163,957
40028 Water Income	3,040	2,793	2,952	3,242	4,565	2,695	3,707	4,072	3,550	4,415	3,934	3,733	42,698
40020 Total UTILITY INCOME	26,966	27,087	29,491	29,076	32,975	10,821	25,522	24,941	23,784	24,378	24,715	24,577	304,333
40040 INCOME OTHER													
40051 NSF Fee Income	23	-	25	-	35	-	-	-	-	35	35	35	188
40053 Storage Fee	1,450	1,450	1,450	1,450	1,050	1,050	1,100	1,100	1,100	1,100	1,100	1,100	14,500
40061 Maintenance Income	471	2,625	771	105	-	25	-	-	-	7,957	-	-	11,954
40064 Pass Through Income	-	-	-	-	-	-	-	-	-	-	-	377,740	377,740
40040 Total INCOME OTHER	1,944	4,075	2,246	1,555	1,085	1,075	1,100	1,100	1,100	9,092	1,135	378,875	404,381
TOTAL INCOME	136,731	136,515	138,744	130,006	140,554	118,149	131,543	131,540	130,865	134,324	133,316	509,092	1,971,379
EXPENSE													
60000 OPERATING EXPENSE													
60013 Business Licenses and Permits	1,339	4,425	-	-	746	-	-	-	-	-	-	-	6,510
60022 Commission Expense	-	-	-	-	20,000	-	-	-	-	-	-	-	20,000
60031 Dues and Subscriptions	-	-	-	-	2,016	-	-	-	-	-	3,691	-	5,707
60090 Manager/Office Phone & Internet	-	-	-	-	-	423	251	126	126	238	-	276	1,440
60100 Office Supplies	4,545	2,068	2,034	2,717	84	86	239	60	140	-	-	-	11,972
63016 Legal Fees	-	-	-	-	-	4,500	2,075	613	2,325	2,631	4,985	8,283	25,412
60007 Postage Fees	-	-	-	-	-	10	20	-	-	10	40	-	80
60000 Total OPERATING EXPENSE	5,884	6,493	2,034	2,717	22,846	5,019	2,584	798	2,591	2,879	8,716	8,559	71,119
60080 INSURANCE EXPENSE													
60084 Commercial Property Ins	2,090	2,090	2,090	20,499	-	2,782	-	-	-	-	-	-	29,552
60080 Total INSURANCE EXPENSE	2,090	2,090	2,090	20,499	-	2,782	-	-	-	-	-	-	29,552
61000 OFF SITE EXPENSE													
63011 Supplemental Offsite Mail Fee	-	-	-	-	74	-	-	-	-	92	-	-	166
60012 Supplemental Offsite Billing Fee	-	-	-	-	-	555	555	-	1,110	-	555	555	3,330
61001 Off Site Mgmt Base Fees	-	-	-	-	-	6,500	6,500	6,500	13,000	-	6,500	6,500	45,500

61002 Off Site Manager Mileage	-	-	-	-	-	-	-	466	367	-	391	724	1,949
61000 Total OFF SITE EXPENSE	-	-	-	-	74	7,055	7,055	6,966	14,477	92	7,446	7,779	50,945
62000 ON SITE MANAGER													
62002 On Site Manager - Wages	14,256	14,126	11,412	20,760	7,044	9,298	6,206	6,214	3,114	9,376	9,413	6,275	117,495
62003 On Site Manager - Payroll Taxes	626	767	758	1,329	644	846	498	473	237	706	761	473	8,118
62005 On Site Manager - Payroll Proce	204	204	204	306	36	15	32	34	15	68	62	51	1,232
62006 On Site Manager - Workers Comp	527	475	502	956	1,056	1,391	927	927	464	1,407	1,413	942	10,989
62000 Total ON SITE MANAGER	15,614	15,572	12,877	23,351	8,780	11,550	7,663	7,649	3,829	11,557	11,649	7,741	137,833
64000 REPAIR & MAINTENANCE EXPENSE													
64005 Pool	-	-	-	-	-	1,025	822	5,300	1,049	5,822	793	-	14,811
64006 General R&M	1,178	3,631	3,610	2,390	561	14,243	2,174	2,357	36,727	600	4,003	3,342	74,815
64007 Sewer/Septic	-	-	-	-	125	1,363	613	-	-	-	-	-	2,101
64000 Total REPAIR & MAINTENANCE	1,178	3,631	3,610	2,390	686	16,631	3,609	7,657	37,776	6,422	4,796	3,342	91,727
65000 TAXES													
65005 Property Tax	-	-	-	47,553	-	-	-	-	-	311	-	111,954	159,818
65000 Total TAXES	-	-	-	47,553	-	-	-	-	-	311	-	111,954	159,818
66000 UTILITIES													
66002 Electric	5,684	6,356	6,374	3,231	2,800	7,667	5,332	4,855	4,862	5,278	199	4,776	57,413
66004 Garbage	86	86	86	109	109	109	184	-	76	-	76	-	918
66005 Gas	9,433	4,774	4,358	-	1,888	1,607	960	730	692	967	2,241	4,268	31,918
66010 Water	3,406	3,689	3,159	3,337	-	1,913	775	11,695	5,924	938	1,888	8,301	45,026
66000 Total UTILITIES	18,608	14,905	13,977	6,677	4,796	11,295	7,251	17,281	11,553	7,183	4,404	17,346	135,276
68150 Travel Expense	-	-	-	-	-	-	119	-	-	-	-	-	119
TOTAL EXPENSE	43,374	42,691	34,588	103,187	37,182	54,332	28,282	40,350	70,228	28,444	37,011	156,721	676,389
OTHER INCOME													
70000 OTHER INCOME													
70001 Gains on Sale of Assets	-	-	-	-	-	-	-	-	-	-	100	100	200
70000 Total OTHER INCOME	-	-	-	-	-	-	-	-	-	-	100	100	200
OTHER EXPENSE													
70100 OTHER EXPENSE													
60096 Loan Fees	-	-	-	10,310	-	-	-	-	-	-	-	-	10,310
65001 LLC Taxes & Fees	-	-	-	-	-	-	-	-	-	745	-	-	745
70110 Depreciation & Amortization	-	-	-	-	-	-	-	-	-	-	-	835,314	835,314
70120 Mortgage Interest	-	-	-	30,393	-	51,500	51,500	51,500	51,500	51,500	51,500	51,500	390,893
70150 Donations	-	-	-	-	1,665	-	-	-	-	-	-	-	1,665
70100 Total OTHER EXPENSE	-	-	-	40,703	1,665	51,500	51,500	51,500	51,500	52,245	51,500	886,814	1,238,927
NET INCOME	93,358	93,824	104,157	(13,884)	101,707	12,317	51,762	39,689	9,137	53,634	44,904	(534,342)	56,263

Profit & Loss 12 Month Recap

Property: Del Cielo Mobile Estates

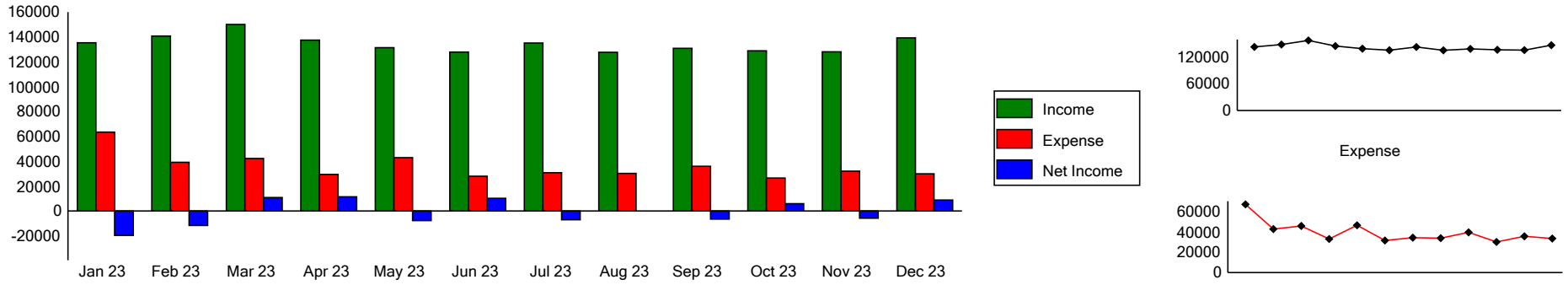
Monthly recap 01/01/23 - 12/31/23 (cash basis)

	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	TOTAL
INCOME													
Rental Income (Non-Posti													
Space Rent	103,453.77	103,176.19	103,759.28	104,631.00	104,236.46	105,316.96	105,012.75	104,321.78	105,749.69	104,665.32	105,831.94	105,050.88	1,255,206.02
Unallocated Prepays	-1,621.72	638.71	2,869.40	4,046.01	-260.13	-3,388.84	-153.61	-1,415.51	73.41	-1,079.88	150.37	8,164.42	8,022.63
Total Rental Income (N	101,832.05	103,814.90	106,628.68	108,677.01	103,976.33	101,928.12	104,859.14	102,906.27	105,823.10	103,585.44	105,982.31	113,215.30	1,263,228.65
Utility Income (Non-Postin													
Water	2,285.13	2,538.87	2,300.49	2,159.69	1,980.59	2,440.32	2,422.97	2,710.97	2,761.75	3,139.89	3,192.66	2,987.79	30,921.12
Trash	5,238.14	5,274.32	5,259.61	5,293.84	0.00	0.00	5,156.84	61.26	31.05	-9.33	-15.41	0.00	26,290.32
Sewer	13,605.06	13,634.12	13,596.11	13,684.60	13,535.78	13,690.23	13,820.38	13,728.34	13,767.39	13,757.34	14,022.56	13,819.26	164,661.17
Gas	5,464.98	8,105.16	15,636.87	3,629.35	4,558.60	3,505.57	2,938.46	2,586.14	2,268.81	2,091.66	2,363.61	2,797.29	55,946.50
Electric	5,030.81	5,843.75	5,674.55	2,464.52	4,958.02	4,598.02	3,987.99	4,123.51	4,636.89	4,474.45	886.97	4,868.32	51,547.80
Total Utility Income (No	31,624.12	35,396.22	42,467.63	27,232.00	25,032.99	24,234.14	28,326.64	23,210.22	23,465.89	23,454.01	20,450.39	24,472.66	329,366.91
Other Income (Non-Postin													
NSF Fee	25.89	24.11	0.00	0.00	25.00	0.00	0.00	0.00	0.00	25.00	0.00	2.41	102.41
Late Fee	35.00	85.00	70.00	35.00	35.00	85.00	70.00	85.00	60.00	85.00	35.00	35.00	715.00
Tenant Screening	0.00	46.00	92.00	0.00	46.00	138.00	0.00	92.00	138.00	184.00	0.00	92.00	828.00
Laundry	476.85	0.00	0.00	0.00	649.20	0.00	475.59	0.00	57.07	306.94	43.00	0.00	2,008.65
Storage	1,350.00	1,350.00	1,350.00	1,500.00	1,650.00	1,500.00	1,438.71	1,400.00	1,340.00	1,210.00	1,701.61	1,450.00	17,240.32
PassThru - Street Maint	21.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.38
Bad Debts	0.00	0.00	-533.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-133.32	0.00	-667.05
Total Other Income (No	1,909.12	1,505.11	978.27	1,535.00	2,405.20	1,723.00	1,984.30	1,577.00	1,595.07	1,810.94	1,646.29	1,579.41	20,248.71
TOTAL INCOME	135,365.29	140,716.23	150,074.58	137,444.01	131,414.52	127,885.26	135,170.08	127,693.49	130,884.06	128,850.39	128,078.99	139,267.37	1,612,844.27
EXPENSE													
Repairs & Maintenance (M													
Concrete, Supplies	0.00	291.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	291.52
General Repair/Maint	1,514.50	2,430.00	1,470.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,414.50
Supplies/Materials	87.04	168.55	0.00	306.59	65.94	295.28	214.75	159.93	240.98	166.04	176.36	229.37	2,110.83
Pool, Service	525.00	575.00	600.00	675.00	600.00	675.00	600.00	600.00	675.00	600.00	675.00	600.00	7,400.00
Pool, Repair/Addl Maint	102.50	1,500.00	35.00	90.00	110.00	150.00	150.00	206.00	258.00	504.80	162.00	124.00	3,392.30
Electrical, Supplies	0.00	0.00	0.00	0.00	0.00	0.00	8.27	0.00	0.00	70.36	0.00	0.00	78.63
Electrical, Repair/Maint	0.00	0.00	0.00	348.00	0.00	444.53	0.00	0.00	0.00	0.00	0.00	0.00	792.53
Electrical, Lighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	203.97	0.00	203.97
Signage	297.60	138.16	0.00	0.00	0.00	9.16	0.00	0.00	0.00	46.59	0.00	0.00	491.51
Fencing	0.00	738.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	487.84	1,226.79
Gate Install/Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	349.74	0.00	0.00	349.74
Plumbing	0.00	0.00	955.00	205.00	1,759.84	654.42	0.00	1,114.91	1,831.71	0.00	0.00	690.01	7,210.89
Painting/Paint Supplies	73.28	0.00	0.00	0.00	0.00	0.00	54.84	0.00	0.00	0.00	0.00	0.00	128.12

	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	TOTAL
Backflow Test/Maint	0.00	0.00	0.00	0.00	673.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	673.09
Equipment/Equip Srvc.	0.00	0.00	0.00	31.22	215.04	343.68	0.00	0.00	4,708.96	0.00	0.00	160.55	5,459.45
Patio/Pool Furniture	0.00	0.00	0.00	0.00	0.00	0.00	705.85	0.00	654.87	0.00	0.00	0.00	1,360.72
Locksmith	0.00	0.00	28.24	0.00	33.50	0.00	54.37	102.62	144.56	72.28	23.04	0.00	458.61
Pest Control, Fumigatio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.00	56.00	0.00	0.00	84.00
Garage Repair	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61.95	0.00	4,161.95
Appliances	0.00	0.00	0.00	372.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	372.13
Disposal/Dumping Fees	0.00	0.00	0.00	0.00	886.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	886.24
Mailbox, repairs/renova	126.94	143.20	0.00	0.00	200.15	143.86	72.28	0.00	0.00	0.00	72.28	0.00	758.71
Total Repairs & Mainter	6,826.86	5,985.38	3,088.24	2,027.94	4,543.80	2,715.93	1,860.36	2,183.46	8,542.08	1,865.81	1,374.60	2,291.77	43,306.23
License & Permits (Non-P													
HCD, Permit to Operate	4,425.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,425.00
County, Weights & Mea	1,338.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,338.50
Public Pool/Spa Permit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	746.00	746.00
Registration/Titling	0.00	0.00	0.00	0.00	25.00	0.00	0.00	-200.00	0.00	0.00	0.00	0.00	-175.00
FBN Filing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.00	0.00	0.00	0.00	47.00
Total License & Permits	5,763.50	0.00	0.00	0.00	25.00	0.00	0.00	-200.00	47.00	0.00	0.00	746.00	6,381.50
Management Fees (Non-F													
On-Site Management	3,907.80	3,970.85	4,153.76	2,287.80	3,872.96	3,974.62	4,570.70	3,912.57	4,040.55	4,363.20	3,846.15	4,452.98	47,353.94
On-Site Admin Assistar	927.50	1,313.12	743.93	736.93	979.14	727.31	600.60	0.00	0.00	0.00	0.00	0.00	6,028.53
On-Site Maintenance	2,412.54	2,554.56	2,696.49	3,606.20	2,397.78	2,405.34	3,384.36	3,378.60	3,494.70	3,347.46	3,179.34	3,260.88	36,118.25
Off-Site Management (9	6,886.60	7,092.62	7,411.42	-3,796.09	5,289.74	5,292.39	5,295.30	5,298.55	5,298.55	5,303.82	5,308.83	5,311.91	59,993.64
Bonuses Paid	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00
Group Insurance	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	4,528.80
Payroll Taxes	959.48	1,124.40	992.53	726.09	589.85	589.85	698.94	591.67	611.16	617.54	569.93	616.77	8,688.21
Workers Comp Ins	752.69	657.19	580.11	424.38	463.99	463.99	547.56	466.63	482.26	493.48	449.63	493.69	6,275.60
Payroll Processing Fee	0.00	0.00	0.00	0.00	204.00	204.00	272.00	204.00	68.00	204.00	204.00	204.00	1,564.00
Total Management Fee	16,224.01	17,090.14	16,955.64	4,362.71	14,174.86	14,034.90	15,846.86	14,229.42	14,372.62	14,706.90	13,935.28	14,717.63	170,650.97
Utilities (Non-Posting)													
Water Expense	2,443.04	2,567.61	2,189.83	2,235.28	2,674.70	2,477.72	2,890.62	3,110.34	3,106.33	3,588.71	3,481.29	3,488.50	34,253.97
Trash Expense	5,371.80	5,371.80	5,371.80	5,371.80	5,371.80	244.87	73.43	73.43	77.54	83.72	83.72	83.72	27,579.43
Electric Expense	5,396.50	4,992.01	1,021.12	4,476.05	3,902.22	3,261.99	3,067.77	3,833.48	3,673.34	91.78	4,154.30	4,723.43	42,593.99
Gas Expense	17,507.79	0.00	11,290.08	8,515.58	7,547.37	2,240.23	0.00	3,254.59	1,160.46	1,625.50	2,459.44	0.00	55,601.04
Total Utilities (Non-Post	30,719.13	12,931.42	19,872.83	20,598.71	19,496.09	8,224.81	6,031.82	10,271.84	8,017.67	5,389.71	10,178.75	8,295.65	160,028.43
Professional Services (No													
Insurance	0.00	0.00	0.00	0.00	2,833.80	1,005.23	4,979.73	2,090.23	2,090.23	2,090.23	2,090.23	2,090.23	19,269.91
Legal Fees	35.41	155.39	52.25	0.00	0.00	162.96	95.00	0.00	247.00	179.14	1,541.25	228.00	2,696.40
Bank Fees	52.00	40.00	47.00	40.00	40.00	40.00	40.00	40.00	355.00	87.00	80.00	89.50	950.50
Merchant Account	12.00	22.00	31.00	35.00	32.00	33.00	32.00	35.00	33.00	33.00	39.00	45.00	382.00
Gas Leak Survey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	500.00
Answering Service	142.25	112.25	112.25	112.25	112.25	127.25	127.25	112.25	129.50	114.50	114.50	144.45	1,460.95
Tenant Screening	70.00	105.00	0.00	0.00	70.00	35.00	105.00	0.00	0.00	175.00	140.00	70.00	770.00
Education/Seminars	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00

	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	TOTAL
Employee Screening	175.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	175.00
Tech/IT Services	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	2,797.20
Total Professional Serv	1,019.76	667.74	475.60	420.35	3,321.15	1,636.54	5,612.08	2,510.58	3,587.83	2,911.97	4,238.08	2,900.28	29,301.96
Office Expense (Non-Post													
Advertising	0.00	203.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	203.48
Auto, Fuel	0.00	132.53	0.00	0.00	60.01	0.00	0.00	0.00	0.00	0.00	0.00	65.00	257.54
Telephone Expense	130.00	130.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	910.00
Gas and Propane	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.03	0.00	82.97	0.00	153.00
Lodging	182.52	477.85	285.14	0.00	142.69	162.17	0.00	0.00	0.00	0.00	0.00	270.07	1,520.44
Postage & Mailing	0.00	9.56	126.00	18.90	0.00	24.39	63.00	0.00	19.95	132.00	0.00	0.00	393.80
Employee Uniforms	489.84	0.00	0.00	644.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,134.37
Membership/Subscripti	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	149.77	0.00	19.00	168.77
Office Supplies	26.91	247.95	168.09	180.93	0.00	0.00	159.00	63.79	121.28	178.46	36.41	0.00	1,182.82
Meals & Entertainment	224.61	220.15	92.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.27	570.69
Promo/Gifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	106.95	0.00	116.95
Party Supplies	46.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	46.19
Tenant Billing	1,361.48	687.06	687.06	687.06	687.06	687.06	687.06	692.73	692.73	692.73	1,457.10	48.96	9,068.09
Auto, Maint	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	172.00	11.96	183.96
RentManager Software	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	660.00
Phone/Internet/Cable B	148.40	115.05	123.53	123.53	121.55	121.55	121.55	122.08	122.08	122.08	122.69	122.69	1,486.78
Tenant Associations/Cl	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Total Office Expense (N	2,914.95	2,528.63	1,852.48	2,024.95	1,381.31	1,365.17	1,400.61	1,258.60	1,396.07	1,645.04	2,348.12	940.95	21,056.88
TOTAL EXPENSE	63,468.21	39,203.31	42,244.79	29,434.66	42,942.21	27,977.35	30,751.73	30,253.90	35,963.27	26,519.43	32,074.83	29,892.28	430,725.97
NOI	71,897.08	101,512.92	107,829.79	108,009.35	88,472.31	99,907.91	104,418.35	97,439.59	94,920.79	102,330.96	96,004.16	109,375.09	1,182,118.30
N/O EXPENSE													
Owner Distribution													
Gallion Investment Corp	91,552.65	107,000.00	96,000.00	96,574.75	96,214.04	86,513.60	104,107.71	97,459.72	101,436.75	96,450.83	101,675.02	100,568.31	1,175,553.38
Total Owner Distributior	91,552.65	107,000.00	96,000.00	96,574.75	96,214.04	86,513.60	104,107.71	97,459.72	101,436.75	96,450.83	101,675.02	100,568.31	1,175,553.38
Rehab Expenses (Non-Pc													
Rehab, Clubhouse	0.00	0.00	0.00	0.00	0.00	3,177.00	0.00	0.00	0.00	0.00	0.00	0.00	3,177.00
Rehab, Unit 10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	129.41	0.00	129.41
Rehab, Unit 42	0.00	0.00	0.00	0.00	0.00	0.00	7,400.00	0.00	0.00	0.00	0.00	0.00	7,400.00
Total Rehab Expenses	0.00	0.00	0.00	0.00	0.00	3,177.00	7,400.00	0.00	0.00	0.00	129.41	0.00	10,706.41
CapEx (Non-Posting)													
Landscaping, Tree Mair	0.00	6,200.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,200.00
Total CapEx (Non-Post	0.00	6,200.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,200.00
TOTAL N/O EXPENSE	91,552.65	113,200.00	97,000.00	96,574.75	96,214.04	89,690.60	111,507.71	97,459.72	101,436.75	96,450.83	101,804.43	100,568.31	1,193,459.79
NET INCOME	-19,655.57	-11,687.08	10,829.79	11,434.60	-7,741.73	10,217.31	-7,089.36	-20.13	-6,515.96	5,880.13	-5,800.27	8,806.78	-11,341.49

	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	TOTAL
NET INCOME SUMMARY													
Income	135,365.29	140,716.23	150,074.58	137,444.01	131,414.52	127,885.26	135,170.08	127,693.49	130,884.06	128,850.39	128,078.99	139,267.37	1,612,844.27
Expense	-63,468.21	-39,203.31	-42,244.79	-29,434.66	-42,942.21	-27,977.35	-30,751.73	-30,253.90	-35,963.27	-26,519.43	-32,074.83	-29,892.28	-430,725.97
Net Operating Income	71,897.08	101,512.92	107,829.79	108,009.35	88,472.31	99,907.91	104,418.35	97,439.59	94,920.79	102,330.96	96,004.16	109,375.09	1,182,118.30
Non Operating Expense	-91,552.65	-113,200.00	-97,000.00	-96,574.75	-96,214.04	-89,690.60	-111,507.71	-97,459.72	-101,436.75	-96,450.83	-101,804.43	-100,568.31	-1,193,459.79
NET INCOME	-19,655.57	-11,687.08	10,829.79	11,434.60	-7,741.73	10,217.31	-7,089.36	-20.13	-6,515.96	5,880.13	-5,800.27	8,806.78	-11,341.49



Profit & Loss 12 Month Recap

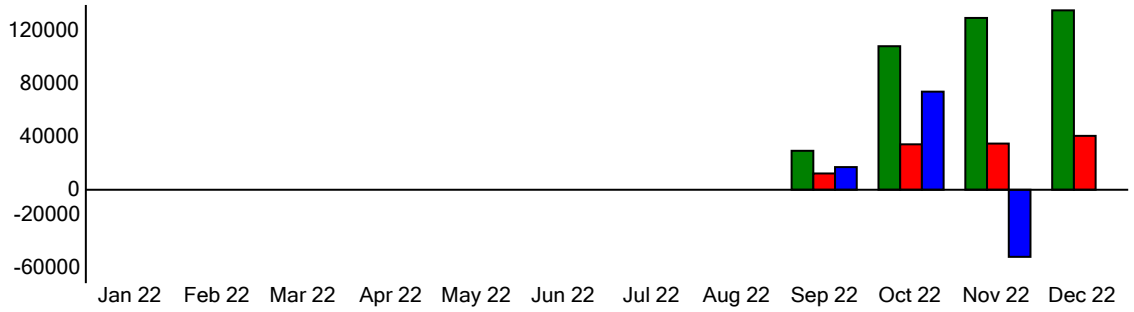
Property: Del Cielo Mobile Estates

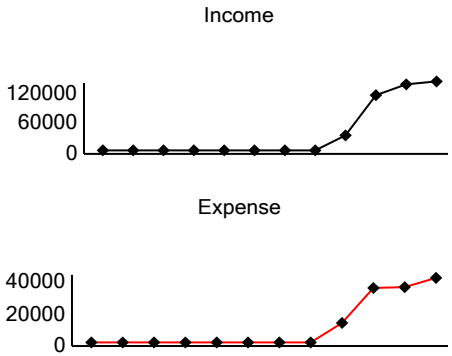
Monthly recap 01/01/22 - 12/31/22 (cash basis)

	JAN 22	FEB 22	MAR 22	APR 22	MAY 22	JUN 22	JUL 22	AUG 22	SEP 22	OCT 22	NOV 22	DEC 22	TOTAL
INCOME													
Rental Income													
Space Rent	0.00	0.00	0.00	0.00	0.00	0.00	-30,141.34	-31,054.43	-32,347.18	98,691.23	98,409.77	98,092.80	201,650.85
Unallocated Prepays	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,030.27	-24,866.19	3,133.42	3,439.91	7,737.41
Total Rental Income	0.00	0.00	0.00	0.00	0.00	0.00	-30,141.34	-31,054.43	-6,316.91	73,825.04	101,543.19	101,532.71	209,388.26
Utility Income													
Water	0.00	0.00	0.00	0.00	0.00	0.00	3,102.46	3,331.56	3,378.14	3,360.96	2,299.94	2,453.61	17,926.67
Trash	0.00	0.00	0.00	0.00	0.00	0.00	2,853.34	2,885.40	7,562.79	5,357.47	5,324.14	5,267.08	29,250.22
Sewer	0.00	0.00	0.00	0.00	0.00	0.00	12,887.20	13,883.33	13,699.27	13,750.56	13,700.59	13,615.42	81,536.37
Gas	0.00	0.00	0.00	0.00	0.00	0.00	3,269.85	2,722.26	2,454.04	2,832.72	2,321.90	3,870.52	17,471.29
Electric	0.00	0.00	0.00	0.00	0.00	0.00	3,945.33	4,166.96	4,576.12	5,314.04	273.70	4,681.84	22,957.99
Total Utility Income	0.00	0.00	0.00	0.00	0.00	0.00	26,058.18	26,989.51	31,670.36	30,615.75	23,920.27	29,888.47	169,142.54
Other Income													
NSF Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	50.00	0.00	0.00	75.00
Late Fee	0.00	0.00	0.00	0.00	0.00	0.00	25.00	0.00	130.00	110.00	60.00	0.00	325.00
Tenant Screening	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.00	138.00	228.00
Laundry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	525.99	0.00	525.99
Storage	0.00	0.00	0.00	0.00	0.00	0.00	980.00	980.00	910.00	1,005.16	871.67	1,250.00	5,996.83
PassThru - Street Maint	0.00	0.00	0.00	0.00	0.00	0.00	3,078.16	3,084.92	3,130.99	3,187.02	3,185.62	3,142.86	18,809.57
Total Other Income	0.00	0.00	0.00	0.00	0.00	0.00	4,083.16	4,064.92	4,195.99	4,352.18	4,733.28	4,530.86	25,960.39
TOTAL INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,549.44	108,792.97	130,196.74	135,952.04	404,491.19
EXPENSE													
Repairs & Maintenance													
General Maint	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,740.00	0.00	0.00	3,740.00
Supplies/Materials	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	269.81	302.56	572.37
Pool, Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	450.00	675.00	525.00	1,650.00
Pool, Repair/Addl Maint	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	792.03	40.00	35.00	867.03
Electrical, Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.30	60.30
Electrical, Repair/Maint	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	634.65	273.50	0.00	908.15
Electrical, New Lights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	177.53	0.00	177.53
Signage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	436.61	0.00	436.61
Plumbing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	505.00	0.00	0.00	380.00	885.00
Painting/Paint Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.22	40.22
Equipment/Equip Srvc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	805.60	0.00	805.60
Gas Line Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	202.50	0.00	202.50
Locksmith	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.20	0.00	0.00	42.20
Pest Control, Fumigatio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,266.05	5,266.05

	JAN 22	FEB 22	MAR 22	APR 22	MAY 22	JUN 22	JUL 22	AUG 22	SEP 22	OCT 22	NOV 22	DEC 22	TOTAL
Total Repairs & Mainter	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	505.00	5,658.88	2,880.55	6,609.13	15,653.56
License & Permits													
HCD, Permit to Operate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	0.00	25.00
Public Pool/Spa Permit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	746.00	746.00
Total License & Permits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	746.00	771.00
Management Fees													
On-Site Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,740.00	6,147.90	4,044.82	13,932.72
On-Site Admin Assistar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	455.00	770.00	1,225.00
On-Site Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,211.84	2,479.86	4,691.70
Off-Site Management (9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,134.04	6,404.45	6,127.06	18,665.55
Bonuses Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	900.00	900.00
Group Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	377.40	377.40	377.40	1,132.20
Payroll Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	819.06	965.21	798.77	2,583.04
Workers Comp Ins	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	642.53	757.19	626.61	2,026.33
Total Management Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,713.03	17,318.99	16,124.52	45,156.54
Utilities													
Water Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,023.91	4.92	1,940.77	7,969.60
Trash Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,352.96	5,382.57	5,383.59	5,371.80	21,490.92
Electric Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,267.76	773.72	4,286.96	5,310.86	14,639.30
Gas Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,968.17	0.00	1,955.54	3,386.87	7,310.58
Total Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,588.89	12,180.20	11,631.01	16,010.30	51,410.40
Professional Services													
Legal Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	142.50	0.00	0.00	142.50
Bank Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.00	17.00	52.00	40.00	132.00
Gas Leak Survey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	500.00
Answering Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	139.38	19.63	224.67	127.27	510.95
Total Professional Serv	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	162.38	679.13	276.67	167.27	1,285.45
Office Expense													
Auto, Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.89	44.89
Lodging	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,125.88	900.26	0.00	2,026.14
Petty Cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	250.00	250.00
Postage & Mailing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.00	18.00
Tenant Screening	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105.00	105.00
Employee Screening	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00	0.00	0.00	350.00
Office Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,002.22	36.15	65.25	1,103.62
Meals & Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	734.39	331.17	0.00	1,065.56
Promo/Gifts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	257.63	257.63
Tenant Billing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80.00	290.00	1,152.69	0.00	1,522.69
Auto, Maint	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265.00	0.00	0.00	265.00
Tech/IT Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	233.10	233.10	233.10	699.30
RentManager Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00	50.00	150.00
Phone/Internet/Cable B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	178.85	178.40	178.40	535.65

	JAN 22	FEB 22	MAR 22	APR 22	MAY 22	JUN 22	JUL 22	AUG 22	SEP 22	OCT 22	NOV 22	DEC 22	TOTAL
Total Office Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80.00	4,229.44	2,881.77	1,202.27	8,393.48
TOTAL EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,336.27	34,460.68	35,013.99	40,859.49	122,670.43
NOI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,213.17	74,332.29	95,182.75	95,092.55	281,820.76
N/O EXPENSE													
Owner Distribution													
Gallion Investment Corp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	146,000.00	95,212.52	241,212.52
Total Owner Distributior	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	146,000.00	95,212.52	241,212.52
TOTAL N/O EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	146,000.00	95,212.52	241,212.52
NET INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,213.17	74,332.29	-50,817.25	-119.97	40,608.24
NET INCOME SUMMARY													
Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,549.44	108,792.97	130,196.74	135,952.04	404,491.19
Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-12,336.27	-34,460.68	-35,013.99	-40,859.49	-122,670.43
Net Operating Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,213.17	74,332.29	95,182.75	95,092.55	281,820.76
Non Operating Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-146,000.00	-95,212.52	-241,212.52
NET INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,213.17	74,332.29	-50,817.25	-119.97	40,608.24





DEL CIELO MOBILE ESTATES
INCOME STATEMENT
FOR THE TWELVE MONTHS ENDING JUNE 30, 2021

	Current Month This Year	Current Month Last Year	Year to Date This Year	Year to Date Last Year
****INCOME****				
RENTAL INCOME	$ 96,482.00	$ 95,816.00	$ 1,154,192.86	$ 1,132,638.78
STORAGE INCOME	1,310.05	1,205.00	14,615.05	15,978.93
LAUNDRY INCOME	0.00	0.00	140.91	234.30
WATER INCOME	2,566.04	2,697.51	31,714.84	30,015.41
TRASH INCOME	2,764.58	2,014.20	31,655.01	24,138.27
SEWER INCOME	13,176.80	12,731.40	157,687.20	152,405.89
WATER METER ASSESS	0.00	309.88	1,859.28	3,718.56
ROAD RECONSTRUCTIO	3,164.24	3,164.24	37,970.88	38,578.52
OTHER INCOME	35.00	0.00	35.00	5.00
LATE FEE INCOME	35.00	35.00	770.00	435.00
GAS INCOME	3,399.27	2,424.08	35,294.76	32,009.48
ELECTRIC INCOME	4,130.03	2,043.44	47,601.04	38,168.59
#89 GAIN ON SALE	0.00	0.00	0.00	20,216.00
TOTAL REVENUES	127,063.01	122,440.75	1,513,536.83	1,488,542.73
****EXPENSES****				
SALARIES & WAGES	3,145.00	4,870.50	53,245.94	64,650.50
HEALTH INSURANCE	0.00	303.00	1,818.00	3,636.00
PAYROLL TAXES	296.21	372.60	5,626.52	6,436.93
WORKERS' COMP	251.60	582.57	4,713.75	7,692.67
EMPLOYEE RENT CR	455.00	982.00	8,167.00	11,658.00
MANAGEMENT FEE	4,056.70	3,994.83	48,612.91	47,361.27
GAS EXPENSE	2,635.97	682.43	25,677.93	23,150.76
ELECTRIC EXPENSES	4,076.19	2,712.34	53,638.47	42,996.32
REPAIRS AND MAINTENANCE				
R&M BUILDINGS	16.71	0.00	250.21	3,045.85
R&M POOL & SPA	66.38	487.05	4,881.60	1,485.30
R&M LANDSCAPING	272.70	350.00	12,089.70	8,567.83
R&M STREETS & PATHS	0.00	0.00	67.23	23.87
R&M NON-BUILDING ST	79.89	2.75	440.59	7,143.71
R&M ELECTRICAL & GA	0.00	254.35	4,386.50	5,963.92
R&M PLUMBING & SEW	494.81	294.95	3,848.90	5,616.37
R&M EQUIPMENT	1,286.69	243.61	7,050.74	1,603.20
RENTAL HOME SP #10	0.00	0.00	202.95	221.01
RENTAL HOME SP #42	1,921.44	139.00	2,276.44	1,224.90
RENTAL HOME SP #89	0.00	0.00	0.00	188.49
JANITORIAL SERVICES	44.73	170.15	473.73	721.21
TRASH REMOVAL	2,922.82	2,080.48	33,092.54	25,730.98
WATER UTILITY	3,131.60	3,258.30	37,120.20	34,975.20
RESIDENT BILLING	247.60	247.60	2,971.20	2,883.40
OFFICE EXPENSES	141.83	28.02	1,472.64	1,687.27
BANK SERVICE CHARG	0.00	0.00	15.00	0.00
POSTAGE	55.00	0.00	212.75	356.56
TELEPHONE & ANSWER	392.32	240.41	3,492.00	2,948.24
ADVERTISING	0.00	0.00	200.16	15.00
LEGAL EXPENSES	0.00	155.00	837.00	457.50
INSURANCE	11,748.00	11,697.00	23,525.88	23,628.51
TRAVEL & AUTOMOBIL	0.00	0.00	780.78	0.00
SEMINARS & EDUCATIO	0.00	0.00	244.58	579.00
LICENSES, PERMITS & F	0.00	0.00	2,658.95	2,579.90
CREDIT CHECKS	62.65	26.85	223.75	223.75
DUES & SUBSCRIPTION	1,914.75	1,914.75	1,914.75	1,914.75
RESIDENT PUBLIC REL	0.00	150.00	900.00	2,123.81
DEPRECIATION	0.00	84,700.00	0.00	84,700.00
AMORTIZATION	0.00	825.00	0.00	825.00
TOTAL EXPENSES	39,716.59	121,765.54	347,131.29	429,016.98
NET INCOME	**$ 87,346.42**	**$ 675.21**	**$ 1,166,405.54**	**$ 1,059,525.75**

DEL CIELO MOBILE ESTATES
BUDGETED STATEMENT OF INCOME AND EXPENSE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2020

	Current Month	Current Month	Year to Date Actual	Year to Date Budget
****INCOME****				
RENTAL INCOME	$ 95,816.00	$ 92,437.00	$ 1,132,638.78	$ 1,109,244.00
STORAGE INCOME	1,205.00	1,300.00	15,978.93	15,600.00
LAUNDRY INCOME	0.00	30.00	234.30	360.00
WATER INCOME	2,697.51	2,530.00	30,015.41	30,360.00
TRASH INCOME	2,014.20	2,000.00	24,138.27	24,000.00
SEWER INCOME	12,731.40	12,360.00	152,405.89	148,320.00
WATER METER ASSESSMEN	309.88	315.00	3,718.56	3,780.00
ROAD RECONSTRUCTION	3,164.24	3,250.00	38,578.52	39,000.00
OTHER INCOME	0.00	25.00	5.00	300.00
LATE FEE INCOME	35.00	60.00	435.00	720.00
GAS INCOME	2,424.08	3,000.00	32,009.48	36,000.00
ELECTRIC INCOME	2,043.44	3,100.00	38,168.59	37,200.00
#89 GAIN ON SALE	0.00	0.00	20,216.00	0.00
TOTAL INCOME	122,440.75	120,407.00	1,488,542.73	1,444,884.00
****EXPENSES****				
SALARIES & WAGES	4,870.50	6,000.00	64,650.50	72,000.00
HEALTH INSURANCE	303.00	303.00	3,636.00	3,636.00
PAYROLL TAXES	372.60	470.00	6,436.93	5,640.00
WORKERS' COMP	582.57	655.00	7,692.67	7,860.00
EMPLOYEE RENT CR	982.00	932.00	11,658.00	11,184.00
MANAGEMENT FEE	3,994.83	3,800.00	47,361.27	45,600.00
GAS EXPENSE	682.43	1,700.00	23,150.76	20,400.00
ELECTRIC EXPENSES	2,712.34	3,065.00	42,996.32	36,780.00
REPAIRS AND MAINTENANCE				
R&M BUILDINGS	0.00	500.00	3,045.85	6,000.00
R&M POOL & SPA	487.05	350.00	1,485.30	4,200.00
R&M LANDSCAPING	350.00	750.00	8,567.83	9,000.00
R&M STREETS & PATHS	0.00	2,500.00	23.87	30,000.00
R&M NON-BUILDING STRUC	2.75	50.00	7,143.71	600.00
R&M ELECTRICAL & GAS	254.35	400.00	5,963.92	4,800.00
R&M PLUMBING & SEWER	294.95	500.00	5,616.37	6,000.00
R&M EQUIPMENT	243.61	400.00	1,603.20	4,800.00
RENTAL HOME SP #10	0.00	66.00	221.01	792.00
RENTAL HOME SP #42	139.00	66.00	1,224.90	792.00
RENTAL HOME SP #89	0.00	68.00	188.49	816.00
JANITORIAL SERVICES	170.15	70.00	721.21	840.00
TRASH REMOVAL	2,080.48	2,100.00	25,730.98	25,200.00
WATER UTILITY	3,258.30	2,915.00	34,975.20	34,980.00
SEWER UTILITY	0.00	12,360.00	0.00	148,320.00
RESIDENT BILLING	247.60	234.00	2,883.40	2,808.00
OFFICE EXPENSES	28.02	130.00	1,687.27	1,560.00
POSTAGE	0.00	30.00	356.56	360.00
TELEPHONE & ANSWERING	240.41	224.00	2,948.24	2,688.00
ADVERTISING	0.00	10.00	15.00	120.00
LEGAL EXPENSES	155.00	250.00	457.50	3,000.00
INSURANCE	11,697.00	1,850.00	23,628.51	22,200.00
TRAVEL & AUTOMOBILE EX	0.00	35.00	0.00	420.00
SEMINARS & EDUCATION	0.00	100.00	579.00	1,200.00
LICENSES, PERMITS & FEES	0.00	215.00	2,579.90	2,580.00
PROPERTY TAXES	0.00	4,770.00	0.00	57,240.00
CREDIT CHECKS	26.85	182.00	223.75	2,184.00
DUES & SUBSCRIPTIONS	1,914.75	0.00	1,914.75	0.00
RESIDENT PUBLIC RELATIO	150.00	150.00	2,123.81	1,800.00
TOTAL EXPENSES	36,240.54	48,200.00	343,491.98	578,400.00
EXCESS REVENUES OVER	$ 86,200.21	$ 72,207.00	$ 1,145,050.75	$ 866,484.00

DEL CIELO MOBILE ESTATES
BUDGETED STATEMENT OF INCOME AND EXPENSE
FOR THE TWELVE MONTHS ENDING JUNE 30, 2019

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
****INCOME****				
RENTAL INCOME	$ 93,869.00	$ 92,437.00	$ 1,110,888.83	$ 1,109,244.00
STORAGE INCOME	1,445.00	1,260.00	16,667.00	15,120.00
LAUNDRY INCOME	11.05	30.00	112.15	360.00
WATER INCOME	2,126.52	2,513.00	28,812.85	30,156.00
TRASH INCOME	2,014.53	2,427.00	25,452.92	29,124.00
SEWER INCOME	12,360.49	12,360.00	148,325.88	148,320.00
WATER METER ASSESSMENT	312.32	315.00	3,793.12	3,780.00
RESD BALANCE/CREDIT FOR ROAD RECONSTRUCTION	0.00	0.00	(2,249.74)	0.00
OTHER INCOME	3,207.00	3,228.00	40,171.48	38,736.00
LATE FEE INCOME	0.00	25.00	110.00	300.00
GAS INCOME	0.00	60.00	930.00	720.00
ELECTRIC INCOME	2,313.13	3,000.00	27,885.64	36,000.00
	3,209.78	2,850.00	37,291.46	34,200.00
TOTAL INCOME	120,868.82	120,505.00	1,438,191.59	1,446,060.00
****EXPENSES****				
SALARIES & WAGES	6,841.03	7,000.00	71,925.29	84,000.00
HEALTH INSURANCE	303.00	303.00	3,636.00	3,636.00
PAYROLL TAXES	595.49	590.00	6,726.79	7,080.00
WORKERS' COMP	842.85	655.00	9,043.65	7,860.00
EMPLOYEE RENT CR	961.00	932.00	11,358.00	11,184.00
MANAGEMENT FEE	3,928.09	3,800.00	46,519.75	45,600.00
GAS EXPENSE	558.57	1,700.00	20,917.20	20,400.00
ELECTRIC EXPENSES	4,053.53	3,000.00	39,512.22	36,000.00
REPAIRS AND MAINTENANCE				
R&M BUILDINGS	0.00	2,300.00	13,011.71	27,600.00
R&M POOL & SPA	74.58	350.00	6,176.13	4,200.00
R&M LANDSCAPING	500.00	1,000.00	15,143.73	12,000.00
R&M STREETS & PATHS	0.00	500.00	37.30	6,000.00
R&M NON-BUILDING STRUC	1,113.40	50.00	1,533.71	600.00
R&M ELECTRICAL & GAS	0.00	400.00	3,049.64	4,800.00
R&M PLUMBING & SEWER	241.61	500.00	1,898.95	6,000.00
R&M EQUIPMENT	0.00	400.00	2,252.68	4,800.00
RENTAL HOME SP #10	0.00	65.00	0.00	780.00
RENTAL HOME SP #42	0.00	65.00	0.00	780.00
RENTAL HOME SP #89	0.00	70.00	93.96	840.00
JANITORIAL SERVICES	0.00	60.00	601.54	720.00
TRASH REMOVAL	3,464.12	2,000.00	27,023.02	24,000.00
WATER UTILITY	2,365.99	2,900.00	31,921.68	34,800.00
SEWER UTILITY	0.00	12,360.00	0.00	148,320.00
RESIDENT BILLING	236.00	255.00	2,825.00	3,060.00
OFFICE EXPENSES	0.00	145.00	1,389.66	1,740.00
POSTAGE	30.10	25.00	370.87	300.00
TELEPHONE & ANSWERING S	253.14	224.00	2,809.86	2,688.00
ADVERTISING	0.00	10.00	0.00	120.00
LEGAL EXPENSES	0.00	250.00	0.00	3,000.00
INSURANCE	10,698.00	2,100.00	22,516.00	25,200.00
TRAVEL & AUTOMOBILE EX	0.00	35.00	0.00	420.00
SEMINARS & EDUCATION	0.00	200.00	0.00	2,400.00
LICENSES, PERMITS & FEES	0.00	215.00	2,590.90	2,580.00
PROPERTY TAXES	0.00	4,770.00	0.00	57,240.00
DUES & SUBSCRIPTIONS	17.90	182.00	2,253.00	2,184.00
RESIDENT PUBLIC RELATION	150.00	150.00	2,126.56	1,800.00
TOTAL EXPENSES	37,228.40	49,561.00	349,264.80	594,732.00
EXCESS REVENUES OVER	$ 83,640.42	$ 70,944.00	$ 1,088,926.79	$ 851,328.00

EXHIBIT 3

Rent Roll Analysis

Property: Del Cielo MHC, LLC

As of 09/30/25

Tenant Name	Unit	Unit Type	Sq Ft	Market Rent	Rent	Vacancy Loss	Misc Charges	Total Charges	Balance	Security Deposit	Increase Amount	Last Rent Increase	Move In	Move Out
Del Cielo MHC, LLC														
HECKATHORN, LY	1	Space	0	0.00	637.69	0.00	77.62	715.31	0.00	0.00	68.50	01/01/25	9/17/20	
HEROLD, CHLOE .	2	Space	0	0.00	481.54	0.00	77.62	559.16	0.00	0.00	65.51	01/01/25	1/13/60	
RAMIREZ, JAMES	3	Space	0	0.00	592.28	0.00	77.62	669.90	-963.63	0.00	67.63	01/01/25	11/1/18	
MILLER, CARLA	4	Space	0	0.00	540.24	0.00	77.62	617.86	0.00	0.00	66.64	01/01/25	6/25/18	
DEWEESE, SUE	5	Space	0	0.00	518.08	0.00	77.62	595.70	0.00	0.00	66.21	01/01/25	1/15/10	
KERR-LAMBERT, .	6	Space	0	0.00	554.63	0.00	77.62	632.25	0.00	0.00	66.91	01/01/25	1/13/60	
MURGUIA / Araiza	7	Space	0	0.00	0.00	0.00	77.62	77.62	0.00	0.00	0.00		5/10/22	
CALVIN, DENIS	8	Space	0	0.00	574.54	0.00	77.62	652.16	0.00	0.00	67.29	01/01/25	1/13/22	
PARTIDA, ALEX	9	Space	0	0.00	565.70	0.00	77.62	643.32	0.00	0.00	67.12	01/01/25	1/13/60	
Silva, Jason	10	Space	0	0.00	995.00	0.00	77.62	1,072.62	-0.43	995.00	995.00	07/01/25	6/17/25	
BERGSTROM, STI	11	Space	0	0.00	553.52	0.00	77.62	631.14	0.00	0.00	66.89	01/01/25	12/31/18	
SANCHEZ, ESMEI	12	Space	0	0.00	575.67	0.00	77.62	653.29	0.00	0.00	67.31	01/01/25	11/2/18	
STEVENS, JILL	13	Space	0	0.00	561.28	0.00	77.62	638.90	-69.60	0.00	67.04	01/01/25	7/21/21	
CASTRO, ERNES	14	Space	0	0.00	530.66	0.00	77.62	608.28	0.00	0.00	66.45	01/01/25	4/26/22	
GUSTAFSON, CHI	15	Space	0	0.00	544.66	0.00	77.62	622.28	0.00	0.00	66.72	01/01/25	1/13/60	
RODRIGUEZ, JUA	16	Space	0	0.00	533.59	0.00	77.62	611.21	0.00	0.00	66.51	01/01/25	4/22/13	
Rodriguez & Viverc	17	Space	0	0.00	656.39	0.00	77.62	734.01	0.00	0.00	656.39	05/01/25	4/22/25	
OTEY, JOAN	18	Space	0	0.00	569.03	0.00	77.62	646.65	0.00	0.00	67.19	01/01/25	1/13/60	
VAUCLIN, ANNIE	19	Space	0	0.00	616.65	0.00	77.62	694.27	0.00	1,000.00	68.10	01/01/25	6/29/15	
Johnson, Jamal / D	20	Space	0	0.00	622.99	0.00	77.62	700.61	0.00	593.89	29.10	09/01/25	6/12/24	
<VACANT>	21	Space	0	0.00	0.00	0.00	77.62	77.62	0.00	0.00	0.00			
CHAIDEZ, DEDRIA	22	Space	0	0.00	530.26	0.00	77.62	607.88	0.00	0.00	66.44	01/01/25	9/1/09	
HALSELL, ANGEL	23	Space	0	0.00	498.15	0.00	77.62	575.77	50.00	0.00	65.83	01/01/25	1/13/60	
ROYBAL, LARRY	24	Space	0	0.00	541.34	0.00	77.62	618.96	0.00	0.00	66.66	01/01/25	5/29/15	
<VACANT>	25	Space	0	0.00	0.00	0.00	77.62	77.62	0.00	0.00	0.00			
Santos Cortes, Abe	26	Space	0	0.00	509.04	0.00	77.62	586.66	-0.77	0.00	66.04	01/01/25	10/16/23	
<VACANT>	27	Space	0	0.00	0.00	0.00	77.62	77.62	0.00	0.00	0.00			
DELAURENTIS, EI	28	Space	0	0.00	607.79	0.00	77.62	685.41	0.00	0.00	67.93	01/01/25	1/13/60	
BAHENA, MACRIN	29	Space	0	0.00	566.81	0.00	77.62	644.43	0.00	0.00	67.14	01/01/25	3/28/11	
REYES, RAY	30	Space	0	0.00	535.80	0.00	77.62	613.42	0.00	0.00	66.55	01/01/25	9/11/15	
LEWIS, DAVE	31	Space	0	0.00	645.44	0.00	77.62	723.06	0.00	0.00	68.65	01/01/25	12/30/11	
PLASCENCIA/Mol	32	Space	0	0.00	602.25	0.00	77.62	679.87	0.00	0.00	67.82	01/01/25	9/19/16	
MEDEIROS, RUTH	33	Space	0	0.00	566.81	0.00	77.62	644.43	-707.89	0.00	67.14	01/01/25	1/13/60	
SKELLEY, MICHA	34	Space	0	0.00	562.38	0.00	77.62	640.00	0.00	0.00	67.06	01/01/25	9/28/17	
Morales Quintanar	35	Space	0	0.00	599.13	0.00	77.62	676.75	0.00	599.13	599.13	03/01/25	2/27/25	
Espinoza, Luis/Aria	36	Space	0	0.00	465.99	0.00	127.62	593.61	0.00	465.99	465.99	01/01/25	12/6/24	
Greely/Dupuis, Bar	37	Space	0	0.00	995.00	0.00	77.62	1,072.62	0.00	995.00	995.00	12/01/24	11/19/24	
MAZZUCOTELLI, S	38	Space	0	0.00	536.91	0.00	77.62	614.53	-0.10	0.00	66.57	01/01/25	1/13/60	

BOND, RAYMOND	39	Space	0	0.00	554.63	0.00	77.62	632.25	0.00	0.00	66.91	01/01/25	1/13/60	
MONEN, CECELIA	40	Space	0	0.00	593.39	0.00	77.62	671.01	0.00	0.00	67.65	01/01/25	9/1/10	
NADY, EDWARD	41	Space	0	0.00	611.11	0.00	77.62	688.73	0.00	0.00	67.99	01/01/25	8/4/22	
LUND, KENT/Jose	42	Space	0	0.00	995.00	0.00	77.62	1,072.62	0.00	995.00	995.00	12/01/24	2/1/20	
STEPHANSEN/O'C	43	Space	0	0.00	602.25	0.00	77.62	679.87	0.00	0.00	67.82	01/01/25	1/13/60	
BECK, WILLIAM H	44	Space	0	0.00	654.30	0.00	77.62	731.92	0.00	0.00	68.82	01/01/25	12/2/19	
Ortega, Andrew	45	Space	0	0.00	579.77	0.00	77.62	657.39	0.00	0.00	67.39	01/01/25	3/9/24	
Anderson/Goon, RI	46	Space	0	0.00	595.83	0.00	77.62	673.45	0.00	0.00	51.69	01/01/25	4/9/24	#####
Gonzalez-Sandova	47	Space	0	0.00	545.53	0.00	77.62	623.15	0.00	545.53	545.53	04/01/25	3/18/25	
FISHER, SALLY	48	Space	0	0.00	541.34	0.00	77.62	618.96	0.00	0.00	66.66	01/01/25	11/27/13	
<VACANT>	49	Space	0	0.00	0.00	0.00	77.62	77.62	0.00	0.00	0.00			
DIAZ, PEDRO/EST	50	Space	0	0.00	585.63	0.00	77.62	663.25	0.00	0.00	67.50	01/01/25	6/24/15	
GIBSON, SUSAN	51	Space	0	0.00	615.07	0.00	77.62	692.69	0.00	0.00	68.07	01/01/25	2/24/24	
SEE, MICHAEL	52	Space	0	0.00	590.07	0.00	77.62	667.69	0.00	0.00	67.59	01/01/25	11/12/13	
Islas/Islas/Mendez,	53	Space	0	0.00	995.00	0.00	77.62	1,072.62	0.00	995.00	995.00	07/01/25	6/17/25	
HADLEY, MARK	54	Space	0	0.00	644.33	0.00	77.62	721.95	0.00	0.00	68.63	01/01/25	10/31/14	
BELARDINO, ANTI	55	Space	0	0.00	612.21	0.00	77.62	689.83	0.00	0.00	68.01	01/01/25	1/28/14	
RUMLEY, LINDA	56	Space	0	0.00	583.42	0.00	77.62	661.04	0.00	0.00	67.46	01/01/25	6/23/16	
<VACANT>	57	Space	0	0.00	0.00	0.00	77.62	77.62	0.00	0.00	0.00			
ROWAN, CHARLE	58	Space	0	0.00	769.47	0.00	77.62	847.09	0.00	0.00	71.02	01/01/25	6/10/16	
JOHNSON, JESSE	59	Space	0	0.00	553.52	0.00	77.62	631.14	0.00	0.00	66.89	01/01/25	3/27/15	
MARTINEZ, LUKE-	60	Space	0	0.00	539.12	0.00	77.62	616.74	0.00	0.00	66.61	01/01/25	1/12/11	
URIAS, SUSAN	61	Space	0	0.00	555.74	0.00	77.62	633.36	-4.74	0.00	66.93	01/01/25	8/5/22	
Freeman, Kathleen	62	Space	0	0.00	853.63	0.00	77.62	931.25	0.00	0.00	72.63	01/01/25	3/24/23	
SYLVESTER, JOH	63	Space	0	0.00	584.53	0.00	77.62	662.15	0.00	0.00	67.48	01/01/25	8/23/19	
Leos, Darla	64	Space	0	0.00	610.99	0.00	77.62	688.61	0.00	0.00	67.99	01/01/25	4/11/23	
TREAT, BILL	65	Space	0	0.00	531.71	0.00	77.62	609.33	0.00	0.00	66.47	01/01/25	7/14/22	
Malm, Geoffrey	66	Space	0	0.00	705.11	0.00	77.62	782.73	0.00	705.11	705.11	06/25/25	6/25/25	
FLEENOR, RUSSE	67	Space	0	0.00	719.64	0.00	77.62	797.26	0.00	0.00	70.07	01/01/25	5/14/21	
OLSEN, BONNIE	68	Space	0	0.00	615.54	0.00	77.62	693.16	0.00	0.00	68.08	01/01/25	4/15/16	
OLIVAREZ/MORAI	69	Space	0	0.00	535.80	0.00	77.62	613.42	0.00	0.00	66.55	01/01/25	12/15/14	
BARILONE, PAME	70	Space	0	0.00	634.09	0.00	77.62	711.71	0.00	0.00	68.43	01/01/25	7/15/22	
CAMACHO/SANTC	71	Space	0	0.00	697.48	0.00	77.62	775.10	0.00	0.00	69.64	01/01/25	6/24/20	
FRIESEN, MARISE	72	Space	0	0.00	717.04	0.00	77.62	794.66	0.00	0.00	20.21	01/01/25	7/30/22	
KENNEDY, LARRY	73	Space	0	0.00	607.79	0.00	77.62	685.41	0.00	0.00	67.93	01/01/25	3/25/13	
ROWEN, STEPHA	74	Space	0	0.00	562.38	0.00	77.62	640.00	0.00	0.00	67.06	01/01/25	1/13/60	
JANSSEN, LINDA	75	Space	0	0.00	773.04	0.00	77.62	850.66	0.00	0.00	71.09	01/01/25	10/8/22	
BROWN, ELAINE	76	Space	0	0.00	592.28	0.00	77.62	669.90	0.00	0.00	67.63	01/01/25	1/13/60	
Handall, Emilio	77	Space	0	0.00	731.29	0.00	77.62	808.91	0.00	0.00	70.29	01/01/25	10/11/23	
SPINGLER, ANAL	78	Space	0	0.00	617.75	0.00	77.62	695.37	0.00	0.00	68.12	01/01/25	7/20/20	
DIAZ, HUGO/ALM/	79	Space	0	0.00	668.69	0.00	77.62	746.31	0.00	0.00	69.09	01/01/25	4/20/21	
RUSSELL, KAREN	80	Space	0	0.00	561.28	0.00	77.62	638.90	0.00	0.00	67.04	01/01/25	2/9/11	
VASQUEZ, LAURA	81	Space	0	0.00	556.84	0.00	77.62	634.46	0.00	0.00	66.95	01/01/25	1/13/60	#####
CARRERAS, DEN	82	Space	0	0.00	610.00	0.00	77.62	687.62	0.00	0.00	67.97	01/01/25	10/31/16	
GOODENOUGH, F	83	Space	0	0.00	514.77	0.00	77.62	592.39	0.00	0.00	66.15	01/01/25	1/13/60	
TORRES, ALMA	84	Space	0	0.00	650.97	0.00	77.62	728.59	0.00	0.00	68.75	01/01/25	6/29/12	
GUSTAFSON, ROI	85	Space	0	0.00	680.88	0.00	77.62	758.50	0.00	0.00	69.33	01/01/25	1/13/60	

Mercer & Rogers, F	86	Space	0	0.00	614.67	0.00	77.62	692.29	50.00	614.67	614.67	05/01/25	4/22/25	
SILVA, EARLENE	87	Space	0	0.00	612.21	0.00	77.62	689.83	0.00	0.00	68.01	01/01/25	8/6/21	
MENDOZA, ALBEF	88	Space	0	0.00	536.91	0.00	77.62	614.53	0.00	0.00	66.57	01/01/25	12/11/18	
KEISER, BETH	89	Space	0	0.00	627.72	0.00	77.62	705.34	0.00	0.00	68.31	01/01/25	9/25/19	
LANE, LESTER D.	90	Space	0	0.00	784.98	0.00	77.62	862.60	0.00	0.00	71.32	01/01/25	5/19/15	
WILBURN, JOHN	91	Space	0	0.00	601.14	0.00	77.62	678.76	0.00	0.00	67.80	01/01/25	8/27/12	
AYALA, ALBERTO	92	Space	0	0.00	592.28	0.00	77.62	669.90	0.00	0.00	67.63	01/01/25	12/8/16	
WOODS, DIANE	93	Space	0	0.00	659.83	0.00	77.62	737.45	-873.32	0.00	68.92	01/01/25	2/14/17	
ROSS, SHAROLYN	94	Space	0	0.00	536.91	0.00	77.62	614.53	-367.45	0.00	66.57	01/01/25	5/18/21	
APPLE, ROBERT	95	Space	0	0.00	585.63	0.00	77.62	663.25	0.00	0.00	67.50	01/01/25	5/20/16	
MERRILL, SALLY	96	Space	0	0.00	663.16	0.00	77.62	740.78	0.00	0.00	68.99	01/01/25	5/1/17	
BRETZ, THOMAS	97	Space	0	0.00	577.89	0.00	77.62	655.51	0.00	0.00	67.36	01/01/25	8/26/21	
PEARCE, LEESA	98	Space	0	0.00	660.94	0.00	77.62	738.56	0.00	0.00	68.94	01/01/25	12/1/12	
PUDWILL, CLARA	99	Space	0	0.00	627.72	0.00	77.62	705.34	0.00	0.00	68.31	01/01/25	1/13/60	
VAN METER, PATI	100	Space	0	0.00	676.93	0.00	77.62	754.55	-2.22	0.00	69.25	01/01/25	12/17/22	
Marshall, Lorie	101	Space	0	0.00	774.27	0.00	77.62	851.89	0.00	738.10	36.17	09/01/25	6/20/24	
Castillo/Gonzales, I	102	Space	0	0.00	735.55	0.00	77.62	813.17	0.00	735.55	735.55	07/30/25	7/30/25	
FRIED, ALBERT	103	Space	0	0.00	669.80	0.00	77.62	747.42	0.00	0.00	69.11	01/01/25	1/13/60	
HALTER, GARY	104	Space	0	0.00	949.98	0.00	77.62	1,027.60	0.00	0.00	74.47	01/01/25	3/1/19	
ORTIZ, MANUEL	105	Space	0	0.00	748.43	0.00	77.62	826.05	0.00	0.00	70.62	01/01/25	5/22/19	
HICKS, HARRY	106	Space	0	0.00	654.30	0.00	77.62	731.92	0.00	0.00	68.82	01/01/25	7/18/18	
FOSTER, MARK	107	Space	0	0.00	748.43	0.00	77.62	826.05	-842.52	0.00	70.62	01/01/25	10/8/19	
ADKINS, CHRISTA	108	Space	0	0.00	710.78	0.00	77.62	788.40	0.00	0.00	69.90	01/01/25	3/28/16	
OLIVER, MARY K.	109	Space	0	0.00	688.62	0.00	77.62	766.24	0.00	0.00	69.47	01/01/25	11/21/13	
LARSON, ROBERT	110	Space	0	0.00	752.86	0.00	77.62	830.48	-0.20	0.00	70.70	01/01/25	4/14/17	
MOREHART, TOD	111	Space	0	0.00	762.82	0.00	77.62	840.44	0.00	0.00	70.89	01/01/25	6/16/20	
<VACANT>	112	Space	0	0.00	0.00	0.00	77.62	77.62	0.00	0.00	0.00			
Roldan, Annette	113	Space	0	0.00	764.79	0.00	77.62	842.41	0.00	764.79	764.79	06/01/25	5/15/25	
NISHIINO, HOWAF	114	Space	0	0.00	739.57	0.00	77.62	817.19	-6.73	0.00	70.45	01/01/25	10/8/13	
SAUCEDO, LINDA	115	Space	0	0.00	658.73	0.00	77.62	736.35	0.00	0.00	68.90	01/01/25	1/1/12	
KRAUSE, HAROLI	116	Space	0	0.00	695.27	0.00	77.62	772.89	0.00	0.00	69.60	01/01/25	9/25/14	
MORRILL, DIANE	117	Space	0	0.00	829.27	0.00	77.62	906.89	0.00	0.00	72.16	01/01/25	9/29/11	
BAEZ, RACHEL	118	Space	0	0.00	820.41	0.00	77.62	898.03	0.00	0.00	71.99	01/01/25	8/3/20	
Grisaffi, Christophe	119	Space	0	0.00	833.52	0.00	77.62	911.14	-953.54	794.59	38.93	09/01/25	7/17/24	
RICKY, DOUGLAS	120	Space	0	0.00	680.88	0.00	77.62	758.50	0.00	0.00	69.33	01/01/25	12/5/14	
NYBACK, BARBAF	121	Space	0	0.00	649.87	0.00	77.62	727.49	0.00	0.00	68.73	01/01/25	2/20/15	
MAY, DAVID	122	Space	0	0.00	639.90	0.00	77.62	717.52	0.00	0.00	68.54	01/01/25	1/16/60	
TATUM, BILLY	123	Space	0	0.00	624.39	0.00	77.62	702.01	0.00	0.00	68.24	01/01/25	9/3/21	
NIETO, JOHNNY/L	124	Space	0	0.00	603.35	0.00	77.62	680.97	0.00	0.00	67.84	01/01/25	9/14/15	
Murphy, Norma	125	Space	0	0.00	728.50	0.00	77.62	806.12	0.00	0.00	70.24	01/01/25	11/13/19	
LIMON, JESS	126	Space	0	0.00	726.28	0.00	77.62	803.90	0.00	0.00	70.19	01/01/25	3/6/15	
IRVINE, ANTHONY	127	Space	0	0.00	712.99	0.00	77.62	790.61	0.00	0.00	69.94	01/01/25	4/3/15	
MCHUGH, FRANC	128	Space	0	0.00	638.79	0.00	77.62	716.41	0.00	0.00	68.52	01/01/25	1/13/60	#####
CARGLE, LELAND	129	Space	0	0.00	703.03	0.00	77.62	780.65	0.00	0.00	69.75	01/01/25	1/13/60	
GRANADA JR., JO	130	Space	0	0.00	794.50	0.00	77.62	872.12	0.00	1,446.00	71.50	01/01/25	12/1/23	
Reta-Knopf, Patrici	131	Space	0	0.00	745.88	0.00	77.62	823.50	0.00	1,318.00	70.57	01/01/25	1/1/23	
Gauna, Vincent	132	Space	0	0.00	789.40	0.00	77.62	867.02	0.00	0.00	71.40	01/01/25	7/11/23	

FIELDS&MITCHEL	133	Space	0	0.00	728.50	0.00	77.62	806.12	0.00	0.00	70.24	01/01/25	11/1/18 #####
ROGERS, RICHAF	134	Space	0	0.00	707.45	0.00	77.62	785.07	0.00	0.00	69.83	01/01/25	1/1/19
URESTE, JANE	135	Space	0	0.00	663.16	0.00	77.62	740.78	0.00	0.00	68.99	01/01/25	1/13/60
Ostapiuk, Elizabeth	136	Space	0	0.00	701.92	0.00	77.62	779.54	0.00	0.00	69.73	01/01/25	5/27/14
KRUGER, HEIDI	137	Space	0	0.00	775.01	0.00	77.62	852.63	0.00	0.00	71.13	01/01/25	12/18/20
Pergl, Ilene	138	Space	0	0.00	650.75	0.00	77.62	728.37	50.00	0.00	68.75	01/01/25	5/3/23
BARNES, EARL/LY	139	Space	0	0.00	686.41	0.00	77.62	764.03	0.00	0.00	69.43	01/01/25	1/13/60
DROUIN, MILDREI	140	Space	0	0.00	650.97	0.00	77.62	728.59	0.00	0.00	68.75	01/01/25	7/31/13
TOBIN, JIM	141	Space	0	0.00	672.02	0.00	77.62	749.64	0.00	0.00	69.16	01/01/25	1/13/60
Harjo, Jennifer	142	Space	0	0.00	707.84	0.00	77.62	785.46	0.00	0.00	69.84	01/01/25	6/6/23
MILO, KATHY	143	Space	0	0.00	720.74	0.00	77.62	798.36	0.00	0.00	70.09	01/01/25	5/3/19
LAMB, DOROTHY	144	Space	0	0.00	656.51	0.00	77.62	734.13	0.00	0.00	68.86	01/01/25	1/13/60
MATSON, ROSE M	145	Space	0	0.00	703.03	0.00	77.62	780.65	50.00	0.00	69.75	01/01/25	1/13/60
<VACANT>	146	Space	0	0.00	0.00	0.00	77.62	77.62	0.00	0.00	0.00		
ELWELL, RONALD	147	Space	0	0.00	621.07	0.00	77.62	698.69	0.00	0.00	68.18	01/01/25	1/13/60
WECHTER, BENN	148	Space	0	0.00	648.76	0.00	77.62	726.38	0.00	0.00	68.71	01/01/25	1/13/60
Sauceda, Robert/C	149	Space	0	0.00	779.42	0.00	77.62	857.04	0.00	779.42	779.42	06/01/25	5/15/25
CUSHAWAY, REB	150	Space	0	0.00	787.19	0.00	77.62	864.81	0.00	0.00	71.36	01/01/25	5/11/18
MARCHETTI, ROB	151	Space	0	0.00	697.48	0.00	77.62	775.10	0.00	0.00	69.64	01/01/25	5/26/21
LEWIS, JANICE	152	Space	0	0.00	653.19	0.00	77.62	730.81	0.00	0.00	68.80	01/01/25	1/13/60
Miller, John	153	Space	0	0.00	753.72	0.00	77.62	831.34	0.00	0.00	70.72	01/01/25	3/2/24
PONCE, JESSE	154	Space	0	0.00	777.22	0.00	77.62	854.84	0.00	0.00	71.17	01/01/25	7/23/18
GARDNER, DENN	155	Space	0	0.00	667.59	0.00	77.62	745.21	0.00	0.00	69.07	01/01/25	7/27/17
POTTER, BARRY	156	Space	0	0.00	710.78	0.00	77.62	788.40	0.00	0.00	69.90	01/01/25	2/7/17
SHERRIFF, VALEI	157	Space	0	0.00	784.54	0.00	77.62	862.16	0.00	0.00	71.31	01/01/25	5/16/22
BINCKES, ROBER	158	Space	0	0.00	680.88	0.00	77.62	758.50	-42.84	0.00	69.33	01/01/25	10/31/19
ROSA, KEVIN	159	Space	0	0.00	895.28	0.00	77.62	972.90	0.00	0.00	73.43	01/01/25	5/15/10 #####
VILLARETE, SERA	160	Space	0	0.00	654.30	0.00	77.62	731.92	0.00	0.00	68.82	01/01/25	1/13/60
ROBLEDO, PAULA	161	Space	0	0.00	963.27	0.00	77.62	1,040.89	0.00	0.00	74.73	01/01/25	4/21/17
SEIBERT, VALERI	162	Space	0	0.00	607.79	0.00	77.62	685.41	0.00	0.00	67.93	01/01/25	1/13/60
Perez/Chavez, Tho	163	Space	0	0.00	844.60	0.00	77.62	922.22	0.00	844.60	844.60	06/23/25	6/23/25
MORTON, WILLIA	164	Space	0	0.00	616.65	0.00	77.62	694.27	0.00	0.00	68.10	01/01/25	1/13/60
LEE, GEORGE	165	Space	0	0.00	720.74	0.00	77.62	798.36	0.00	0.00	70.09	01/01/25	2/1/11
WEINSTEIN, PAUI	166	Space	0	0.00	776.12	0.00	77.62	853.74	0.00	0.00	71.15	01/01/25	6/22/18
STEWART, KATH	167	Space	0	0.00	694.17	0.00	77.62	771.79	0.00	0.00	69.58	01/01/25	4/1/14
BOJORQUEZ, CAI	168	Space	0	0.00	711.88	0.00	77.62	789.50	0.00	0.00	69.92	01/01/25	10/9/14
MORRIS, DONALD	169	Space	0	0.00	720.74	0.00	77.62	798.36	0.00	0.00	70.09	01/01/25	1/13/60
BASSI / COLLIER-	170	Space	0	0.00	648.76	0.00	77.62	726.38	0.00	0.00	68.71	01/01/25	1/13/60
PICO, TERESA	171	Space	0	0.00	652.08	0.00	77.62	729.70	0.00	0.00	68.77	01/01/25	5/28/14
SPANNE, LAUREN	172	Space	0	0.00	633.25	0.00	77.62	710.87	0.00	0.00	68.41	01/01/25	9/6/18
MENDIBLES, JOSI	173	Space	0	0.00	672.02	0.00	77.62	749.64	0.00	0.00	69.16	01/01/25	1/13/60
WELLS, ALAN	174	Space	0	0.00	675.34	0.00	77.62	752.96	0.00	0.00	69.22	01/01/25	12/6/21
KELLEY, DANIEL	175	Space	0	0.00	917.86	0.00	77.62	995.48	0.00	0.00	73.86	01/01/25	11/13/15
KNELLER, MICHA	176	Space	0	0.00	634.37	0.00	77.62	711.99	0.00	0.00	68.44	01/01/25	9/19/18
WOOD, ANITA	177	Space	0	0.00	762.82	0.00	77.62	840.44	0.00	0.00	70.89	01/01/25	5/18/21
Morelos, Joel/Linda	178	Space	0	0.00	820.98	0.00	77.62	898.60	0.00	782.63	38.35	09/01/25	8/20/24
Blackwell, Patricia A	179	Space	0	0.00	680.31	0.00	77.62	757.93	0.00	0.00	69.31	01/01/25	9/2/23

BUTZKE, ROBERT	180	Space	0	0.00	660.94	0.00	77.62	738.56	0.00	0.00	68.94	01/01/25	1/13/60
ROWAN, GREG	181	Space	0	0.00	603.35	0.00	77.62	680.97	0.00	0.00	67.84	01/01/25	9/16/16
PAALHAR, LOIDA	182	Space	0	0.00	833.70	0.00	77.62	911.32	0.00	0.00	72.25	01/01/25	1/13/60
WALTZ, CATHY	183	Space	0	0.00	750.64	0.00	77.62	828.26	0.00	0.00	70.66	01/01/25	8/23/16
ORTEGA, JOHNN	184	Space	0	0.00	695.27	0.00	77.62	772.89	0.00	0.00	69.60	01/01/25	3/30/15
MCCASHEN, DAVI	185	Space	0	0.00	808.57	0.00	77.62	886.19	0.00	0.00	71.77	01/01/25	10/1/22
			0	0.00	117,813.52	0.00	14,409.70	132,223.22	-4,635.98	16,708.00	21,710.55		

Jason Dilday SBN: 215968
[redacted]

Attorney for Respondent,
DEL CIELO MHC, LLC

COUNTY OF SANTA BARBARA

MOBILEHOME RENT CONTROL HEARING

In the Matter of: DEL CIELO MOBILE ESTATES HOMEOWNER'S PETITION	**RESPONDENT, DEL CIELO MHC, LLC'S PREHEARING BRIEF**

Respondent Del Cielo MHC, LLC ("Management") respectfully submits this Prehearing Brief in response to the October 5, 2025, petition (the "Petition") filed by the homeowners of Del Cielo Mobile Estates (the "Park") contesting the noticed rent increase effective January 1, 2026. For the reasons set forth herein, and as supported by the comprehensive financial analysis provided by Management's expert, the requested increase of $39.16 per space per month is not only justified by substantial increases in operating costs but is necessary to avoid denial of the fair return on investment required by both the Santa Barbara County Mobilehome Rent Control Ordinance (the "Ordinance") and California law.

I. INTRODUCTION

This dispute arises from a notice of rent increase issued on August 29, 2025, providing for a monthly increase of $39.16 per space. The homeowners filed a Petition challenging this increase. As demonstrated below, the Petition's objections are procedurally barred or legally irrelevant. In contrast, Management's requested increase is supported by three independent financial benchmarks derived from certified financial data: (1) the constitutional fair-return requirement, which demonstrates a need for a $155.97 increase; (2) the actual increase in park-wide operating costs, which justifies a $79.02 increase; and (3) the Ordinance's internal formula, which supports an increase of $30.45.

The requested $39.16 increase is a conservative figure, substantially below what is necessary to restore a fully fair constitutional return and represents a reasonable and necessary adjustment under the governing legal framework. Management respectfully requests that the Arbitrator approve the noticed increase in its entirety.

II. STATEMENT OF FACTS

Management acquired the Park in April 2024 for a total purchase cost of $20,986,398. (Expert Report, Ex. 1A). Following the acquisition, the property was reassessed, resulting in a substantial increase in property taxes. A portion of this specific cost was passed through to residents in the January 1, 2025, rent increase, applied on a park-wide, per-space basis.

On August 29, 2025, Management issued a notice for a rent increase of $39.16 per space, per month, to take effect on January 1, 2026. The notice complied with all state and local requirements, including the 90-day notice period mandated by California Civil Code section 798.30 and the Ordinance's requirement to schedule a meet-and-confer session.

On October 5, 2025, the homeowners, through their representative, filed the Petition to contest the increase. Management filed its Response, supported by extensive financial documentation, on November 24, 2025.

Management's expert, Brian Eid, CPA, CVA, MAFF, MBA, conducted a thorough analysis of the Park's finances. His report establishes that the Park's 2024 Net Operating Income ("NOI") was $920,854, a decrease from the prior year and insufficient to provide a fair return. (Expert Report, Ex. 1A). Based on a conservative 6.0% rate of return on Management's inflation-adjusted investment, the

Park is experiencing an annual NOI shortfall of $344,374, which translates to a fair-return shortfall equivalent to approximately $155.97 per space per month. (*Id*.). Separately, the Park's operating costs increased by $174,472 from 2023 to 2024, which, if passed through, would require an increase of $79.02 per space per month. (*Id*. at p. 3). Finally, a direct application of the Ordinance's formula at Section 11A-5(i) yields a permanent monthly increase of $30.45. (*Id*., Ex. 1).

III. LEGAL ARGUMENT

A. The Proposed Rent Increase Is Constitutionally Required to Provide a Fair Return on Investment.

The foundational principle of rent control jurisprudence is that any such regulatory scheme must provide a property owner with a "just and reasonable return on their property." *Colony Cove Properties v. City of Carson*, 220 Cal. App. 4th 840, 865 (2013) (citing *Birkenfeld v. City of Berkeley*, 17 Cal.3d 129, 165 (1976)). A regulation that deprives an investor of a "fair return" is deemed "confiscatory" and violates the due process and takings clauses of the state and federal constitutions. *Id*.; see also *Galland v. City of Clovis*, 24 Cal. 4th 1003, 1024 (2001) (holding that a landlord must show the imposition of a "confiscatory rent ceiling" to establish a constitutional violation).

The Santa Barbara Ordinance explicitly incorporates this constitutional mandate, stating that its purpose is to protect mobilehome owners "while at the same time recognizing the need for mobilehome park owners to receive a fair return on their investment." (Ordinance, Sec. 11A-1). This "fair return on investment" standard is a constitutionally permissible approach. *Palomar Mobilehome Park Ass'n v. Mobile Home Rent Commission*, 16 Cal. App. 4th 481, 485 (1993) (rejecting a park owner's argument for a return on the property's total value and affirming an investment-based standard). Ultimately, the "result reached, not the method employed, is controlling." *Id.* at 487 (quoting *Power Comm'n v. Hope Gas Co*., 320 U.S. 591, 602 (1944)).

Here, the unrefuted expert analysis demonstrates that a monthly increase of $155.97 per space is required to provide Management a fair return on its $21 million inflation-adjusted investment. (Expert Report, Ex. 1A). This calculation is based on the historical cost of the investment, as approved in *Palomar*, and utilizes a conservative 6.0% rate of return, which is only marginally higher than the 4.92% risk-free rate offered by 30-year U.S. Treasury bonds as of the date of the rent notice. (*Id*.). An

investment in a mobilehome park carries substantially more operational, market, and regulatory risk than a government bond, justifying a higher rate of return.

The requested increase of $39.16 is less than 26% of the amount needed to provide a full constitutional return. Denying this modest increase, or reducing it further, would impose a confiscatory rent ceiling in direct violation of established constitutional law. See *Kavanau v. Santa Monica Rent Control Board*, 16 Cal. 4th 761, 771 (1997).

B. The Financial Methodologies Supporting the Increase Are Sound and Based on Substantial Evidence.

The Arbitrator's decision must be supported by substantial evidence. Cal. Code Civ. Proc. § 1094.5(c). Management has provided verified, CPA-prepared financial statements and expert analysis that constitute substantial evidence justifying the full increase.

1. The Ordinance's Formula Justifies an Increase of $30.45.

The Ordinance provides a specific, multi-step formula for calculating increases above the automatic 75% of CPI, which informs the Arbitrator's analysis but does not displace the Park's independent fair-return entitlement. (MSRO Sec. 11A-5(i)). Applying this formula to the Park's audited financials yields a permanent monthly increase of $30.45. (Expert Report, Ex. 1). This calculation includes:

- $8.83 as a just and reasonable return on investment (one-half of the automatic increase) pursuant to § 11A-5(i)(1).
- $8.83 to cover increased operating costs (the other half of the automatic increase) pursuant to § 11A-5(i)(2).
- $12.79 to cover excess operating costs, calculated by taking the actual monthly per-space cost increase ($79.02), subtracting the automatic cost allocation ($8.83), and further subtracting the previously implemented property tax pass-through ($57.40) to avoid double recovery, pursuant to § 11A-5(i)(3).

This formula-based calculation provides an independent, ordinance-driven justification for an increase that is only slightly less than the amount requested. This calculation expressly excludes any

recovery of property-tax increases already approved in the January 1, 2025, rent increase, ensuring no duplication.

2. Capital Expenditures and Appreciation Are Properly Accounted For.

The court in *Palomar* held that capital expenditures must be included in the investment base and that potential property appreciation must be considered when determining the appropriate rate of return. *Palomar*, 16 Cal. App. 4th at 489-90. Here, no capital improvements were made between the purchase and the end of the analysis period, so no adjustment to the investment base was necessary. (*Id*. at 489; Expert Report, p. 3).

Regarding appreciation, Management's expert correctly notes that the value of an income-producing property is derived from its ability to generate income. (Expert Report, p. 5). When rent controls suppress income growth below inflation, the property's real (inflation-adjusted) value is likewise suppressed, negating appreciation as a meaningful component of the owner's return. The expert's use of a conservative 6.0% rate of return—well below the 6.81% median unlevered yield for comparable properties—reasonably accounts for any long-term return expectations. *Id*. This approach satisfies the legal requirement that appreciation be considered. *Palomar*, 16 Cal. App. 4th at 489.

C. <u>The Residents' Objections Are Procedurally Barred or Legally Irrelevant.</u>

The Petition raises several concerns, none of which provides a valid basis for denying or reducing the proposed rent increase.

1. The Arbitrator Lacks Jurisdiction to Review the 2025 Rent Increase.

The Petition asks the Arbitrator to determine if the 2025 rent increase was "illegal." (Petition, p. 2). The Arbitrator has no jurisdiction to do so. The Ordinance requires that any petition to contest an increase be filed no later than forty-five days after the date of the notice. (Ordinance, Sec. 11A-5(b); Rules for Hearings, Rule 3(a)). The time to challenge the 2025 increase, which was noticed in September 2024, has long since expired. The current proceeding is limited exclusively to the January 1, 2026, increase.

2. Resident Hardship Is Not a Factor Under the Ordinance.

The Petition expresses concern that residents are on a "tight income" and that the increase will "drive out the seniors." (Petition, p. 2). While these concerns may be understandable, they are not legally relevant in this proceeding. The Ordinance specifies the "relevant factors" an arbitrator shall consider, which include operating expenses, property taxes, capital improvements, and changes in services. (Ordinance, Sec. 11A-5(f)). The list does not include resident income, affordability, or financial hardship.

The Santa Barbara County Board of Supervisors made a legislative choice to omit tenant hardship from the arbitrator's consideration. The Arbitrator's role is to apply the Ordinance as written, not to introduce factors the legislature excluded.

3. A Uniform Per-Space Increase Is Required by the Ordinance.

The Petition objects to a uniform dollar increase for all spaces, arguing that the increase "should be a rate on each mobile home rent space." (Petition, p. 1). This misinterprets the Ordinance. The entire structure of Section 11A-5 is based on park-wide calculations. The automatic increase is a single percentage applied on a park-wide, per-space basis (§ 11A-5(i)(1)), and operating costs are park-wide expenses that are allocated on a per-space basis. (Expert Report, Ex. 1). There is no provision in the Ordinance for individualized rent adjustments based on a tenant's specific starting rent. Management's application of a uniform increase is the only method consistent with the Ordinance's text.

IV. CONCLUSION

Management has provided substantial, uncontroverted evidence that its operating costs have significantly increased and that its current NOI falls far short of the constitutionally mandated fair return. The requested increase of $39.16 is a conservative and reasonable measure that is fully supported by the law and the facts. It is substantially below the amount required for a full fair return, recovers only a portion of increased operating costs, and is consistent with the structure of the Ordinance. The Arbitrator's task is not to weigh affordability or policy concerns, but to apply the Ordinance as written to the undisputed financial evidence. Approving the noticed increase is not only

consistent with the Ordinance's structure, but necessary to ensure that the rent-setting process remains lawful, evidence-based, and non-confiscatory.

For the foregoing reasons, Management respectfully requests that the Arbitrator issue a decision approving the noticed rent increase of $39.16 per space per month, effective January 1, 2026.

Dated: January 14, 2026

By: _____
Jason Dilday
Attorney for Respondent,
DEL CIELO MHC, LLC

Bruce Stanton, SBN 104925
[redacted]
Attorney for Homeowners

COUNTY OF SANTA BARBARA

MOBILEHOME RENT CONTROL ORDINANCE (CHAPTER 11A)

ARBITRATION

In the matter of: DEL CIELO MOBILE HOME PARK and AFFECTED TENANTS	**HOMEOWNERS' PRE-HEARING BRIEF** Hearing Date: January 21, 2026 Time: 9:00 AM Place: Via Zoom Only Arbitrator: John Derrick, Esq.

I.

STATEMENT OF FACTS

Del Cielo Mobile Home Park ("Park") is a **184**-space mobilehome park located within the County of Santa Barbara ("County"), and subject to the County's Mobilehome Rent Control Ordinance ("Ordinance") found at Chapter 11A, et seq. of the County Code of Ordinances. The mobilehome occupants own their homes and rent the pad space from the park owner. They are defined as "Homeowners" in California Civil Code section 798.9, and the same term is used in the Ordinance.

The current ownership, DEL CIELO MHC, LLC ("Owner") purchased the Park in April, 2024. Five months later, on September 27, 2024, Owner noticed a $57.40 rent increase in excess

of the $12.44 automatic allowable rent adjustment, to take effect on January 1, 2025. The stated rationale for said increase was due to "increased operating costs for increased property taxes resulting from the reassessment following park's sale." A true copy of the Notice of Rent Increase for said amount is attached as Exhibit "A". Said $57.40 rent increase took effect and was collected from all spaces throughout 2025. Homeowners did not challenge same.

On August 29, 2025, Owner served the Notice of Rent Increase at issue herein, seeking an additional **$39.16** rent increase based upon alleged increased operating expenses. A true copy of the Notice is attached as Exhibit "B". Homeowners filed their Petition objecting to same, and this hearing follows.

In a filed "Response to Homeowners' Petition", Owner calculates the following amounts in support of its noticed $39.16 rent increase:

-An amount of **$30.45** per space based upon application of Ordinance Sec. 11A-5 (i).

-An amount of **$79.02** based upon an operating cost increase to show the alleged "modest" nature of the noticed amount.

-An amount of **$152.19** based upon a Net Operating Income calculation, again to show the alleged "modest" nature of the noticed amount.

II.

APPLICABLE ORDINANCE STANDARD

Ordinance Sec. 11A-5 sets forth the applicable "Increases in maximum rent schedule". The key provisions are found in subsection (i) (1)-(6), which lay out the procedure for the Arbitrator to follow. After granting one-half of the allowable automatic increase amount set forth the in Sec. 11A-5 (a) (2) (i.e. 75% of the increase in the CPI) as a "just and reasonable return on investment" (per subsection (i) (2)), and another one-half of said allowable automatic

increase amount in recognition of increased operating costs (per subsection (i) (3)), subsection (i) (3) then gives the Arbitrator discretion to "add an amount to cover operating costs, if any, in excess of one-half of said automatic increase", as may be justified by the evidence or otherwise permitted by the Ordinance. In essence, subsection (i) (3) is the key to this proceeding, since it is undisputed that no new or old capital expenses, or capital improvements, are being claimed by Owner pursuant to subsection (i) (4)-(6).

Importantly, even though Owner has submitted argument in support of much higher rent increase amounts, subsection (j) states that the total increase shall not exceed the amount set forth in the Notice of Rent Increase; i.e. in this case $39.16.

III

APPLICATION OF THE ORDINANCE STANDARD

Owner has provided a calculation which applies the Sec. 11a-5 (i) formula. That calculation hinges upon the 2023 and 2024 "Operating Costs" which are shown on the accompanying Net Operating Income analysis (see Owner's Exhibit 1, page 2). No 2025 expenses are provided. Comparing 2023 and 2024 expenses categories, the categories listed below stand out as reporting notable expense increases which bear close scrutiny. Some detail for these categories has been provided by Owner in the form of a General Ledger which records entries from late April-December, 2024. A true copy of said Ledger pages is attached as Exhibit "C"). From that information we can glean the following regarding these expense categories:

Dues and Subscriptions

The $3,829 amount shown for 2023 increased to $5,707 in 2024 (i.e. a $1,878 increase). The Exhibit "C" Ledger confirms that said amount was paid to an entity called "WMA". This is the acronym for the Western Manufactured Housing Communities Association. Its website

describes WMA as an organization created "for the exclusive purpose of promoting and protecting the interests of owners, operators and developers of manufactured home communities in California." It does not benefit park homeowners, but instead can be viewed as doing the opposite. Membership therein is not compulsory. As such, any amounts connected to "WMA" i.e. the $5,707 claimed 2024 expense amount, should be excluded, and the operating expense for this category should be $0.

Office Supplies

The $1,183 amount shown for 2023 increased astronomically to $11,972 in 2024 (i.e. a $10,789 increase, representing over 700%). The Exhibit "C" Ledger tracks only $608.59 of this amount between May 23rd - September 19th, 2024. The 12-Month Profit and Loss Recap provided by Owner shows the following much larger amounts allegedly expended for "Office Supplies" by the prior owner:

January, 2024: $4,545

February, 2024: $2,068

March, 2024: $2,034

April, 2024: $2,717

Total: $11,364.00

No explanation is given for these large amounts, which are in a different universe from what Owner has reported for the remaining 8 months of 2024. Could they have been incurred in connection with the sale of the property? This category should be adjusted accordingly.

Legal Fees

The $2,696 amount shown for 2023 also increased astronomically to $25,412 in 2024 (i.e. a $22,716 increase, representing over 800%). The Exhibit "C" Ledger tracks all of this amount.

Two entries totaling $7,492.98 reference "Legal Fees xs. Santa Barbara". These appear to be non-recurring costs which in no way benefit Homeowners, and should be excluded. The balance of entries show amounts paid to Owner's in house counsel, Jason Dilday, with no further explanation. To the extent that these entries represent non-recurring fees associated with the park purchase, or in connection with fair return rent increases, said fees should also be either adjusted or eliminated.

Property Taxes

The $218,691 amount shown for 2023 increased to $351,253 in 2024 (i.e. a $132,562 increase). This could be explained by the reassessment of the park property following its purchase by Owner. However the reported numbers do not align with the numbers reported by Owner prior to the $57.40 rent increase instituted by Owner effective January 1, 2025. Attached as Exhibit "D" is a packet of information provided by Owner to the Homeowners in connection with the 2025 rent increase. Their own numbers show $220,307.90 property tax expense in 2023-24, and $347,727.32 in 2024-2025. Owner's numbers should be adjusted accordingly, so that the actual expense increase would be $127,419 (i.e. a $5,143 difference).

Property Insurance

Increased from $19,270 in 2023, to $29,552 in 2024. Owner should explain this $10,282 increase, and confirm whether same resulted from additional coverages, or simply due to policy increases.

LLC Fees

The claimed $745.00 amount for 2024 did not appear in 2023. This is an investment expense, rather than an operational expense, and should be entirely excluded.

Ordinance Sec. 11A-5 (f) states that operating expenses must be "ordinary and necessary". When they are not, they should be adjusted or excluded accordingly. In sum, once any of these adjustments or exclusions are made, the amount required to "cover operating costs" under (i) (3) would be consequently reduced. Again, the Arbitrator has discretion to make this determination.

Homeowners have submitted herewith an expert analysis by Karl Lawson which provides further detail and analysis regarding Owner's net operating income analysis.

IV

OWNER'S NET OPERATING INCOME ANALYSIS

The Ordinance does not provide for a Net Operating Income analysis. However Owner has submitted one as a companion calculation to the Ordinance Standard, allegedly to show that the requested rent increase is "modest" compared to what Owner might otherwise be entitled to receive. That calculation contains a number of flaws.

First, the expense categories are subject to adjustment as explained above, for the same reasons noted.

Second, it should be noted that the Income category for "Uncollected Rents due to Vacancy" grew from $0 in 2023 to an astounding $35,174 in 2024. At minimum, Owner should be required to account for this large increase, which is hardly normal. To the extent that such vacancies were within the control of Owner, an uncollected rents associated with those spaces should not be subtracted from 2024 Income as uncollected rents.

An additional flaw in this calculation is Owner's failure to account for the $57.40 rent increase which it began to receive in January, 2025. Excluding said 2025 income, which Homeowners have calculated as $130,521.84 including the allowable annual adjustment (see

Exhibit "E" attached for rent roll amounts), creates an absurd result and prejudices the calculation greatly. This NOI calculation does not support the Ordinance Standard calculation as Owner would have us believe.

V

OWNER'S "FAIR RETURN CALCULATION"

Owner has also submitted a "Fair Return Calculation" purporting to show entitlement to a $152.19 rent increase based upon purchase price and an inflation-adjusted net operating income. The Ordinance contains no such standard, so that this analysis is essentially irrelevant. And to the extent that the NOI reported in this formula contains the infirmities described above, this calculation is also flawed.

VI

CONCLUSION

Owner's own analysis under the applicable Ordinance standard does not support the noticed $39.16 rent increase, but rather a smaller $30.45 amount. This should be the maximum amount that can be awarded. Once adjustments or exclusions are made in recognition of the expense categories argued above, the Arbitrator has discretion to reduce the amount of the rent increase under the Ordinance standard even further.

Respectfully Submitted,

Dated: January 14, 2026

BRUCE E. STANTON, Esq.
Attorney for Homeowners

COUNTY OF SANTA BARBARA

MOBILEHOME RENT CONTROL ORDINANCE ARBITRATION

In the Matter of:

DEL CIELO MOBILE HOME PARK and AFFECTED TENANTS

Arbitrator: John Derrick, Esq.

RESPONDENT DEL CIELO MHC, LLC'S POST-HEARING BRIEF

I. PRECISE RELIEF REQUESTED

Management respectfully requests that the Arbitrator award a uniform rent increase of $39.16 per space per month, applied equally to all 184 spaces, effective January 1, 2026. This is the exact amount stated in the August 29, 2025 Notice of Rent Increase. Management does not seek any alternative allocation among spaces. Under Section 11A-5(j) of the Ordinance, this is the maximum the Arbitrator may award.

This requested amount is supported on two independent grounds, each of which alone is sufficient:

> (1) The Section 11A-5(i) Ordinance formula, applied to the updated 2024 operating costs that include the $20,000 allowable purchase commission, yields $39.51 per space per month — $0.35 above the noticed amount. Because the noticed amount caps the award, $39.16 is fully justified by the formula alone.

(2) California's constitutional fair return requirement independently mandates approval of the noticed increase. The 2024 NOI shortfall relative to a constitutionally adequate 6% return on Management's inflation-adjusted investment is $165.02 per space per month. The $39.16 noticed amount represents only approximately 24% of the constitutionally required increase. Regardless of how any individual expense item is resolved, the constitutional floor requires approval of the noticed amount.

II. EXACT CALCULATION OF THE SECTION 11A-5(I) FORMULA

A. Step-by-Step Formula Calculation

The table below shows the formula calculation in two columns: (1) including the $20,000 broker commission as an allowable expense incidental to the purchase of the park; and (2) excluding the commission. In both columns, all other 2024 operating costs are as reflected in the Exhibit 2 (Remapped).

Step Description	With $20K Commission	Without $20K Commission
§11A-5(i)(1) ½ of Automatic Increase — ROI component	$8.83	$8.83
§11A-5(i)(2) ½ of Automatic Increase — Operating cost component	$8.83	$8.83
§11A-5(i)(3) Excess Operating Cost Increase: 2024 costs $706,389 (or $686,389); 2023 costs $511,916; Increase $194,473 (or $174,473) ÷ 184 spaces ÷ 12 months = $88.08 (or $79.02) Less ½ auto: ($8.83) Less passthrough: ($57.40) Excess:	$21.85	$12.79
TOTAL Formula Result (capped at noticed $39.16)	**$39.51**	**$30.45**

Under column (1), the formula result of $39.51 exceeds the noticed amount. The Arbitrator need only find that the commission is allowable — a conclusion compelled by the plain text of Section 11A-5(f)(1) — to conclude that the formula independently supports $39.16.

Under column (2), even if the commission is excluded, the formula yields $30.45. In that scenario, the formula alone does not reach the noticed amount. However, as detailed in Section IV below, the constitutional fair return requirement provides an independent and sufficient basis for awarding the full $39.16.

B. Base Year and Application Year Operating Costs

The relevant operating cost figures, as adjusted to arrive at NOI under the Ordinance, are:

	2023 (Base Year)	2024 (Application Year)	Year-Over-Year Increase
Adjusted Operating Costs (per original Exhibit 2, without commission)	$511,916	$686,389	$174,473
Adjusted Operating Costs (with $20,000 commission added)	$511,916	$706,389	$194,473

III. CONTESTED EXPENSE ITEMS: EXACT AMOUNTS AND PER-UNIT IMPACT

Preliminary Note: Exhibit 2 (Remapped)

During the hearing, Management's expert Brian Eid reviewed the prior owner's original 2024 profit and loss statement and general ledger and identified that the "Office Supplies" line item in the books and records reflected miscategorizations that originated in a combined profit and loss statement prepared by the property management company's accounting department. Examining the prior owner's underlying financials, Mr. Eid determined that most of the amounts recorded under Office Supplies belonged in other expense categories. He corrected these categorizations, generating an updated version of Exhibit 2 which he testified about during the hearing. The updated exhibit was subsequently transmitted by email to the

Arbitrator and opposing counsel under the title "EX 2 Remapped." This document is referred to throughout this brief as "Exhibit 2 (Remapped)."

The reclassification did not change the Park's total 2024 operating expenses. It reallocated specific line items from Office Supplies to the categories where they properly belong, reducing Office Supplies from $11,972 to $1,182 — consistent with the 2023 level of $1,183. The total amount reclassified was $10,790, which reconciles exactly to the $10,790 reduction in the Office Supplies line. The reclassified amounts, by destination category, were as follows: Outside Services, $4,413 (answering service, tenant billing, tenant screening, and education/seminars); Dues and Subscriptions, $3,101 (WMA membership, general membership/subscriptions, and tenant association fees); Telephone/Internet, $1,913 (tech/IT services, telephone, RentManager software, and internet/cable); Bank Fees, $629; Travel, $156 (lodging); Auto, $144 (fuel, gas/propane, and auto maintenance); Legal, $302; Postage, $68; and Meals, $64. Each of these items was a legitimate operating expenditure that had been miscoded to Office Supplies in the prior owner's combined profit and loss and carried forward as such into the books and records column of Mr. Eid's original Exhibit 2. Exhibit 2 (Remapped) reflects the correct categorizations. Because total operating expenses are unchanged, no other exhibit required revision.

The remapping is further corroborated by the prior owner's Profit and Loss 12-Month Recap for the period May 1, 2023 through April 30, 2024 (Exhibit 6 (Prior Owner P&L)), submitted as part of Management's initial exhibits. That document reflects the prior

owner's own categorization of income and expense line items for the same property and establishes the baseline expense structure against which Mr. Eid's reclassification was benchmarked. In particular, the prior owner's P&L reflects Office Supplies at a level consistent with Mr. Eid's corrected 2024 figure of $1,182, confirming that the original combined P&L's inflated Office Supplies entry resulted from miscategorization rather than an actual increase in office supply expenditures.

A. Impact Formula

Section 11A-5(f)(1) of the Ordinance contains two distinct clauses relevant here. The first — "ordinary and necessary maintenance and operating expenses, insurance and repairs" — carries an "ordinary and necessary" qualifier. The second — "fees and expenses in connection with operating the park" — does not. Legal fees, trade association dues, and entity maintenance fees fall under the second clause and need only be shown to be "in connection with operating the park." Each dollar of 2024 operating expense disallowed by the Arbitrator reduces the year-over-year operating cost increase by that same dollar, which in turn reduces the Section 11A-5(i)(3) excess operating cost component by:

$1.00 ÷ 184 spaces ÷ 12 months = $0.000453 per space per month per dollar disallowed

Stated differently: to reduce the formula result by $1.00 per space per month, the Arbitrator would need to disallow $2,208 of operating expenses ($1.00 × 184 × 12). The table below shows the precise impact of each contested item.

B. Expense-by-Expense Analysis

Contested Expense Item	2024 Amount	Per-Space Per-Month Impact If Disallowed	Management's Position
$20,000 broker commission on park purchase (Outside Services)	$20,000	−$9.06	ALLOW. Expressly permitted as "expenses incidental to the purchase of the park." §11A-5(f)(1). Commission is the archetypal such expense.
$25,714 legal fees — total (Exhibit 2 (Remapped))	$25,714	−$11.65	ALLOW in full. "Fees and expenses in connection with operating the park." §11A-5(f)(1), second clause. No "ordinary and necessary" qualifier applies. Both components (SB lawsuit defense and in-house counsel) were incurred in connection with park operations.
— Portion: ~$7,493 fees re SB senior-overlay lawsuit	~$7,493	−$3.39	ALLOW. Litigation to defend Park's operating rights against government action that would have materially altered operations. Operational

			defense, not personal advocacy.
— Portion: ~$18,221 in-house counsel fees (compliance, regulatory, lease/operational matters)	~$18,221	−$8.25	ALLOW. Routine operational legal services. Standard for a 184-space California park subject to state and local regulatory requirements.
$8,807 dues and subscriptions — total (Exhibit 2 (Remapped)) $5,707 WMA membership $3,101 other subscriptions reclassified from office supplies	$8,807	−$3.99	ALLOW in full. "Fees and expenses in connection with operating the park." §11A-5(f)(1), second clause — no "ordinary and necessary" qualifier. WMA provides compliance resources, forms, and regulatory guidance directly connected to park operations. No resident benefit test applies.
— Portion if WMA alone were apportioned at 50%: $2,854	$2,854	−$1.29	Fallback only. No apportionment is required. But if Arbitrator apportions WMA 50%, impact is −$1.29/unit. All other subscriptions ($3,101) should be fully allowed.
$745 LLC fees	$745	−$0.34	ALLOW. "Fees in connection with

			operating the park." §11A-5(f)(1), second clause — no "ordinary and necessary" qualifier. LLC fees are a prerequisite to operating the park at all. Not an investment expense.

C. Detailed Discussion of Each Contested Item

1. $20,000 Broker Commission (Impact if disallowed: −$9.06/space/month)

This $20,000 commission was paid in connection with the April 2024 acquisition of the Park. Management's initial expert report removed it as an adjustment; the updated Eid exhibits restore it as an allowable expense. Section 11A-5(f)(1) of the Ordinance expressly includes "expenses incidental to the purchase of the park" among the relevant factors the Arbitrator shall consider.

A broker's or finder's commission is the paradigmatic expense incidental to a property purchase. It arises solely because the purchase occurred; it would not exist absent the transaction. Homeowners' expert Lawson argued at the hearing that the commission is not "incidental." That position is untenable under the plain text of the Ordinance. If the legislature intended to exclude commissions from this category, it could have said "closing costs other than broker commissions" or used similar limiting language. It did not.

If the commission is allowed: formula = $39.51 → approve $39.16. If excluded: formula = $30.45 → constitutional fair return still requires $39.16.

2. $25,714 Legal Fees — Total (Impact if fully disallowed: −$11.65/space/month)

Exhibit 2 (Remapped) reflects $25,714 in 2024 legal fees. Legal fees are properly classified under the second clause of Section 11A-5(f)(1): "fees and expenses in connection with operating the park." This clause carries no "ordinary and necessary" qualifier. The only question is whether these fees were incurred in connection with operating the park — and they were, as detailed below. The $25,714 consists of two components:

> **Component A — Approximately $7,493 (impact if disallowed: −$3.39/space/month)**
>
> These fees were incurred in connection with litigation Management filed after Santa Barbara County passed a senior housing overlay applicable to the Park. That overlay, had it taken effect, would have required Del Cielo to operate exclusively as a senior park, fundamentally altering the tenant composition of the park and affecting the rights of non-senior residents. Legal fees to defend the Park's operating rights against a government action that would have materially changed park operations are unambiguously "expenses in connection with operating the park." They are not personal advocacy expenses for Management's benefit; they are operational defense costs.

Component B — Approximately $18,221 (impact if disallowed: –$8.25/space/month)

These are fees for in-house counsel services covering compliance with applicable state laws (including the Mobilehome Residency Law, Health and Safety Code, and local rent ordinance requirements), lease administration, and operational regulatory matters. Legal services of this type are standard, ordinary, and necessary for a 184-space mobilehome park in California. There is nothing unusual or discretionary about retaining counsel for park operational and compliance purposes.

The Arbitrator observed at the hearing that legal fees appear to be "an expense to management." Management respectfully submits that this framing, while accurate in one sense — management incurs the expense — does not resolve the allowability question under the Ordinance. The applicable clause of Section 11A-5(f)(1) asks only whether these are "fees and expenses in connection with operating the park." They are. The clause imposes no "ordinary and necessary" requirement and no "resident benefit" requirement. Because both components of the $25,714 were incurred in connection with the operation of the park, both are allowable in full.

3. $8,807 Dues and Subscriptions — Total (Impact if fully disallowed: –$3.99/space/month)

Exhibit 2 (Remapped) reflects $8,807 in 2024 dues and subscriptions: $5,707 in WMA membership dues and $3,101 in other

business subscriptions that were reclassified from the original Office Supplies entry.

$5,707 WMA membership dues (impact if fully disallowed: –$2.58/space/month)

WMA (Western Manufactured Housing Communities Association) is the primary trade association for California mobilehome park owners and operators. WMA membership provides park operators with: regulatory compliance updates as new state and local laws affecting parks are enacted; model lease forms and resident notices that satisfy legal requirements; legislative monitoring and alerts; training programs for park management staff; and access to legal resources on park operational issues. These are direct operational benefits to the Park.

WMA dues fall within the second clause of Section 11A-5(f)(1): "fees and expenses in connection with operating the park." This clause carries no "ordinary and necessary" qualifier. A trade association membership providing compliance resources, forms, and regulatory guidance directly connected to park operations is unambiguously a fee in connection with operating the park. No further showing is required.

The Arbitrator raised the question of whether apportionment might be appropriate based on value to the park versus value to residents. Management's primary position is that no apportionment is required. The clause under which WMA dues are allowable asks only whether the fees are "in connection with operating the park" — not whether they

benefit residents. However, if the Arbitrator is inclined to apportion, the operational components of WMA's services — compliance updates, forms, training, legal resources — predominate over any advocacy function. Even at a 50% apportionment (disallowing $2,854 of the $5,707), the impact would be only –$1.29/space/month.

$3,101 other subscriptions (impact if disallowed: –$1.40/space/month)

These are ordinary business subscriptions correctly identified during Mr. Eid's review of the general ledger and reclassified from the original Office Supplies entry. They are fees and expenses in connection with operating the park.

4. $745 LLC Fees (Impact if disallowed: –$0.34/space/month)

These are state-mandated fees to maintain the LLC through which the Park is owned and operated in good standing. LLC fees are properly classified under the second clause of Section 11A-5(f)(1): "fees and expenses in connection with operating the park." The LLC is the legal entity through which Management conducts all park operations. Maintaining that entity's legal existence is a prerequisite to operating at all — there is no closer connection to park operations than fees required to keep the operating entity in legal good standing. No "ordinary and necessary" qualifier applies to this clause. Homeowners' characterization of LLC fees as an "investment expense" is incorrect; these are state fees paid to operate, not fees associated with acquiring or holding an investment. The dollar impact

is minimal ($0.34/space/month) but the item should be allowed in full.

D. Additional Expense Items Addressed at the Hearing

The following items were raised at the hearing. On each, the Arbitrator's questions and comments indicated a degree of receptiveness to Management's position, though Management does not represent that any ruling has been made. Management sets out its position and the per-unit impact of each item so the Arbitrator has the precise figures in reaching his decision.

- Office supplies ($1,182 in Exhibit 2 (Remapped), versus $11,972 in the original books and records — a reduction of $10,790): During the hearing, Mr. Eid explained that the original entry contained expenditures belonging in other categories, as confirmed by his review of the 2024 general ledger. After correction, the 2024 figure of $1,182 is consistent with the 2023 level of $1,183. The corrected figure is reflected in Exhibit 2 (Remapped) and is supported by the underlying ledger detail. Management submits the corrected figure of $1,182 is the appropriate 2024 amount for this category. Impact of using original (uncorrected) figure instead: –$4.89/space/month.
- Travel ($274 in Exhibit 2 (Remapped)): The Arbitrator noted at the hearing that the travel expense appeared to reflect actual on-site visits to the Park. Management confirms this: the expense represents management personnel traveling to the Park for on-site oversight — an ordinary operational cost and a more economical approach than maintaining a full-time resident

manager on-site. Management submits this amount should be allowed in full. Impact if disallowed: –$0.12/space/month.

- Property tax figures (2023: $218,691; 2024: $351,253 as adjusted in Exhibit 2): Management understands these figures are not in dispute. The year-over-year increase of $132,562 in property taxes — a direct consequence of the Prop. 13 reassessment following the April 2024 acquisition — has already been substantially reimbursed through the previously approved $57.40 passthrough, which is expressly deducted in the Section 11A-5(i)(3) calculation.
- Vacancy/uncollected rents ($35,174 in 2024): Management understands this is not in dispute. The Park's vacancy rate is under 3% and vacancies were beyond Management's control. The adjustment is appropriate. Impact if disallowed (i.e., if income were imputed for vacant spaces): this would increase 2024 adjusted income, reducing the NOI shortfall in the fair return analysis but not affecting the Section 11A-5(i) formula, which is expense-driven.

E. The Ordinance Does Not Require That Expenses Benefit Residents — And "Ordinary and Necessary" Does Not Apply to Legal Fees, Trade Dues, or Entity Fees

Homeowners' prehearing brief and expert report argue that expenses should be disallowed if they do not benefit residents. This standard appears nowhere in the Ordinance. But more fundamentally, Homeowners have misread the structure of Section 11A-5(f)(1) itself, which contains two distinct clauses with different standards.

Section 11A-5(f)(1) reads, with clause breaks added for clarity:

> *"…increases in management's ordinary and necessary maintenance and operating expenses, insurance and repairs; [clause break] increases in property taxes and fees and expenses in connection with operating the park; [clause break] capital improvements; capital expenses; increases in services, furnishings, living space, equipment or other amenities; and expenses incidental to the purchase of the park…"*

The "ordinary and necessary" qualifier appears only in the first clause — it modifies "maintenance and operating expenses, insurance and repairs." The second clause — "fees and expenses in connection with operating the park" — is grammatically and substantively independent. It carries no "ordinary and necessary" requirement.

This distinction matters enormously for three of the contested items:

- Legal fees are properly characterized as "fees and expenses in connection with operating the park" — not as "maintenance and operating expenses." Legal fees are not maintenance; they are not repairs; they are fees for professional services rendered in connection with operating the park. The "ordinary and necessary" standard does not apply to them. The only question is whether they are fees "in connection with operating the park" — and they plainly are.
- WMA dues are similarly "fees… in connection with operating the park." A trade association membership providing compliance updates, model forms, regulatory monitoring, and training for

California mobilehome park operators is directly connected to operating the park. No "ordinary and necessary" test applies.

- LLC fees are state-mandated fees to maintain the legal entity through which the park operates. They are "fees in connection with operating the park" — the LLC is the operating entity, and maintaining it in good standing is a legal prerequisite to operating at all. No "ordinary and necessary" test applies.

Even if the "ordinary and necessary" standard did apply to these items — which it does not — they would satisfy it. But the Arbitrator need not reach that question. Homeowners' "resident benefit" argument and their "ordinary and necessary" arguments both fail because they rest on a misreading of which standard governs which expenses. No reported decision under Chapter 11A, and no California rent control precedent of which Management is aware, imposes a "resident benefit" test for expenses qualifying under any clause of Section 11A-5(f)(1). The Arbitrator must apply the Ordinance as written.

IV. CONSTITUTIONAL FAIR RETURN: $39.16 IS THE FLOOR, NOT THE CEILING

The constitutional fair return analysis confirms that $39.16 is the minimum increase the Arbitrator may award. This is not Management's "maximum" position — it is the Ordinance's cap on what the Arbitrator can grant in this proceeding.

A. The NOI Shortfall Requires a $165.02 Increase

Mr. Eid's updated Exhibit 1A (reflecting the $20,000 commission) calculates the 2024 NOI shortfall as follows:

Component	Amount
Inflation-adjusted investment in Park (purchase price $20,986,398 + CPI adjustment)	$21,087,136
Required fair return at 6.00% rate of return	$1,265,228/year
Actual 2024 NOI (with commission included)	$900,854/year
Annual NOI Shortfall	$364,374
Monthly per-space shortfall (÷ 184 spaces ÷ 12 months)	$165.02/space/month
Noticed increase as percentage of constitutional shortfall	$39.16 ÷ $165.02 = 23.7%

The noticed increase of $39.16 represents less than one-quarter of the constitutionally required rent increase. Denying or reducing this amount would further widen an already substantial gap between what Management is currently receiving and what it is constitutionally entitled to receive.

B. The Constitutional Floor Applies Regardless of Formula Outcome

The Arbitrator expressed concern at the hearing about Section 11A-5(i)(1)'s language stating that he "shall have no discretion to award additional amounts as a just and reasonable return on investment" beyond one-half of the automatic increase. Management acknowledges this language and does not ask the Arbitrator to exceed his Ordinance-defined authority as to the ROI component of the formula.

However, the constitutional fair return requirement is not a formula component that the Ordinance can allocate or constrain — it is a constitutional floor imposed on the result. *Birkenfeld v. City of Berkeley*, 17 Cal.3d 129, 165 (1976). The California Supreme Court has been clear: "the result reached, not the method employed, is controlling." Id. Where applying a local ordinance's formula would produce a confiscatory result — i.e., a rent level that denies the owner a fair return — the constitutional imperative takes precedence over the formula. *Colony Cove Properties v. City of Carson*, 220 Cal.App.4th 840, 865 (2013).

Here, denying the noticed $39.16 increase would produce a result that leaves Management with an annual NOI shortfall of over $364,000 (with commission) or over $344,000 (without commission). Either figure is enormous relative to the scale of the increase being requested. There is no scenario in which a fair return is being achieved, and there is no scenario in which denying the $39.16 increase is constitutionally permissible.

The constitutional argument is Management's backstop in every disallowance scenario. As shown in the scenario table in Section V below, even if the Arbitrator disallows every contested expense item in its entirety — commission, legal fees, WMA dues, and LLC fees — the formula yields $14.82. Even at $14.82, the constitutional shortfall remains approximately $150/space/month. The Arbitrator cannot award less than $39.16 without imposing a constitutionally infirm result.

V. SUMMARY OF SCENARIOS AND FALLBACK POSITIONS

Per the Arbitrator's instruction, Management sets forth below the formula result under each combination of expense disallowance, together with the constitutional fair return analysis. In every scenario, Management's requested award is $39.16 per space per month. Management does not propose a lower figure as a fallback because the constitutional floor does not permit it. The table is provided to assist the Arbitrator in understanding the precise dollar impact of each decision:

Scenario	Items Disallowed (total $)	Formula Result	Constitutional Floor	Amount Justified	Notes
1 — Primary (all allowed)	None ($0)	$39.51	$165.02	$39.51 → $39.16 cap	Formula alone supports full noticed increase
2 — Commission excluded	$20,000	$30.45	$165.02	$39.16	Constitutional floor supports $39.16 even when formula falls short
3 — Commission yes; legal fully disallowed	$25,714	$27.86	$165.02	$39.16	Constitutional floor applies

4 — Commission yes; WMA+subs fully disallowed	$8,807	$35.52	$165.02	$39.16	Constitutional floor applies
5 — Commission yes; legal + WMA fully disallowed	$34,521	$23.88	$165.02	$39.16	Constitutional floor applies
6 — Commission excluded; legal + WMA fully disallowed	$54,521	$14.82	$165.02	$39.16	Worst case: constitutional floor still far exceeds noticed amount
7 — Commission yes; SB legal disallowed; WMA+subs disallowed	$16,300	$32.13	$165.02	$39.16	Constitutional floor applies

Management's position is that Scenario 1 (all expenses allowed including commission) is correct and fully supported by the law and

the evidence. Under Scenario 1, the formula result of $39.51 independently justifies the full $39.16 without resort to the constitutional argument. However, in any of Scenarios 2 through 7, the constitutional fair return requirement operates as the basis for the award and requires $39.16 regardless.

Put plainly: there is no combination of expense disallowances under which the Arbitrator can properly award less than $39.16. The formula either supports it directly (Scenario 1), or the Constitution requires it (Scenarios 2–7). The $39.16 is simultaneously the maximum the Ordinance allows and the minimum the Constitution permits.

VI. CONCLUSION

Management respectfully requests that the Arbitrator issue a decision awarding a uniform rent increase of $39.16 per space per month, applicable to all 184 spaces, effective January 1, 2026.

That increase is supported by the updated Section 11A-5(i) formula result of $39.51 when the $20,000 purchase commission — expressly allowable under Section 11A-5(f)(1) as an expense incidental to the purchase of the park — is included. Even without the commission, the Section 11A-5(i) formula yields $30.45, and the constitutional fair return requirement mandates the full $39.16 in either event.

Each contested expense item is an ordinary and necessary cost of operating a 184-space mobilehome park in California. The Ordinance imposes no “benefit to residents” test. Legal fees incurred to defend the Park’s operating rights against a government-imposed use change, in-house counsel fees for regulatory compliance, WMA membership

for industry resources and compliance guidance, and state-mandated LLC maintenance fees are all ordinary operational costs. Their disallowance would not be supported by the Ordinance's text.

Management therefore respectfully requests an award of $39.16 per space per month, uniform across all spaces, effective January 1, 2026.

Dated: February 18, 2026

By: 

Jason Dilday
Attorney for Respondent
DEL CIELO MHC, LLC

EXHIBIT LIST

Pursuant to the Arbitrator's post-hearing instruction, Management attaches and incorporates by reference the following exhibits and exhibit excerpts on which this brief relies. Exhibits from Brian Eid's initial report (filed January 14, 2026) and updated exhibits (filed January 21, 2026) are identified separately below.

MANAGEMENT'S EXHIBITS

Exhibit No.	Description	Relevance / Key Figures
Exhibit 1 (Updated, Jan. 21, 2026)	Brian Eid, CPA, CVA, MAFF, MBA Calculation of Monthly Rent Increase 11A-5(i) (with $20,000 commission included) DEL CIELO-422	Formula result: $39.51/space/month. Basis for Section II.A formula calculation showing that the noticed $39.16 is independently justified by the Ordinance formula when the broker commission is treated as an allowable expense.
Exhibit 1A (Updated, Jan. 21, 2026)	Brian Eid, CPA, CVA, MAFF, MBA Fair Return Calculation, 2023–2024 (with $20,000 commission) DEL CIELO-423	Inflation-adjusted investment: $21,087,136; required 6% return: $1,265,228/yr; actual 2024 NOI: $900,854/yr; annual shortfall: $364,374; per-space per-month shortfall: $165.02. Basis for Section IV constitutional fair return analysis.
Exhibit 2 (Remapped, Jan. 21, 2026)	Brian Eid, CPA, CVA, MAFF, MBA Schedule of Income and Expense / Adjusted Operating Costs— 2023 and 2024	2023 adjusted operating costs: $511,916; 2024 adjusted operating costs: $706,389 (with commission) / $686,389 (without). Basis for all

	(with remapped categories) DEL CIELO-426	formula and fair return calculations. Reflects corrected categorization of Office Supplies and other line items as detailed in Section III.
Exhibit 2A	Brian Eid, CPA, CVA, MAFF, MBA Schedule of Income and Expense Adjustments to NOI, 2023–2024 DEL CIELO-013	Line-by-line income and expense adjustment schedule showing how reported P&L figures are converted to NOI for Ordinance purposes, including removal of utility pass-throughs, property tax adjustments, mortgage interest, and other non-allowable items.
Exhibit 3	Brian Eid, CPA, CVA, MAFF, MBA Rent Roll — Gross Rent at 100% Occupancy DEL CIELO-015 through DEL CIELO-018	Per-space rental rates used to calculate gross potential income at full occupancy ($189,154.09/month for 2024). Source for Line A of Exhibit 2A income adjustments.
Exhibit 4	Brian Eid, CPA, CVA, MAFF, MBA Vacancy/Uncollected Rents Schedule DEL CIELO-019	Documents $35,174 in 2024 uncollected rents attributable to vacancy. Vacancy rate under 3%; vacancies not within Management's control.
Exhibit 5	Brian Eid, CPA, CVA, MAFF, MBA Property Tax Expense Analysis, 2024 DEL CIELO-024	Actual secured property tax bills for four parcels. 2024 allocable property taxes: $351,252.54; 2023 allocable property taxes: $218,690.92. Year-over-year increase of $132,562 reflects Prop. 13

		reassessment following April 2024 acquisition. Basis for property tax adjustment in Exhibit 2.
Exhibit 6 (Prior Owner P&L)	Del Cielo Mobile Estates Profit & Loss 12-Month Recap, May 1, 2023–April 30, 2024 (Cash Basis) Prepared by RentManager property management system DEL CIELO-121 through DEL CIELO-124	Prior owner's annual P&L for the property. Submitted as part of Management's initial exhibits. Corroborates Exhibit 2 (Remapped) by establishing the prior owner's own line-item categorizations for the same property. Office Supplies as reflected in the prior owner's records are consistent with Mr. Eid's corrected 2024 figure of $1,182, confirming that the combined P&L's inflated Office Supplies entry resulted from miscategorization. Also provides the underlying 2023 base year income and expense data used in Exhibit 2A.

EXHIBIT 1

Del Cielo MHP
Calculation of Monthly Rent Increase 11A-5(i)
2024

	Reference	Amount	Line
ROI Increase 11A-5(i)(1)			
CPI July 2024	^	950.094	A
CPI July 2025	^	983.714	B
CPI Incresae	(B-A)/A	3.539%	C
75% of CPI Increase	C*75%	2.654%	D
Average Rents at 9/1/25	Per Rent Roll	$ 665.61	E
Automatic Increase	D*E	$ 17.67	F
Half of Automatic Increase	F*50%	**$ 8.83**	G
Operating Cost Increase 11A-5(i)(2)			
Half of Automatic Increase	G	**$ 8.83**	H
Excess Operating Cost Increase 11A-5(i)(3)			
2023 Operating Costs	Exhibit 2	$ 511,916	I
2024 Operating Costs	Exhibit 2	$ 706,389	J
Increase in Operating Costs	J-I	$ 194,472	K
Number of Spaces		184	L
12 Months		12	M
Increase in Operating Costs per Space per Month	K/L/M	$ 88.08	N
Half of Automatic Increase	G	$ 8.83	O
Property Taxes Already Passed Through To Tenants	*	$ 57.40	P
Excess Operating Costs over half of Automatic Increase	N-O-P	**$ 21.84**	Q
New Capital Expenses 11A-5(i)(4)			
New Capital Expenses per Space per Month		**$ -**	R
Old Capital Expenses 11A-5(i)(5)			
None		**$ -**	S
Capital Improvements 11A-5(i)(6)			
None		**$ -**	T
Total Monthly Rent Increase (permanent)	G+H+Q	$ 39.51	U
Total Monthly Rent Increase (Temporary 10 Years)	R+S+T	$ -	V
Total Monthly Rent Increase	U+V	**$ 39.51**	

^ - bls.gov series ID CWURS49AAA0 and Ordinance section 11A-5(a)2
* - Del Cielo MHP Notice of Rent Increase dated 9/27/24

EXHIBIT 1A

Del Cielo Mobile Home Park
Fair Return Calculation
2023-2024

Rate of Return Related Analysis	Reference				Calculation
Purchase Cost of Park	*		A	$	20,986,398
CPI Index Apr 2024	^	947.050	B		
CPI Index Dec 2024	^	951.596	C		
CPI Increase/(Decrease)	(C-B)/B		D		0.48%
Inflation Adjustment	A*D		E	$	100,738
Inflation-Adjusted Investment In Park	A+E		F	$	21,087,136
Rate of Return	**		G		6.00%
Fair Return	F*G		H	$	1,265,228
Actual 2024 NOI	Exhibit 2		I	$	900,854
NOI Shortfall	H-I		J	$	364,374
NOI Shortfall per Space, per Month	J/184/12			**$**	**165.02**
Percent of existing average rent					*25%*
30 year US Treasury Yield at August 29, 2025 ^^					*4.92%*
NOI Increase from 2023					*-3.78%*
CPI Increase from 2023					*3.39%*
NOI Increase as a Percentage of CPI Increase					*-111.25%*
NOI as a Percent of Non-Utility Income 2023					*72.94%*
NOI as a Percent of Non-Utility Income 2024					*62.42%*
NOI as a Percent of Non-Utility Income 2024-Including this Increase					*69.99%*

Rent Increase at Various Rates of Return		
4.92%	$	61.88
5.50%	$	117.27
6.00%	$	165.02
6.25%	$	188.90
6.50%	$	212.78
7.00%	$	260.53
7.25%	$	284.40
7.50%	$	308.28
7.75%	$	332.16
8.00%	$	356.03
8.25%	$	379.91

* - *Buyer's Settlement Statement dated April 12, 2024*
** - *Reasonable rate based on risk-free US Treasury plus margin for MHP risk*
^ - bls.gov series ID CWURS49AAA0 and Ordinance section 11A-5(a)2
^^ - *https://fred.stlouisfed.org/series/DGS30*

EXHIBIT 2

Del Cielo Mobile Home Park
Net Operating Income Calculation
2023-2024

	2023				2024			
Income	Books and Records	Adjustments^	NOI	% Rev^^	Books and Records	Adjustments^	NOI	% Rev^^
Gross Rental Income	1,263,229	$ -	$ 1,263,229	*98.4%*	1,260,832	$ 189,154	$ 1,449,986	*100.5%*
Uncollected Rents Due To Vacancy	-		-	*0.0%*	-	(35,174)	(35,174)	*-2.4%*
Uncollected Rents due to Bad Debt	(667)		(667)	*-0.1%*	-	-	-	*0.0%*
Gas Income	55,947	(55,947)	-	*0.0%*	34,527	(34,527)	-	*0.0%*
Electric Income	51,548	(51,548)	-	*0.0%*	63,151	(63,151)	-	*0.0%*
Sewer Income	164,661		164,661	*12.8%*	163,957		163,957	*11.4%*
Water Income	30,921	(30,921)	-	*0.0%*	42,698	(42,698)	-	*0.0%*
Trash Income	26,290	(26,290)	-	*0.0%*	-	-	-	*0.0%*
Laundry Income	2,009		2,009	*0.2%*	1,069		1,069	*0.1%*
Storage Income	-		-	*0.0%*	14,500		14,500	*1.0%*
Passthrough Income	21	(21)	-	*0.0%*	-	-	-	*0.0%*
Other Income	18,886		18,886	*1.5%*	390,646	(377,740)	12,906	*0.9%*
Net Rental Income	1,612,844	(164,727)	1,448,117	*112.8%*	1,971,379	(364,136)	1,607,243	*111.4%*
Wages	(89,601)		(89,601)	*-7.0%*	(117,495)	21,756	(95,739)	*-6.6%*
Employer PR Taxes	(8,688)		(8,688)	*-0.7%*	(8,118)		(8,118)	*-0.6%*
Insurance - Workers Comp	(6,276)		(6,276)	*-0.5%*	(10,989)		(10,989)	*-0.8%*
Insurance - Health	(4,529)		(4,529)	*-0.4%*	-		-	*0.0%*
Retirement Benefits			-	*0.0%*	-		-	*0.0%*
Insurance - Property	(19,270)		(19,270)	*-1.5%*	(29,552)		(29,552)	*-2.0%*
Insurance - Other			-	*0.0%*	-		-	*0.0%*
Gas	(55,601)	55,601	-	*0.0%*	(31,918)	31,918	-	*0.0%*
Electric	(42,594)	42,594	-	*0.0%*	(57,413)	57,413	-	*0.0%*
Water	(34,254)	30,921	(3,333)	*-0.3%*	(45,026)	42,698	(2,328)	*-0.2%*
Trash	(27,579)	26,290	(1,289)	*-0.1%*	(918)	-	(918)	*-0.1%*
Repairs and Maintenance	(61,213)		(61,213)	*-4.8%*	(91,727)	30,151	(61,577)	*-4.3%*
Legal - General	(2,696)		(2,696)	*-0.2%*	(25,412)	(302)	(25,714)	*-1.8%*
Outside Services	(6,003)		(6,003)	*-0.5%*	(23,496)	15,587	(7,909)	*-0.5%*
Payroll Service	(1,564)		(1,564)	*-0.1%*	(1,232)		(1,232)	*-0.1%*
Advertising	(203)		(203)	*0.0%*	-		-	*0.0%*
Bank Charges	(1,333)		(1,333)	*-0.1%*	-	(629)	(629)	*0.0%*
Office Supplies	(1,183)		(1,183)	*-0.1%*	(11,972)	10,790	(1,182)	*-0.1%*
Supplies	(1,451)		(1,451)	*-0.1%*	-		-	*0.0%*
Postage	(394)		(394)	*0.0%*	(80)	(68)	(148)	*0.0%*
Telephone/Internet	(2,397)		(2,397)	*-0.2%*	(1,440)	(1,913)	(3,353)	*-0.2%*
Security			-	*0.0%*	-		-	*0.0%*
Travel	(1,520)		(1,520)	*-0.1%*	(119)	(156)	(274)	*0.0%*
Auto Expense	(442)		(442)	*0.0%*	-	(144)	(144)	*0.0%*
Management Fees	(69,062)		(69,062)	*-5.4%*	(47,449)	(21,756)	(69,205)	*-4.8%*
Meals - Entertainment	(571)		(571)	*0.0%*	-	(64)	(64)	*0.0%*
Licenses/Permits/Fees	(6,382)		(6,382)	*-0.5%*	(6,510)		(6,510)	*-0.5%*
Dues and Subscriptions	(3,829)		(3,829)	*-0.3%*	(5,707)	(3,101)	(8,807)	*-0.6%*
Tenant Services			-	*0.0%*	-		-	*0.0%*
Property Taxes		(218,691)	(218,691)	*-17.0%*	(159,818)	(191,435)	(351,253)	*-24.3%*
Mortgage Interest		-	-	*0.0%*	(401,203)	401,203	-	*0.0%*
LLC Fees			-	*0.0%*	(745)		(745)	*-0.1%*
Charity			-	*0.0%*	(1,665)	1,665	-	*0.0%*
Other expense			-	*0.0%*	-		-	*0.0%*
Owner Distribution	(1,175,553)	1,175,553	-	*0.0%*			-	
Gain/(Loss) on Sale of Assets		-	-	*0.0%*	200	(200)	-	*0.0%*
TOTAL EXPENSES	(1,624,185)	1,112,269	(511,916)	*-39.9%*	(1,079,802)	393,414	(686,389)	*-47.6%*
Net Income	(11,341)	947,542	$ 936,201	*72.9%*	891,577	29,277	$ 920,854	*63.8%*
Depreciation	-	(24,001)	(24,001)	*-1.9%*	(835,314)	811,358	(23,956)	*-1.7%*
Amortization	-	(1,263)	(1,263)	*-0.1%*	-	0	-	*0.0%*
Net Income with Depreciation and amortization	$ (11,341)	$ 922,277	$ 910,936	*71.0%*	$ 56,263	$ 840,636	$ 896,898	*62.1%*

DEL CIELO-426

Del Cielo Mobile Home Park
Net Operating Income Calculation
2023-2024

	2023	2024

^ - See Exhibit 2A
^^ - Non-utility revenue
~ - Depreciation for 2023 are calculated at 2.1% of non-utility revenue. This was obtained from *IBISWorld Report on Land Leasing in the US, December 2024* for businesses with <$500k in assets for 3year

EXHIBIT 2A

Del Cielo Mobile Home Park
Schedule of Income and Expense Adjustments to NOI
2023-2024

		Source	2023	2024
A.	Gross rent at 100% occupancy	Exhibit 3	$ -	$ 189,154.09
B.	Uncollected rents due to vacancy	Exhibit 4	-	(35,174)
C.	Remove Gas Income	P&L	(55,947)	(34,527)
D.	Remove Electric Income	P&L	(51,548)	(63,151)
E.	Remove Water Income	P&L	(30,921)	(42,698)
F.	Remove Trash Income	P&L	(26,290)	-
G.	Remove Pass-Thru Income	P&L	(21)	-
H.	Remove CPA Tax Entry	P&L	-	(377,740)
	SUB-TOTAL INCOME ADJUSTMENTS		$ (164,727)	$ (364,136)
I.	Remove Gas Expense	P&L	55,601	31,918
J.	Remove Electric Expense	P&L	42,594	57,413
K.	Remove Water Expense, net of reimbursemetn	P&L	30,921	42,698
L.	Remove Trash Expense, net of reimbursement	P&L	26,290	-
M.	Adjustments to Repairs and Maintenance	General Ledger	-	30,151
N.	Remove commission paid on Park purchase	General Ledger	-	20,000
O.	Adjust property taxes to actual	Exhibit 5	(218,691)	(191,435)
P.	Remove Mortgage Interest	P&L	-	401,203
Q.	Remove unallowed contribution expense	General Ledger	-	1,665

Del Cielo Mobile Home Park
Schedule of Income and Expense Adjustments to NOI
2023-2024

R.	Remove prior owner distribution entry	P&L		1,175,553	-
S.	Remove non-operating income	P&L		-	(200)
	SUB-TOTAL EXPENSE ADJUSTMENTS		$	1,112,269	$ 393,414
	TOTAL ADJUSTMENTS TO ARRIVE AT NOI		$	947,542	$ 29,277

Note: See explanation of income and expense adjustments in accompanying report.

EXHIBIT 3

Del Cielo Mobile Home P
Gross Rents at 100% Occu
2024

		2024												
Space	**Type**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**TOTAL**
154	Space	$777.22	$777.22	$777.22	$777.22	$777.22	$777.22	$777.22	$777.22	$777.22	$777.22	$777.22	$777.22	9,326.64
155	Space	$667.59	$667.59	$667.59	$667.59	$667.59	$667.59	$667.59	$667.59	$667.59	$667.59	$667.59	$667.59	8,011.08
156	Space	$710.78	$710.78	$710.78	$710.78	$710.78	$710.78	$710.78	$710.78	$710.78	$710.78	$710.78	$710.78	8,529.36
157	Space	$784.54	$784.54	$784.54	$784.54	$784.54	$784.54	$784.54	$784.54	$784.54	$784.54	$784.54	$784.54	9,414.48
158	Space	$680.88	$680.88	$680.88	$680.88	$680.88	$680.88	$680.88	$680.88	$680.88	$680.88	$680.88	$680.88	8,170.56
159	Space	$895.28	$895.28	$895.28	$895.28	$895.28	$895.28	$895.28	$895.28	$895.28	$895.28	$895.28	$895.28	10,743.36
160	Space	$654.30	$654.30	$654.30	$654.30	$654.30	$654.30	$654.30	$654.30	$654.30	$654.30	$654.30	$654.30	7,851.60
161	Space	$963.27	$963.27	$963.27	$963.27	$963.27	$963.27	$963.27	$963.27	$963.27	$963.27	$963.27	$963.27	11,559.24
162	Space	$607.79	$607.79	$607.79	$607.79	$607.79	$607.79	$607.79	$607.79	$607.79	$607.79	$607.79	$607.79	7,293.48
163	Space	$767.82	$767.82	$767.82	$767.82	$767.82	$767.82	$767.82	$767.82	$767.82	$767.82	$767.82	$767.82	9,213.84
164	Space	$616.65	$616.65	$616.65	$616.65	$616.65	$616.65	$616.65	$616.65	$616.65	$616.65	$616.65	$616.65	7,399.80
165	Space	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	8,648.88
166	Space	$776.12	$776.12	$776.12	$776.12	$776.12	$776.12	$776.12	$776.12	$776.12	$776.12	$776.12	$776.12	9,313.44
167	Space	$694.17	$694.17	$694.17	$694.17	$694.17	$694.17	$694.17	$694.17	$694.17	$694.17	$694.17	$694.17	8,330.04
168	Space	$711.88	$711.88	$711.88	$711.88	$711.88	$711.88	$711.88	$711.88	$711.88	$711.88	$711.88	$711.88	8,542.56
169	Space	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	$720.74	8,648.88
170	Space	$648.76	$648.76	$648.76	$648.76	$648.76	$648.76	$648.76	$648.76	$648.76	$648.76	$648.76	$648.76	7,785.12
171	Space	$652.08	$652.08	$652.08	$652.08	$652.08	$652.08	$652.08	$652.08	$652.08	$652.08	$652.08	$652.08	7,824.96
172	Space	$633.25	$633.25	$633.25	$633.25	$633.25	$633.25	$633.25	$633.25	$633.25	$633.25	$633.25	$633.25	7,599.00
173	Space	$672.02	$672.02	$672.02	$672.02	$672.02	$672.02	$672.02	$672.02	$672.02	$672.02	$672.02	$672.02	8,064.24
174	Space	$675.34	$675.34	$675.34	$675.34	$675.34	$675.34	$675.34	$675.34	$675.34	$675.34	$675.34	$675.34	8,104.08
175	Space	$917.86	$917.86	$917.86	$917.86	$917.86	$917.86	$917.86	$917.86	$917.86	$917.86	$917.86	$917.86	11,014.32
176	Space	$634.37	$634.37	$634.37	$634.37	$634.37	$634.37	$634.37	$634.37	$634.37	$634.37	$634.37	$634.37	7,612.44
177	Space	$762.82	$762.82	$762.82	$762.82	$762.82	$762.82	$762.82	$762.82	$762.82	$762.82	$762.82	$762.82	9,153.84
178	Space	$711.48	$711.48	$711.48	$711.48	$711.48	$711.48	$711.48	782.63	$782.63	$782.63	$782.63	$782.63	8,893.51
179	Space	$680.31	$680.31	$680.31	$680.31	$680.31	$680.31	$680.31	$680.31	$680.31	$680.31	$680.31	$680.31	8,163.72
180	Space	$660.94	$660.94	$660.94	$660.94	$660.94	$660.94	$660.94	$660.94	$660.94	$660.94	$660.94	$660.94	7,931.28
181	Space	$603.35	$603.35	$603.35	$603.35	$603.35	$603.35	$603.35	$603.35	$603.35	$603.35	$603.35	$603.35	7,240.20
182	Space	$833.70	$833.70	$833.70	$833.70	$833.70	$833.70	$833.70	$833.70	$833.70	$833.70	$833.70	$833.70	10,004.40
183	Space	$750.64	$750.64	$750.64	$750.64	$750.64	$750.64	$750.64	$750.64	$750.64	$750.64	$750.64	$750.64	9,007.68
184	Space	$695.27	$695.27	$695.27	$695.27	$695.27	$695.27	$695.27	$695.27	$695.27	$695.27	$695.27	$695.27	8,343.24
185	Space	$808.57	$808.57	$808.57	$808.57	$808.57	$808.57	$808.57	$808.57	$808.57	$808.57	$808.57	$808.57	9,702.84
		$120,716.09	$120,716.09	$120,715.84	$120,715.91	$120,851.18	$120,971.37	$121,044.17	$121,117.20	$121,121.64	$121,121.64	$119,650.39	$121,244.26	$ 1,449,985.79

Manager Unit
Vacant

EXHIBIT 4

Del Cielo Mobile Home Park
Vacancy Rent Amounts by Month
2024

		2024												
Space	**Type**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**TOTAL**
1	Space													$ -
2	Space													-
3	Space													-
4	Space													-
5	Space													-
6	Space													-
7	Space													-
8	Space													-
9	Space													-
10	Space										$ 1,031.92	$ 1,031.92	$ 1,031.92	3,095.76
11	Space													-
12	Space													-
13	Space													-
14	Space													-
15	Space													-
16	Space													-
17	Space													-
18	Space													-
19	Space													-
20	Space						$ 593.89							593.89
21	Space													-
22	Space													-
23	Space													-
24	Space													-
25	Space					$ 584.78	$ 584.54	$ 584.68	$ 585.15	$ 586.26	$ 586.26	$ 587.10	$ 592.60	4,691.37
26	Space													-
27	Space					$ 584.78	$ 584.54	$ 584.68	$ 585.15	$ 586.26	$ 586.26	$ 587.10	$ 592.60	4,691.37
28	Space													-
29	Space													-
30	Space													-
31	Space													-
32	Space													-
33	Space													-
34	Space													-
35	Space													-
36	Space												$ 592.60	592.60
37	Space	$ 591.88	$ 591.88	$ 591.63	$ 591.70	$ 584.78	$ 584.54	$ 584.68	$ 585.15	$ 586.26	$ 586.26	$ 587.10		6,465.88
38	Space													-
39	Space													-
40	Space													-
41	Space													-
42	Space													-
43	Space													-

Del Cielo Mobile Home Park
Vacancy Rent Amounts by Month
2024

		2024												
Space	**Type**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**TOTAL**
44	Space													-
45	Space	$ 512.38	$ 512.38	$ 512.38										1,537.14
46	Space	$ 544.14	$ 544.14	$ 544.14	$ 544.14									2,176.56
47	Space													-
48	Space													-
49	Space											$ 587.10	$ 592.60	1,179.69
50	Space													-
51	Space	$ 547.00	$ 547.00											1,094.00
52	Space													-
53	Space					$ 584.78	$ 584.54	$ 584.68	$ 585.15	$ 586.26	$ 586.26	$ 587.10	$ 592.60	4,691.37
54	Space													-
55	Space													-
56	Space													-
57	Space													-
58	Space													-
59	Space													-
60	Space													-
61	Space													-
62	Space													-
63	Space													-
64	Space													-
65	Space													-
66	Space													-
67	Space													-
68	Space													-
69	Space													-
70	Space													-
71	Space													-
72	Space													-
73	Space													-
74	Space													-
75	Space													-
76	Space													-
77	Space													-
78	Space													-
79	Space													-
80	Space													-
81	Space													-
82	Space													-
83	Space													-
84	Space													-
85	Space													-
86	Space													-

Del Cielo Mobile Home Park
Vacancy Rent Amounts by Month
2024

		2024												
Space	**Type**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**TOTAL**
87	Space													-
88	Space													-
89	Space													-
90	Space													-
91	Space													-
92	Space													-
93	Space													-
94	Space													-
95	Space													-
96	Space													-
97	Space													-
98	Space													-
99	Space													-
100	Space													-
101	Space						$ 738.10							738.10
102	Space													-
103	Space													-
104	Space													-
105	Space													-
106	Space													-
107	Space													-
108	Space													-
109	Space													-
110	Space													-
111	Space													-
112	Space													-
113	Space													-
114	Space													-
115	Space													-
116	Space													-
117	Space													-
118	Space													-
119	Space							$ 794.59						794.59
120	Space													-
121	Space													-
122	Space													-
123	Space													-
124	Space													-
125	Space													-
126	Space													-
127	Space													-
128	Space													-
129	Space													-

Del Cielo Mobile Home Park
Vacancy Rent Amounts by Month
2024

		2024												
Space	**Type**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**TOTAL**
130	Space													-
131	Space													-
132	Space													-
133	Space													-
134	Space													-
135	Space													-
136	Space													-
137	Space													-
138	Space													-
139	Space													-
140	Space													-
141	Space													-
142	Space													-
143	Space													-
144	Space													-
145	Space													-
146	Space													-
147	Space													-
148	Space													-
149	Space													-
150	Space													-
151	Space													-
152	Space													-
153	Space	$ 683.00	$ 683.00	$ 683.00										2,049.00
154	Space													-
155	Space													-
156	Space													-
157	Space													-
158	Space													-
159	Space													-
160	Space													-
161	Space													-
162	Space													-
163	Space													-
164	Space													-
165	Space													-
166	Space													-
167	Space													-
168	Space													-
169	Space													-
170	Space													-
171	Space													-
172	Space													-

Del Cielo Mobile Home Park
Vacancy Rent Amounts by Month
2024

		2024												
Space	**Type**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**TOTAL**
173	Space													-
174	Space													-
175	Space													-
176	Space													-
177	Space													-
178	Space								$ 782.63					782.63
179	Space													-
180	Space													-
181	Space													-
182	Space													-
183	Space													-
184	Space													-
185	Space													-
		$ 2,878.40	$ 2,878.40	$ 2,331.15	$ 1,135.84	$ 2,339.11	$ 3,670.16	$ 3,133.32	$ 3,123.24	$ 2,345.05	$ 3,376.97	$ 3,967.40	$ 3,994.90	$ 35,173.95

Manager Unit

EXHIBIT 5

Del Cielo Mobile Home Park
Property Tax Expense Analysis
2024

25-26 from Actual Secured Property Tax Bills. Prior Years Deflated by 2% per Year.				
Parcel Number	**25/26 Amount**	**24/25 Amount**	**23/24 Amount**	
109-200-021	$ 105,194.80	$ 103,132.16	$ 101,109.96	
109-200-023	175,472.72	172,032.08	168,658.90	
109-200-026	81,144.94	79,553.86	77,993.98	
109-200-042	12.43	12.19	11.95	
Sub-total	361,824.89	354,730.28	347,774.79	**Total 2024**
Allocable to 2024		$ 177,365.14	$ 173,887.39	**$ 351,252.54**

From Actual Secured Property Tax Bills			
Parcel Number	**23/24 Amount**	**22/23 Amount**	
109-200-021	$ 64,285.04	$ 63,343.88	
109-200-023	112,266.64	110,591.46	
109-200-026	43,756.24	43,115.62	
109-200-042	11.66	11.29	
Sub-total	220,319.58	217,062.25	**Total 2023**
Allocable to 2023	$ 110,159.79	$ 108,531.13	**$ 218,690.92**

EXHIBIT 6

Profit & Loss 12 Month Recap

Property: Del Cielo Mobile Estates

Monthly recap 05/01/23 - 05/01/24 (cash basis)

	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	APR 24	TOTAL
INCOME													
Rental Income (Non-Posti													
Space Rent	104,236.46	105,316.96	105,012.75	104,321.78	105,749.69	104,665.32	105,831.94	105,050.88	107,658.82	106,831.26	107,261.30	107,260.63	1,269,197.79
Unallocated Prepays	-260.13	-3,388.84	-153.61	-1,415.51	73.41	-1,079.88	150.37	8,164.42	163.16	-1,477.35	-254.20	-7,884.92	-7,363.08
Total Rental Income (N	103,976.33	101,928.12	104,859.14	102,906.27	105,823.10	103,585.44	105,982.31	113,215.30	107,821.98	105,353.91	107,007.10	99,375.71	1,261,834.71
Utility Income (Non-Postin													
Water	1,980.59	2,440.32	2,422.97	2,710.97	2,761.75	3,139.89	3,192.66	2,987.79	3,040.04	2,792.68	2,952.28	3,242.27	33,664.21
Trash	0.00	0.00	5,156.84	61.26	31.05	-9.33	-15.41	0.00	0.00	0.00	0.00	0.00	5,224.41
Sewer	13,535.78	13,690.23	13,820.38	13,728.34	13,767.39	13,757.34	14,022.56	13,819.26	13,811.43	13,717.03	13,929.17	13,919.16	165,518.07
Gas	4,558.60	3,505.57	2,938.46	2,586.14	2,268.81	2,091.66	2,363.61	2,797.29	4,591.25	4,411.89	5,340.36	5,063.50	42,517.14
Electric	4,958.02	4,598.02	3,987.99	4,123.51	4,636.89	4,474.45	886.97	4,868.32	5,522.82	6,165.14	7,269.38	6,850.90	58,342.41
Total Utility Income (No	25,032.99	24,234.14	28,326.64	23,210.22	23,465.89	23,454.01	20,450.39	24,472.66	26,965.54	27,086.74	29,491.19	29,075.83	305,266.24
Other Income (Non-Postin													
NSF Fee	25.00	0.00	0.00	0.00	0.00	25.00	0.00	2.41	22.59	0.00	25.00	0.00	100.00
Late Fee	35.00	85.00	70.00	85.00	60.00	85.00	35.00	35.00	35.00	95.00	110.00	60.00	790.00
Tenant Screening	46.00	138.00	0.00	92.00	138.00	184.00	0.00	92.00	0.00	276.00	138.00	0.00	1,104.00
Laundry	649.20	0.00	475.59	0.00	57.07	306.94	43.00	0.00	361.18	13.92	332.34	0.00	2,239.24
Storage	1,650.00	1,500.00	1,438.71	1,400.00	1,340.00	1,210.00	1,701.61	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	17,490.32
HCD/W&M Annu Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,194.88	13.12	0.00	2,208.00
Bad Debts	0.00	0.00	0.00	0.00	0.00	0.00	-133.32	0.00	0.00	0.00	-38.04	0.00	-171.36
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.00	44.70	215.70	44.70	380.10
Total Other Income (No	2,405.20	1,723.00	1,984.30	1,577.00	1,595.07	1,810.94	1,646.29	1,579.41	1,943.77	4,074.50	2,246.12	1,554.70	24,140.30
TOTAL INCOME	131,414.52	127,885.26	135,170.08	127,693.49	130,884.06	128,850.39	128,078.99	139,267.37	136,731.29	136,515.15	138,744.41	130,006.24	1,591,241.25
EXPENSE													
Repairs & Maintenance (N													
General Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	608.00	760.00	0.00	1,368.00
Supplies/Materials	65.94	295.28	214.75	159.93	240.98	166.04	176.36	229.37	473.71	10.62	419.57	333.90	2,786.45
Landscaping, Supplies/	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52.73	52.73
Pool, Service	600.00	675.00	600.00	600.00	675.00	600.00	675.00	600.00	525.00	450.00	675.00	600.00	7,275.00
Pool, Repair/Addl Maint	110.00	150.00	150.00	206.00	258.00	504.80	162.00	124.00	81.00	96.00	99.00	552.00	2,492.80
Electrical, Supplies	0.00	0.00	8.27	0.00	0.00	70.36	0.00	0.00	28.65	169.08	0.00	0.00	276.36
Electrical, Repair/Maint	0.00	444.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	444.53
Electrical, Lighting	0.00	0.00	0.00	0.00	0.00	0.00	203.97	0.00	0.00	1,603.83	106.52	0.00	1,914.32
Signage	0.00	9.16	0.00	0.00	0.00	46.59	0.00	0.00	0.00	0.00	0.00	0.00	55.75
Fencing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	487.84	0.00	0.00	0.00	0.00	487.84
Gate Install/Repair	0.00	0.00	0.00	0.00	0.00	349.74	0.00	0.00	0.00	0.00	0.00	0.00	349.74
Plumbing	1,759.84	654.42	0.00	1,114.91	1,831.71	0.00	0.00	690.01	0.00	0.00	1,248.48	326.72	7,626.09

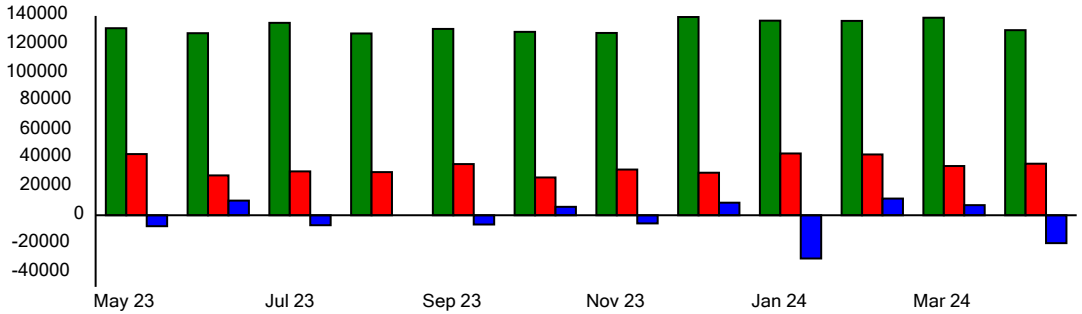
DEL CIELO-121

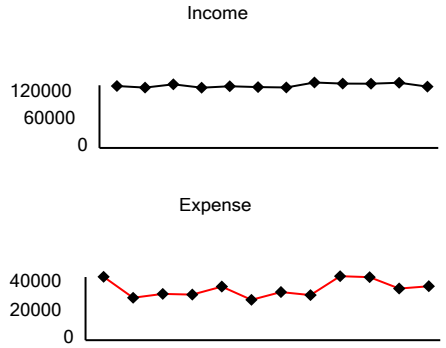
	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	APR 24	TOTAL
Painting/Paint Supplies	0.00	0.00	54.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54.84
Backflow Test/Maint	673.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	673.09
Equipment/Equip Srvc.	215.04	343.68	0.00	0.00	4,708.96	0.00	0.00	160.55	0.00	693.83	0.00	0.00	6,122.06
Patio/Pool Furniture	0.00	0.00	705.85	0.00	654.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,360.72
Locksmith	33.50	0.00	54.37	102.62	144.56	72.28	23.04	0.00	0.00	0.00	0.00	24.76	455.13
Pest Control, Fumigatio	0.00	0.00	0.00	0.00	28.00	56.00	0.00	0.00	0.00	0.00	0.00	0.00	84.00
Garage Repair	0.00	0.00	0.00	0.00	0.00	0.00	61.95	0.00	0.00	0.00	0.00	0.00	61.95
Roof Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83.04	0.00	83.04
Disposal/Dumping Fees	886.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	1,386.24
Mailbox, repairs/renova	200.15	143.86	72.28	0.00	0.00	0.00	72.28	0.00	69.28	0.00	218.37	0.00	776.22
Total Repairs & Mainter	4,543.80	2,715.93	1,860.36	2,183.46	8,542.08	1,865.81	1,374.60	2,291.77	1,177.64	3,631.36	3,609.98	2,390.11	36,186.90
License & Permits (Non-P													
HCD, Permit to Operate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,425.00	0.00	0.00	4,425.00
County, Weights & Mea	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,338.50	0.00	0.00	0.00	1,338.50
Public Pool/Spa Permit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	746.00	0.00	0.00	0.00	0.00	746.00
Registration/Titling	25.00	0.00	0.00	-200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-175.00
FBN Filing	0.00	0.00	0.00	0.00	47.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.00
Total License & Permits	25.00	0.00	0.00	-200.00	47.00	0.00	0.00	746.00	1,338.50	4,425.00	0.00	0.00	6,381.50
Management Fees (Non-F													
On-Site Management	3,872.96	3,974.62	4,570.70	3,912.57	4,040.55	4,363.20	3,846.15	4,452.98	4,855.56	3,980.61	4,105.89	7,167.42	53,143.21
On-Site Admin Assistar	979.14	727.31	600.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,307.05
On-Site Maintenance	2,397.78	2,405.34	3,384.36	3,378.60	3,494.70	3,347.46	3,179.34	3,260.88	3,385.26	2,836.62	2,983.41	7,774.20	41,827.95
Off-Site Management ('	5,289.74	5,292.39	5,295.30	5,298.55	5,298.55	5,303.82	5,308.83	5,311.91	5,438.19	6,930.88	3,945.50	5,441.27	64,154.93
Bonuses Paid	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	200.00	0.00	0.00	0.00	300.00
Group Insurance	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	4,528.80
Payroll Taxes	589.85	589.85	698.94	591.67	611.16	617.54	569.93	616.77	626.28	766.93	758.44	1,328.84	8,366.20
Workers Comp Ins	463.99	463.99	547.56	466.63	482.26	493.48	449.63	493.69	527.41	475.21	502.36	956.26	6,322.47
Payroll Processing Fee	204.00	204.00	272.00	204.00	68.00	204.00	204.00	204.00	204.00	204.00	204.00	306.00	2,482.00
Total Management Fee	14,174.86	14,034.90	15,846.86	14,229.42	14,372.62	14,706.90	13,935.28	14,717.63	15,614.10	15,571.65	12,877.00	23,351.39	183,432.61
Utilities (Non-Posting)													
Water Expense	2,674.70	2,477.72	2,890.62	3,110.34	3,106.33	3,588.71	3,481.29	3,488.50	3,405.55	3,689.41	3,159.34	3,337.26	38,409.77
Trash Expense	5,371.80	244.87	73.43	73.43	77.54	83.72	83.72	83.72	85.68	85.68	85.68	108.55	6,457.82
Electric Expense	3,902.22	3,261.99	3,067.77	3,833.48	3,673.34	91.78	4,154.30	4,723.43	5,683.70	6,356.22	6,373.79	3,230.98	48,353.00
Gas Expense	7,547.37	2,240.23	0.00	3,254.59	1,160.46	1,625.50	2,459.44	0.00	9,432.90	4,773.78	4,358.21	0.00	36,852.48
Total Utilities (Non-Post	19,496.09	8,224.81	6,031.82	10,271.84	8,017.67	5,389.71	10,178.75	8,295.65	18,607.83	14,905.09	13,977.02	6,676.79	130,073.07
Professional Services (No													
Insurance	2,833.80	1,005.23	4,979.73	2,090.23	2,090.23	2,090.23	2,090.23	2,090.23	2,090.23	2,090.23	2,090.23	1,085.00	26,625.60
Legal Fees	0.00	162.96	95.00	0.00	247.00	179.14	1,541.25	228.00	152.00	0.00	0.00	149.81	2,755.16
WMA Membership	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.07	0.00	0.00	75.07
Bank Fees	40.00	40.00	40.00	40.00	355.00	87.00	80.00	89.50	89.50	89.50	82.50	181.50	1,214.50
Merchant Account	32.00	33.00	32.00	35.00	33.00	33.00	39.00	45.00	36.00	56.00	47.00	47.00	468.00
Gas Leak Survey	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
Answering Service	112.25	127.25	127.25	112.25	129.50	114.50	114.50	144.45	174.40	144.45	114.50	114.50	1,529.80

	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	APR 24	TOTAL
Tenant Screening	70.00	35.00	105.00	0.00	0.00	175.00	140.00	70.00	0.00	0.00	210.00	105.00	910.00
Education/Seminars	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	129.00	0.00	129.00
Tech/IT Services	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	2,797.20
Total Professional Serv	3,321.15	1,636.54	5,612.08	2,510.58	3,587.83	2,911.97	4,238.08	2,900.28	2,775.23	2,688.35	2,906.33	1,915.91	37,004.33
Office Expense (Non-Post													
Auto, Fuel	60.01	0.00	0.00	0.00	0.00	0.00	0.00	65.00	0.00	57.00	0.00	0.00	182.01
Telephone Expense	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	780.00
Gas and Propane	0.00	0.00	0.00	0.00	70.03	0.00	82.97	0.00	0.00	66.74	0.00	0.00	219.74
Lodging	142.69	162.17	0.00	0.00	0.00	0.00	0.00	270.07	155.83	0.00	0.00	0.00	730.76
Postage & Mailing	0.00	24.39	63.00	0.00	19.95	132.00	0.00	0.00	0.00	0.00	0.00	68.00	307.34
Membership/Subscripti	0.00	0.00	0.00	0.00	0.00	149.77	0.00	19.00	2,025.75	14.95	-14.95	0.00	2,194.52
Office Supplies	0.00	0.00	159.00	63.79	121.28	178.46	36.41	0.00	209.89	60.10	0.00	119.86	948.79
Meals & Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.27	30.61	33.17	0.00	0.00	97.05
Promo/Gifts	0.00	0.00	0.00	10.00	0.00	0.00	106.95	0.00	183.18	0.00	0.00	0.00	300.13
Tenant Billing	687.06	687.06	687.06	692.73	692.73	692.73	1,457.10	48.96	741.69	741.69	736.43	1,201.68	9,066.92
Auto, Maint	0.00	0.00	0.00	0.00	0.00	0.00	172.00	11.96	20.60	0.00	0.00	0.00	204.56
RentManager Software	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	660.00
Phone/Internet/Cable B	121.55	121.55	121.55	122.08	122.08	122.08	122.69	122.69	122.69	126.07	126.07	126.07	1,477.17
Tenant Associations/Cl	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Total Office Expense (N	1,381.31	1,365.17	1,400.61	1,258.60	1,396.07	1,645.04	2,348.12	940.95	3,860.24	1,469.72	1,217.55	1,885.61	20,168.99
TOTAL EXPENSE	42,942.21	27,977.35	30,751.73	30,253.90	35,963.27	26,519.43	32,074.83	29,892.28	43,373.54	42,691.17	34,587.88	36,219.81	413,247.40
NOI	88,472.31	99,907.91	104,418.35	97,439.59	94,920.79	102,330.96	96,004.16	109,375.09	93,357.75	93,823.98	104,156.53	93,786.43	1,177,993.85
N/O EXPENSE													
Owner Distribution													
Gallion Investment Corp	96,214.04	86,513.60	104,107.71	97,459.72	101,436.75	96,450.83	101,675.02	100,568.31	97,869.14	82,105.61	97,080.88	113,398.31	1,174,879.92
Total Owner Distributior	96,214.04	86,513.60	104,107.71	97,459.72	101,436.75	96,450.83	101,675.02	100,568.31	97,869.14	82,105.61	97,080.88	113,398.31	1,174,879.92
Rehab Expenses (Non-Pc													
Rehab, Clubhouse	0.00	3,177.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,177.00
Rehab, Unit 10	0.00	0.00	0.00	0.00	0.00	0.00	129.41	0.00	0.00	0.00	0.00	0.00	129.41
Rehab, Unit 42	0.00	0.00	7,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,400.00
Total Rehab Expenses	0.00	3,177.00	7,400.00	0.00	0.00	0.00	129.41	0.00	0.00	0.00	0.00	0.00	10,706.41
CapEx (Non-Posting)													
Landscaping, Tree Mai	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,900.00	0.00	0.00	0.00	25,900.00
Total CapEx (Non-Post	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,900.00	0.00	0.00	0.00	25,900.00
TOTAL N/O EXPENSE	96,214.04	89,690.60	111,507.71	97,459.72	101,436.75	96,450.83	101,804.43	100,568.31	123,769.14	82,105.61	97,080.88	113,398.31	1,211,486.33
NET INCOME	-7,741.73	10,217.31	-7,089.36	-20.13	-6,515.96	5,880.13	-5,800.27	8,806.78	-30,411.39	11,718.37	7,075.65	-19,611.88	-33,492.48

DEL CIELO-123

	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	APR 24	TOTAL
NET INCOME SUMMARY													
Income	131,414.52	127,885.26	135,170.08	127,693.49	130,884.06	128,850.39	128,078.99	139,267.37	136,731.29	136,515.15	138,744.41	130,006.24	1,591,241.25
Expense	-42,942.21	-27,977.35	-30,751.73	-30,253.90	-35,963.27	-26,519.43	-32,074.83	-29,892.28	-43,373.54	-42,691.17	-34,587.88	-36,219.81	-413,247.40
Net Operating Income	88,472.31	99,907.91	104,418.35	97,439.59	94,920.79	102,330.96	96,004.16	109,375.09	93,357.75	93,823.98	104,156.53	93,786.43	1,177,993.85
Non Operating Expense	-96,214.04	-89,690.60	-111,507.71	-97,459.72	-101,436.75	-96,450.83	-101,804.43	-100,568.31	-123,769.14	-82,105.61	-97,080.88	-113,398.31	-1,211,486.33
NET INCOME	-7,741.73	10,217.31	-7,089.36	-20.13	-6,515.96	5,880.13	-5,800.27	8,806.78	-30,411.39	11,718.37	7,075.65	-19,611.88	-33,492.48





DEL CIELO-124

COUNTY OF SANTA BARBARA

MOBILEHOME RENT CONTROL ORDINANCE
CHAPTER 11A
ARBITRATION

In the Matter of:

DEL CIELO MOBILEHOME PARK

and

AFFECTED TENANTS

I
INTRODUCTION

In this matter, DEL CIELO MHC, LLC ("Owner") requests a rent increase in the amount of $39.16 per space per month. Affected Tenants ("Tenants") agree that any increase awarded would be on a uniform basis, with all spaces receiving the same dollar increase amount.

The Santa Barbara County Mobilehome Rent Control Ordinance ("Ordinance") contains a specific formula at section 11A-5 (i) for determining increases in the "maximum rent schedule". The formula ascribes one-half (1/2) of the "75% of CPI" automatic increase amount to constitute a "just and reasonable return on investment", with the remaining one-half (1/2) granted to cover "increased operating costs". Any additional amount of awarded rent must be based pursuant to section 11A-5 (i) (3), upon either new or old "capital expenses" (stipulated by the parties to be irrelevant in this proceeding), or "an amount to cover operating costs, if any, in excess of one-half of the automatic increase."

The operating expenses reported by Owner thus become the critical part of the analysis, and depending upon their amount will determine whether any amount in addition to the "automatic increase" is allowable.

Notably absent from the Ordinance is any provision allowing for a rent increase based upon independent return on investment (ROI) theories. Owner's Post-Hearing Brief makes reference to "California's constitutional fair return requirement", but cites no authority which would allow its ROI theory to be substituted for the stated Ordinance formula. Ordinance section 11A-5 (i) (3) gives the Arbitrator "discretion to add such amounts" as are justified by the evidence "to cover operating costs". It does not provide discretion to substitute different standards or theories for awarding a rent increase. The Ordinance contains a fairly "mechanical" process for determining fair return, which an arbitrator is bound to follow. Notably, Ordinance section 11A-5 (i) (1) states that the Arbitrator ***"shall have no discretion to award additional amounts as a just and reasonable return on investment."*** (emphasis added") The Arbitrator's analysis and decision must thus be based upon application of the section 11A-5 (i) Ordinance formula as stated therein.

It is thus critical that each component of Owner's expenses be carefully examined, excluding those expenses which, if allowed, would result in an "unreasonable" rent increase. Ordinance section 11A-1 states that its purpose is ***"to protect the owners and occupiers of mobilehomes from unreasonable rents while at the same time recognizing the need for mobilehome park owners to receive a fair return on their investment and rent increases sufficient to cover their increased costs."*** (emphasis added)

Tenants agree with Owner that for each dollar of operating expense disallowed by the Arbitrator, any operating cost increase allowance pursuant to Ordinance section 11A-5 (i) (3) would be reduced by the following formula:

$1.00 ÷ 184 spaces ÷ 12 months = the per space per month $$ amount disallowed

Tenants further agree that the automatic increase amount based upon 75% of the CPI is **$17.67**, with one-half thereof (**$8.83**) allowable under section 11A-5 (i) (1), and one-half thereof (**$8.83**) allowable under section 11A-5 (i) (2). At issue in this proceeding is whether Owner is entitled to any amount in excess of that amount. Because Owner has noticed its rent increase for **$39.16**, that is the maximum that the Arbitrator can award. The actual amount in controversy in this proceeding is thus the difference between $39.16 and $17.67; i.e. an amount of $21.49. Whether all or any amount of that amount is awardable shall essentially depend upon the allowance or exclusion of certain expenses which Tenants have contested.

II

EXPENSES WHICH SHOULD BE EXCLUDED OR REDUCED

A. The Broker Commission

Owner reports a $20,000 commission paid to a broker in connection with its April, 2024 purchase of Del Cielo Mobile Home Park ("Park"). Owner's expert, Brian Eid, initially did not believe that this was a proper operating expense, and excluded it in his initial calculations. He testified that he did so because "it was not a typical operating expense" and was a payment for an "outside service". He later, perhaps at the urging of Owner, included it, citing his belief that Ordinance section 11A-5 (f) (1) would allow it as an expense "incidental to the purchase of the park". Tenants would argue that Mr. Eid's first instinct in this regard is significant, and should be given great weight. Owner's witnesses gave no testimony regarding how the reported commission was calculated.

There can be no argument that the commission is a non-recurring expense. And so it must be immediately asked whether Tenants should pay an ongoing, never-ending rent increase based upon an amount which in no way benefited them, and which Owner shall never again incur. Tenants' expert, Karl Lawson, testified that in his experience he viewed this amount as an excludable "investment expense", rather than an "operating expense", and that given the Ordinance presumption of "reasonability" an expense which does not inure to the benefit of the park residents, operation or infrastructure should be excluded.

Mr. Lawson further testified that if this amount were to be allowed, it should be amortized over a number of months to reflect its non-recurring nature, rather than being dumped into one year.

Owner argues this is an expense "incidental to the purchase of the park", and that because the Ordinance does not specify that a commission is excluded, it should be included. The Oxford Language Dictionary defines the word "incidental" as "accompanying but not a major part of something". In this context, an "incidental" expense might be new permit fees to operate the park, or the cost of new signage or office equipment. Costs incurred within the purchase transaction itself are clearly not "operational", but precede the new owner's operation of the park. And they are a routine and "major part" of every purchase. If commissions are allowable, then so too would recording fees, notary fees, attorney's fees and all other costs of closing escrow, none of which benefit the park or the residents, or relate to the park's actual "operation".

Section 11A-5 (f) (1) excludes loan debt service, as do almost all mobilehome rent ordinances throughout California. The stated rationale behind this is that consideration of debt service would result in an unfair variance in rents depending upon the owner's individual financing arrangements. See *Palomar Mobilehome Park Assn. v. Mobile Home Rent Review Comm'n* (1993) 16 Cal. App. 4th 483, 488; also *Westwinds Mobile Home park v. Mobilehome park Rental Review Bd.* (1994) 30 Cal App. 4th 84, 94 (*"reject[ing] the notion that permissible rental rates...can vary depending solely on the fortuity of how the acquisition was financed")*

This same reasoning would apply to a commercial real estate commission, the amount of which is completely within the ability of the park owner to negotiate and control. If, hypothetically, the commission was negotiated at the typical 2-4% of the $21 million dollar purchase price, would it be rational or reasonable to saddle park residents with the $420,000-840,000 expense? And would it be fair where a commission is not paid in connection with a park acquisition a mile down the road to have residents in that park paying a substantially lower rent, based upon such "fortuity"?

Tenants agree that the dollar impact of excluding the entire $20,000 commission would be a **$9.06** per month **reduction** from any allowable expense-based rent increase, and advocate for that reduction.

Alternatively if the commission is amortized over 5 years, at $4,000 per year, the result would be a **$1.81** per month expense **allowance**.

Alternatively, if the commission is amortized over 10 years, at $2,000 per year, the result would be a **$0.91** per month expense **allowance**.

But for the foregoing reasons, the Arbitrator should exclude this $20,000 expense in its entirety.

B. <u>Legal Fees</u>

Owner's "remapped" Exhibit 2 totals an adjusted amount of $25,714.00 in 2024 legal fees, representing an astronomical rise from the 2023 amount of $2,696.00. Examination of pages 223 and 224 of the Owner's General Ledger (Tenant's Exhibit "C"), show the breakdown of those fees.

Owner's Post-Hearing Brief acknowledges that a **$7,493** portion paid to "Pierson Ferdinand LLP" for "Legal Fees xs. Santa Barbara" (labeled Component "A") were incurred "in connection with litigation Management [offensively] filed" after the County "passed a senior housing overlay applicable to the Park." The same page goes on to inaccurately describe them as "operational <u>defense</u> costs". Residents testified that the park has always been operated as senior housing, and that upon acquisition Owner gave notice that the park rules were being revised to change the park to "all age" status. The County overlay would prevent that rules change. The residents further testified that they did not favor such a rules change.

Clearly, this elective expenditure of legal fees to challenge a local government zoning regulation is not a proper operational expense. The costs associated with what could become a protracted and monumentally expense venture are not only non-recurring, but unreasonable in connection with setting rents. They are not costs that are required to "operate" the park, but rather expended in connection with a dispute with the County over housing practices. This amount should be excluded in its entirety, which Tenants agree would result in a **$3.39** per month **reduction** from any allowable expense-based rent increase.

The remaining **$18,221** amount (labeled Component B) was paid to counsel for Owner in these proceedings, and is generally described as being in connection with compliance with applicable state laws, lease administration and "operational regulatory matters". No further definition is provided in Owner's documents, nor was any testimony provided regarding any typical victions, rules amendments or regulatory issues to which these expenses might specifically pertain.

To the extent that any of such expenses, including a payment of $4,325.00 just in the month of November, are non-recurring in nature, also relate to the senior overlay issue, or relate to the rent increase being sought and considered in this application, they should be excluded, or at minimum amortized. Mr. Lawson testified that such costs, if associated with preparation of a rent application, are typically discounted or not considered, and if allowed are typically amortized over five years.

Owner has failed to meet its burden of proving that this Component B of legal expense is as described. And the sheer amount of the expense, when compared to the prior years, calls into question whether they are "reasonable".

Owner argues that any such legal expense need not be "ordinary and necessary", because that language appears in section 1A-5 (f) (1) only in connection with "maintenance and operating expenses", and thus that standard "does not apply to them". This is a remarkable position, and taken to its logical conclusion would mean that the Owner could engage in litigation of any manner, or incur legal fees for any purpose, and make residents pay for same. The same overly broad interpretation would presumably also apply to insurance, capital expenses or the like.

Tenants submit that the term "ordinary and necessary" as it appears in that section of the Ordinance should be interpreted to modify all of the expense types which that paragraph describes, and not only "maintenance and operating expenses". However even if it did only modify that phrase, the term "operating expenses" is synonymous with the term "operating costs" which appears in section 1A-5 (i) (3), and thus any operating expense, including legal fees, must conform to that same foundational predicate for their inclusion.

It is rather astounding that Owner would argue that extraordinary or unnecessary expenses can and should be included in their calculation.

Because Owner has failed to properly describe and itemize this Component B bundle of legal expense, or explain the large increase from the prior year, the reasonable treatment would be to amortize the amount over five years. There is indeed nothing "unusual or discretionary about retaining counsel for park operational and compliance purposes". But the amount claimed is hardly "usual", and may be discretionary.

Tenants thus argue that the $18,221 amount should be amortized over five (5) years, at $3,644, which yields an **allowable** monthly rent increase of **$1.65.** This should be the total legal fee allowance amount, which results in a **$10.00** per month total expense reduction for the entire legal fees category.

C. <u>WMA Dues</u>

Owner reports $5,707 for the elective cost of becoming a member of the Western Manufactured Housing Communities Association (WMA), which Owner concedes is a "trade association for park owners and operators." Its website described WMA as an organization created "for the exclusive purpose of promoting and protecting the interests of owners, Operators and developers of manufactured home communities in California." Membership is not compulsory. Nor does it benefit park residents.

Mr. Eid testified that because he had already removed a WMA Pac Fund donation from the dues and subscriptions category, no further reduction is required. A PAC fund payment is a direct contribution to political candidates, and should be excluded. But to the extent that a WMA membership involves advocacy in Sacramento from its multiple lobbyists, any amounts that can reasonably be traced to activities which oppose rent stabilization or residents' rights should also be excluded. Providing sample park operational forms to a park owner is a fraction of WMA's activities.

Tenants believe it is reasonable to allow 20% of the WMA membership cost as "ordinary and necessary" for park operation. This would equal an amount of **$1,141**, or a **$0.52** per month expense **allowance**; i.e. a **reduction** of $4,566 amounting to a **$2.07** per month **reduction** from any allowable expense-based rent increase.

D. LLC Fees

The claimed $745.00 amount to form or maintain a limited liability company form of ownership does not appear in 2023, and is of course the result of an elective decision re: how the park will be shielded from liability, or attract investment. It is not a cost of operation, but rather an investment cost. It is hardly "necessary", and in no way benefits the Tenants. Residents should not be required to pay more or less rent based upon the form of the legal entity chosen by the Owner.

This expense should be excluded, and Tenants agree with Owner that doing so would amount to a **$.34** per month **reduction** from any allowable expense-based rent increase.

E. Office Supplies

Mr. Eid originally used a figure of $11,364 for this category, comprised of only 4 months of entries (the prior owner reported only $1,183 for this category). He has since "remapped" it to show how various other categories of expenses are shown if accounted for in the same manner. It is not entirely clear how Eid made this revised calculation, or upon what actual records it is based. The reduction in the office supply category to $1,182.00 is amazingly similar to the prior year's number. Other expense categories were changed as a result of this re-mapping, with no evidence of the new amount appearing in the General Ledger:

-"Legal Fees" were increased from $25,412 to 25,714;

-"Bank Charges" increased from $0 to $629;

-"Postage" increased from $80 to $148;

-"Telephone" increased from $1,440 to $3,353;

-"Travel" increased from $119 to $274;

-"Auto Expense" went from $0 to $144;

-"Dues and Subscriptions" increased from $5,707 to $8,807

This category re-organization is quite confusing, and a substantial departure from the original calculations. Tenants at this point are incapable of effectively responding, other than to say that the Ledger entries do not match these re-mapped amounts.

III

OWNER'S CONSTITUTIONAL FAIR RETURN ANALYSIS

As noted above, this analysis, which appears to be offered for the sole purpose of validating Owner's Ordinance-based calculation, is essentially irrelevant to this proceeding. There is no Ordinance authorization for such a calculation.

The courts have repeatedly reiterated that "a government entity may choose to regulate pursuant to any fairly constructed formula and that [r]ent control agencies are not obligated by either the state or federal Constitution to fix rents by application of any particular method or formula". (see *Carson Harbor Village, Ltd. V. Carson Mobilehome Park Rent Review Board* (1999) 70 Cal. App. 4th 281, 290.

IV
CONCLUSION

Tenants submit that Owner is entitled to the following rent increase amounts:

Section 11A-5 (i) (1)	**$8.83** (automatic)
Section 11A-5 (i) (2)	**$8.83** (automatic)
Section 11A-5 (i) (3)	**$ .38** (discretionary)
Total:	**$18.04**

The 11A-5 (i) (3) result of $.38 is calculated as follows:

Ordinance Formula Amount	$39.51
- $ 9.06 Commission Exclusion =	$30.45
- $10.00 Legal Expense Exclusion =	$20.45
- $ 2.07 WMA Dues Exclusion =	$18.38
- $ 0.34 LLC Fee Exclusion =	**$18.04**

Dated: February 27, 2027

Respectfully Submitted,

Bruce E. Stanton, Esq.
Attorney for Affected Tenants

COUNTY OF SANTA BARBARA

MOBILEHOME RENT CONTROL ORDINANCE ARBITRATION

In the Matter of:

DEL CIELO MOBILE HOME PARK and AFFECTED TENANTS

Arbitrator: John Derrick, Esq.

RESPONDENT DEL CIELO MHC, LLC'S POST-HEARING REPLY BRIEF

I. INTRODUCTION

Respondent Del Cielo MHC, LLC ("Management") respectfully submits this Reply Brief in response to the Homeowners' Post-Hearing Brief ("Homeowners' Brief"). The Homeowners seek to reduce Management's noticed increase from $39.16 to just $18.04 per space per month by excluding or dramatically reducing five categories of legitimate operating expenses. Their arguments rest on misreadings of the Ordinance's text, misapplication of inapposite case law, and a fundamentally flawed approach to expense classification that, if accepted, would strip the Arbitrator of the discretion the Ordinance expressly confers.

As demonstrated below, every contested expense is properly includable under Section 11A-5(f)(1). The plain language of the Ordinance supports Management's position on each point. The Homeowners' proposed $18.04 increase would recover barely 10.9% of the Park's documented net operating income shortfall, producing a result that is not merely inadequate but constitutionally untenable.

Management requests the Arbitrator award the full noticed increase of $39.16 per space per month.

II. THE ORDINANCE'S TEXT AND STRUCTURE SUPPORT INCLUSION OF ALL CONTESTED EXPENSES

A. The "Ordinary and Necessary" Qualifier Does Not Modify Every Expense Category.

The Homeowners' overarching legal theory is that the phrase "ordinary and necessary" in Section 11A-5(f)(1) acts as a universal modifier for every expense category in the provision. They call it "astounding" that Management reads the text otherwise. But the text itself compels Management's reading. Section 11A-5(f)(1) provides:

> "Such relevant factors may include, but are not limited to, increases in management's **ordinary and necessary maintenance and operating expenses, insurance and repairs**; increases in property taxes and **fees and expenses in connection with operating the park**; capital improvements; capital expenses; increases in services, furnishings, living space, equipment or other amenities; and **expenses incidental to the purchase of the park** except that evidence as to the amounts of principal and interest on loans and depreciation shall not be considered."

The semicolons in this provision are not decorative—they separate grammatically and substantively distinct categories. The modifier "ordinary and necessary" precedes and modifies only the

first category: "maintenance and operating expenses, insurance and repairs." The second major category, introduced after the semicolon, is governed by its own qualifying language: the fees need only be "in connection with operating the park." Subsequent categories—capital improvements, capital expenses, increases in services, and expenses incidental to purchase—each stand independently.

This is standard legislative drafting. When the Board of Supervisors intended a qualifier, it placed one directly before the relevant noun phrase. Had the drafters intended "ordinary and necessary" to apply universally, they would have placed it before the entire list or used parallel structure throughout. They did neither. The Homeowners ask this Arbitrator to rewrite the Ordinance by grafting a qualifier onto categories where the drafters chose not to place one. The Arbitrator should decline that invitation.

B. The Nonexclusive List Reflects a Broad, Not Narrow, Approach to Relevant Factors.

Section 11A-5(f) instructs the Arbitrator to "consider all relevant factors to the extent evidence thereof is introduced by either party." The list in subsection (f)(1) is expressly nonexclusive: "such relevant factors *may include, but are not limited to*." (Emphasis added.) This language signals legislative intent to cast a wide net. The Homeowners' effort to shrink the Arbitrator's consideration of legitimate expenses runs directly counter to this textual command.

Section 11A-5(h) further reinforces this breadth by authorizing increases "for increased costs where increases in expenses and expenditures of management justify such increase." The Ordinance

does not limit the Arbitrator to expenses that benefit tenants, that are non-elective, or that recur annually. It asks only whether expenses and expenditures have increased and whether those increases justify a rent adjustment. They have, and they do.

C. Section 11A-5(i)(3)'s Reference to "Operating Costs" Does Not Create a Separate Reasonableness Standard.

The Residents argue that even if "ordinary and necessary" modifies only the first category in Section 11A-5(f)(1), the term "operating costs" in Section 11A-5(i)(3) independently requires that every expense flowing through the formula qualify as an "operating cost"—and that this imposes a reasonableness requirement on all categories. This conflates two distinct provisions that serve different functions.

Section 11A-5(f)(1) defines the types of expenses that constitute "relevant factors" the Arbitrator may consider. It identifies multiple distinct categories—maintenance and operating expenses, fees in connection with operating the park, capital improvements, capital expenses, increases in services, and expenses incidental to the purchase—each serving as an independent input into the formula. Section 11A-5(i)(3) then processes the aggregate result by authorizing the Arbitrator to "add an amount to cover operating costs, if any, in excess of one-half of said automatic increase." The term "operating costs" in (i)(3) refers to the total costs derived from the categories listed in (f)(1)—it does not impose a separate eligibility test that overrides (f)(1)'s category definitions.

Reading (i)(3) to exclude any expense that is not an "operating cost" in the narrow sense would nullify several categories the Ordinance expressly includes. "Expenses incidental to the purchase of the park" are, by definition, not ongoing operating costs—they are purchase-related transaction costs. Yet (f)(1) expressly includes them. Capital improvements and capital expenses are likewise not "operating costs" in the traditional sense, yet (f)(1) expressly includes them as well. The Residents' interpretation would render these categories meaningless—a result that violates the cardinal rule that every word and phrase of an ordinance must be given effect. The Arbitrator should apply (f)(1) as written: each category stands on its own terms, and the aggregate result flows into (i)(3).

III. THE $20,000 BROKER COMMISSION IS AN "EXPENSE INCIDENTAL TO THE PURCHASE OF THE PARK"

A. The Plain Text Compels Inclusion.

Section 11A-5(f)(1) expressly identifies "expenses incidental to the purchase of the park" as a relevant factor. A real estate broker's commission paid to consummate the acquisition of the Park is the paradigmatic expense incidental to a purchase. It arises solely because of the purchase transaction, it is paid to facilitate the purchase, and it would not exist but for the purchase. The Homeowners would have this language mean something other than what it says.

The Homeowners argue that "incidental to the purchase" refers only to minor post-closing items like new permits or signage. But the

text contains no such limitation. The word "incidental" in standard legal usage means "in connection with" or "arising from"—not "minor" or "trivial." (See Black's Law Dictionary [defining "incidental" as "depending upon or appertaining to something else as primary"].) If the Board of Supervisors intended only de minimis costs, they could have said so. They chose instead the broad term "expenses incidental to the purchase"—and a $20,000 broker's commission on a $20,986,398 transaction is precisely such an expense.

B. The Ordinance's Own Text Distinguishes This Expense from Excluded Debt Service.

The Homeowners analogize the broker commission to debt service, citing *Palomar Mobilehome Park Assn. v. Mobile Home Rent Review Comm'n* (1993) 16 Cal.App.4th 481 and *Westwinds Mobile Home Park v. Mobilehome Park Rental Review Bd.* (1994) 30 Cal.App.4th 84, for the proposition that rents should not vary based on the "fortuity" of purchase arrangements. This analogy collapses under the weight of the Ordinance's own text.

Section 11A-5(f)(1) expressly states that "evidence as to the amounts of principal and interest on loans and depreciation shall not be considered." The Board of Supervisors knew how to exclude specific categories of purchase-related expenses when they wished to do so. They excluded debt service. They excluded depreciation. They did *not* exclude broker commissions. To the contrary, they *affirmatively included* "expenses incidental to the purchase of the park" as a relevant factor. The canon of *expressio unius est exclusio alterius* applies with full force: the express exclusion of debt service,

coupled with the express inclusion of purchase-incidental expenses, demonstrates a deliberate legislative choice to treat these two categories differently. The Homeowners' argument asks the Arbitrator to override that choice. The California Supreme Court has confirmed this principle in the mobilehome context: in *Cacho v. Boudreau* (2007) 40 Cal.4th 341, 352, the court held that an express exclusion in one provision of the Mobilehome Residency Law did not create an implied prohibition elsewhere, noting that "exceptions by implication are generally disfavored." The same reasoning applies here—the express exclusion of debt service does not create an implied exclusion of other purchase-related costs.

Moreover, *Palomar* and *Westwinds* involved entirely different ordinances with different textual provisions and did not address the specific statutory inclusion of "expenses incidental to the purchase" that characterizes the Santa Barbara County Ordinance. Those cases stand for the unremarkable proposition that debt service should not determine rent levels—a principle this Ordinance already implements through its express exclusion. They do not remotely support the broader proposition that all purchase-related costs must be excluded, particularly where—as here—the Ordinance expressly includes them.

C. Mr. Eid's Initial Approach Does Not Bind Management.

The Homeowners emphasize that Management's expert Brian Eid initially excluded the commission, describing it as "not a typical operating expense." Mr. Eid's initial characterization was accurate in one narrow sense: a broker commission is not a routine, recurring

maintenance expense. But that is not the relevant question. The question is whether a broker commission is an "expense incidental to the purchase of the park" under Section 11A-5(f)(1)—and it plainly is.

Mr. Eid presented the Arbitrator with two calculations—one without the commission (Exhibit 1, yielding $30.45) and one with the commission (Updated Exhibit 1, yielding $39.51)—precisely so the Arbitrator could evaluate both approaches. The updated calculation reflected a closer engagement with the Ordinance's plain text. An expert's willingness to refine his analysis in light of the governing legal standard is a sign of rigor, not a concession that should be weaponized against the party he represents.

D. Hypothetical Is Irrelevant and the Amount Is Reasonable.

The Homeowners attempt a reductio ad absurdum by hypothesizing a commission at a typical 2–4% rate on the $21 million purchase price ($420,000–$840,000). But the actual commission here was $20,000—a rate of approximately 0.095% of the purchase price. This is an extraordinarily low transaction cost. The Homeowners' hypothetical bears no resemblance to the facts of this case and should be given no weight.

The Homeowners alternatively propose amortization over 5 years ($1.81/month) or 10 years ($0.91/month). These figures reflect simple straight-line division with no interest component whatsoever—meaning the Homeowners expect Management to front the full $20,000 today and recover it in small increments over years without any return on the unrecovered balance. That is not

amortization; it is a forced interest-free loan from Management to the Homeowners. But even accepting these figures—which Management does not concede—the Homeowners' $18.04 bottom line still depends on prevailing on every other contested expense simultaneously. Amortization narrows only one of the Homeowners' claimed reductions from $9.06 to $7.25, raising their proposed increase to just $19.85. Every other dollar of the gap between $19.85 and Management's $39.16 requires the Arbitrator to adopt the Homeowners' most aggressive position on the legal fees, WMA dues, and LLC fees as well. The Homeowners' proposal is not built on any single reasonable adjustment—it is built on stacking the most aggressive possible outcome on every line item. Remove any one brick and the structure collapses.

The Residents argue that including the commission would "saddle" them with "an ongoing, never-ending rent increase" for a cost that will never recur. This misunderstands how the formula works. The Section 11A-5(i) formula compares 2023 operating costs to 2024 operating costs. The commission is a real expense that increased 2024 costs over 2023. If it does not recur in future years, that fact will be reflected in future formula calculations—operating costs will be lower, and any future increase request will be evaluated against that lower baseline. The formula is self-correcting. Excluding a legitimate 2024 expense because it may not recur in 2025 would require the Arbitrator to speculate about future costs, which is neither required nor authorized by the Ordinance.

The Residents further argue that if the commission is includable, "then so too would recording fees, notary fees, attorney's

fees and all other costs of closing escrow." This argument proves Management's point. The Board of Supervisors created the category "expenses incidental to the purchase of the park" precisely because it intended purchase-related transaction costs to be considered. Recording fees, notary fees, and similar closing costs are, like the commission, expenses incidental to a purchase. The Ordinance's safeguard against excessive purchase-related costs is not a blanket exclusion—it is the specific, targeted exclusion of "principal and interest on loans and depreciation." The Board of Supervisors drew the line at debt service. Everything on this side of that line is includable by the Ordinance's plain terms.

IV. THE LEGAL FEES ARE REASONABLE EXPENSES INCURRED IN CONNECTION WITH OPERATING THE PARK

A. The Senior Overlay Legal Fees (~$7,493) Were Incurred to Ensure Legal Compliance and Protect the Park's Operational Viability.

The Homeowners characterize the approximately $7,493 in Pierson Ferdinand legal fees as an "offensive lawsuit" that produced no benefit to homeowners. This characterization ignores the legal and operational realities that compelled Management's actions.

The Park Was Never Legally Qualified as a Senior Park. When Del Cielo acquired the Park in April 2024, it operated *de facto* as a senior community—park rules stated that at least one resident had to be 55 or older. But the Park has never been a *de jure* "housing for older

persons" entitled to invoke the exemption from the prohibition on familial-status discrimination under the federal Housing for Older Persons Act ("HOPA"), 42 U.S.C. § 3607(b)(2). The prior owner and management company never conducted the age-verification surveys required by federal law to maintain that exemption. Without HOPA qualification, the Park was—and is—legally an all-ages community, and any refusal to lease to non-senior families would constitute familial-status discrimination in violation of both the Fair Housing Amendments Act (42 U.S.C. § 3604) and the California Fair Employment and Housing Act (Gov. Code § 12955).

Management Was Required to Bring the Park into Compliance. Faced with this legal exposure, Management had an obligation to bring the Park's operations into compliance with federal and state fair housing law. Continuing to turn away non-senior families without a valid HOPA exemption would have exposed the Park to federal investigation, administrative enforcement, and litigation by aggrieved persons or the federal government—with potential liability including actual and punitive damages. (42 U.S.C. §§ 3610, 3613, 3614.) Management followed the procedures for rule changes set forth in the Mobilehome Residency Law (Civ. Code § 798 et seq.), providing residents notice on April 16, 2024, meeting with residents on May 13, 2024, and adopting the final rule on May 14, 2024. These were not aggressive or elective steps—they were the minimum necessary to bring the Park into legal compliance.

The Litigation Was Compelled by the County's Subsequent Actions. After Management brought the Park into compliance, the County's Board of Supervisors on November 5, 2024 enacted an

interim urgency ordinance imposing a moratorium that purported to prohibit the Park from operating as an all-ages community. The ordinance declared it a "nuisance" for the Park to accept all qualified applicants regardless of age and subjected the Park to enforcement actions carrying the risk of serious penalties. The Board subsequently extended the moratorium through October 25, 2025. Then, on July 15, 2025, the Board adopted permanent Senior Mobile Home Park Overlay Ordinance amendments that rezoned the Park, imposing ongoing operational mandates including mandatory senior-only marketing, 80% age-verification requirements, and periodic certification obligations to the County.

The County's ordinances placed Management in an impossible position: comply with the County's moratorium and risk federal and state fair housing liability for discriminating against non-senior families, or comply with federal and state law and face County enforcement as a "nuisance." Management retained Pierson Ferdinand to challenge the County's ordinances in *Del Cielo Manufactured Housing Community, LLC v. County of Santa Barbara*, Case No. 24CV06322 (Santa Barbara Super. Ct.), asserting claims under both the Fair Housing Amendments Act and the California FEHA. The litigation remains actively pending. These fees were not elective—they were incurred to resolve a direct conflict between County regulation and federal and state civil rights law that, left unresolved, exposed the Park to substantial legal liability from one direction or the other.

The Fees Also Protect the Park's Long-Term Operational Viability. Beyond legal compliance, the litigation serves a direct

operational purpose. The Park has historically faced serious economic challenges operating under rent control. A wider pool of qualified applicants—including non-senior families—is essential to the Park's economic viability and continued operation. Restricting leasing exclusively to persons aged 55 and older shrinks the applicant pool in a community where the median age is 29.1 and 32% of the population is under 18. Ensuring that the Park may accept all qualified applicants, regardless of age, directly serves the Park's ability to fill vacancies, maintain occupancy, and generate the revenue necessary to sustain operations. Legal fees incurred to preserve the Park's ability to operate with a full applicant pool are fees "in connection with operating the park" under Section 11A-5(f)(1).

The Litigation Remains Pending and the Expense Was Reasonable When Incurred. The Homeowners' suggestion that this litigation was unsuccessful is premature. The case remains pending before the Superior Court. But regardless of eventual outcome, the reasonableness of an expense is evaluated at the time it was incurred, not with the benefit of hindsight. When the County enacted emergency legislation that directly conflicted with federal civil rights law and threatened the Park with penalties for operating in compliance with that law, retaining experienced counsel to challenge the ordinances was the only prudent course. The Homeowners' label of "offensive lawsuit" is legally irrelevant—the Ordinance asks whether fees are "in connection with operating the park," not whether the Homeowners approve of the litigation's objectives. These fees plainly qualify.

B. The In-House Counsel Fees Reflect Legitimate Operational Legal Needs.

The Homeowners challenge the approximately $18,221 in legal fees paid to counsel on two grounds: (1) inadequate itemization and (2) unreasonableness in light of the increase from $2,696 in 2023 to $25,714 in 2024. Neither objection withstands scrutiny.

On itemization: the General Ledger entries in the record identify each payment with dates and amounts. Management's Prehearing Brief and witness testimony described the scope of legal services: compliance with the Mobilehome Residency Law (Civil Code § 798 et seq.), Health and Safety Code requirements, the County's rent stabilization ordinance, lease administration and review, park rules enforcement, and general regulatory compliance. California is the most heavily regulated state in the nation for mobilehome park operations. For a 184-space park subject to rent control under a detailed county ordinance, these legal needs are substantial, ongoing, and inescapable.

On the year-over-year increase: the comparison is misleading because 2023 legal expenses reflected operations by the *prior owner* for the full calendar year. That owner may have had different legal arrangements, may have handled legal matters internally, or may have deferred compliance issues. Management acquired the Park in April 2024 and immediately undertook the legal work necessary to operate a large mobilehome park under new ownership: lease reviews, rules updates, regulatory filings, compliance assessments, vendor contract reviews, and resident communications. A change in

ownership of a 184-space park naturally and foreseeably generates substantial legal work in the first year. The 2024 figure does not represent a permanent step-change in legal costs; it reflects the reality of a new owner responsibly bringing the Park into compliance with its own standards and applicable law.

Finally, Homeowners suggest that some of the 2024 in-house legal fees "relate to the rent increase being sought and considered in this application." This suggestion is incorrect and nonsensical. The rent increase was not noticed until August 2025, and the Homeowners' petition was not filed until October 2025. Every dollar of Mr. Dilday's 2024 fees was incurred before the rent increase process began. These fees represent exactly what Management has described: routine operational legal work for a 184-space California mobilehome park—lease administration, MRL compliance, park rules enforcement, regulatory filings, and the legal work associated with a change of ownership. The Homeowners speculate that some portion "likely" relates to the application, but the timeline makes that impossible.

The Residents single out a $4,325 payment to Mr. Dilday in November 2024 as evidence that the legal fees are inflated. But November 2024 is precisely when legal costs would be expected to spike for a park undergoing a change of ownership in a heavily regulated jurisdiction. The County's Board of Supervisors enacted its interim urgency ordinance on November 5, 2024—the same month as the payment the Residents question. Management was simultaneously navigating the County's moratorium, ongoing MRL compliance for 184 spaces, and the regulatory consequences of the

ownership transition. A single month's legal bill of $4,325 in that context is neither surprising nor unreasonable.

The Residents complain that "no testimony was provided regarding any typical evictions, rules amendments or regulatory issues to which these expenses might specifically pertain." But Management is not required to produce a line-item invoice detailing every legal communication, research task, or compliance review undertaken by counsel. The General Ledger identifies dates and amounts. Management's Prehearing Brief and hearing testimony described the categories of work performed. And the timeline establishes that none of the work related to the rent increase application. The Residents have identified no authority requiring the level of granularity they demand, and their complaint amounts to a request that the Arbitrator draw a negative inference from the absence of evidence the Ordinance does not require Management to produce.

C. The Homeowners' Amortization Proposal Lacks Foundation.

The Homeowners, relying on their expert Karl Lawson, propose "amortizing" the in-house counsel fees over five years at $3,644 per year ($1.65/month). This proposal fails on multiple levels.

First, as with the commission, Mr. Lawson's calculation is simple straight-line division with no interest component—requiring Management to front $18,221 in legal costs and recover them over five years without any return on the unrecovered balance.

Second, Mr. Lawson's opinion regarding amortization relates to non-recurring costs associated with a one-time purchase or with the preparation of an application. Neither applies here. As discussed above, none of the 2024 legal fees relate to the rent increase application, which did not exist until 2025. And routine operational legal services for a 184-space California mobilehome park are not "non-recurring." They are continuing costs that will recur annually as the Park navigates California's regulatory landscape. Amortization is appropriate for capital-type expenditures with a defined useful life, not for ongoing professional services that represent a permanent feature of park operations.

Moreover, if the Arbitrator were to amortize these fees, the logical implication is that Management would seek recovery of the unamortized balance in subsequent years. The Homeowners' proposal does not eliminate the expense—it merely defers it, creating administrative complexity without meaningful benefit to anyone.

V. THE WMA DUES ARE A LEGITIMATE OPERATIONAL EXPENSE

The Homeowners argue that 80% of the $5,707 in Western Manufactured Housing Communities Association ("WMA") dues should be excluded because WMA engages in advocacy on behalf of park owners. Their proposed 80/20 allocation is arbitrary, unsupported by evidence, and based on a legal standard the Ordinance does not impose.

A. WMA Membership Directly Serves Park Operations.

WMA provides its member parks with essential operational resources: model lease forms and park rules templates, regulatory compliance updates and legal alerts, management training programs, guidance on changes to the Mobilehome Residency Law and Health and Safety Code, and referrals to legal and compliance resources. Given the complex and constantly evolving regulatory landscape for California mobilehome parks—including frequent legislative changes, local rent ordinance amendments, and regulatory updates—WMA membership is directly connected to competent park management. These are "fees and expenses in connection with operating the park" under Section 11A-5(f)(1).

B. The 80/20 Split Is Invented, Not Evidentiary.

No witness testified regarding WMA's actual budget allocation between operational resources and advocacy. No financial records were introduced showing what percentage of membership dues fund lobbying versus member services. The Homeowners simply assumed—based on WMA's website's general description of its mission—that most of its activities must be lobbying. An organization's mission statement is not a budget document. The 80% exclusion figure appears nowhere in the evidence. It was fabricated from whole cloth. An adjudicator cannot rely on such a speculative figure. (See *H.N. & Frances C. Berger Foundation v. City of Escondido* (2005) 127 Cal.App.4th 1, 11–12 [rent board may not

substitute its own assumptions for evidence of "ponderable legal significance"].)

Moreover, Mr. Eid testified that he had already removed a WMA PAC Fund donation from the dues and subscriptions category before arriving at the $5,707 figure. A PAC fund contribution is a direct political payment, and its exclusion was appropriate. But the Residents cannot use the existence of that excluded payment to tar the remaining membership dues as primarily political. The PAC contribution has already been removed. What remains is the membership fee itself—the cost of access to WMA's operational resources, compliance tools, and industry guidance. The Residents' 80% exclusion effectively treats the entire remaining membership as lobbying expense, notwithstanding that the only identifiable political component has already been carved out.

C. The Ordinance Imposes No "Tenant Benefit" Test.

The Homeowners argue that WMA dues should be excluded because WMA "does not benefit park homeowners." But Section 11A-5(f)(1) asks whether fees are "in connection with operating the park"—not whether they directly benefit homeowners. Trade association membership is a standard, widely recognized business expense for park operators throughout California. The same logic the Homeowners advance would exclude the cost of a park manager's industry conference, a compliance newsletter subscription, or a professional development course—all of which serve the owner's

operational capacity without directly "benefiting" residents in any tangible way the Homeowners would recognize.

Management maintains that the full $5,707 is includable. Should the Arbitrator determine that some apportionment is appropriate, Management respectfully submits that no more than a nominal reduction is warranted—certainly not the Homeowners' speculative 80%. Even a 50% exclusion would reduce the formula by only $1.29 per space per month.

VI. THE LLC FEES ARE A LEGAL PREREQUISITE TO OPERATING THE PARK

The Homeowners argue that the $745 in LLC fees are an "elective investment structuring cost" that should be excluded entirely. This argument ignores operational reality.

Del Cielo MHC, LLC is the entity that owns and operates the Park. Maintaining the LLC in good standing with the California Secretary of State is not elective—it is a legal prerequisite to the entity's ability to operate the Park at all. Without a valid LLC, the entity cannot execute leases, employ staff, enter vendor contracts, maintain insurance, pay property taxes, or perform any operational function. The California Franchise Tax Board and Secretary of State impose mandatory annual fees on all LLCs doing business in the state. These are not optional.

The Homeowners contend that residents should not pay more or less rent based on the legal entity form chosen by the owner. But the same reasoning would exclude business licenses, fictitious

business name filings, county operating permits, and corporate franchise taxes—all of which are universally recognized as ordinary operating expenses. Every business entity must maintain its legal existence to operate. The $745 LLC fee—amounting to $0.34 per space per month—is a modest, legally required cost of operating the business entity that runs this Park. It falls squarely within "fees and expenses in connection with operating the park."

VII. THE EXHIBIT 2 REMAPPING IS ACCURATE, TRANSPARENT, AND DOES NOT CHANGE TOTAL EXPENSES

The Homeowners express concern about the reclassification of expenses on Updated Exhibit 2, characterizing it as a "substantial departure from the original calculations" that renders them "incapable of effectively responding." This criticism fundamentally mischaracterizes what the remapping accomplished and why it was necessary.

The total operating expenses for 2024 were not changed by the remapping. Not one dollar was added or removed. The correction addressed miscategorizations in the prior owner's combined Profit & Loss statement, where a variety of expenses had been lumped into a single "Office Supplies" category ($11,972). The remapping disaggregated those expenses into their proper categories: Legal (+$302), Dues/Subscriptions (+$3,101), Telephone/Internet (+$1,913), Bank Fees (+$629), and others. The corrected 2024 Office Supplies figure of $1,182 is consistent with the 2023 figure of $1,183—

a near-perfect year-over-year match that affirmatively corroborates the accuracy of the correction.

Far from being confusing, the remapping provides the Arbitrator with a *more accurate* picture of where operating dollars were actually spent. The prior owner's Exhibit 6 P&L confirms the nature and amounts of these expenses during the pre-acquisition period. Management presented both the original and corrected figures in the interest of full transparency. The Homeowners' objection goes to categorization—not to the total amount of expenses incurred, which is the figure that drives the Section 11A-5(i) formula calculation.

VIII. THE HOMEOWNERS' PROPOSED $18.04 INCREASE IS CONSTITUTIONALLY INADEQUATE

Management recognizes that the primary question before the Arbitrator is the proper application of the Section 11A-5(i) formula to the evidence presented. Management has demonstrated above that the formula, properly applied with all legitimate expenses included, yields $39.51—exceeding the $39.16 noticed amount. Management is confident the Arbitrator will reach this result on the strength of the expense analysis alone.

However, Management preserves its argument that the constitutional guarantee of a fair return on investment operates as an independent constraint that no local ordinance can override. The Homeowners cite *Carson Harbor Village v. Carson Mobilehome Park Rent Review Board* (1999) 70 Cal.App.4th 281, 290, for the

proposition that rent control agencies may choose any fairly constructed formula. This is correct—but it is only half of the governing principle. The other half, which the Homeowners conspicuously omit, is that *whatever formula is chosen, the result must be constitutionally acceptable*.[1]

The California Supreme Court has held that rent control regulations must be "reasonably calculated to eliminate excessive rents and at the same time provide landlords with a just and reasonable return on their property."[2] A rent control measure that does not expressly assure the landlord of a fair return will have that condition *implied by constitutional necessity*.[3] A regulation that deprives investors of a fair return is confiscatory and violates due process.[4]

The Homeowners argue that Section 11A-5(i)(1)'s statement that the Arbitrator "shall have no discretion to award additional amounts as a just and reasonable return on investment" forecloses constitutional analysis. But this provision limits how the ROI component of the *formula* is mechanically calculated—it does not and cannot override the California and United States Constitutions. Reading this clause as an absolute bar to any constitutional review would render the Ordinance facially invalid under *Birkenfeld*, because it would "drastically and unnecessarily restrict" the Arbitrator's power

---

[1]Carson Mobilehome Park Owners' Assn. v. City of Carson (1983) 35 Cal.3d 184, 190, quoting FPC v. Hope Natural Gas Co. (1944) 320 U.S. 591, 602.

[2]Birkenfeld v. City of Berkeley (1976) 17 Cal.3d 129, 165.

[3]City of Berkeley v. City of Berkeley Rent Stabilization Bd. (1994) 27 Cal.App.4th 951, 965.

[4]Colony Cove Properties v. City of Carson (2013) 220 Cal.App.4th 840, 865; Kavanau v. Santa Monica Rent Control Bd. (1997) 16 Cal.4th 761, 778.

to avoid confiscatory results. (17 Cal.3d at p. 169.) The Arbitrator should construe the Ordinance to preserve its constitutionality.

The evidence is stark. Management's inflation-adjusted investment in the Park is $21,087,136. At a 6% rate of return, the required annual NOI is $1,265,228. Actual 2024 NOI was $900,854—a shortfall of $364,374 annually, or $165.02 per space per month. (See Expert Report, Exhibit 1A.) Management's noticed increase of $39.16 represents approximately 23.7% of the constitutionally required amount. Even under every expense-disallowance scenario the Homeowners propose, the shortfall remains vast. The Homeowners' proposed $18.04 increase would recover a mere 10.9% of the deficit—leaving Management with an annual shortfall exceeding $330,000 per year. The purpose of rent control is to permit an efficient landlord to recover reasonable expenses and receive a fair return, while protecting the public interest in affordable housing.[5] The Homeowners' proposal achieves neither goal.

Management does not ask the Arbitrator to substitute a constitutional analysis for the Ordinance formula. Management asks only that the Arbitrator recognize—as every California court to consider the question has recognized—that the constitutional floor exists and independently supports the modest increase Management has requested. A fair return is a "constitutional minimum within a broad zone of reasonableness." (*Colony Cove Properties v. City of Carson* (2013) 220 Cal.App.4th 840, 868.) Management's noticed increase of $39.16 falls well within that zone. The Homeowners'

[5]Cotati Alliance for Better Housing v. City of Cotati (1983) 148 Cal.App.3d 280, 296.

proposed $18.04—recovering barely one-tenth of the documented shortfall—falls outside it.

IX. THE HOMEOWNERS' $18.04 CALCULATION IS BUILT ON COMPOUNDING ERRORS

The Homeowners arrive at $18.04 by starting from Mr. Eid's original formula result of $30.45—which already excludes the broker commission—and then subtracting an additional $10.00 (legal fees exclusion/amortization), $2.07 (WMA 80% exclusion), and $0.34 (LLC fees exclusion). Stated differently, their $18.04 requires excluding the commission entirely *and* prevailing on every other contested expense. For the reasons set forth above, each of these exclusions is unwarranted. But even if the Arbitrator were to make *some* adjustments to the contested expenses, the Homeowners' all-or-nothing approach should be rejected.

Consider the Homeowners' own numbers. They propose allowing *zero* for the broker commission (rather than the full $20,000 or even an amortized amount), *zero* for the senior overlay litigation (rather than the $7,493 actually incurred in response to direct government regulation), a five-year amortization of *all* in-house counsel fees (treating 100% of ongoing legal costs as non-recurring), *zero* for 80% of WMA dues (based on an invented allocation), and *zero* for LLC fees (notwithstanding their mandatory nature). At every turn, the Homeowners selected the most aggressive possible exclusion, compounding reductions to arrive at the lowest conceivable number.

Only by stacking every aggressive exclusion—and by prevailing on every single contested expense simultaneously—can the Homeowners reach $18.04. If the Arbitrator rejects even one of the Homeowners' proposed exclusions in full, the $18.04 figure unravels. If the Arbitrator allows the commission, the floor rises by $9.06 to $27.10. If the Arbitrator also includes the full legal fees, the result exceeds $37. The Homeowners' proposal has no margin for error because it was constructed to achieve a predetermined outcome, not to fairly apply the Ordinance.

X. CONCLUSION

The Homeowners ask this Arbitrator to exclude or dramatically reduce five categories of legitimate operating expenses based on strained readings of the Ordinance text, inapposite case citations, and speculative factual assumptions unsupported by evidence. Management has demonstrated that each contested expense is properly includable under the plain language of Section 11A-5(f)(1), that the year-over-year expense increases are reasonable and well-documented, and that the Ordinance formula yields a result of $39.51—exceeding the $39.16 noticed amount.

Management has further demonstrated that its current NOI falls $165.02 per space per month short of the constitutionally required fair return, and that the noticed increase of $39.16 represents only 23.7% of the amount that would be necessary for full recovery. The Homeowners' proposed $18.04 would leave Management with an annual operating shortfall exceeding $330,000

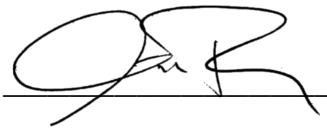
and would produce confiscatory results that no California court has condoned.

Management respectfully requests that the Arbitrator:

1. Approve the noticed rent increase of $39.16 per space per month, effective January 1, 2026;
2. Find that all operating expenses presented by Management are reasonable and properly includable under Section 11A-5(f)(1);
3. Find that the Section 11A-5(i) formula, properly applied, yields a result of $39.51 per space per month, capped at $39.16 under Section 11A-5(j);
4. Determine that the constitutional fair return provides an independent basis supporting the noticed increase; and
5. Issue findings of fact and conclusions of law consistent with this Brief.

Dated: March 13, 2026

Respectfully submitted,



Jason Dilday
Attorney for Respondent
Del Cielo MHC, LLC

COUNTY OF SANTA BARBARA

MOBILE HOME RENT CONTROL ORDINANCE

ARBITRATION

* * *

CERTIFIED TRANSCRIPT

In the matter of:	)
	)
DEL CIELO MOBILE HOME PARK	)
	)
and	)
	)
AFFECTED TENANTS	)
	)
_____	)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Via Zoom Videoconferencing

WEDNESDAY, JANUARY 21, 2026

9:01 A.M. - 5:35 P.M.

REPORTED BY CAROLYNN E. SPERE, CSR #10091

THE ARBITRATION IN THE MATTER OF DEL CIELO MOBILE HOME PARK WAS TAKEN VIRTUALLY BEFORE CAROLYNN SPERE, A CERTIFIED REPORTER IN AND FOR THE STATE OF CALIFORNIA, ON WEDNESDAY, JANUARY 21, 2026, COMMENCING AT THE HOUR OF 9:01 A.M.

APPEARANCES:

JOHN DERRICK, ARBITRATOR
E-MAIL: jd@johnderrickadr.com

FOR THE HOMEOWNERS:

LAW OFFICES OF BRUCE STANTON
10556 COMBIE ROAD
SUITE 6727
AUBURN, CALIFORNIA 95602
BY: BRUCE STANTON
(408) 691-9692
E-MAIL: brucestantonlaw@yahoo.com

FOR THE RESPONDENT:

JASON DILDAY
6653 EMBARCADERO DRIVE
SUITE C
STOCKTON, CALIFORNIA 95219
(209) 653-7575
E-MAIL: jason@harmonycom.com

ALSO PRESENT: CODY BOWDEN,
Clerk of the Ordinance for County of Santa Barbara

CARLOS FRENCH, County of Santa Barbara

SUE DeWEESE, Del Cielo Mobile Home Park
Petitioner

INDEX OF WITNESSES

DEL CIELO MHC, LLC:	DIRECT	CROSS	REDIRECT	RECROSS
BRIAN EID	6	59	95	
MATTHEW DAVIES	98	115		
REBUTTAL:				
MATTHEW DAVIES	241	244		
TANYA BEAGLES	246	248		
BRIAN EID	250			
PETITIONER DEL CIELO MOBILE HOME PARK:				
KARL LAWSON	138	178	215	
SUE DeWEESE	218	228		
KATHY HALTER	234			
SALLY FISHER	237			

WEDNESDAY, JANUARY 21, 2026

9:01 A.M.

--o0o--

THE ARBITRATOR: We are on the record. And we've got Mr. Dilday for management, Mr. Stanton for the homeowners. We had a pre-hearing conference on Monday, and we agreed that since management had the burden of proof, they are going to go first presenting their evidence. Then Mr. Stanton will present the evidence for the homeowners and then management will have an opportunity for rebuttal evidence.

On a housekeeping matter, I will try to have breaks at suitable moments for the benefit of our court reporter and others. If for any reason I forget to do so, please somebody remind me so that we can make this comfortable for everybody. And we will also take a break over the noon hour, the exact timing depending on probably when we get to a good break point.

Mr. Dilday and Mr. Stanton, before we start, do either of you have any housekeeping points you wanted to raise?

MR. DILDAY: I don't.

MR. STANTON: I had three things. Number one, I just wanted to confirm has Mr. Lawson been admitted?

That's the homeowners expert.

THE ARBITRATOR: I'm not seeing Mr. Lawson in the Zoom at the moment.

MR. STANTON: Okay. He'll be joining us. If we could be sure that he is admitted so that he could be listening this morning.

Number two, I just wanted let everyone know that I unfortunately am experiencing some internet issues, so I am doing this on my phone which has a real clear connection, but I am not going to be able to share screen on my end in terms of documents. So we will hopefully be relying on Mr. Dilday or the Hearing Officer to be able to do that.

THE ARBITRATOR: Okay. So thank you for the heads-up on that. Hopefully that will all work out.

MR. STANTON: I have been working on this for months.

MR. DILDAY: It's a recurrent thing, Bruce.

MR. STANTON: I know. And I'm actually buying a new computer. I am souping everything up. I have had the internet provider out here multiple times. I don't know what to say.

And thirdly, if I go off screen, it doesn't mean I'm still not listening. I had a surgery three weeks ago, and I still have to get up and move around sometimes and

take a bit of a break, so don't let that throw you off. I'm not gone. I'm still present.

THE ARBITRATOR: Got it. And again, if you need us to kind of have a full break at any point, don't hesitate to ask.

So Mr. Dilday, do you want to call your first witness?

MR. DILDAY: Yes. Brian Eid.

THE ARBITRATOR: Mr. Eid. I can see you. Here you are, Mr. Eid. Good morning. So I'm going to administer the oath, and then Mr. Dilday can begin with his questions.

BRIAN EID,

A WITNESS HEREIN, BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

DIRECT EXAMINATION

BY MR. DILDAY:

Q. For the court reporter, can you spell your name.

A. Sure. It's Brian Eid, spelled B-R-I-A-N, last name E-I-D.

Q. And just briefly, just going to go through your professional background.

A. Sure.
Q. You can go ahead and just do that this morning.
A. Oh, sure. So I have a bachelor's degree in business administration with an emphasis in accounting from Cal State Fullerton. I have a master's in business administration with an emphasis in finance from Pepperdine University. I'm a certified public accountant since 2001. I'm a certified valuation analyst since 2024. And I'm a master analyst in financial forensics since 2022. I have served in public accounting as a financial auditor. I have been controller, director of finance, VP of finance, and CFO of a number of companies, ranging from 12 million to a 110 million dollars in revenue over the years. I've been an expert witness in a number of cases and trials and arbitrations, in both rent control issues and other economic damages issues.
Q. Have you previously prepared a fair return and rent control analysis for mobile home parks?
A. Yes, many of them.
Q. And were you retained to analyze the Del Cielo rent increase under the ordinance, Santa Barbara ordinance?
A. Yes, I was.
Q. And what was the scope of your engagement in this matter?

A. To read and understand the ordinance and apply it to the Del Cielo Mobile Home Park, and calculate potential rent increase based on the ordinance.

MR. STANTON: Can I ask, there is kind of a clicking noise that's happening.

MR. DILDAY: Yeah. I hear it too.

MR. STANTON: Do we know what that is? Is that maybe the court reporter?

THE WITNESS: It's may be my mouse that's not on a pad. I'll mute it.

THE REPORTER: I'm muted, so it's not me.

MR. STANTON: Okay.

BY MR. DILDAY:

Q. And I'm going to pull up -- hopefully I can share my screen. I'm just going to pull up your report so we can have it. This is your report. We'll refer back to it.

A. Okay.

Q. And what documents did you review in forming your opinions?

A. If you could scroll down a little bit, I can walk through those items. So I looked at the profit and loss statements per 2024 and 2023, general ledger for Del Cielo from April through December 2024, rent rolls by month for the calendar year '24. I looked at the balance

sheet as of December 31, 2024. I looked at a number of insurance invoices and allocation calculations related to insurance. I looked at property tax statements for the parcels listed there in my report that relate to the Del Cielo Mobile Home Park. I looked at the escrow settlement statement from --

Q. Sorry.

A. -- Stewart Title Company for the purchase of the park. And I looked at industry reports from escrow.

Q. I'm sorry, I have it here. Okay. Sorry. You can see it now?

A. Yeah.

Q. You can still see your report?

A. Yeah. I looked at IBIS Works Industry Report on Land Leasing, dated April 2025. I looked at a report on rates of return that was done by Colliers International, dated July 2nd, 2025. And I also looked at the Consumer Price Index, all items, old base in Los Angeles-Long Beach-Anaheim, which is the CPI index that's called out in the ordinance, and various other financial documents to support my analysis.

Q. And all these documents were provided?

A. I'm sorry, say it again.

Q. The documents you relied upon were all provided, right?

A. Yes.

Q. Okay. Does the framework under the ordinance, which is Section 11A-5(i), prescribe a specific sequence for evaluating rent increases?

A. Yes. There is a specific formula there, and different like, yeah, sequences or portions of a rent increase that are calculated separately in sequence.

Q. Okay. And are you -- do we have the -- hold on one second.

Is it better to do it in the report or better to do it in the exhibit?

A. The exhibit to walk through?

Q. Just briefly describe the main components.

A. Sure. So there is what's called the automatic increase in this ordinance. And that automatic increase is essentially the rent, multiplied by 75 percent of the annual increase in the specified consumer price index. Then there is an operating cost increase component to this 11A-5(i) calculation. And then beyond that, there is an Excess Operating Cost component. Then there are additional components related to capital expenditures, new capital expenses, old capital expenses, as defined in the ordinance, and then capital improvements. Those don't apply to this park in this year because there were no new or old capital expenses or capital improvements. So for

all intents and purposes here, there is essentially the return on investment increase, or the portion of the automatic increase, an operating cost increase and an Excess Operating Cost increase. Those three components make up the total of 11A-5(i) increase, rent increase that was requested by the park.

Q. And then just, I guess, we can go through -- you want to go through this in detail?

A. Sure. So to calculate the CPI increase, the ordinance states in 11A-5(i)(2) that the CPI -- it should be the 12 months immediately preceding the Notice of Rent Increase. And so the notice was August 29th, I believe, of 2025. So the last published CPI index was July of '25. And so we look at the CPI indices for both July '24 and July '25. The difference between those indices and then divided by the July '24 index is the annual increase. So you see there, 3.539 percent was the increase in the CPI index between July '24 and July '25. And we multiply by 75 percent.

THE ARBITRATOR: And the numbers 950.094 and 983.714, those are -- are those just kind of the CPI indicia that they work with?

THE WITNESS: Those are the actual index numbers. So that's the number that gets published each month or whatever the period is based on the CPI region,

but yeah.

THE ARBITRATOR: And if I could just ask Mr. Stanton here, whether there is going to be a stipulation or disagreement that those are the operative CPI numbers that we're dealing with?

MR. STANTON: Yes, I believe that's correct.

THE ARBITRATOR: Okay.

MR. STANTON: I believe those numbers are correct, so we'll stipulate to those, yes.

MR. ARBITRATOR: Thank you.

And just so I can go back and look at this, what we're looking at on screen at the moment, what page in your report is that?

MR. DILDAY: It's Exhibit 1.

THE ARBITRATOR: Exhibit 1, got it.

MR. DILDAY: Page 9, and it's page 9 of the PDF.

THE ARBITRATOR: Great, thank you.

And also, Mr. Stanton, we're also stipulating not to just the kind of raw CPI numbers, but to the increase being 3.539 and to all the other kind of mathematical calculations on this page.

MR. STANTON: Well, we haven't really talked about all the other calculations yet.

THE ARBITRATOR: Okay.

MR. STANTON: I will certainly stipulate to the

CPI numbers that we have discussed so far. I mean, I have no objection or no disagreement with 3.539 percent being the increase and then 75 percent of that being 2.654.

THE ARBITRATOR: Okay. And then also, Mr. Dilday, please interrupt me if I am getting ahead of your questions, but the 665.61, is that -- explain what that number is.

MR. DILDAY: It's the average rents, but I'll let Brian.

THE WITNESS: Yes. That's the average monthly rent per space as of September 1, 2025, which I believe is also the same as August '25.

BY MR. DILDAY:

Q. And you were using that in order to make these calculations, we have to have an average rent, correct?

A. That's correct. I need to apply the 75 percent of CPI increase to some number, some rent number in order to calculate the increase in that rent. And so we use the average rents as of September 1, '25 of $665.61. And when I multiply that by the 2.654 percent, the automatic increase is $17.67 per space per month.

Now, this component of the 11A-5(i) calculation then takes half of that automatic increase. The ordinance states that the arbitrator shall award half of this automatic increase for -- I think it calls it a just and

reasonable return. And the second component is the operating cost increase, and that's simply another half of the automatic increase of $8.83.

Q. So is it like allocating -- the ordinance has like a 75 percent CPI threshold. In other words, the residents, if the increase was just 75 percent of CPI, there would not be the ability to petition or to --

A. Yeah. That's my understanding in any ordinance, in order for there to be a petitioner or an objection from the residents, the increase noticed has to be in excess of 75 percent of the CPI increase.

Q. So then it's taking that amount and then it's allocating it to different -- in this formula, the first part is being allocated to basically half of that for the CPI increase, and then it's moving on to the -- it's allocating the second half to operating cost increase?

A. That's accurate. It's just allocating the automatic increase number, which is $17.67, and it's just splitting it into two buckets and saying, hey, half of it is for a just and reasonable return, and the other half is to cover operating cost increases.

MR. ARBITRATOR: Would it be fair to say that another way of looking at this -- I also like to boil things down to simple bite-size pieces. Another way of looking at it is there is an automatic increase of 75

percent of the CPI increase, and then you essentially double that to cover both operating costs and fair rate of return? I mean that's what it comes down to.

THE WITNESS: It's not doubling the automatic. It's cutting it in half and then allocating both of those halves to --

THE ARBITRATOR: Yeah, but if you cut it in half, then effectively the two halves mean that you're doubling it.

THE WITNESS: Yes. I don't want to say -- it's not doubling the automatic increase. These first two lines of $8.83 and $8.83, those total $17.67, which is 75 percent of the CPI increase. That is the automatic increase. It's really the next section that's the reason we're all here today.

MR. ARBITRATOR: Okay. So the 17 -- the automatic increase of 17.67, you don't add the 8.83 to that and another 8.83 to that.

THE WITNESS: No, you don't.

THE ARBITRATOR: So what you're saying essentially is that in the ordinance, the two halves in (i)(1) and (i)(2) are essentially the components of the automatic increase.

THE WITNESS: Exactly.

THE ARBITRATOR: Okay.

MR. DILDAY: When there's a petition.
THE WITNESS: Right.
THE ARBITRATOR: When there's a petition.
THE WITNESS: Yeah.
MR. DILDAY: And then just for simplicity, if the bold are basically -- the figures that are in bold add up to the final number in the box below. I mean, so these are calculations and then the bold numbers are whatever added up.
THE ARBITRATOR: Okay.
BY MR. DILDAY:
Q. Brian, have you ever -- I mean, this type of formula, in the fair returns you've done, have you ever encountered a formula like this before?
A. No. This is unique to the Santa Barbara ordinance. As far as I know, I haven't seen another ordinance like this.
MR. ARBITRATOR: The ordinance strikes me as confusingly written because it, first of all, talks about --
MR. DILDAY: They're all confusingly written.
THE ARBITRATOR: But this is the first one I've ever read. But it first of all talks about the automatic increase, but it then says you can have something in excess of the automatic increase, which should be things

in (i)(1), (i)(2) and (3). But it turns out that (i)(1) and (2) are not things that are in excess of the automatic increase. They are simply the components of the automatic increase. So the only thing in excess of the automatic increase, at least in this case, is (i)(3); is that correct?

THE WITNESS: I agree with that.

MR. ARBITRATOR: Okay.

BY MR. DILDAY:

Q. Brian, we left off -- so we are still on the formula?

A. Right.

Q. We left off with operating. Now we're going to Excess Operating Cost increase?

A. Yes. This is the Excess Operating Cost Increase section. And basically what that says is total up your operating cost for the prior year, in this case 2023, and total up year operating cost for the current year, in this case 2024, and if they have increased from '23 to '24, take that difference, in this case the difference is a $174,472. You divide that as an operating cost by the number of spaces subject to rent control.

Q. Let me just stop you real fast. So that's just where you got that 184 number, there's 185 spaces, just to clarify that while we are here?

A. There is 184 available for rent.
Q. And the other one is the manager's?
A. Yes. The other one is the manager's, right.
THE ARBITRATOR: Can I ask one question about what you just said. The CPI increase ran July to July, from '24 to '25, whereas your operating costs analysis goes '23 to '24, so a 12-month calendar year period, but covering period starting in 2023. So I guess what I am trying to ask is, I mean, should I be either troubled or confused by the fact that different components of this formula seem to be drawing on different time scales?
THE WITNESS: That's a good point that you bring up. In this case, it's important to note that in the Excess Operating Cost increase, there is no application of inflation or CPI. It's really kind of a separate calculation. Many ordinances have a specific 12-month period in which you evaluate the CPI increase, and sometimes these correspond with the fiscal years that are being analyzed for, you know, income and expenses, and sometimes they don't. Sometimes it's not even 12 months. Sometimes it starts in -- starts in the base year and goes all the way through the date that you file the petition, so it covers even a longer period than the period being analyzed. It's totally specific to the ordinance.
In this case, the ordinance specifically says

the 12 months immediately prior to the notice date, and that's why we use July '24 to '25. In this third section of this calculation, it does not contemplate inflation or CPI, and so it's really not relevant what period of CPI we're analyzing here.

THE ARBITRATOR: I see. And I certainly, Mr. Eid, don't want to hold you responsible for the confusing nature of this ordinance, which was drafted many years ago, but is there some sort of conceptual duplication involved because it, first of all, gives an automatic increase based on CPI, and it then allows for an increase on an increase in operating costs. But surely the increase in operating costs --

(Interruption in the proceeding.)

THE ARBITRATOR: I think somebody needs to mute themselves.

MR. EID: I think that's Matt.

MR. DILDAY: Matt, can you mute yourself?

THE ARBITRATOR: So what I'm saying is the increase in operating costs would surely in part include that which are already covered by the CPI increase. Does that make sense?

THE WITNESS: Sort of, but they are not really -- you know, one is not based off the other. One is not based off the other. They are kind of unrelated. 75

percent -- recall that we're only using 75 percent of the CPI, so it's quite likely that the automatic increase would not cover all of the increase in operating costs, but it's really not known, I guess, unless you fully did some separate calculation. Nevertheless, this is the way the ordinance allows for increases above the automatic CPI increase.

MR. ARBITRATOR: Thank you.

THE WITNESS: Are you saying if the CPI increase that we're using is more in the future than the expenses that we're analyzing, '23 and '24, the higher that increase, then the lower the Excess Operating Cost increase because we end up subtracting the half of the automatic increase anyway. So I don't know if that made any sense to you. I apologize if I confused you more.

THE ARBITRATOR: Thank you. Thank you.

THE WITNESS: Okay. I think where we left off was you take the increase in the operating cost, you divide it by the number of spaces subject to rent control, which is 184, and then again by 12 months to come up with an increase in operating costs per space per month. In this case it's $79.02. And again, according to the formula in 11A-5(i), you subtract half of the automatic increase from that, that's $8.83. And then in this case, in order to not be double counting the property tax

increase that was part of -- actually the majority of the increase in operating costs, I subtracted $57.40, which was rent increase that was granted as a result of the increase in property taxes that were triggered by the sale of the park, which was made effective to residents January 1st, 2025.

So I can go over that one more time just to clarify. A big portion of the increase in operating costs of $174,000 and change was an increase in property taxes. That large increase in property taxes was triggered by the sale of the park in April of '24 and the reassessment of the value and the property taxes by the County Assessor that happens any time a property changes hands like that. The park had already successfully gotten a rent increase of $57.40 related to that property tax increase, so I needed to back that out of this calculation so that we weren't double-dipping, if that makes sense.

MR. ARBITRATOR: That does make sense, I think. And then to clarify one point, is the reason why in addition to deducting the $57.40 for the property taxes, you also take off again the 8.83, is that because in (i)(3), and we're dealing with the (i)(3) amount here, this is the increase in excess of the one-half of the automatic increase, and so you're sort of -- you put it on and now you're taking it off again so you don't double

that?

THE WITNESS: Yes, that's correct, because we already got an $8.83 up above in line 2 relating to operating costs increases. So we need to back that out and now we're truly only looking at the Excess Operating Cost increases, so anything over that allowed amount of 8.83.

THE ARBITRATOR: Got it. Thank you.

THE WITNESS: So in section (i)(3), we've got the $79.02 per space per month increase in operating costs. We back out $8.83 that was essentially awarded above, and then we back out the $57.40 I spoke of related to property tax, which results in $12.79.

So you see below, there was a few more sections, (i)(4), (i)(5), (i)(6). Those are not applicable to this park this year. So the total resulting rent increase under the 11A-5 calculation is the $8.83, another $8.83, and $12.79, coming from sections (i)(1), (i)(2) and (i)(3) respectively, that total $30.45 per space per month.

BY MR. DILDAY:

Q. So globally on this, so basically aside from the 57.40, basically all these calculations are straight from the ordinance?

A. Yes.

Q. And the only exception would be the 57.40 to

account for the previous increase?

A. That's correct.

Q. So other than the formula in the ordinance with these calculations, the increase would be $30.45, correct?

A. Right.

Q. Okay. And how did you calculate the increase in operating costs from '23 to '24?

A. So that can be shown on my Exhibit 2. And what I did was I took the profit and loss statements for each year per their books and records, and I made various adjustments to those profit and loss statements in order to either, I guess, add or remove income and expenses that are, you know, typically not considered operating activities so that we truly just have operating expenses, not any nonoperating expenses. And this is what -- you know, the way I looked at it here was a typical net operating income calculation.

Now, in other ordinances in other fair return cases, there is something called "maintenance of net operating income." That's not something we're looking at here today or in this ordinance. But nevertheless, one must calculate nonoperating income in those cases, and it's the same types of expenses and income that would be relevant here in this case.

And so really, we are only looking at the second

section starting with Wages. That's the expense section. So you can see the first column in each year is as per the books and records. The middle column in each year is any adjustments that were necessary. And the last column then is the resulting adjusted numbers.

MR. ARBITRATOR: And can you give an example of something which was an increase in expenditure but you wouldn't consider to be an ordinary operating expense?

THE WITNESS: Sure. So the typical ones are mortgage interest, down below. Mortgage interest is not an operating expense, so you remove it entirely. Obviously, that increased quite substantially, $400,000, because there wasn't any mortgage interest in the prior year under prior ownership.

Additionally, there was this donation to charity that wasn't an operating expense. I removed that very small gain on sale of assets, that could be the result of selling a mobile home or selling some other asset that the park owned. That's not a normal, quote, operating item, and so those would be removed.

THE ARBITRATOR: Do you, when you do this analysis, make any subjective assessments as to whether an operating expense was a necessary one or whether it was technically an operating expense, but it was not one that was particularly required? I mean, let me give you a

hypothetical example. And this is a hypothetical example. I don't in any way tend to suggest that is what was going on here. But if in the mobile home park, the management decided to have a corporate retreat where everyone goes off to Tahiti for a week to discuss the affairs of the business and that cost $35,000, would that be an operating expense or would you subjectively say no, that shouldn't be because it's not an ordinary one?

THE WITNESS: Yeah. I think that's kind of an extreme example, but that would be adjusted out. A $35,000 trip to Tahiti would not be a normal occurrence or a normal expenditure that would be figured into your operating expenses.

THE ARBITRATOR: So you would have taken -- had there been something like that, you would have taken that out already?

THE WITNESS: Correct, yeah.

BY MR. DILDAY:

Q. Okay. So just so it's clear, so for the arbitrator, this column on both years' books and records, that's basically straight from the profit and loss statements?

A. Yes.

Q. And then the NOI column is what you used for your calculations?

A. That's correct. So you see there in all caps near the bottom Total Expenses for 2024, in the far right column, $686,389. And then under 2023, the right-hand column, $511,916. Those are the two sets of operating expenses that are included in that 11A-5 calculation.

Q. Now, one of the things that you've excluded -- and I'm sorry, on this, because this is 2024, the property tax increase is not captured, right? That's why you did it in the formula?

A. No. It is captured here. So there is a large -- right above the mortgage interest, there is a large $191,000 -- it's a negative number, but that's an increase to the expense. So it goes from 159,000 in the books, to 351 in my NOI calculation. And the reason there is because property taxes were triggered as of April '24, but not necessarily paid. And so what we're doing here is normalizing the operating expenses to account for, you know, what the true annual costs of this park are. And so, yeah, they're included there. And that's why I was saying in my 11A-5 calculation, and then have it back out. But again, this is a typical way of preparing a nonoperating income or nonoperating expense spreadsheet or calculation.

Q. I guess I misspoke a little bit. Basically you included in this year, and then you have adjusted it for

the offsetting increase that was already implemented that covers the property tax?

A. Right, correct.

Q. Okay. And one of the things that was excluded is this -- there is a commission right here.

A. Yes.

Q. Outside Services, what's your understanding of what this commission was?

A. So this was a commission paid to someone, whether it was a broker or a consultant, related to the purchase of the park in April of '24. Typically those are not included as an operating expense. If we were looking strictly from an accounting perspective, that would be included in the total cost of the park and capitalized as an asset, as part of the asset on the balance sheet, not considered an expense.

In this ordinance, and it's not something that I originally picked up on, this ordinance actually specifically allows expenses incidental to the purchase of the park as an operating expense. And so after discussions with you, Mr. Dilday, I prepared alternative calculations so that you could see what it looked like, what the resulting rent increase would look like if this $20,000 expense was not removed, rather it was included as an operating expense in 2024.

THE ARBITRATOR: And did you, when you were preparing this report, sort of ask questions of management as to why certain numbers did go up? For example, there is a rather hefty increase in Office Supplies. I mean, would you have kind of quizzed to management as to the reason for that or would you have taken numbers like that at face value?

THE WITNESS: No. I don't take these at face value. I do ask those questions. You know, there is some sense of materiality, Mr. Arbitrator. You know, if, for instance, an expense was, you know, $2,000 and it went up to $3,000, well, that's a 50 percent increase but, you know, overall we're talking about a thousand dollars, I'm probably not going to look into it.

THE ARBITRATOR: Sure.

THE WITNESS: So yeah, there is some amount of materiality when we look at it because we're not doing a hundred percent examination of every transaction during the year.

BY MR. DILDAY:

Q. And then just talking about the Office Supplies, do you recall -- I mean, again, the current owner and the management company took over -- I believe it was in April 2024. And I think the bulk of those entries were from the prior owner.

A. That's accurate, yeah. I did ask that question. The bulk of those office expenses occurred in January, February and March of '24. The ones that occurred subsequent to that were a lot lower.

Q. And then just touching on this, what you had said before, pull up the -- can you see the ordinance right now?

A. Yes.

Q. This is the section right here of the ordinance. So this talks about what -- it's an nonexclusive list, but it's of things that you would include in increased operating costs. Is that an accurate statement?

A. Right. This is a paragraph describing the relevant factors the arbitrator can look at when determining a rent increase. And you know, it's fairly broad, ordinary and necessary maintenance and operating expenses. And then I think it says increase in property taxes and fees and expenses in connection with operating the park. Again, fairly broad there, but then it does specify expenses incidental to the purchase of the park, so that's where this commission comes into play.

Q. And again, you excluded it originally because it typically would not be included as an operating expense, correct?

A. That's correct.

Q. And there is other things also that, for example, depreciation, which the ordinance excludes as an operating expense, that you believe should be an operating expense; is that correct?

A. That's right, yeah. Depreciation, amortization, I believe that's true operating expenses. I mean, from an accounting perspective, they are. They are not considered nonoperating. They are a true cost to the park. I have been consistent with that in all the analyses that I do, but I know that the ordinance specifically excludes it, and so I exclude it as well in my calculation so that I'm preparing an analysis in accordance with the ordinance.

So similar to that example, that's why I then included the commission expense after talking it over with -- you identified that section in the ordinance.

Q. I'm going to ask you to pull that up real fast. So this is the statement. We talked about it yesterday. I brought these up to you. Is it sharing?

A. No.

Q. And I asked you, just based on the ordinance language, to generate an updated calculation.

A. Right.

Q. And this is your Exhibit 2 updated -- let's see where is that. Let's see where it is.

A. Yeah. It's the 23,496, I believe.

Q. Okay. So where that is not excluded.
A. There's no adjustment there anymore.
Q. Okay.
A. If you look down at the total expenses line, it's now 706,389 instead of 686,389, a difference of exactly $20,000.
Q. And then going back to this formula, this is the only change in the formula from the previous one we looked at before?
A. That's correct.
Q. Okay. And so if we include, pursuant to the ordinance, this expense incidental to purchase, the total monthly increase is now 39.51; is that correct?
A. Correct.
Q. Which is actually more than we could recover because we only noticed it for --
A. I think you noticed 39.16 --
THE ARBITRATOR: This additional amount, then, this was including as an operating expense, expenses incident or caused by the purchase. Is that what you said?
THE WITNESS: That's correct.
MR. ARBITRATOR: And where does the ordinance speak to whether or not that is an allowable expense?
MR. DILDAY: Section 11A-5(f). It's on the

screen, F-1, these are the factors. These are the -- I mean, this is a nonexclusive list of factors, but may include but not limited to, and then it's right here.

THE ARBITRATOR: Okay. So you're saying that that language allows this to be included.

MR. DILDAY: Right. This is an expense incidental to the purchase of the park.

THE ARBITRATOR: And again, I know you had this on the screen a moment ago, but could you just draw my attention to the expense on that spreadsheet, or whatever it was, which was the expense incidental to the purchase of the property that drove the number up to the $39 level?

MR. DILDAY: Okay. So these are the original calculations where he excluded it because --

THE WITNESS: We don't see it yet.

MR. DILDAY: Oh, sorry.

So this is the commission.

THE WITNESS: It's in the category Outside Services.

MR. ARBITRATOR: Okay.

THE WITNESS: So it's part of the $23,496, according to the books and records. There are some other outside services in there as well, but 20,000 of that was a commission.

THE ARBITRATOR: Okay. So you're saying that if

you do the mathematics, 20,000 creates the difference between the $30 and something and the $39-and-something number?

THE WITNESS: Correct.

THE ARBITRATOR: Once you get it down to a per unit.

THE WITNESS: Correct.

MR. DILDAY: So the $20,000 -- here it is. So we have 686. Hold on. Can you read it, Brian?

THE WITNESS: $686,389, so what we're showing you here is the exhibit, my original one, where I'm removing the $20,000 expense, so this is going to be the lower operating expense number, of 686,389.

BY MR. DILDAY:

Q. And then in the updated one, the adjustment here is removed, so here is the line item.

A. We were not seeing it, Jason.

Q. Thanks, Brian.

THE ARBITRATOR: Would you agree, Mr. Eid -- and if you feel that you don't want to answer questions about the interpretation of the statute and you want to defer that to Mr. Dilday to argue, I understand that, but I will ask you the question anyway because you have an opinion. Would you agree that the ordinance as written makes the inclusion of expenses incidental to the purchase of the

park something that is allowable but not mandatory from my point of view? In other words, something which I, as the arbitrator, can allow but am not required to allow?

THE WITNESS: I am not an attorney. I don't want to make a legal conclusion. I would probably defer that to Mr. Dilday.

MR. ARBITRATOR: Mr. Dilday, at some point you might want to bookmark that as a topic you argue.

MR. DILDAY: Agreed.

Q. Anyway, so just to finish this up, so basically when you remove that adjustment, it increases the total expenses by $20,000?

A. Right.

Q. And then from that, so now we have just a bigger number here. So that's the only change to this calculation. Everything else is the same as the original, correct, Mr. Eid?

A. Right.

Q. I'm sorry, one more time?

A. Yes, that's accurate. That's the only change.

Q. So that additional $20,000, then, you know, when you do it on a per-space basis, that generates this updated amount which, as mentioned, would be limited to the 39.16 that we noticed.

THE ARBITRATOR: And was the reason why you

could have presented this kind of two-fold, one without the 20,000 and the other with the 20,000, because you felt that it was an arguable issue as to whether the 20,000 should be included? For example, you didn't give me an example excluding office supplies or excluding electricity bills. So was there something about this 20,000 --

THE WITNESS: You're asking me?

THE ARBITRATOR: -- which you thought was questionable, which is why you gave me two versions?

MR. DILDAY: Let me -- so when he did this, he is doing it based on as an accountant on what should be included as operating expenses, you know. And this happens a lot, especially with depreciation, amortization, they technically are but a lot of ordinances exclude them. This expense incidental to the purchase would be capitalized and it would be on balance sheet instead of on an expense.

When I looked at it, and then looked at the ordinance, I noticed that they were allowing this, which is unusual to say the least, but anyway, it does allow for it. And I asked him to just create the updated with that included.

Go ahead, Brian.

THE WITNESS: Right. So I mean, pretty much what Jason said. This isn't a typical operating expense.

Just as, I believe, depreciation and amortization should be included as an operating expense but most ordinances say it shouldn't be, I don't believe that this is an operating expense, and that's why I left it out. But this ordinance specifically says that it can be included, so that's the reason why.

THE ARBITRATOR: Thank you.

BY MR. DILDAY:

Q. The next thing I want to go to -- I'm going to close the updated exhibits. I want to go back to your -- okay.

And then we are turning to your second page of your Exhibit 1A. In addition to the formula that's in the ordinance, did you also do like a fair return on investment analysis?

A. I did. This is that. This is that analysis. Essentially Rate of Return Analysis or a Return on Investment Analysis, in the context of a fair return case, it's typically done like this. You look at the cost of the park, which includes the purchase price, and other, you know, escrow costs and other closing costs, so a total invested to purchase this park, plus any improvements that were done over the years. In this case there weren't any. And then you take that total cost and you adjust it for inflation. And in this case, we use the same CPI index,

but we adjust it for the period from the purchase date through the end of the year that we're analyzing, end of '24. Small increase, less than 1/2 percent, so we have a Total Inflation-Adjusted Investment in the park of 21 million and change.

To that we apply a reasonable rate of return that an investor would expect on that investment. And I chose 6 percent, and I'll tell you why in a minute. I also provided some other, you know, analysis or sensitivity analysis, what the rent increases might look like using other rates of return. In this case, I've shown 6 percent in this calculation. That means that the park should be returning $1,265,000 -- $1,265,228 of net operating income per year. What it's actually generating is $920,854, so a difference of $344,374 per year.

So under this methodology, we then take that, quote, shortfall. You would divide it by the number of spaces subject to the ordinance, and then again by 12 months, to come up with a monthly per space, per month rent increase of 4155.97.

Getting back to the rate so, you know, the concept of a fair return is often stated that, you know, a park should be earning a comparable return or a return comparable to comparable assets and comparable markets, so basically, like other similar, essentially, parks in

similar areas and what are they returning. We don't have that information here necessarily. I do have another -- I think there was another report that we could reference later by Colliers. But in this case, looking at what's called the risk free rate, the 30-year U.S. Treasury Bond is widely accepted in the valuation community and economics and finance as a rate that is virtually free of risk because it's backed by the full faith and credit of the United States Treasury. As of the date of the notice of this rent increase, that was yielding 4.92 percent, so a return of 4.92 percent on a risk free investment in the U.S. Treasury.

Mobile home parks inherently have risks. Just like any business, the risk of operating a park, the risk you've got employees to manage, and the risk associated with that. You've got collection risks, nonpayment of rent, legal liability and other things that, you know, that every business is subject to as far as risk. And so that's why I chose something above the 30-year U.S. Treasury yield.

I also, in the sensitivity analysis table there, showed that -- well, let's say that this park was earning the exact same as the risk free rate of 4.92 percent, well, that would calculate out to a $52.82 rent increase necessary to earn that 4.92 percent.

THE ARBITRATOR: My understanding is that management isn't asking for any rent increase based on anything that you're talking about right now; is that correct?

THE WITNESS: That's correct.

MR. DILDAY: I would disagree with that. I mean, we noticed an increase for less than that amount. We're asking for, under a fair return analysis, which the ordinance acknowledges. It does have its own formula, but it also recognizes that the park constitutionally is entitled to a fair return on its investment.

THE ARBITRATOR: But the ordinance states in (i)(1), after setting out the automatic increase as a just and reasonable return, the arbitrator shall have no discretion to award amounts as a just and reasonable return -- I beg your pardon, no discretion to award additional amounts as a just and reasonable return on investment. So I understand why you might want to be making a record if you wish to in some higher forums be challenging the validity of the ordinance. But it seems to me that if I take that language at face value, as I surely should, I don't even have the jurisdiction to award anything more for rate of return other than what is in (i)(1), the automatic increase.

MR. DILDAY: Well, I mean, I don't know that I

agree with that interpretation. That's fine if that's how you read it. But again, the factors that are included, the way I read it, as I mentioned before, is that those factors are nonexclusive. It says "relevant factors may include but are not limited to." So that would be what I have to say to that. And I understand. We obviously -- you know, arbitrators tend to want to follow the ordinance, and I understand that, but I don't know that I completely agree with it.

MR. ARBITRATOR: It's just that what arguments might have validity in a court where they can challenge an ordinance may have less validity with me. I am appointed simply to implement this ordinance.

MR. DILDAY: Well, understood. And I mean, the ordinance acknowledges that the park is entitled to earn a fair return on its investment. So if that formula is not a fair return on investment, the arbitrator certainly has discretion to award above what that formula would render, in my opinion.

THE ARBITRATOR: I'm not sure I agree, but let's argue later.

BY MR. DILDAY:

Q. All right. Brian, do you have anything to add to that, to what he asked?

A. No.

Q. All right. Let's see. And just generally, why is a fair return analysis in rent control relevant in your opinion?

A. Why is a fair return analysis --

Q. The analysis, like the rate of return that you did.

A. We know that park owners are constitutionally entitled to a fair return on their investment.

Q. Okay. So under the rate of return analysis that you did, and there's an Exhibit 1A, is it your understanding or is it your opinion that the park is currently earning a fair return?

A. Under either methodology, no, it is not.

Q. Under the ordinance's formula or the rate of the return on investment methodology, it's not?

A. Correct.

Q. And then --

THE ARBITRATOR: If one were to look at the rate of return in a broader way than you might wish to do, to what extent does the arbitrator have to factor in the reasonableness of the investment? For example, hypothetically, and again my hypotheticals tend to give extreme examples just to illustrate a point, and I'm not suggesting this hypothetical mirrors the facts of the case, but if hypothetically an investigator paid double

the park rate to acquire an asset, and nobody else would have paid that amount of money, presumably that investor, now the management of the asset, wouldn't be entitled to the same rate of return in percentage terms because that would drive up the costs to cover the inflated price that was paid. Does that make sense?

BY MR. DILDAY:

Q. Do you want to address that, Brian?

A. No, it make sense. But I would say that if the park traded hands in an arm's length transaction, it would be unlikely that it would be anything that's not market.

Q. And then just -- you mentioned the Collier's report that is part of our documents. I don't think we need to go into it right now, but it shows, basically, rates of return that you relied on?

A. Yes.

Q. Do you want to go through it or do you want --

A. We could take a look at it. I didn't really figure it into my spreadsheet analysis, but it was something that I looked at and kind of, you know, gave me some guidance on, you know, what an acceptable rate would be. So if you want to pull it up, I can show you where I got that.

Q. This was prepared for another park. They didn't prepare an analysis for this park, so it is not -- but the

numbers that are in the --

A. The study is still relevant because it looked at --

Q. Statewide?

A. -- the study of many parks. It wasn't a study of any specific park.

Q. He has conclusions that are specific to the park, that it was created for at the end, but the raw numbers of basically statewide.

A. (Simultaneous talking) -- it is what it is.

Q. Okay. All right.

A. We're going to go to page 4 of this. Yeah. I think that's it. Sorry, it doesn't have page numbers. 4 of the PDF.

Basically, this analysis is called an Unlevered Yield on Cost Analysis, UYOC. And what that means is -- unlevered means not taking into account any financing. And yield on cost is what is the park return yielding based on the costs of the park. So essentially, this says park was purchased for X number of dollars, in each column here, it's saying what that park was returning based on net operating income, after Y number of years there -- one year, two year, three, four, five. And obviously, there is some matches and minimums and means and medians. I used this, again, as a guide, just a reasonable check on

the 6 percent that I was -- that I put into that analysis.

And you can see here after one year, the median, half the parks are earning more than this number, and half the parks of earning less than this number. And that is 6.81 percent, so I chose something below that one because it wasn't a full year. Since it was purchased, it was about eight months, almost nine months, and just to be a little bit conservative. But again, that was just a reasonableness check. So you can see after one year, some parks are earning 11-plus, some parks are earning 3-plus, but the median is 6.81, the average 6.72. So I believe based on that, plus looking at the risk for rate, that 6 percent number is reasonable.

Q. In your report, is there anything where you, before we move on, that you want to cover? We talked about the adjustments. Let's just go through it real fast. On the narrative part of the report, so we talked about the documents you relied on. We talked about that. And this explains your analysis. We've gone through that.

A. I'm not sure if you're presenting, but we're not seeing it.

Q. I was, but it's a different -- sometimes it switches with it, and sometimes it doesn't. I don't know why.

So let's see. I guess if it's a separate

window, it doesn't -- give me one second. I'll stop sharing. Okay. Sorry. So your work analysis performance, we've gone through this. Is there anything you want to add here?

A. I'm just kind of explaining why the additional return on investment analysis was done based on prior cases that required adjustment reasonable return. That's showing kind of comparatively.

Q. You basically go over the ordinance.

A. Yeah. I go pretty much in detail, kind of like I did today, verbally of how the 11A-5(i) calculation is done and what the results were. Then I talk more specifically about the return on investment, and how I described it today verbally.

Q. Okay.

A. We talk about the reasonableness of 6 percent or why that number was chosen.

Q. And again, you used 6 percent but you also have -- on the analysis you have a sensitivity table which has what the increase would be at lower percentage as well as --

A. Correct, starting with the risk free rate that was being yielded at the time.

Q. Okay. And this just goes through your calculations, which we've gone over. Is there anything

that you want to add in this section?

A. No, not really. I mean, I think it's explained pretty well. What adjustments I made -- Mr. Arbitrator, this might be helpful to you to explain the various adjustments that were made to the operating expenses.

Q. The Adjustment column in Exhibit 2 --

A. Yeah. I think I have an Exhibit 2A that describes, and more further described here.

Q. Okay, right here.

A. Yeah, in the narrative.

Q. And you have this Uncollected Rents Due to Vacancy. Just, I mean, under the ordinance, the revenue side is not even considered; is that correct?

A. That's correct. So that's a good thing to point out here. In a typical maintenance and operating income or net operating income calculation, you first make an adjustment to bring rents up to -- gross rents up to, assuming a hundred percent occupancy. So for those spaces and months that were vacant during the year, you assign some value of rent to that so that you can calculate what would rent have been if all spaces were occupied all year long. Then you deduct from that the rents that were not collected because of vacancy and/or the rents that were not collected because of bad debt, people not paying their rent. And that's just a typical presentation in a net

operating income calculation.

THE ARBITRATOR: So are you saying that the uncollected rent becomes a kind of de facto operating expense?

THE ARBITRATOR: You could say it that way. It's definitely a reduction of net operating income.

THE ARBITRATOR: So the uncollected rents is part of what you're asking for under your (i)(3).

THE WITNESS: No. It's not part of expenses.

THE ARBITRATOR: It's not part of expenses.

THE WITNESS: It is part of net operating income because it reduces income. So with respect to the return on investment analysis, where I'm applying 6 percent and then comparing that to net operating income, this is factored into the net operating income. It is not part of the 11A-5 calculation.

THE ARBITRATOR: Got it. So again, let me just say that back to make sure if I understood it. Uncollected rents is relevant to your rate of return analysis, not to your (i)(3) operating expense analysis.

THE WITNESS: That's correct.

THE ARBITRATOR: Okay.

THE WITNESS: Yeah. I do want to point out in the gross rents at 100 percent occupancy, you see it's a large adjustment of $189,154. It doesn't mean that there

was vacancy of $189,000. In fact, there was vacancy of 35,000. The difference being I needed to include in revenue that amount of $57.40 that was already passed along to the residents. It wasn't included in 2024 because it didn't start then. It started January 1, '25, but I needed to include that income there because I also was including the increase in property taxes. Again, so we weren't double-dipping. So just recognize that the 189 is actually an adjustment, not only to include the vacancies but include $57.40 that was awarded.

BY MR. DILDAY:

Q. So it's the 35, and then it would be the 57 times the spaces, plus that 35 would be that number?

A. Right.

Q. And again, this is -- just going back to this exhibit, I mean, the adjustment is right here. The adjustment is here, right, 189?

A. That's right.

Q. And then the uncollected is right here?

A. Right.

Q. But the calculation under the ordinance is only looking at operating expenses which is everything below starting with Wages?

A. That's right, yeah. So 11A-5, only looking at expenses, that section that you just highlighted. The

return on investment analysis is looking at everything.

Q. Looking at net operating income, which includes these adjustments. And anything under that, you've basically excluded the increase in revenue attributable to the 2025 increase.

A. No.

Q. You've added it so it's reflected in here --

A. So income is included because you've got a large adjustment to property taxes as well.

THE ARBITRATOR: Let me just ask one question. I think I know the answer to this, but I just want to make sure. With regard to the noticed $39 and however many cents it was increase, that increase doesn't in any way rely on your rate of return analysis; is that correct? Other than the fact that it's part of some rate of return, it's part of the automatic increase, I should say.

MR. DILDAY: No. I mean, I wouldn't say that our noticed increase was attempting to capture. What we noticed was attempting to capture the portion of what we believed the return on investment that we were entitled to. Okay. It was a number that was not the whole thing. So we didn't notice it for the whole amount, but it goes above the -- it was a part -- I don't know how to explain it. It wasn't the full amount that we thought we were entitled to, but it was just a lower number, kind of --

and under the formula in the ordinance, it would be -- if we exclude the commission, the most we would be entitled to is 30.45, and with that we would be entitled to slightly more. So it was just an approximation --

MR. ARBITRATOR: Maybe I misunderstood something. I thought the 20,000 commission item, if included, was what took it up to the $39, and round to the nearest dollar, $39.00 increase. But you're saying the $39 increase includes some rate of return.

MR. DILDAY: It was -- basically, we noticed it for an amount that was not too high and it wasn't strictly based on the formula.

THE ARBITRATOR: Okay. And then what would be the dollar increase if one took -- if one added the $20,000 into the (i)(3) operating expense component? That would take it from $30-and-something to what?

MR. DILDAY: I think it was -- Brian, you have 39 -- it's more than the increase or we wouldn't be entitled --

THE WITNESS: 39.51.

MR. DILDAY: So we wouldn't be entitled to what that was, 35 cents?

THE ARBITRATOR: I see.

THE WITNESS: It's a 35-cent difference.

THE ARBITRATOR: You've already got kind of two

routes in your argument to get to a number beginning with 39. One would be by going the $20,000 route, which you wouldn't get all of the $20,000, but it would get you to the noticed increase. And the other way would be by going with the rate of return route. Would that be --

MR. DILDAY: I think that's fair.

THE ARBITRATOR: Okay.

MR. DILDAY: So where did we leave off? I think we are almost done with this report. So we have adjustments.

Q. We have covered that now, Brian, or is there anything else here that you want to talk about?

A. No.

Q. Okay. And this is -- anything else from the report that you want to talk about?

A. What is that one? Just, you know, commenting on some of the changes from one year to the next. Like you can see Wages increased, but that's -- Wages are reflective of on-site management and maintenance. And then, you know, you've got Off-Site Management Fees. When you add all that all together, consider that management expenses, overall from year to year, it's actually a decrease. So when you take Wages and Payroll Taxes and Workers' Comp, Advertising, off that Off-Site Management, all of that, add them up for '23, add them up for '24,

it's actually lower in '24 as a percent of revenue. I just want to point that out. That's one of the analyses, like you are asking, Mr. Arbitrator, do I look at these numbers from year to year, and that's something that I looked into.

And then insurance, insurance is a hard market right now. Since '21, '22, parks have been seeing -- have seen 200 to 300 percent increases over that time in property insurance, property and casualty. In a lot of cases, they have notice of nonrenewal or notice of cancellation. Most of the insurers now are nonadmitted insurers in California, meaning they are excess or surplus lines. They're more expensive because of that. They're not subject to the same rules that admitted California carriers are, and so they have higher rates as well. Like I said, it's just a hard market.

Overall, though, looking at the property and casualty insurance as a percent of nonutility income, it's only 2 percent. That's extremely low in my experience in mobile home park financial analysis. That's almost as low as it gets. So even though it increased a little bit from '23 to '24, it's still really low with respect to industry standards.

Q. That's the end of your report. Pull it off the screen.

And then you also reviewed Mr. Lawson's report; is that correct?

A. Yes.

Q. And does Mr. Lawson perform a calculation under the ordinance?

A. No, he did not. He talked mostly about maintenance and net operating income, which is not the type of methodology that's used in this ordinance.

Q. Or was it used by you?

A. It was not used by me either, no. Calculated net operating income in order to perform a return on investment analysis, but I did not do a maintenance of net operating income calculation.

Q. In his analysis, we talked a little bit about these expenses. Does he discuss -- he mentions, you know, certain expenses that increased from 2023 to 2024. Does he talk about the ones that have decreased?

A. He does not talk about the ones that decreased, no. The ones that increased, I've kind of addressed -- property insurance, workers' comp insurance -- which is part of the total management fees analysis that I talked about. Property taxes, that we've talked about. So he has identified some of the increases. In some cases, they were big in percentages but small in dollars so -- and in some cases, they were big in dollars, but I think we've

explained what those issues were. But there were a number of expenses that are actually decreased as well significantly, but those weren't mentioned.

Q. And you've generated a list -- I'll just pull it up. Is this the list you emailed me yesterday?

A. Yes. These are some expenses that went down from year to year. And you know, kind of illustrating the point, some of these are small in dollars but large percentages, so they look kind of impactful, so same in Mr. Lawson's report, there are some increases that look really impactful but the dollars are actually pretty small. But nevertheless, there are some significant decreases, most notably the Management Fees item there. That's the biggest one for sure.

Q. Okay. And then just you're talking about -- when you're talking about the percentage in his report in here, some of these are really big with the amounts. This is a percent increase.

A. Right. So yeah, supplies decreased by 10 percent. That's because there was no supplies expense in '24, but it's only $1451, so it looks like a big number percentage-wise, but when we're looking at net operating income of $900-some thousand, it's not really significant.

Q. Well, and if we add a dollar in 2024, it would have been even bigger, right?

A. No.
Q. I mean, the decrease would be from 14.51 to the dollar, you have zero, so you put a hundred percent?
A. It would be less than a hundred. And then telephone, internet, it decreased 40 percent but only 957 total dollars. Just kind of making the point here that it's important to look at the total dollars, not just the percent increase or decrease.
Q. All right. Overall point being there were increases and they were decreases in expenses. And some of the increases that he discusses in his -- I think he has like six that he puts in a chart, you know, some of those that we talked about earlier, like the Office Supplies, the increase was actually prior to the new ownership, correct?
A. That's correct.
Q. And bulk of it anyway was prior to the --
A. Yes, about 10,000 of it.
Q. And in his report -- okay. And I think you've touched on this, but in your opinion are the 2024 operating expenses real?
A. Yes.
Q. And they are documented well?
A. Yes.
Q. And they were actually incurred and paid?

A. Yes.
Q. Okay. Is there anything that you found that was inconsistent with operating a mobile home park in California?
A. No.
Q. Did you observe any category that appeared inflated and a sham or nonoperational aside from the commission?
A. No. Well, I don't consider that a sham.
Q. I mean nonoperational.
A. No.
Q. Sorry. Okay. Anyway, yeah. So let me ask it again. Did you observe any category that appeared inflated, sham or nonoperational?
A. Well, just with respect to nonoperational, I think the commission was one. The interest, mortgage interest is another. The gain on sale of an asset was another. There was another, contribution to a Political Action Committee that was removed.
Q. These were all removed, at least in your initial analysis?
A. Yes. Everything was removed in my revised schedules that you showed. With respect to the commission, you know, that was added back, if you will.
Q. Is there anything -- is there any -- is there

any expense, any other type of expense that you, incidental to the purchase of the park, that would be an operating expense, or would it all be capitalized typically under the County --

A. Typically, so I mean that's kind of a deeper question but, for instance, when you purchase a piece of property, you've got the purchase price. You may pay transfer taxes as a buyer, may not. You've got escrow costs, title, wire fees, all those things get captured as the purchase cost, and they get capitalized on the balance sheet, and that would include commission generally.

Q. Okay. Does the ordinance require expenses to be recurring to be allowable?

A. No.

Q. Mr. Lawson brings this up. Does he cite any ordinance language that imposes such a requirement?

A. Not that I saw, no.

Q. Based on your full analysis, is a rent increase warranted under the ordinance?

A. Yes.

Q. And you believe the park's noticed increase of $39.16 is supported by the evidence?

A. I do, you know, when taken into account the commission add-back and, you know, when comparing various methodologies of fair return analysis.

Q. So in other words, under the formula of the ordinance, with the commission it would justify that?
A. Yes.
Q. And then the fair return methodology would certainly justify the noticed amount is what you're saying?
A. Yes, the return on investment analysis.
Q. Return on investment, sorry. Do you believe that the 39.16 is actually below what would be required under a full fair return analysis?
A. What do you mean full fair return?
Q. Like not the ordinance's formula, but under the return on investment calculation?
A. Yes.
MR. DILDAY: No further questions.
THE ARBITRATOR: Okay. Shall we take a short break at this point? Madam Court Report, how long would you suggest?
THE REPORTER: Ten.
THE ARBITRATOR: Ten minutes, okay. So we will resume -- it's coming up to 10:32, so we will resume at 10:42. Thank you very much.
(Break taken.)
THE ARBITRATOR: So Mr. Stanton, I assume you have some questions.

MR. STANTON: I do. Thank you very much.

CROSS-EXAMINATION

BY MR. STANTON:

Q. Good morning again, Mr. Eid.

A. Morning.

Q. How are you doing?

A. Good. How are you?

Q. Pretty good. So your reported testimony today basically are presented in connection with whether this park owner is getting a fair return, correct?

A. Correct. And yeah, it was getting a fair return and applying the 11A-5 calculation.

Q. And do you consider fair return to be an accounting standard?

A. It's not an accounting standard.

Q. Have you ever seen a discussion about fair return in an accounting journal or an accounting textbook?

A. There is the concept of, you know, a fairness opinion that I have seen in accounting journals. You know, fair returns specific to a mobile home park, no, I haven't seen that.

Q. And are there any sort of accounting standards that instruct how to calculate a fair return that you know

of?

A. No, there is not, that I know of.

Q. So it would be fair to say that you're a CPA, but really in your role as the accountant, you really focused on this ordinance's formula, right, not on accounting principles?

A. So as I said earlier, yes, I calculated this -- I did my analysis based on a formula in the ordinance, but I also have my own opinions as a financial expert as to, you know, what items may or may not make sense in the ordinance, and I discuss those in my report.

Q. How many cases of this type, in other words a mobile home park fair return case, have you testified in previous to today?

A. Testified, probably like close to two dozen.

Q. Have you always testified on behalf the park owner in those cases?

A. Yes.

Q. To your knowledge, have any of your opinions in those cases ever been accepted by a hearing officer?

A. Yes.

Q. How many times, do you know?

A. I mean for the exact full amount or more, a handful of times. You know, many times it's some amount but not the full amount.

Q. So you performed -- your primary calculation here is the Exhibit 1 calculation pursuant to ordinance section 11A-5(i), correct?

A. That is the first one I did, yes.

Q. And that section allows the arbitrator to add amounts that are justified by the evidence to cover operating costs in subsection (i)(3), correct?

A. Are you quoting specifically from the ordinance?

Q. Yes.

A. In general, that subsection (i)(3) allows for a rent increase based on increased operating costs in excess of the automatic increase.

Q. Correct. And pursuant to 11A-5(k), which is the following two sections, two subsections following (i), the evidence as to costs needs to be definite and certain. In other words, the evidence has to show that the costs are, quote, definite and certain; is that correct?

A. It says that only where such evidence shows that these costs are definite and certain.

Q. Do you have any opinion as to what sort of operating costs then would normally justify an additional rent increase under subsection (i)(3), just in general?

A. All operating costs.

Q. As long as they are definite and certain, correct?

A. Yeah. That's what the ordinance says, expenses must be definite and certain.

MR. ARBITRATOR: Mr. Stanton, looking at (k), it refers to evidences to costs to be incurred prior to the next rent increase. When they say the next rent increase, are they referring to costs that might be relevant to the current one which haven't yet been incurred, or does the phrase "next" refer to the rent increase we are talking about today? I am confused by that language.

MR. STANTON: Well, I don't know. I don't have an answer to that.

THE WITNESS: I could offer an example, if you would like.

BY MR. STANTON:

Q. Sure.

A. The property taxes. I included property taxes that were a result of the sale but not yet paid, but they were definite and certain because the assessment was already done, they just weren't paid yet. So that's what I think that (k) section talked about.

Q. In your opinion, Mr. Eid, to be included in an analysis like the net operating income calculation that you have done here in Exhibit 2, in order to calculate the total expenses for 2023 and 2024, should operating costs be reasonable?

A. What do you mean by reasonable?
Q. Well, I would ask you. How would you define the term reasonable?
A. Reasonable in the context of a normalized set of operating expenses. I've given an example before, like let's say there is a large storm and, you know, 30 trees get blown over and the park has to pay for $25,000 of tree removal that year, probably not reasonable to include that in the net operating income at the full value. There's probably some amount of tree removal that happens every year, but not $25,000, so there's got to be some adjustment to make that reasonable and realized.
Q. So in that example, that would be a nonrecurring expense, right, the way that you used that expense that it would require some kind of an adjustment?
A. I wouldn't call it nonrecurring because, like I said, there is probably some tree removal every year. It's just what level of tree removal is there.
THE ARBITRATOR: So you're equating reasonable with normal?
THE WITNESS: Yeah. I am, yes. What we're doing is making what's called, at least in the valuation community, is called a normalizing adjustment. It's adjusting anomalies, basically, to have a more -- excuse me, a set of income and operating expenses that are

representative of a normal operation and as relevant to this specific park.

BY MR. STANTON:

Q. Could an expense be necessary, as opposed to elective to be included?

A. So again, that's kind of a -- that needs to be defined a little bit more. Here is what I will tell you, for instance. The IRS requires that expenses are ordinary, necessary, reasonable and incurred. Office expense includes coffee, right? Is that necessary? I mean, now, you can operate a business without providing coffee to your employees.

Q. Some people could argue it is necessary.

A. Right, as I continue to drink my fourth cup of coffee today. But it's an allowed expense. So how do you define necessary? And then there is, you know, reasonable. If you are a million-dollar company and you spent $500,000 in coffee, that's not reasonable, but you can spend some amount on coffee. So that's kind a broad question and a subjective term, but I would say there is some necessity to it.

Q. If a particular expense exceeds the normal industry average as you in your experience are familiar with that kind of average, how would you typically treat that expense in an analysis that you perform?

A. I would typically look at the detail behind it and find out why it was higher. And if it was justified, I would leave it. If it was like an anomaly, I would adjust for it. I guess that's how I would adjust that.

Q. Okay. And in your prior case work that you described here today, you have adjusted income and expense figures, have you not --

A. Yes.

Q. -- in some cases? When you note that a category of expense has a large increase from a prior year to the current year, or in this case as we are comparing 2023 to 2024, does that cause you to examine the category more carefully?

A. Generally.

Q. And would it prompt you to conclude, then, that an adjustment might be required to prevent a permanent rent increase from occurring, based upon some kind of an expense anomaly or aberration?

A. Yes.

Q. Okay. But it's hard for you to say there is any hard-and-fast rule to that. It sounds like you're saying I have to look at the detail, decide why it's higher and then make my adjustment. Is that accurate?

A. Yeah, that's one part of the explanation. Yes, I would say yes, that's fairly accurate. You've got to,

depending on the materiality and depending on the severity of the change from year to year, you might need to look at the detail to determine why.

Q. Fair enough. So looking at the calculations that you prepared in this case, your Exhibit 1 calculation, what I guess we could call the ordinance calculation --

A. Okay.

Q. -- that as we've identified in subsection (i)(3), focussing on the operating costs, those key numbers there, the 511,916 number and the 686,389 numbers are as calculated in your Exhibit 2, correct?

A. Yes.

Q. And so those numbers that you inputted into Exhibit 2, in turn, are taken from the profit and loss statements that were also produced in this case by the park owner; is that correct?

A. Yeah. Those numbers started from the profit and loss statements. Then, as you know, there was some adjustments made.

Q. Did you also look at the ledger that the park owner provided in this case?

A. That which I had, yes.

Q. Okay. So I would like to look at some categories now and just ask you a few questions about

those.

A. Sure.

Q. And I have the question about the Wages category. Are you aware whether or not that the park manager or any other employees that are employed by this park owner, whether or not they service any other parks as part of their duties?

A. They may.

Q. Did you ask that question of your client, of the park owner?

A. No.

Q. Did you make any adjustment in the Wages category that would have reflected the fact that any of the park employees were also spending time managing or servicing other parks?

A. I did not make any adjustments. I am familiar with this park manager and how they handle their I'll call them part-time, if you will, employees or employees that spend time at multiple parks. They perform allocations and allocate the wages across the park based on time spent at each park.

Q. So would it be your belief that that allocation was already made prior to you receiving those numbers?

A. Yes, yes. There were no changes to the Wages number by me.

Q. If you found out that that allocation had not been made in those numbers, would that prompt you to believe that an adjustment should be made for that category to reflect the fact that management is servicing other parks?

A. I think what you are asking is if I found out that no adjustment was made or no allocation was made to allocate wages across all parks that these specific employees were servicing, would an adjustment be warranted?

Q. Yes.

A. Yes. First, I will clarify. If the full wage for one person was charged to Del Cielo, recorded in Del Cielo, but they really spent time on five different parks, then yes, an adjustment should be made.

Q. Okay. And that would also apply to other park personnel if they were likewise servicing multiple parks. Wouldn't that be true?

A. Right.

Q. So I would like to turn your attention back to Office Supplies category, which we've already had some discussion about. Now, in 2023, the total for that category is $1183, correct? That's from your Exhibit 2.

A. Correct.

Q. And the total for 2024 rises to just under

$12,000, correct, $11,972?

A. Yes.

Q. And that's a pretty large increase, isn't it?

A. That's subjective.

Q. Well, I guess maybe I'll --

A. It's definitely large. Overall, we're talking about a $2 million park. We're talking about $10,000. Not too huge, no.

Q. But in this category, that's an increase of over 700 percent, isn't it, from one year to the next?

A. I'll take your word for that.

Q. Did you, as we just discussed, looking at that increase, did you do any further research or drill into those numbers and look at the detail or ask any questions as to why that amount may have increased so dramatically?

MR. DILDAY: -- a rebuttal --

THE WITNESS: Jason, you're not muted.

I did ask about that because I noticed the jump, and I looked through the general ledger that I was provided. That general ledger was -- for the books and records of the new park owner didn't include -- there was no ledger for the old park owner. And I asked if that could be obtained, and it could not, so I couldn't get the detail behind it. All I could get was a monthly income statement, so basically all income and expenses by month,

and I could see that the bulk of that $11,000 was incurred in January, February and March when the current owner didn't own the park, and there were no more detailed records behind that.

Further, there was some what's called mapping that had to happen because in order to create a full set of '24 financials, management had to combine the first three months of '24 from the seller and, you know, last nine months of '24 from their own set of books. And you know what's called the chart of accounts, or the categories of income and expenses aren't exactly the same. They don't necessarily line up. And so there may be some stuff that got lumped in there, in the current -- in the 2024. I don't know if that's the case.

But, you know, I did notice like there is some other expenses. Like I said, some expenses went down too. Like Supplies, there was $1451 in the prior year, in '23, and there is none in '24. So maybe some of that office expense is really supplies. Again, just kind of looking at it overall, there is some increases, some decreases. I don't think that's completely unreasonable particularly. Maybe they bought a couple computers or something, you know.

BY MR. STANTON:

Q. Yeah. Well, I think that the category itself is

titled Office Supplies, so I think we are -- we seem to be talking about supplies, at least in terms of the category definition, right?

A. Yes.

Q. I mean, I guess my question to you is, Mr. Eid, you talked about, when we were speaking a moment ago in general about normal, reasonable costs, the normalizing adjustment that you might consider for anomalies. Don't we have an anomaly here if we look at that 2024 profit and loss recap and we see the first four months, albeit under the prior owner, but the first four months with these huge amounts, over 4500, and then over 2000 the next two months, and 2700 the next month, excuse me, as compared to all the other entires that we see for the rest of 2024, and all the entries that we see for 2023, don't we have anomaly here that would prompt some sort of an adjustment for those first four months of 2024?

A. Again, there is a concept of materiality. These aren't, in the overall scheme of things, these aren't large numbers, but I don't necessarily see that as an anomaly. I did want to get the detail. It wasn't available. I don't distrust these expenses that were recorded in their general ledger and P&L, which are going to be recorded on their tax returns. And we don't know, you know, what happened in '22. Maybe '23 is the anomaly,

but I didn't have that information, but overall, spending a thousand dollars a month on Office Supplies isn't unheard of. I've got clients of the same size that spend quite a bit more than that.

Q. So in essence, you never really considered making an adjustment in this category, correct?

A. I did not. I concluded that an adjustment is not necessary. You know, I definitely identified it as something, but I concluded, just based on other analyses, that it didn't warrant an adjustment.

THE ARBITRATOR: And you, as part of your work, wouldn't sort of go in and look in more granular detail as to how the total of 11,900 and whatever, what it actually comprised? You wouldn't have gone through all the line items, this much for paper, this much for paperclips, and then possibly identified something that shouldn't have been there at all?

THE WITNESS: Yeah, so I would if I had -- and I had line item detail from April, but I don't have the rest of it. I wouldn't get down to paperclips and paper, but I would see, okay, Amazon and Staples and Home Depot, maybe, and that's okay, makes sense, you know.

MR. ARBITRATOR: But you are not doing what might be called an audit.

THE WITNESS: No, absolutely not. And that's an

important distinction. I mean, even in audits, financial statement audits on public companies, auditors don't look at the transaction level detail. They take samples and make reasonable assumptions based on -- they do statistical samples and then they also do analysis on reasonableness based on auditor judgment. That's what I did for the first part of my career.

BY MR. STANTON:

Q. I would like to address another category with you, Mr. Eid. This is the Dues and Subscriptions category. And I note from page -- page 407 of the park owner's submission, which is the general ledger, that the two entries that make up this amount were both paid to an entity called WMA. Do you recall that?

A. Yes.

Q. Are you familiar with what or who WMA is?

A. Yes.

Q. What is WMA, to the best of your knowledge?

A. It's a mobile home park trade organization.

Q. And is it a trade organization for mobile home park owners or for residents?

A. Owners, managers go there. I don't know if residents attend any of their conferences or are members.

Q. So WMA is really a trade association for park owners and management, correct?

A. Again, I guess I stand on my previous answer.
Q. Do you know what the stated purpose of WMA is?
A. I don't recall off the top of my head.
Q. Have you ever gone to their website to check it out?
A. I've definitely been to their website.
Q. I'm sorry, did you say you have or have not?
A. I have, yes.
Q. Okay. Do you recall that the website indicates that it is, quote, for the exclusive purpose of promoting and protecting the interest of owners, operators and developers of manufactured home communities? Does that sound familiar to you?
A. I just have to take your word for it. No, I never looked at it.
Q. Do you know if there is -- as far as you know, is there any way in which this entity, WMA, benefits park residents?
A. Yes. So I have actually been to a WMA -- like their main conference. And the majority of the conference is centered around classes for management, teaching them how to manage parks, how to address various resident concerns, whether it's maintenance issues or rent issues or lease issues. So yeah, there's benefit to the residents. There's a lot of best practices that are

taught there, so there is some benefit to residents because the parks can be managed better.

Q. Are you aware that California law now requires training for all park management, regardless of whether a park belongs to WMA or not?

A. I'm not aware of that.

Q. Presuming that that's true, do you believe that park residents should be made to absorb larger permanent rent increases to pay for management training which California law requires?

A. You're asking if residents should be on the hook essentially or responsible for, indirectly through rent increases, I guess. Is that what you're asking, should they be responsible for this training?

Q. Yes. To the extent that this ordinance formula is focused on increased cost of the operation, and you've included this cost, this WMA membership fee, as one of those costs, which if it is part of the equation is going to support part of the rent increase, whether it's a penny, or dollar, or more. And so my question is if management training is something California law mandates for all park owners, should these particular park residents in this park be on the hook to absorb a potential larger permanent rent increase to pay for, as you call it, the management training component of WMA

membership?

A. Absolutely. Management expenses are an operating expense, and they are absolutely borne by the residents through their rent.

Q. Okay. And WMA membership is not mandatory, is it?

A. No.

Q. So it's elective. In other words, the park can decide whether they want to be a member or not, right?

A. Right.

Q. Okay.

THE ARBITRATOR: Do you know whether each individual park is a member or whether or not a corporation that owns multiple parks is a member?

THE WITNESS: I don't know that answer for sure, but if the park is paying for it, I would think the park is a member. I'm not sure I know that answer, Mr. Arbitrator.

MR. ARBITRATOR: But you're assuming that the dues in this case were kind of either purely for Del Cielo or were somehow prorated between Harmony's multiple parks?

THE WITNESS: Yes. I would think it would be because I have a lot of experience with Harmony's books and records and almost all of them have a WMA membership

in them.

BY MR. STANTON:

Q. To make sure I understand your answer there, Mr. Eid, your belief is that this amount, this 57.07 amount, is particular just to this park, right, that it's not representing a prorated amount?

A. I don't know that answer.

Q. Maybe we can get that later this afternoon from the park witnesses.

I want to ask you next about the Legal Fees category. This is another category that shows, when we look at your Exhibit 2, on page 11 we see the amount for 2023 was 2,696, and it rose to 25,412 in 2024; is that right?

A. Yes.

Q. And again, I would calculate that to be about an 800 percent increase. I guess my first question is does this seem like a large increase to you that would have warranted asking questions or, as you testified, looking at more detail about this category?

A. Yes, and I did. I looked at it, and I looked at the general ledger, and I looked at the dozen or so entries.

Q. Looking at the general ledger page, which is page 408 of the park owner's submission, there is a number

of entries under Legal Fees category between June 6 of '24 and December 9th of '24. And I noticed that two entries have a notation "Legal Fees XS. Santa Barbara Land Use Matter." And the sum total of those two entries is $7,493. My question is do you know what the Santa Barbara Land Use Matter refers to?

A. Not specifically.

Q. Do you know if it's a litigation matter of some kind?

A. I'm not aware.

THE ARBITRATOR: Mr. Eid, you used the example of tree removal, that if a storm took out a bunch of trees and there was a $20,000 amount, because this was kind of like a special nonrecurring, nonstandard thing, it wouldn't be relevant to the operating expense analysis, or at least it would have to be adjusted for that. Would the same conceptually apply to legal fees?

THE WITNESS: Maybe conceptually, but I mean legal fees are pretty ongoing. Some years are higher than others for one reason or another. Typically, when we are looking at an ordinance, if the ordinance specifies how to calculate nonoperating income and what expenses are allowed and which ones aren't, oftentimes they will talk specifically about legal fees and sometimes it just says basically all fees necessary to operate the park.

Sometimes it's specific to fees that aren't related to a fair return. In this case, this ordinance doesn't specify how legal fees are to be captured in the sense of an operating expense.

When I look at this, the majority of the expenses are Mr. Dilday. He is internal counsel. This looks like about when he came on board, when they started you know, allocating some of his expense to the various parks, and so I see this as ongoing. Now, it's higher than '23, but it doesn't mean it's not going to continue. And like I said, legal fees, they happen every year. I don't think we have any evidence that they were definitely not going to happen, and this looks like a pretty recurring type of monthly expense for Mr. Dilday based on the work that he does at the park.

BY MR. STANTON:

Q. And what work is it that he does at the park?

A. Leases -- it is probably better to ask him, but I know he will work on leases and tenant and management issues.

Q. You said that you did examine the category further -- or excuse me, and I think you also said that you asked certain questions of the park owner about this category, right?

A. No, I did not say that I don't think.

Q. Oh, I'm sorry. So let me go back then. Did you ask any questions of the park owner about this category?

A. Not after looking at the types of expenses that were in this there.

Q. And that's pretty much why you can't comment about what the Santa Barbara Land Use Matter is all about, right?

A. I cannot comment on what that's all about. But again, the ordinance doesn't specify what expenses are allowed as an operating expense with respect to legal, and these look like pretty normal expenses to me.

Q. And how is it that they look normal to you? What about these entries would make them look normal to you?

A. They are labeled as monthly billing and they're fairly consistent.

Q. Do you have any detail about what the billing was for?

A. I don't have access to those invoices or the details.

Q. Do you know whether any of the billings pertain to this application or preparing for this rent increase hearing that you're here for today?

A. Again, I haven't looked at the billing, but I doubt it because we didn't start this until '25.

Q. So it is fair to say that you never considered making an adjustment in this category, notwithstanding the amount that it increased by quite a bit percentage-wise, right?

A. Again, I looked into it. It doesn't mean I didn't consider it, but I concluded that it wasn't necessary.

Q. With respect to the property tax amount that you calculated, do you recall -- let me just look at -- I want to find the actual calculation number here for the property taxes. So you calculated -- again, I'm on Exhibit 2, page 11. For 2024, you calculated $351,253, right?

A. Right.

Q. And did you calculate that number based upon the property tax statements themselves or billings from the County? Do you remember where you got the number from?

A. From the statements. I have a separate Exhibit I that shows how I calculated it. What I did in a nutshell is I took the most recent property tax statements that had the full new assessed value, and then I deflated those by, if you will, by the 2 percent automatic increase, so that we could come up with what the '24 value would be, but on an ongoing basis for that year.

Q. There was an exhibit that I attached to my brief

that was the notice that the park owner sent out in support of the 2025 increase. That was the $57.40 increase that you testified about. And the number in that calculation was actually lower. It was 347,727. I don't know if you saw that or whether you have any opinion as to why that amount differs from the calculation that you made here.

A. No and no. I am confident in my calculation here. It's pretty straightforward.

Q. Okay. And even though I think your testimony has already confirmed and clarified that this is not a maintenance of net operating income, what I would call the classic MNOI analysis, correct?

A. I would say it's not at all, not just a classic or new wave. It's not.

Q. And you have confirmed that in your Exhibit 2 calculation. The income numbers that appear at the top of the page for 2023 and 2024 are not determinative or involved at all in the ordinance 11A-5(i) calculation, right?

A. That's correct. The income numbers on Exhibit 2 are not factored into the 11A-5 calculation.

Q. But you have still done a calculation, kind of a confirming calculation, have you not, to try and show that the ordinance calculated amount is modest compared to what

a fair return might otherwise yield, right?

A. I'm not sure I understood that, Mr. Stanton. Can you repeat that?

Q. Well, I guess my question is why did you do the other calculations that you did? You did this fair return calculation and you also -- well, you did what I guess what I will call return on investment calculation. I thought you did two other calculations in parallel. Even though the ordinance doesn't talk about them, my understanding was you did them to try to show how reasonable the ordinance result was. Am I wrong about that?

A. I only did two calculations. One is the 11A-5(i) calculation, and the other is the return on investment calculation. Those were the only two calculations that I did that were any sort of support for rent increase.

Q. Okay. So the Uncollected Rent Due to Vacancy category really is irrelevant for our purposes today. Is that a fair statement, then?

A. In and of itself, it's irrelevant. But obviously, it's factored into the net operating income, which then goes into the return on investment analysis.

Q. So I'll just briefly, then, try to unpack this a little bit. In essence, this category in the income

portion of 2024 of Uncollected Rents Due to Vacancy, it's in essence a credit against the income. You're subtracting that amount from the Gross Rental Income, right?

A. Yes, after increasing Gross Rental Income to account for that, so it's kind of a wash.

Q. And the adjustment that you testified to, the 189,154 number, at the very top of Gross Rental Income line for 2024, you said that was -- that adjustment was made to reflect the property tax increased income that was received during 2025; is that correct?

A. That's correct. So the rent rolls that I provided as Exhibit 3 to my report, those figures, those rent figures in there are actually January 1, '25 -- reflect the '24 rent levels, but including the increases effective January 1st of '25. And that's so that I could account for that property tax pass-through.

Q. Right. But the uncollected rent number is still being subtracted off from the gross rent, right?

A. Correct.

Q. And you indicated in your report that vacancies -- one of the assumptions that you made at the very bottom of page 1 of your report is that vacancies and bad debt were beyond the control of the park; is that correct?

A. Correct.

Q. So isn't it true in these cases, the analysis that is typically done, that that's an assumption that you always make, right? In other words, that's kind of the standard that vacancies or bad debt that are not beyond the control of the park should not be included?

A. Typically that's what ordinances specify when doing a maintenance of net operating income analysis, that those vacancies that were, quote, caused by the park or park management would not be subtracted out. Those ordinances, almost all of them, every one that I can think of, all presume that 3 percent -- a vacancy rate of 3 percent is presumed to be okay. Anything over that, you may have to justify. "You," meaning a park owner, may have to justify why that is still reasonable. In this case, we're at 2.4 percent. It's well below that typical threshold.

Q. And the category here went from zero in 2023 to over $35,000 in 2024, correct?

A. So I disagree with that. The thing is in '23, I didn't have rent rolls, so I don't know what gross rents would have been based on a hundred percent occupancy. So when you look at '23, the rental income of $1,263,229 is likely already net of the vacancy.

Q. I see.

A. I didn't have the detail to be able to

reconstruct those couple of line items to present them the same.

Q. So in actuality, there very well could be a number in there that's higher than 0.0 percent for revenue, but we just don't know what that is?

A. Right. We just don't know what that was. And the line above would be increased by that same amount.

Q. In your opinion, when we calculate the amount of the monthly rent increase, let's suppose it's $30.45, according to your Exhibit 1, is it your opinion that that would be the amount of new rent that would be added to each resident's existing base rent?

A. Yes. The 184 is base, subject to the rent control ordinance.

Q. So the amount of rent increase would be based upon and calculated based upon the actual rent that each space is paying, added to that number, as opposed to being an average or something like that?

A. Somehow I misunderstood. The $35 and whatever -- now we've got a couple of numbers. The $30.45 or the $39.51, as it may be, that exact amount would be added to every resident's monthly rent.

Q. So when I looked at the August 29th, 2025, Notice of Rent Increase, the second sentence says, "based on the average rent in the park, the monthly rent

increase, using 75 percent of the CPI, would be 15.96," apparently that sentence is referring to the average that is contained at the top of your Exhibit 1 calculation, correct, where you testified today that you took the average rents, found that number as you're calculating the CPI percentage?

A. I was not involved in the preparation of that notice. I don't know.

Q. Okay. Let me just go back through the notes from earlier. With respect to the commission amount, and I noted again from the ledger that there is a commission expense apparently paid to someone named John Tundis, T-U-N-D-I-S, do you know anything about this commission, any of the details about it?

MR. ARBITRATOR: Are we talking here about the $20,000 commission we were discussing earlier?

MR. STANTON: Yes. I'm sorry, to make the record clear, yes. There shows for the ledger Category 60022 on page 407, of the park owner documents, the $20,000 payment to John Tundis, and I was just going to ask Mr. Eid if he has any details about that payment.

THE WITNESS: Not other than what we have already talked about. It's a commission paid to John Tundis for commission of the park. I know him. He's a real estate broker.

MR. ARBITRATOR: He is a real estate broker, you say?

THE WITNESS: Yes. Real estate agent involved in mobile home parks and, like, storage units.

BY MR. STANTON:

Q. So probably a commercial broker would be fair?

A. Yes.

Q. Do you know anything about how that fee was calculated?

A. No.

Q. But you did testify earlier that this would not be a typical operating expense that ordinances would allow, correct?

A. Correct. I think -- I don't know if that's how I said it, but yeah, this is not normally an operating expense in other ordinances. In this ordinance, it's specifically discussed, not commission but expenses incidental to the purchase of the park, which is what this would be.

Q. Yeah. I believe that the subsection (f)(1) language begins, "Such relevant factors may include," correct?

A. I have to go back.

Yes, it says that.

THE ARBITRATOR: One question at this point. In

my mind, is Del Cielo a separate entity of some type, a corporation, a subsidiary or an LLC? In other words, is it a separate entity from Harmony with just, at this point, an asset that belongs to Harmony?

THE WITNESS: It is a separate entity.

THE ARBITRATOR: And does it make any difference, in your opinion, Mr. Eid, whether the commission was an obligation incurred by Harmony or an obligation incurred by Del Cielo?

THE WITNESS: Well, I think -- I don't know why it would be an obligation of Harmony because Del Cielo, the LLC, the entity, bought the asset, and that asset is on its books and records. All expenses related to that asset would also be in its books and records. Harmony is just a manager. It manages the parks. It has no ownership interest in this park or any other park that I've been involved with.

THE ARBITRATOR: So you're saying Harmony is not the owner of Del Cielo, you're saying?

THE WITNESS: No. No, absolutely not. It just is the manager. So when you see the Management Fees line item, that's being paid to Harmony as the manager, the off-site manager. It handles the bookkeeping, noticing to residents, leases, this, that and the other thing.

THE ARBITRATOR: So who owns Del Cielo?

THE WITNESS: Who owns Del Cielo, LLC, if that's what it's called, I'm not certain, but I know it's not Harmony because I know how they -- that they're just the manager and not the owner. I don't know the percentage ownership of this particular park. I'm sure Jason could tell you.

BY MR. STANTON:

Q. Maybe ask you a couple of questions related to what the Hearing Officer asked. Looking at the grant deed that reflects this purchase, there is a few entities, so let me ask, is Del Cielo Manufactured Community, LLC, is that the identity of what you believe the LLC that you just testified to, is that the LLC?

MR. DILDAY: I'm sorry, real fast. I mean it's in our brief. It's in our response. I mean, it's Del Cielo MAC, LLC, so anyway.

MR. STANTON: Aren't there a few other entities, though, that are sharing ownership? There is Shady Lakes Manufactured Housing Community and KMLM Investors, LLC, and Amberwood Manufactured Housing Community. Aren't those also involved in ownership?

MR. DILDAY: I don't know exactly. I'd have to look at it. I don't have it in front of me right now.

MR. STANTON: Okay.

MR. STANTON: I think I'm just about done here.

Give me another moment. Stand by.

Q. The last area, real briefly, and I know this gets to what you referenced as, I guess, the materialism, I guess you called it, but I noted that there is an LLC fee of $745 in 2024 that was not there in 2023. I'm presuming that's going to be a fee for Franchise Tax, or something, to exist as an LLC. Isn't that an investment expense and not an operational expense, Mr. Eid, so that it should not be included?

A. Are you talking about the $745?

Q. Correct.

A. No. That is a fee for the privilege of doing business in California. It's called -- that's what it is. In order to do business in California as an entity, there's a minimum fee. I don't know why it's 745. The minimum is 800 and it usually goes up, so it's slightly lower than what the minimum is. But it is not at all, in my opinion, an investment expense, and it's not a tax based on income. It's a fee, just like a business permit that you pay to the City to do business in the city, or in the county or anyhow, a business license. It's all very similar. This is at the state level.

Q. Only you don't have to be an LLC to own a park, do you?

A. You don't. You also don't have to provide

coffee and provide it to your employees.

Q. Isn't it an investment choice to say, "This is the form of entity. We're going to form this separate entity and we're going to do it as we internally assess risk and everything else"? It seems to me, wouldn't that be an investment-related expense, not really related directly to the operation of the park?

A. No. I disagree with that. I don't know anybody in their right mind that would operate a business like this as a sole proprietor individual and assume all of that risk. That would be unfair to the park owner. Again, I think that just using the same example, providing coffee to your employees is an investment in your employees.

Q. Although, one could form an LLC that would have multiple properties in the same LLC, could they not?

A. One could do that.

Q. Last question, I think, just to clarify. In the income portion for 2024, there is storage income of 14,500. Do you know was that from like the RV storage lot or can you just tell us briefly what you know that storage income to represent?

A. I think that's just what it's called. I would imagine that's typically what it is.

THE ARBITRATOR: Mr. Stanton, why is that

relevant? Because I thought income is only relevant, you know, indirectly to a rate of return analysis. Is that why you're asking the question?

MR. STANTON: Yeah, that's it. I would not presume to argue at all that this is relevant to the ordinance formula but because we had this testimony about the rate of return and so forth, I just wanted to confirm that. That's all.

MR. ARBITRATOR: Okay. And did you say that was your last question because I have one brief question?

MR. STANTON: Yes. That was my last question. Thank you.

MR. ARBITRATOR: My brief question before handing back to Mr. Dilday is coming back to WMA, if hypothetically a mobile home park did subscribe to an organization whose mission was, let's say, to increase the rate of return of mobile home operators, if one took the view that this was an organization dedicated to making mobile homes more profitable for the owners, would that be an allowable expense?

THE WITNESS: Well, are you suggesting that that's what --

THE ARBITRATOR: No, but I think it may be part of it. I tell you what's going through my mind. It may be part of the mission of this trade organization is to

look after the interests of the mobile park owners. It may also be part of it to ensure that you come up with a good and efficient product, which is good for the residents. And it may be, therefore, that one should allocate this 50/50, or whatever. But to inform me, I'm just trying to think if hypothetically -- I am not suggesting this is the case -- it was all about making it profitable, would that be an allowable expense?

THE WITNESS: Let me think for a second. I mean, I don't mean to sound vague or do a non-answer here, but if the activities that caused it to be more profitable also benefitted the residents, meaning it was a really great place to live and everybody wanted to move there --

THE ARBITRATOR: Indeed.

THE WITNESS: What I will say, though, in this particular case, is there was an additional $1665 paid to WMA for, basically, a lobbyist, and they are required to separate that out. And so I removed that as an operating expense. So I believe through that, what I did there, I would have handled kind of what you're asking. So things that are very specific to the owners and really may or may not but probably don't help the residents, I have already pulled that out.

THE ARBITRATOR: Okay. Thank you.

Mr. Dilday, do you have any questions?

MR. DILDAY: Sure.

REDIRECT EXAMINATION

BY MR. DILDAY:

Q. Mr. Stanton was asking you whether WMA membership benefitted the residents. Do you recall that?

A. Yes.

Q. Are you aware of anything in the ordinance requiring that expenses benefit the residents directly?

A. No, no.

Q. Okay. Do you have anything else you want to comment on from the cross-examination?

A. Yeah. Just, you know, I belong to the American Institute of Certified Public Accountants, AICPA, and their mission is to mostly help CPAs, not necessarily clients of CPAs, but indirectly through the training that I get, that makes me a better CPA. So it's kind of the same -- I'm trying to draw an analogy there from one trade organization to another. And my AICPA dues are definitely an operating expense and reasonable -- ordinary, necessary, reasonably incurred as the IRS would look at it.

Q. Is there anything else you want -- that Mr. Stanton was asking you about, that you wanted to

address?

A. I don't know if I have covered it all with regard to the legal fees but, you know, like I said, legal fees are always happening. You know, whether it may be one matter that's being worked on this year, next year there's going to be eviction-related legal fees, the year after that there's going to be some tenant-dispute related legal fee. Whatever it is, there is always legal fees happening, so that is another reason, especially based on all the experience I have of looking at detailed legal fees in these parks, what we see here is reasonable and there is nothing in this ordinance excluding any legal fees. These legal fees are operating expenses.

Q. Is there anything else?

A. No.

MR. DILDAY: All right.

THE ARBITRATOR: And Mr. Stanton, you were done or did you have anything else?

MR. DILDAY: You're muted, Bruce. If he muted himself, he may have gotten locked by the administrator. It happened to me earlier.

THE ARBITRATOR: Mr. Bowden?

MR. STANTON: Am I back?

I have nothing further. Thank you.

MR. ARBITRATOR: Okay. So I think we are done,

Mr. Eid. Thank you very much indeed for your testimony this morning. It was very helpful. I appreciate it.

And shall we do another witness now before we break? What's your recommendation, Mr. Dilday as to whether to press on or take a break?

MR. DILDAY: I think I would take a break.

THE ARBITRATOR: Shall we take a lunchtime break?

MR. DILDAY: It doesn't matter. A quick break for me would be helpful. I don't need a lunch break right now.

MR. ARBITRATOR: Madam Court Reporter, shall we take a short break but not the midday break yet?

THE REPORTER: Okay.

THE ARBITRATOR: How about is five minutes enough for this one or do people want ten?

MR. STANTON: Say 10.

THE ARBITRATOR: So we will go back on at 56 past the hour.

(Break taken.)

THE ARBITRATOR: Mr. Davis, I will swear you in.

MATTHEW DAVIES,

A WITNESS HEREIN, BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS,

DIRECT EXAMINATION

BY MR. DILDAY:

Q. For the court reporter, can you just state and spell your name.

A. Matthew Davies; M-A-T-T-H-E-W, Davies, D-A-V-I-E-S.

Q. And you are employed by Harmony Communities?

A. Correct.

Q. How long have you been involved in managing mobile home parks?

A. Almost 25 years.

Q. And what are your responsibilities with respect to Del Cielo?

A. I oversee the senior regional managers.

Q. Okay. So you are not involved with day-to-day operations with Del Cielo?

A. Not anymore. I have moved beyond that.

Q. Okay. Are you responsible for approving or overseeing operating expenses at the park?

A. Correct. I handle budgets, reviewing budgets, the numbers, making sure the numbers are in line.

Q. And when did Harmony begin managing Del Cielo, if you recall?

A. March or April 2024.

Q. Are you aware of -- let me just real fast, the items that Mr. Stanton was asking about. One of the things that he touched on was the On-Site Wages, and that there was an increase from 2023 to 2024, and whether there was an on-site manager full-time and if there was a full-time, how was it allocated. So let's start with the on-site. Is there a full-time on-site manager?

A. Well, let me actually just provide a bit of background. Before we took over management on the park, it was managed by a gentleman known for a long time named Victor Martinez of VMA Associates. Each property manager has their own style, so you don't really look at on-sites by themselves. You really want to look at on-sites and off-sites together because Victor charged a higher monthly property management fee, a management fee, and he had slightly lower on-sites. We are -- in this instance, we have a woman names Tanya Beagles who is down there. She's been with the parks for a number of years. She oversees about four parks, so she is stronger. So she does some more of that component, while we are doing a little less in office than Victor did. So I would say you look at the On-Sites and the Management Fees together.

As far as the structure there, so I think Bruce kind of alluded to this a little bit more, if you have any questions, the state law doesn't require an on-site

manager, per se. It requires somebody to be to be on-site when there are more than 50 spaces. We have a gentleman that lives on-site that does the maintenance that meets that requirement, but he isn't our manager. He's sort of our emergency on-site person. But we refer to, I guess, to Tanya as our on-site manager, even though she technically isn't on-site. Sorry for being longwinded. I hope that makes sense.

Q. So the management person that is on-site, as well as Tanya -- and what's the person's name that's on-site, the maintenance guy? It's okay. It doesn't matter if you don't know it off the top of your head.

A. Nice person. I forget his name, though.

Q. Fernando?

A. Fernando, that's correct. He owns his own home and lives in the park.

Q. So the Wages category of the 2024 profit and loss basically has the wages for him as the maintenance person and also for the on-site, or Tanya, who is the manager, I guess, but also manages other parks; is that correct?

A. Correct. And she's allocated -- her salary is obviously much higher. She's allocated across all the parks. We do that on a per-space basis.

Q. Okay. So you mentioned she's at four other

parks. Four total or four other parks?

A. Give me one second. It's either three or four. If you'd like the specific number --

Q. So basically, her salary, all the wages attributable to her are basically allocated to each of the parks that she's managing on a per-space basis, so how many spaces are in a park. Is that accurate?

A. This park is, what, 185 spaces, and bear with me for one second. You know, she -- it's about -- well, yes, it's allocated on a per-space basis.

Q. And then, I don't know it if you looked at the Ms. Eid's report or not, but there was an increase in Wages from 2023 to 2024. There is also a decrease in Management Fees. Is that what you're talking about at the beginning where this is just kind of a different management --

A. Style.

Q. -- style between the property managers?

A. Yes. But as I'm looking at this -- this is my first time looking. I'm looking at a P&L -- it looks like we have -- I don't know if you guys have talked about this. I don't see that -- what is his name? Fernando? I don't see that he is broken into the Repair and Maintenance in '24, but you might call it the on-site management fee looks a little bit higher, but the R&M is

going to be lower.

Q. Okay.

A. I see him as being misclassed.

Q. "Him" being, are you talking about -- so as a -- in other words, his wages are being paid as an on-site manager. It should be in Repairs and Maintenance. Is that what you're saying?

A. Correct. He is in the 62000 category in our chart of accounts. And I see that he should be -- I would like to have seen him in the 64000 category since his focus is repair and maintenance.

Q. Okay. All right. And then I don't know if -- I know you've been in and out, but WMA fees, roughly $5,000. I don't know if you heard Mr. Eid's testimony, but there is some questions about whether this is paid -- this is based on the park's membership or Harmony's membership. Can you just clarify that?

A. So Harmony is actually not a member of WMA. The individual parks and the park owners make the decision to join WMA.

Q. Okay. And how are the fees -- are the membership fees on the park based on the spaces?

A. Yes. WMA send the bill. We break it into two categories. I'm looking at the P&L. This one is broken down properly.

Q. We don't have video of you.
A. Sorry.
Q. Your video is gone.
A. My apologies. Let me move that over. Okay. I apologize.
Can you see me again now?
Q. We can see you.
A. Okay.
Q. Gone again.
A. Gosh darn. It's pushing me off. I don't know. I apologize.
Okay. WMA bill is broken into two sections.
I didn't touch anything. I didn't touch anything. It's super weird.
THE ARBITRATOR: We hear you fine.
MR. DILDAY: Just keep talking. That's fine. Well, now we can't hear you.
THE ARBITRATOR: Mr. Davies, can you hear us?
THE WITNESS: Yeah. I can hear you just fine.
MR. STANTON: We lost you.
THE ARBITRATOR: Could someone restate the question because I forgot what the question is?
MR. DILDAY: We were talking about the WMA, whether the park was a member or Harmony, and then how the -- the fees charged by WMA, I think.

THE ARBITRATOR: I think he already said that Harmony is not a member, the parks are. And you were beginning to explain that it's based on the number of spaces, but maybe certain other criteria as well.

THE WITNESS: It's broken into two things. One is member services and that's one fee, and then the other portion is advocacy. And we break that advocacy up under donations. It's what we call below line. So on the P&L, it's broken out. So I think the only portion that we're talking about for purposes of this calculation is the member services.

THE ARBITRATOR: Indeed.

THE WITNESS: They provide leases, you get free access to their attorney, you have a whole list of documents, probably a few hundred documents. It's mobile home parks, if you looked at the MRL, it's about 80 pages. It's a pretty intensive document. We are pretty regulated.

MR. ARBITRATOR: What id MRL again?

THE WITNESS: Mobile home Residency Law, Civil Code 798.

MR. ARBITRATOR: So there's a lot of stuff of how to comply with the law and do things properly.

THE WITNESS: Correct. Ongoing, what they call coffee talks, workshops, new laws. You know, they run a

lot of different seminars to make sure that everybody is up to snuff so they don't violate the law.

THE ARBITRATOR: Okay. Does the program, the WMA, include advice strategies, tips on how to make a park more profitable?

THE WITNESS: No. They don't focus on the P&L. They focus on the operations.

THE ARBITRATOR: Got it.

THE WITNESS: At the state level for their advocacy, that's what I said the second component that's under Donations, that goes toward lobbying efforts at the state level.

BY MR. DILDAY:

Q. And that's what was excluded by Mr. Eid?

A. Yes, as I understand it, because we exclude it on our P&L for purposes of net operating income.

Q. I don't know if you heard it, but he was also mentioning that the on-site management training is now mandatory. Mr. Stanton was talking about this with Mr. Eid saying it is now mandatory. Is it fair that we should be billing the WMA membership costs, given that, one, we're talking about 2024, was it mandatory in 2024, the on-site management training?

A. No. They're rolling out the training. I think training is due by March 31st of this year for the first

year of training. They require all managers to take that training so they can better interact with the residents. I think that's the theory behind the new state law.

THE ARBITRATOR: I'm a little confused here. Does WMA perform the training that is required under the state law or is the mandatory training performed by somebody else?

THE WITNESS: This is all new, so this is just as of the 1st of the year. WMA, I think, is rolling out their training program, it's the inaugural training in the next two weeks. So for these training classes, I think there are a few different organizations that are going to run them. WMA is running a training for their members. I presume it will be a discounted rate since it's -- I guess you call it an add-on service. But again, none of this training has to do with the 2024 or 2025 years. It's new for 2026.

THE ARBITRATOR: Okay. So the WMA fees during the period in question did not cover mandatory training.

THE WITNESS: Correct.

MR. DILDAY: Well, there was no mandatory training.

THE ARBITRATOR: Well, indeed, but either way --

THE WITNESS: And I don't believe the 2026 fees are not going up. In fact, I sit on the board at WMA and

the fees for this coming year are going to be the same fees per space as last year. The training is a separate add-on that they will be charging for per person in attendance.

THE ARBITRATOR: Got it.

BY MR. DILDAY:

Q. Do you have anything to add with regard to the legal fees that Mr. Stanton -- I don't know if you heard it.

A. I wasn't listening.

Q. Anyway, just that the legal fees -- hold on. I can pull it up what they were.

A. I'm looking at the legal fees. You've got Harmony Communities legal fees that are Jason Dilday fees. You've got Pierson Ferdinand fees.

Q. And my fees and the other people in the legal department fees, those are basically billed to the park?

A. Correct. Yeah. One of the things that Harmony Communities does, we've got the owners, the park's manager, we've got in-house counsel, that we bill out at a very inexpensive rate, and we don't bill it out liberally. We're stingy with how we bill it out, so it becomes a good savings for the park owner, whether it's -- in rent control -- do I call you Mr. Derrick or -- Mr. Derrick, is that okay?

THE ARBITRATOR: Yes.

THE WITNESS: You read the rent control ordinance and you have a legal background, and you look at it and you go, "What the heck is this saying?" And you read it three times and you get three different things. I can give a rent control ordinance to two different attorneys and they can give me two different answers, and they're night and day in their honest readings. So when we get a rent control park, we're not legal. It takes a heck of a lot to figure out what it says to make sure we do it right and are not violating law.

THE ARBITRATOR: I think that everybody, every party will join a stipulation that the rent control ordinance, at least this one, is not especially easy to grasp.

THE WITNESS: I think this is an easier one than some of the ones -- Jason will tell you it gets a lot worse. Nobody knows what they're saying. They're reading the legislative history, and then the people managing it now says no, that's not what says. It crazy, but anyhow, different story.

BY MR. DILDAY:

Q. And the last thing, the owners of the park, do you have that information available or the entities, or whatever the ownership structure?

A. It's under a tenants-in-common structure. There are either three or four different owners.

Q. Okay.

A. I think --

Q. If you don't know, it's okay.

A. I think four.

THE ARBITRATOR: So just I'm not sure how relevant this is, so I can understand the context, when the park was acquired, it wasn't acquired by a big conglomerate because you aren't acquiring these spaces all around the country. Rather, it was acquired by some individual investors who then brought in Harmony, a company that provides management services to multiple owners; is that correct?

THE WITNESS: That's correct. I will say with full transparency, this owner, the Ubaldi family owns about half of it. They've owned parks now -- Ron just passed away, but he bought his first park 35 years ago. His son, Nick, is one of our regional managers in our company since we manage a lot of parks. It's now Nick's mom, Ester. You know, they -- for example, not getting too into the weeds, they bought their first A&W 40 years ago, and were putting in 16-hour days, and this was their retirement for their family.

THE ARBITRATOR: So you said, if I understood

correctly, that Ubaldi makes up about half of Harmony's clients.

THE WITNESS: Half of this property.

THE ARBITRATOR: Half of this property, I see.

THE WITNESS: Probably, but you know what, I would say maybe they're about a third overall.

Now, so say my wife and I started this company, I bought my first mobile home park back with my wife back in 2004. And you know, my wife owns a piece of this. My father does. My father and my wife and I bought our first park in 2004. So I think we own, collectively, between my wife and my father and I, 25 percent. And then a couple other local, not wealthy by any stretch, they own the other 25.

BY MR. DILDAY:

Q. Give me one second. I don't know if you have anything to add to the Office Supplies. I don't know if you've looked at it. I think the charges since Harmony, since the new ownership, was approximately $608. The remaining roughly 10,000 was from the prior ownership. I don't know if you know anything about that or if you have any insight about that.

A. I would just say that when you get a petty cash from Tanya, things -- when you get petty cash, it's accounts -- a lower level accounting person that breaks

that up and makes the decision of what sort of accounts to put it in. You don't necessarily audit it. The important thing is that it makes it on the profit and loss on the expense side. Some of that stuff, sometimes they put it on the office because it comes from Tanya and she's on-site and she's buying stuff for Fernando that probably should have been in R&M, since Tanya has the credit card and Fernando doesn't. I wouldn't say that the accounting was perfect amongst the charted accounts. And sometimes some of that stuff in the Office, I personally see it reclassed into the Repairs and Maintenance account.

Q. Same kind of idea with what was billed in the larger portion that was from the prior owner and manager, basically it's just a classification issue, like where they're putting things, they just decide to put certain things in that account. It maybe could have been allocated better to a different account.

A. Sometimes it's really clear, they buy paper and toner, and obviously that's an office expense. But sometimes they might buy a lock. And we don't necessarily call them for a $20 lock purchased at Home Depot, "Did you buy this? What was the purpose of that? Where should it go?" And so the bookkeepers, you know, make educated decisions, but it becomes each person looking at it sees it through a lens. But in terms of, you know, $800,000 in

total expenses, the idea is that you're getting it right 99.9 percent of the time, but if you're off by $500 out of 8,000, what category it should be, we're reporting it to the IRS, which is the important thing, that it's an expense.

Q. And the property insurance increased. I don't know if Mr. Stanton addressed this, but I will ask you because it was addressed in Mr. Lawson's, their expert's report. I think in 2024, it was 29,000. Have you looked at the invoices? Do you know what they're for?

A. The stock answer, as everybody knows, insurance is exploding. So number one, it's going up every year. And I mean, over the last 10 years, a lot of our insurance costs have quadrupled. That said, when an owner -- there are three major types of insurance policies in California -- California Insurance Group, CIG, Park Shield and King. Those are the three that give the really good coverages. Now King isn't writing new policies. So an old owner will grandfather in older policies, but they're not writing new ones.

So with a change of ownership, you might not have access to those lower price policies. You have to go out to market on a new policy. The state of insurance in this state, it's just terrible. And so you have limited options. Imagine that, we have three insurers. And if

none of them write, then we're going to like a Lloyd's policy or Penn-Star that's a surplus line. It's a disaster. We have some policies that have gone from 30 grand up to 90 in one year. It is what it is. There is no rhyme or reason to it a lot of times. It's just a frustrating thing. I deal with probably five insurance emails a day.

Q. Do you have anything else you want to add?

A. No.

MR. DILDAY: Okay. All right.

THE ARBITRATOR: I have one question before Mr. Stanton asks his. I don't want to fixate and obsess on the whole WMA issue but, you know, you testified, Mr. Davies, very hopefully to clarify what WMA does and does not do, but there was in increase of just under $2,000 from 2023 to 2024 for Dues and Subscriptions. So I'm not here asking kind of what's the point of belonging to WMA, but why did that go up by a hefty amount? I mean hefty in percentage terms.

THE WITNESS: Prorated on takeover, and then the renewal.

THE ARBITRATOR: So you're saying that under the previous management or ownership, they didn't belong to WMA?

THE WITNESS: No. I think they would have paid

their -- I'm making an assumption here, but I think it's a pretty good one, on the $3690 paid November of '24, that means that that's -- I would say that's the renewal date for that park is November of each year. So on the '23 financials, they would have been a member, and they would have paid -- I mean, I have to believe they're a member. Membership is about 70 percent, so some people might not be. I think that would have been in the prior year. That's why you're not seeing it in the '24 P&L's for that, prior to takeover.

MR. DILDAY: And Dues and Subscriptions could be other things besides WMA.

THE WITNESS: They might not have classed. They might have buried it into something. You might not have seen it broken out. Every management company runs a different type of P&L. I don't even know if you've seen it or not. I have to go through their GL to see if they were members or not or ask.

THE ARBITRATOR: Okay. Mr. Stanton, do you have some questions?

MR. STANTON: I do.

/

/

/

/

RECROSS-EXAMINATION

BY MR. STANTON:

Q. Hello, Mr. Davis.

A. Hello.

Q. So I wanted to see if I could get some more detail from you regarding the wage item. So we have Tanya Beagles. She is an employee of this park, correct?

A. Correct. No. She is an employee of Harmony Communities.

Q. I apologize.

A. That's okay.

Q. Yeah, I totally misspoke there. So as an employee of Harmony, is she salaried?

A. Yes. I believe so. I 'm 99 percent certain. If we needed to clarify, I could go pull that data over lunch and come back and give it to you, but I would be 99 percent certain she is salary.

In fact, hold on for one second, Bruce. I am looking as the wages come through. Yes, I believe she is salary.

Q. Do you know how much the salary is, the total salary? I don't know if the salary is apportioned between the parks with the spaces that she serves, as you testified to, but just looking to see if you know what the

overall salary number is.

A. I'd be speculating with good authority, but I would say it's going to be in the 60 to 80 range. It's not -- it can't be south of 60, I wouldn't think, and it's not really going to be north of 80. Because normally, like I said, we should have had Fernando -- I would have preferred to see this P&L, I would prefer to see Fernando down in the R&M. We have an R&M payroll section, so I couldn't -- normally -- I'm sorry I'm waffling. But she is salary, and it's somewhere between 60 and 80, and it's apportioned across the parks she manages by space.

Q. So the total salary of 60 to 80 covers all the parks that she works for or with, correct?

A. Correct.

Q. Okay. Is there a number of hours attached to that that she was to be in each park?

A. No. It's not specific per park. It's as issues arise, she's apportioned by park -- I mean, by space for four parks. And it's her job to manage all four.

Q. So more of an as-needed and as-required basis, I guess is what you're saying?

A. I would say, if I am being really fair to Tanya, she came over to us from Ubaldi. She is one of the longest time employees. And actually, when we took over the portfolio, she is one of my -- she is a great lady. I

would say she puts in more than her hours. I think she's -- she always comes across as one of those people that's always going beyond. And I don't say that all the time. I've got pains in the butt that I'd rather not deal with, that ride my last nerve.

Q. Now, what I'm looking at the ledger page is -- the heading is at the very bottom of Park Owners, page 408. But over on the 409 --

MR. DILDAY: Is this the general -- you want me to pull it up, Bruce?

MR. STANTON: Yeah, sure, if you could.

MR. DILDAY: It's 409 of the general ledger report?

MR. STANTON: Yes.

MR. DILDAY: Give me one second.

MR. DILDAY: 409 of what is it? Of the ledger?

MR. STANTON: Yeah. The ledger begins on previous pages, but the expense portion begins on page 407, the expense categories begin. So this particular category, the heading is at the very bottom of page 408.

MR. DILDAY: I don't have that. Let me find that.

MR. STANTON: I think it was your most recent submission.

MR. DILDAY: You mean that we submitted with the

brief?

MR. STANTON: I think so, yeah. I believe so. I think it captured all the documents together, if I remember right.

MR. DILDAY: I don't think we re-served this stuff. Hold on.

MR. STANTON: The Bates stamp says "Del Cielo-408," and so forth.

MR. DILDAY: Hold on.

THE WITNESS: Can you put it up, Bruce? Do you want to try it without that, Bruce?

THE ARBITRATOR: I think I have it, Del Cielo-408. It's all an attachment to Mr. Eid's report.

MR. DILDAY: Okay. Let me find it. I'm sorry.

THE ARBITRATOR: I mean, I'm looking at it now, if it's Del Cielo 408, so I can see it. If it's for my benefit, you needn't necessarily put it on the screen.

MR. DILDAY: I'm sorry, I've got it now. 408, okay.

THE ARBITRATOR: What is the question again about 408?

MR. STANTON: Well, I hadn't gotten to that yet. I was just making reference to the document and 408 at the very bottom just has the listing for off-site management

base fees, but I'm going looking at the next page, actually, which has a lot of the detail about the wages. And at the very top of page 409, which relates to that heading on page 408, there are four entries for Tanya Beagle's mileage reimbursement, and those entries total $1,948.72.

Q. So I guess my question for Mr. Davies is, is this mileage reimbursement for traveling when she is traveling between the parks?

A. Yes. So Tanya lives in Nipomo, which is, what, about 20, 25 miles away. So yeah, so part of her compensation package, she doesn't have a company vehicle. So if she's traveling, she gets her wage and then she gets mileage reimbursement.

Q. Okay. You anticipated my next question.

A. Oh, cool. And by the way, Bruce, I did text our HR guy. He is getting back to me so I will be able to tell you the salary. He is pulling it up right now.

Q. Okay. On page 409, as we go down the lengthy wage category --

A. Yes.

Q. -- there's another person. There is T. Beagle, which obviously refers to Tanya, and there's another person P. Beagle. Who is that?

A. Her husband, Paul.

Q. Paul Beagle?
A. Correct.
Q. What is his role?
A. He assists her. I mean, they basically -- she does 90 percent of the work -- I think it has to do with their retirement -- and he assists her. He is there with her some of the time. I would say she pulls more weight than he does for really getting it together. She gets three-quarters of it, he gets a quarter of it, but they ask to have it split that way.
Q. Is he on a salary?
A. Yes. And we can see it now clearly on the salary.
Q. And do we have any idea what his salary is?
A. Well, like I said, they're both at 947.36, payroll is every other week, so 26 times. So between the two of them 947.36 times 2 times 26, that's $50,000 a year allocated to this -- or 49,262,72 allocated to this park.
Q. Is it your understanding, Mr. Davies, that these amounts that we're looking at on this ledger page are the amounts that are only allocated to this park?
A. Correct. And it's over -- I'm getting a list. I asked him for that too. I'm showing for my handy sheet -- now, I know we made a change at some point. I think in 2025, we reallocated parks because we manage, I don't

know, between six and eight in SLO, SLO County and Santa Barbara County. So there was a change. I can't tell you exactly right now when it was. I think it was sometime in 2025, but right now she manages three parks. You know what, let me look at this. Bear with me for one moment.

Q. Would those other two parks be Oak Terrace in Cambria and Buena Vista?

A. Those are two. I don't know if there's a fourth on there. That's why I was looking and I'm looking for updated. It might be she just manages three after we redivvied up. Let's see, on-site, looking at the '25 P&L.

Okay. I think so. Yeah, I think it's three. I thought it was four at one time, I think she managed -- I don't know when she stopped managing Mathews. I don't want to take up everybody's time. At one time, she was managing Mathews 2 inside SLO City.

Q. I'm trying to make sure that Mr. Eid's understanding is correct when he says the figures that he got for wages from Harmony already have built in the allocation or the apportionment?

A. 100 percent. We have different owners. If we weren't allocating, we would have a lot of problems.

Q. Understood. So that's why I asked you if you knew what her overall salary was. I'm not interested, first, in the allocation number, but the overall salary

and you said 60 to 80, and you're going to check on that. Does Paul Beagle have an overall salary as well for all the parks?

A. Hold on here. They do. Okay. Here is my allocation. Bear with me for one second.

Q. Again, I'm looking for the overall number.

A. Okay. So I'm looking at a spreadsheet right now. Buena Vista, Oak Terrace, Del Cielo, their total comp for them 24,789 plus (speaking soto voce). Total comp is about 74 grand a year.

Q. So between --

A. Their total comp is around 74. Let me do that one more time. 24,789, plus 24,789, plus (speaking soto voce). Total comp I'm showing is $73,697.80.

Q. $73,600 and what was that?

A. $73,697.80. Now, that's total comp, which takes into account, as you know, there is a lodging credit. I think the lodging credit is applied to Buena Vista in offset, so a little bit of lodging credit in there of $5,000 a year. That's a biweekly lodging credit of 63.05 for each of them. And we have a maximum amount of hours, you know, they're allowed to work on each property.

Q. So the 73,697, are you saying the lodging is in addition to that or this includes that?

A. It includes that.

Q. Okay. So what we are saying, then, is between Tanya and Paul, their total compensation paid by Harmony for all three of these parks is about $74,000, right?

A. I would agree with that, yes.

Q. Okay. Are there any other employees that provide any services to Del Cielo?

A. Well, Fernando, who we talked about.

Q. And is Fernando salaried?

A. Yes. And that's where you see the reimbursement, that 1197.50, that's Fernando. So 1197.50 times -- Fernando is about 31,100 a year, roughly.

Q. Okay. So now we're up to basically about $105,000, it looks like, right?

A. I don't know. I mean, I'm showing if Fernando is at 31, and the share of Tanya should be -- where are they at? Let's do the math here. If they are at 1196.

Q. I was looking at the overall first.

A. Can you scroll up for me. Well, if you're at 1190 -- a typical payroll is 1197.50 for Fernando, and then 947 or 958.36 times two, plus 1197.5 times 26, total comp before all your payroll taxes, workers' comp, all that good stuff about 81 a year.

Q. Does Fernando provide services for any other park?

A. No. He meets the maintenance and the on-site

emergency criteria.

Q. All right. So we don't have any apportionment for him?

A. No.

Q. But we do the need to apportion Tanya and Paul?

A. Correct.

Q. Do we have any other -- in this Wage category, Mr. Davies, do we have any other persons that would be included in the wage category?

A. No. I wouldn't believe so at all. Now, again, we are going back a year and a half. But I think in this case, Fernando has worked for us since the takeover, and Tanya has been with us since the beginning, but if you want to scroll through, I'm not seeing anything that changes, no.

Q. Okay.

A. No.

Q. So it would be accurate to say that the Wage category for Del Cielo would be all of Fernando's amount, 31,100, plus an allocated amount of from about 74,000 total, an allocation of that for Tanya and Paul, correct?

A. Yeah, about roughly a hair under 50.

Q. Okay. And that would mean -- let's just round it to 50 for purposes of our discussion.

A. 81 a year -- perfect. 80,969.72 is the number I

came up with, so 81 grand.

Q. And that in your opinion would be the total for wages attributable to Del Cielo, correct?

A. Yeah. Bear with me for one second. Let me just spot check this on the 2025 P&L, and it should Del Cielo --

THE ARBITRATOR: While he is checking that, Mr. Stanton, if you could clarify are you suggesting that Mr. Eid was working with wages, salaries that were not properly apportioned and that, therefore, Mr. Eid's numbers have to be adjusted or are you taking the view that the apportionment has been done as between Del Cielo and the other properties?

MR. STANTON: I'm sorry. That's what I'm exploring.

THE ARBITRATOR: So you haven't yet in your mind reach a conclusion?

MR. STANTON: Well, we were about to, I think, subject to what Mr. Davies is rechecking. But yeah, I was about to then ask him maybe the $64 million question here.

THE ARBITRATOR: Okay. Well, let's get to that question.

THE WITNESS: The data we provided to Mr. Eid is the same data for the P&L's I'm looking at. And the P&L's are properly apportioned, in my opinion, by space for the

three parks that Tanya and Paul oversee. And everything here looks right to me.
BY MR. STANTON:
Q. So this is my question, Mr. Davies. On Mr. Eid's Exhibit 2, which is page 11 of his report --
A. Can you put that up? I'm a visual kind of guy. I apologize.
MR. DILDAY: What page did you say, Bruce?
MR. STANTON: 11, Exhibit 2. It's that net operating income comparison.
MR. DILDAY: But this was -- for 2024, it's a partial year. There's also from the previous, correct?
MR. STANTON: It just says 2024. That's what we're looking at.
MR. DILDAY: Well, beginning in April.
THE WITNESS: Well, that's another thing to point out. If you look at our numbers, I was going to mention that our P&L won't match up to the annual since we didn't have it for the full year, so they didn't combine the P&L's.
MR. DILDAY: We were provided with the combined P&L. They were provided with the combined P&L. I could pull it up if you want to look at it.
BY MR. STANTON:
Q. Well, if we could just stick on the page that

we're on because that number, if you look at the Wages category, is $117,495. And I guess my question is assuming that the rough calculation, Mr. Davies, that you just did is correct, and that the total apportioned salary for Tanya and Paul Beagle, together with Fernando's entire salary, because he only services the one park, is around $81,000, and there is no other person that wages are being paid to, how do we account for the difference between $117,495 and $81,000?

A. Bear with me for one second. I'm looking at my 2024 P&L, and I'm at about -- I can see what comes from -- I'm flipping between screens. We will stop here. Go down one page. That's why. Because the old owners -- I mean, we cut costs. So if we had come in on this one -- look -- see, Bruce, you see it through the takeover, and you see the cost cut. So some things, some property managers run it higher. Some run it lower. I mean, the 117 number is because the old owners paid more to their on-site. They weren't as efficient as we were.

MR. DILDAY: They were paying for somebody to be there full-time.

THE WITNESS: 14 grand, 14 grand, 11 grand. 20 popped up, there is going to be some combination of the old and the new on that one. And then you're at 7 and 9 and 6. I mean, that's your different payroll. So looking

like August, September -- excuse me September, you're at 3100, and in October you're at 9300. Those are the vagaries of when the pay period ends, but you're looking at about 6200 bucks raw payroll, 6200 times -- you know divided by two, that's 3100 bucks a payroll, times 26, that's $80,600. Our numbers are tracking perfectly since takeover. I guess if we had been running it as fat as the old owners ran it, we would be asking for a bigger rent increase today.

THE ARBITRATOR: Can I just ask a clarifying question. Is your testimony, Mr. Davies, that the salaries under the current ownership? As reflected in Mr. Eid's table on his page 11, are properly apportioned for the period of the new ownership. And to the extent that the numbers on page 11 show higher numbers than your own accounts, month-to-month accounts, it's because they reflect the higher numbers prior to the change of ownership?

THE WITNESS: Could you, please -- could somebody, whoever has got the mouse, can you scroll back to that other page?

Okay. So to be very specific to answer your question, yes, 100 percent. The category we're looking at right there is 62002; January ran 14, February ran 14, March 11, April at 20. We took over at some point in

April. You have the first full month in May at 7,000. June at 9, notice a big drop off. So when we took over management, we cut costs, so we are managing it more efficiently.

And I'm 100 percent testifying that Tanya was properly apportioned over all three parks. Approximately 75 percent of her salary goes to Del Cielo, and the other 25 percent goes to the other two parks she's managed. And they're apportioned based on the space count for all the spaces.

THE ARBITRATOR: Although, without wishing to be picky, when you're saying managing more efficiently, I believe you also testified that different parks had sort of different procedures in what they run as on-site management versus off-site management, and your off-site went up.

But putting that point aside, Mr. Stanton, does that question satisfy you, or do you want to probe deeper, or would you want to move on?

MR. STANTON: No. I think we can move on now because I think we worked through what I wanted to work through here to clarify all this, so I'm happy to move on.

MR. ARBITRATOR: Okay. Let's move on to the next topic.

/

BY MR. STANTON:

Q. Quick question, Mr. Davies. Talking about the ownership, the acquiring grant deed appears to show that Del Cielo, this applicant has an undivided 41.09 interest in the property. Would you agree with that?

A. If you're representing that, I would agree with it. That sounds roughly right.

Q. Okay. And on Office Supplies, do you have any information as to why the first four months of '24 under the prior owner were so much higher than what your subsequent months were, other than, as you say, your belief that there may be a classification issue that caused that?

A. Well, can we go look at that category, please? Can somebody pull that up so I can speak very specifically about it?

Q. Sure. It would be on that 2024 P&L. I'm not sure of the page number, though.

MR. DILDAY: Yeah, hold on. Give me one second.

THE ARBITRATOR: Is it Del Cielo 11 you're looking at?

MR. STANTON: No. This is going to be the --

THE ARBITRATOR: The full source --

MR. DILDAY: The 12-month P&L. Hold on. I'm looking for the page.

MR. STANTON: Yeah, that's --

THE WITNESS: The combined one is really helpful for me. It allows me to see the before and after. So what we're talking about, 60100 Office Supplies.

BY MR. STANTON:

Q. That is correct.

A. Yes.

Q. And you, I believe, stated that it could be a classification issue, where they are lumping certain expenses into that category that once Harmony took over, you're separating out and reporting differently, correct?

A. No. I was talking about us and our processes that we get it right 99 percent of the time. But I was talking about how our accountants would classify it. I didn't realize you were saying the prior owners. I thought we were being told that we were high, and I was saying it would be a classification thing most likely. We try to run pretty lean on the Office Supplies. So now that I see these numbers, I'm happy with where we are.

I don't have a clue -- there is this lady, I think her name was Linda, that used to run the park. She is a resident there. We did not bring her over with us when we took over. They ran a lot of things fat.

Q. So you don't really have any idea why those numbers were high?

A. Their numbers are high in numerous areas that we didn't agree with that we thought we could do better on.

Q. Okay. And then real quick as to Legal Fees. Can you tell us what the two entries for Santa Barbara Land Use Matter refer to?

A. Those are two invoices for Pierson and Ferdinand.

Q. Correct. Can you tell us what the Santa Barbara Land Use Matter involved?

A. Yes. We are dealing with the -- we're in a lawsuit with the County. The park was converted to an all-age park. I wouldn't say -- converted isn't the right term.

Q. It was a change of age status, right, from senior to all-age?

A. Not really. I mean, it was already run that way. It wasn't being run as a senior park. We formalized what the -- within the scope of federal law, HOPA, we merely formalized how the park had -- how it was following the law previously. So we believe it was always being run as an all-age. They weren't following HOPA, and they were in violation of federal law. We brought the rules into conformance with the historical practices of the park.

Q. Okay. But this matter involves the issue of whether Del Cielo is a senior housing for older persons

facility or all-age, correct? That was the basic subject matter for this?

A. Correct. I agree 100 percent.

Q. Okay. And so to the extent that these fees are on here, this has to do with a lawsuit that the park owner filed as a plaintiff against the County?

A. Correct.

Q. Okay. And it's only with respect to, again, the age issue, right? That's it?

A. Jason, I think that's right. I mean, you're more closer to that.

MR. DILDAY: I would say for the most part, yes.

THE WITNESS: Okay.

BY MR. STANTON:

Q. Do we know if any of Mr. Dilday's billed fees that appear on this list also relate to that lawsuit?

A. No. We used in-house counsels for operations typically. I don't think Jason has handled anything. Jason's focus is compliance, fair returns, documents, making sure, you know -- yeah, no. Paul Beard is handling that outside at Pierson Ferdinand. Jason wasn't involved in it.

Q. Okay. And can you just describe, then -- maybe you just did -- Jason's monthly billings here, what would those typically pertain to, then?

A. Fair returns; leases, because you've got different kinds of leases, for example long-term leases; tenant problems. Let's say if we have a fair housing RAR, reasonable accommodation request, trip-and-falls or anything that's within the day-to-day scope of the problem tenants.

THE ARBITRATOR: Coming back to this land use lawsuit, if I understood I correctly, and please correct me if I misunderstood you, some payments are showing in the Del Cielo, these accounts, but I believe you indicated that there are other payments for a law firm that were not shown here. And if that is correct, why is some here and others not here?

THE WITNESS: Every bill is there. If that's what you took from the testimony, then I apologize. So I'm just saying that any bill that Del Cielo owed was paid by Del Cielo. And there's nothing -- anything related to Pierson Ferdinand in this was paid by Del Cielo.

BY MR. STANTON:

Q. Mr. Davies, have the residents of the park indicated in any way to Harmony how they feel about this age -- senior park versus all-age community issue?

A. They are unhappy.

Q. Excuse me?

A. They are unhappy.

Q. So they are basically saying we want the park to stay senior; is that right?

A. Now we're getting into the --

Q. Let me rephrase it. I don't want to state anything -- I'm not trying to trick you. Is it their position that they would like the park to be senior?

A. Yes.

Q. Okay. So they basically would not support the lawsuit's object because the object of the lawsuit is to confirm that the park can operate legally as an all-age park, right?

A. When we took over, the park was in violation of federal law, and the park had extreme liability related to its operations. We made changes so that we would be in conformance with federal law. So I wouldn't phrase it -- whether the residents or unhappy or support it or not, we've got to make sure that we are not in violation of state or federal law, and that's it. So this whole thing, the State -- I mean the County has a -- I don't even know how to describe it. I just know we weren't violating conforms of federal law, and this is all a result of that, trying to get in conformance of federal law.

THE ARBITRATOR: The question is going to be, and this is a topic I will invite argument on later, whether such expenditures are part of ordinary operating

expenses.

THE WITNESS: I mean, all legal cases are different, so I mean, it's not a one-time -- number one, it's not a one-time expense. And all legal expenses continue. They come in all different forms and all different things. So we have some parks that we've had for 20 years and these things pop up. I have one where we had a landslide and we're three-quarters of a million in attorneys fees. Everything is its own beast, but it's -- I wouldn't say legal is one time. I think within the ordinance, it's considered an operating expense, but I think that's something that you guys should brief.

THE ARBITRATOR: Indeed.

Mr. Stanton, we done on that topic or referring to that one or any other items?

MR. STANTON: No. I have nothing further for Mr. Davies. Thank you.

THE ARBITRATOR: Mr. Dilday?

MR. DILDAY: I don't have anything specific.

Matthew, anything that you want to address?

THE WITNESS: No. One thing, I want to just look at, because I came into this a little blind, can you find on this P&L that's up, I want to see the management, the off-site management, as we call it. Because I thought I saw something --

MR. DILDAY: Hold on. It's at the bottom.
THE WITNESS: I mean, Victor was charging a fee, so I didn't see where his fee was. Oh, is that legal? I'm sorry -- I mean, scroll down to the next page at the top. I mean, as soon as I hang up, I'm going to call Brian Eid and ask him because I don't understand why there is only a half a year of off-sites. I show the expenses should be higher because you're only showing our 6500 a month after we took over. That's just weird to me. Something is wrong, something I see is slightly wrong there unless it was put in Victor -- I don't know.
THE ARBITRATOR: Anyway, I think we're sort of veering away from testimony to commentary. Thank you, Mr. Davies. That is most helpful.
Mr. Dilday, you've got another three witnesses.
MR. DILDAY: I'm not going to call anybody else. It's time to stop for lunch.
THE ARBITRATOR: Okay. So your case is rested.
So at this point, shall we take a break? And if so, I'm at everyone's disposal as to how long people collectively want to break for the lunch hour.
Mr. Dilday, any views on that?
MR. DILDAY: No. I would like at least a half hour, 45 minutes.
THE ARBITRATOR: Okay. Mr. Stanton?

MR. STANTON: I would prefer an hour break.

MR. ARBITRATOR: An hour? Well, if we did have any more witnesses, I was a bit afraid we were crushed on time because we were going to have more, but I think we can say in that case, we will resume at 2:00. Is that good for everyone?

MR. STANTON: Yes.

THE ARBITRATOR: Enjoy your lunch. I'll see you in a bit.

(Lunch break taken.)

KARL LAWSON,

A WITNESS HEREIN, BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

DIRECT EXAMINATION

BY MR. STANTON:

Q. Thank you. Good afternoon, Mr. Lawson.

A. Hello.

Q. Could you just state and spell your name for the record.

A. My first name is Karl, K-A-R-L, and my last name is Lawson, L-A-W-S-O-N.

MR. ARBITRATOR: And by the way, before

Mr. Stanton asks you his questions, were you able to listen to the testimony by Mr. Eid?

THE WITNESS: I heard most of it, but then I had a malfunction and I lost the audio at some point in time.

THE ARBITRATOR: Okay.

THE WITNESS: I probably got about 75 percent of it.

MR. ARBITRATOR: Okay.

Mr. Stanton.

MR. STANTON: Thank you.

Q. So Mr. Lawson, are you testifying today as an expert on behalf the Del Cielo Mobile Home Park residents?

A. I am.

Q. And you submitted a written report in this matter; is that correct?

A. Yes.

Q. And that report has attached an appendix that you labeled Attachment A; is that correct?

A. Yes.

Q. And does that page, basically, describe your experience in the field of mobile home park stabilization and fair return?

A. Yes, it does.

Q. Have you served as an expert in any mobile home park fair return hearings before this one?

A. I have.
Q. And about how many times?
A. I believe three.
Q. And can you estimate how many -- approximate how many applications for rent increases in mobile home parks you've analyzed and evaluated over the years?
A. It would be in the dozens. Over 50, close to probably 80.
Q. So you analyzed a lot of these applications even though you weren't testifying as an expert in those cases; is that right?
A. That's correct.
Q. And at some point, you indicate that you served as the City of Oxnard's rent stabilization program manager; is that correct?
A. That's correct.
Q. Do you know how many mobile home parks were located within Oxnard in those years that you served in that capacity?
A. Twenty-two.
Q. Okay. Do you know about how many spaces, maybe, were involved in those parks?
A. Slightly over 2,900 in total.
Q. So in one way or another, either as an expert or as an analyst, again can you estimate how many hearings of

this type you have participated in over the years?

A. I would say over 70.

Q. I note from your Attachment A that you have provided technical assistance to local jurisdictions on rent stabilization matters; is that correct?

A. Yes.

Q. What other jurisdictions have you provided technical assistance to?

A. With respect to rent stabilization specifically, the County of Ventura, the City of Camarillo, and the City of Thousand Oaks.

Q. And your Attachment A, I think, details your involvement with the County of Ventura, correct? I think it's in the bottom of Paragraph 1 where it talks about what you did in 1988 there.

A. Well, the County of Ventura was subsequent to 1998.

Q. Oh, I'm sorry. What was it you did in 1998 then?

A. 1998, I headed up the -- pardon me. I headed up the Mobile Home Stabilization Rent Stabilization Ordinance Review Task Force for the City of Oxnard. This was a tripartite body that produced a series of recommendations to that city council to overhaul and amend that city's ordinance, which had been the subject of much litigation.

And the end result, after eight or nine months of public meetings, was the presentation of a package of amendments which had been agreed to and endorsed by both sides, that went to the City Council and ultimately adopted.

MR. DILDAY: Both sides. There's three parties, right?

THE WITNESS: When I say both sides -- thank you for that the clarification. There were three representatives of mobile home park residents associations, three representatives of park owners and three neutrals. A majority vote was needed on all sides, on all amendments that were recommended. I believe it was 12 to 14 amendments that were recommended.

BY MR. STANTON:

Q. And Paragraph 2 of Attachment A appears to detail training and professional education course work that you've participated in; is that right?

A. Yes.

Q. And could you just briefly describe what that consisted of?

A. Well, over the course of my three decades plus, I attended numerous training sessions on housing programs, administration of housing programs, housing finance, low income tax credits, dispute resolution, real estate property management, rental property management finance,

codes and standards. Those were the major areas of focus. Oh, and utility regulations, public utility commission regulations for collection and recapture of cost incurred by property owners is another focus.

Q. And you've also served as an arbitrator or hearing officer or a member of an appeal panel on various matters relating to mobile home parks?

A. Primarily not related to mobile home parks, primarily related to other housing issues. I have -- I do not believe I have served as a hearing officer on a mobile home park matter.

Q. Got it. Tell us what you understood your assignment to be when you were retained in this matter?

A. To examine the application submitted by Del Cielo and to identify any issues that one -- a trier of fact would need to look to when evaluating the income or expenses presented in the context of the application.

Q. What did you review in the course of preparing your report and preparing for today's testimony?

A. I believe I reviewed all the documents that were presented, including the 400-plus page report -- Mr. Eid's report, the various exhibits, and the parties' prehearing submissions and correspondence and attached exhibits.

Q. So do you believe you completed your project and you're able to render an opinion today?

A. Yes.
Q. Now, I want to talk a little bit about maintenance and net operating income formula. You're very familiar with how that formula works, correct?
A. Yes, sir.
Q. Now, did the Oxnard ordinance contain an MNOI formula?
A. It did.
Q. Okay. This ordinance does not contain the typical MNOI formula; is that right?
A. That's correct.
Q. And I don't know if you heard the testimony this morning, but it's pretty well confirmed by Mr. Eid that he was not intending to do an MNOI analysis. Do you understand that?
A. Yes, I do.
Q. However, in doing an MNOI analysis, it's important to calculate net operating income, correct?
A. That's one of the essential steps.
Q. And to do that, you're not only looking at the income for a certain year, but you're looking at the operating expenses, correct?
A. Correct.
Q. So in your analysis with MNOI calculations, you routinely would have to examine operating expenses to

determine whether or not it's appropriate to include those in the calculation; is that right?

A. Yes.

Q. Did you review the ordinance in this case?

A. I did.

Q. And in particular, do you recall reviewing section 11A-5(i)?

A. I do recall looking at that, particularly the various subsections of 11A-5.

Q. And we already have gotten the owner's stipulation that the subsections (4), (5) and (6) relating to capital improvements are not an issue in this case, so we are only focused on (i)(1), (2) and (3). Do you understand that?

A. Yes.

Q. Now, in particular (i)(3) is a provision that allows additional rent increase amounts over and above the annual adjustments to cover or in recognition of operating costs. You're aware of that?

A. Yes.

Q. So when we focus on that definition or that phrase, operating costs, pursuant to subsection (k) that's following, there is a statement there that says "costs should be definite and certain." Do you remember that section?

A. Yes.

MR. ARBITRATOR: Can I just say for the record that this refers to, we discussed that earlier, costs to be incurred prior to the next rent increase. And it was unclear to me what the next increase referred to, whether it was one in the future that we are not even considering now or the next one is the one that is under consideration now.

MR. STANTON: And I don't disagree with that, Mr. Derrick. I was actually going to ask him whether or not those words that the ordinance used in that context also applied, in his opinion, as to how he defines operating costs. And that was my point to ask him that. I wasn't trying to really say here is what we say the ordinance means, if you will.

THE ARBITRATOR: Indeed.

BY MR. STANTON:

Q. So let me ask you, Mr. Lawson, what sort of operating costs, in your experience, would you approve of or count towards a proper operating expense to be placed into a net operating income calculation?

A. Well, there's a couple of things that one must look at to make such a -- to answer that question. The first is are there any explicit references within the ordinance or the regulations adopting implementation of

the ordinance that define which expenses are specifically excluded or specifically included. The second is when an expense is listed or claimed, is it an operating expense as opposed to a capital expenditure, for example. Most ordinances, for example, will exclude amortization or mortgage interest. And the ordinances all have various exclusions that will be listed.

So the first place to look at is what does the ordinance say of any specific exclusions or inclusions. The second is that an expense to be an operating expense should be reasonably related to the operation of the park. There is controversy as to whether an investment expense is related to the operation of the park. It depends on what it's being invested in. And finally, is it a reasonable cost, a standard of reasonability. It should be something that enures to the benefit of the park community and is the cost reasonable.

THE ARBITRATOR: If I can just interrupt on that point because I think that's a fairly key point. Where, if anywhere, in the ordinance does it state a requirement that a reasonable operating cost benefits, let's say, the homeowners? I mean, if there was a reasonable operating cost whose benefit was purely to the management, and I accept that many things that benefit the management also benefit the homeowners, but hypothetically if something

only benefitted the management but it was reasonable, from that of point of view, why would it not be allowed? I mean, what language can you point to or are you relying on your overall expertise on how these things are interpreted in general?

THE WITNESS: The Santa Barbara County ordinance I do not believe contains the word reasonable in there. Correct me if I am wrong. However, there is a presumption that something must be -- a cost must be reasonable.

THE ARBITRATOR: By the way, the word reasonable applies multiple times, but I'm not sure it's actually defined.

THE WITNESS: The best way to illustrate it, I think, would be to cite an example of something that we agree would not be reasonable. For example, let's suppose that you have a resident manager of a park and the going salary or personnel cost for that resident manager of a park of this size would be $75,000 a year. If that all of a sudden became $200,000 a year, there would be a question raised as, well, is this reasonable? What is the reason for it? What is the rationale? If a park wished to make some sort of capital expenditure to expand a part of the park or part of its property to rent out land to a commercial enterprise, would the cost of that expansion be considered reasonable as an operating expense of the park?

And that's a case that I have run across in another park.

So to answer your question, Mr. Hearing Officer, Mr. Arbitrator, even in the absence of a language that said expenses must be reasonable, there is an implication, and I believe it's the clear and settled trend, that if something is listed as an expense, it has to bear some relationship to a reasonable cost for that item.

MR. ARBITRATOR: I accept that, but I'm not sure it clearly answers the question because the question was you defined reasonable, meaning that at least in part that it enures to the benefit of the community. I think that was your phrase. So I am not trying to argue with you. I'm trying to learn and understand this. So on what basis do you define reasonable as meaning that it benefits the homeowners as much as anyone else or along with everyone else?

THE WITNESS: I believe I said it benefits the park community. The park community includes the homeowners and the park management.

THE ARBITRATOR: So you're saying an expense that only benefits the park management and doesn't benefit the homeowners, it may not run against them but may not benefit them, you're saying that's not a reasonable expense for the purpose of this analysis?

THE WITNESS: I say that that would become a

point of inquiry to determine whether it's reasonable or not.

THE ARBITRATOR: Okay.

THE WITNESS: And I heard earlier the discussion regarding whether the membership in the Western Manufactured Housing Communities Association, the WMA, enures to the benefit of the homeowners and to the park owner. So that's something where an inquiry, a fact-based inquiry of what is that expense, and you'll get two different answers from the two different sides.

THE ARBITRATOR: Okay, thank you.

BY MR. STANTON:

Q. In analyzing expenses, Mr. Lawson, do you take a look at industry averages or what you would consider to be, you know, a normalized number or what sort of way do you address or apply your analysis to an expense category?

A. The starting point, first of all, as I indicated is to look at the specific language of the ordinance. When the ordinance does not specifically address an expense category, then in an application, which is comparing expenses from one year to another, you want to look at what has been the history because expenses can be location specific. What is a common expense in a park in one part of the state may be very uncommon in another part.

So I look at what has been the history, what was the expense, the nature of the expense and the amount of it in one year, and how does that compare to another year. For lack of better words, a base year and a comparison year or a base year and an application year. And if there is a variation, an anomaly one way or another, that is something that one must look at to determine what is the reason for that, is that something that is just identifiable and is there an explanation for it.

Q. In your prior casework, have you sometimes adjusted an expense figure based upon the presence as you would find it of an aberration or an anomaly?

A. That is frequently an occurrence not only when you say have I adjusted it, but the parties and hearing officers often will make adjustments based upon a discrepancy for which the explanation is not persuasive for the trier of fact.

Q. When you look at income and expense figures in this case, specifically looking at expense figures as reported on a net operating income analysis, profit and loss statements, and you note a large increase from a prior year to the next year, does that stand out to you and cause you to question the category and create a desire to examine the category more carefully?

A. Yes.

Q. And would it under any circumstances prompt you to include an adjustment as required to prevent a permanent rent increase from occurring based upon a possible anomaly or aberration?

A. Yes.

Q. What about recurring or nonrecurring expenses, how do you analyze those or what rule does that concept play in your analysis?

A. If there is an extraordinary expense or a significant expense that appears to be a one-time occurrence or something that may only happen every certain number of years, that also raises a question of should it be incorporated permanently into the rent structure. I could give an example would be expenses associated with an application for a rent increase, which can sometimes be significant. And whether that is considered an operating expense is one question, and how it can be recovered is the second question if it is an operating expense. Or is it something that should be collected as a pass-through and amortized, or should it not be included at all since it only enures to the benefit of one party.

Q. So did you review Mr. Eid's net operating and income analysis comparison that was actually done on Exhibit 2 of his report?

A. Yes, I did.

Q. And that's where he compared expenses between 2023 and 2024, correct?

A. Yes. I did review that spreadsheet.

Q. So first of all, I want to look at the category of Wages. Did you note, based upon the numbers reported there and in terms of the increased numbers for 2024, did you come to any conclusion about whether there was a possible aberration or anomaly in that category?

A. I did.

MR. DILDAY: I'm sorry, what category? I missed that.

MR. STANTON: Wages.

MR. DILDAY: Thank you.

BY MR. STANTON:

Q. And what was your conclusion about that?

A. My initial conclusion was that it represented a significant increase in Wages from 2023 to 2024. However, the caveat is that I typically will look at Wages in conjunction with Management Fees, which in this case showed a significant decrease from 2023 to 2024. The two combined together showed an almost imperceptible change. I believe it was less than 1 1/2 percent. It has been my frequent experience that what one operator of a mobile home park may call Wages may be incorporated into Management Fees by another operator who takes over the

same park, or vice versa. So the two together, and I added up the numbers, the Wages and Management Fees, in 2023, the two together were slightly less than $169,000, and in 2024 was $165,000. So the increase, the difference there, $4,000, is -- I correct myself. I believe I said 1 1/2 percent, would be about 3 percent, not a significant anomaly in this case.

Q. And you heard the testimony earlier about the allocation that Harmony Communities made in terms of management servicing the various parks. You were satisfied with that explanation?

A. I heard some of that, but part of that was the audio I could not hear.

Q. Okay. So essentially when we look at the line item for Wages in the profit and loss and we see this large amount of dollars in the first four months of 2024 before Harmony took over management of the park, basically you're saying even though that's a real huge amount, when you combine Wages and Management, the combined result doesn't have that much of a difference, is that what you're saying?

A. That's correct.

Q. Okay. I do want to ask you about one particular part of Wages. We looked at the ledger. It's actually page 409, and it had four amounts, totaling just under,

$1,950 for travel expenses for the manager. Did you take a look at that particular category at all?

A. Yes. After looking at the Wages and Management together as an -- in the aggregate sense, looking at the Wages categories in the granular level, that does raise a question specifically with respect to the travel costs.

Q. And I don't know if you were able to hear the testimony earlier that this manager that was referenced in those four entries, Tanya Beagle, actually lives in the town of Nipomo, which I think is about 20 miles away. She actually manages three different parks, and obviously being needing to travel around from park to park or from maybe her home to this park, does that information give you any further thought about your analysis about whether those particular items are fairly included in the Wage category?

A. First, I begin by stating I did not hear that part of the testimony; however, I did read some of the written materials, perhaps only presented by the homeowners. I don't know if they are in the record, that information. If it is confirmed that a change has been made in the operation that results in an increase or an expense which did not exist before, then that could be considered a voluntary increase in expenses, such as travel.

The second point is the apportionment. Although I did not hear the testimony, I would anticipate that Mr. Eid had apportioned the cost of a person who is working for three different mobile home park entities, either on a per-space basis or on a time-invested basis. And if that has been done, then that would be fine. If it has not been done, that would certainly be something that would have to be done. There has to be an apportionment. And not just of that particular employee, but of any employees who are employed by more than one park, who provide services to more than one park.

THE ARBITRATOR: My recollection, and I'm happy to be corrected if others recall differently, was that there is no testimony this morning about the allocation of mileage, only about the allocation of Ms. Beagle's salary.

MR. STANTON: I believe that's correct. And I believe, for the record, just so Mr. Lawson who didn't hear the entire morning session, but yeah, Mr. Eid had testified that he believed the numbers he was given had already included the allocation or the apportionment, and Mr. Davies confirmed that, and we worked through some of the numbers, I think, to get to that conclusion.

THE WITNESS: With respect specifically to the mileage, though, if the services were formally provided by an on-site employee and are now provided by someone who

lives in Nipomo -- I'm not sure what the distance is from the park, I believe you stated 20 miles -- that would be something you would want to look at to ensure that the mileage for going to this park was specifically to this park.

BY MR. STANTON:

Q. With respect to the Office Supplies, did you look at that category, Mr. Lawson?

A. Yes, I did.

Q. You saw that there was a pretty big increase, quite an increase between 2023 and 2024 in that category, correct?

A. It was quite notable.

Q. And I think that we've established that the largest portion of that, a very, very large portion of that occurred in the four months prior to Harmony acquiring the park. Do you recall that?

A. Yes.

Q. And how would you treat that kind of information? Would you take a look at that and consider making any kind of allocation based upon the fact that it's so top heavy the first four months as opposed to the later eight months for that category?

A. Yes. The first point of inquiry is to determine what office supplies were purchased or loaded up on in

those first four months.

Q. What if we don't know?

A. If you don't know, and there is -- and if there is no evidence that the new owners inherited a storeroom full of printing supplies, then a reasonable adjustment, a proper adjustment would be to take a look at those months for which there is no -- for the eight-month period, I believe it is, and calculate a monthly average and prorate that and apportion that to offset the extraordinary unsubstantiated expense for the first couple of months.

Q. In other words, we just don't know, do we, why those numbers are so large but you're saying, basically, you would err on the side of caution to account for what appears to be an anomaly?

A. It is definitely an anomaly, and that would be my preferred way of addressing such an adjustment.

THE ARBITRATOR: And would you factor in, as another way of supporting your conclusion on that point, the fact that new management, we heard from Mr. Davies, appeared to distance themselves from this profligate Office Supplies expenditure, saying we run a much more efficient ship and this isn't the sort of thing that happens under our watch?

THE WITNESS: I did hear Mr. Davies state that, but that sounds like --

THE ARBITRATOR: I'm paraphrasing.
THE WITNESS: That sounds like something Mr. Davies would state. Although I don't imagine he used the word profligate.
MR. ARBITRATOR: I'm paraphrasing.
THE WITNESS: The essence is to look at if under the current management they don't need to spend $4,000 a month on office supplies, they don't find such a need, then that does raise a question as what was the reason -- was it reasonable for the previous management to do that for the a last few months before they sold the park.
THE ARBITRATOR: Yeah.
BY MR. STANTON:
Q. With respect to the category of Dues and Subscriptions, did you take a look at that category, Mr. Lawson?
A. I did.
Q. And you know, I believe that, as I think your report discusses, that the amount of that category, 50707, when you look at the ledger pages, derives from membership in this entity called WMA.
A. Yes.
Q. Are you familiar with that entity, WMA?
A. Yes, I am.
Q. Are you a member of WMA?

A. I am not.
Q. Have you ever attended any WMA functions?
A. Yes, I have.
Q. Can you describe that?
A. WMA provides a wide variety of services to mobile home park owners, and there are certain seminars -- they offer an annual legislative update seminar, which individuals who are not members of WMA often attend, and I would those to receive information on specifically matters related to state legislative changes regarding the housing and community development department of the State of California, which regulates -- enforces codes and standards of mobile home parks.

An item of annual entertainment is the Public Utilities Commission and the various divisions, they would often implement having to do with cost recovery and charges to utilities in mobile home parks. So in my role as a municipal employee, I found that it was useful to get that information from the point of view of the mobile home parks professional organization.

Q. At any point in any of the seminars, or workshops, or conferences that you've attended that WMA puts on, is there any discussion about rent stabilization in any of those?
A. That is a common and prevalent theme, and the

WMA devotes a considerable amount of its energy and resources to legislative action and lobbying, primarily aimed at representing the interests and advocating for the interests of mobile home park owners electing individuals to city councils and county supervisors for individuals whose views on mobile home rent control align with those at WMA, state legislators, and that is often a theme. I would look at also the agendas of the conferences and periodic events held by WMA, and there was always a focus on -- under the umbrella term of property rights and looking for ways to -- how shall I say? -- to counter local government's efforts to have mobile home rent stabilization laws.

Q. And those topics would be discussed in the sessions that you attended?

A. I would sometimes hang around for the lunch and listen to those, but if I went, it was for the very limited purpose, usually something related to HDC or PUC.

Q. So based on your experience, do you have an opinion about the proprietary of including WMA membership fees in a calculation such as this?

A. The interests of the WMA tend to be, I believe, stated in their mission statement on their materials, on the WMA Reporter, and on their websites, dedicated to representing and advocating the interests of mobile home

park owners. And to the extent that that means countering efforts of rent stabilization at the local and statewide level, that is something that is an expenditure and expense that appears to run counter to the interests of those that reside in the mobile home park.

Q. So is that a roundabout way of saying that you would exclude that expense?

A. Exclude it or at the very least prorate it.

Q. How would you prorate it?

A. If you would assume that perhaps, I don't know, 20 percent of WMA activities are neutral or designed to promote the policies and educational advancement that enure to the benefit of the entire mobile home park community, including homeowners, it would be one thing, but it's clear that the raison de terre of the WMA is to represent and advocate and aggressively advocate for legislation and policies that protect the interests of park owners, specifically with respect to mobile home rent stabilization.

THE ARBITRATOR: I'm not sure whether you heard this part of Mr. Eid's testimony this morning, but he did say that he had already removed that portion of the WMA's subscription which went toward lobbying activities.

MR. STANTON: I'm not sure he said that. I think he said he removed the PAC fund contribution.

MR. DILDAY: The lobbying.
THE ARBITRATOR: I think he talked about lobbying. Maybe it's the same thing.
MR. DILDAY: It's the same thing.
BY MR. STANTON:
Q. Did you just use a French phrase in that answer, Mr. Lawson? Raison de terre, is that what you used?
A. If I mispronounced it, I apologize.
THE ARBITRATOR: Is it not raison de terre, that would mean the reason of the ground. It's raison d'etre, which means reason for being.
THE WITNESS: That is what I was trying to say.
MR. STANTON: I thought I'd clarify that for the court reporter.
MR. DILDAY: I'm sure that helps.
MR. STANTON: Make sure we have a clear French record.
Q. Let's move on to the Legal Fees, if we could, Mr. Lawson. Did you examine the ledger entries for the legal fees in this case?
A. Yes.
Q. And did you note any kind of anomalies or did any questions come up in your mind with respect to whether any of those expenses are appropriate for exclusion or to be apportioned or adjusted?

A. The starting point is the increase from one year to the next, which was significant. I believe eightfold approximately. Within the detail, there was a little over $7,000, I believe, that related to the matter involving Santa Barbara County. And I did not have the benefits of knowing exactly what that was about. I heard some of that this morning.

The other question is the legal expenses, the bulk of which were for house counsel. To the extent that those represent a nonrecurring expense, it is something that you would definitely want to consider excluding. I should say that many ordinances provide a specification of which type of legal fees can be included and excluded. They may exclude legal fees related to evictions, but in the absence of such language, you want to look at are those legal fees something that are an ongoing operational expense, are they a one-time recurring fee or rarely occurring cost.

THE ARBITRATOR: I'm sorry, can I ask a question on that precise point. We heard testimony today -- I believe it was from Mr. Davies or Mr. Eid -- essentially to the following effect that with legal fees, if it's not -- each individual matter may be unique and nonrecurring, but if it's not one thing, it's another. There will always be legal fees.

So if you have a fairly constant stream of fees, let's say $20,000 a year, but they were always for different nonrecurring things, to what extent could one call legal expenses a normal expense or to what extent does one have to break them down into a series of nonrecurring abnormal expenses?

THE WITNESS: That particular question is one that has been wrestled with in many of these types of hearings. Let me see if I can provide some clarification through a couple of illustrations, couple of examples.

If a park has an extraordinary legal expense one year that is for the purpose of preparing a rent increase application, the homeowners will typically say no, that's definitely not to my benefit. A slip-and-fall hazard that results, say there is some sort of an injury or a claim of injury that takes place on park property, that may be something that happens now and then. And the park must defend itself legally if somebody, say, slips and falls to the pavement and there is a lawsuit, that probably would be considered a normal operating expense. But deciding we are going to invest several tens of thousands of dollars in preparing a rent increase application would be a voluntary expenditure of monies that one could see why the homeowners would say not really in my interest.

But the first point, the preface to your

statement was if it's a fairly constant amount from year to year. In this particular case, we only have two years to look at, and the difference is from, I believe, a little less than $3,000 to $25,000. That is not a constant. If it had been from 25 to 28 or from 125 to 150, it would be different, but this is from a very small amount to a large amount. But with only two years to look at, definitely an anomaly that raises a question.

THE ARBITRATOR: But doesn't that go to a fundamental flaw in this whole process, that I, as trier of fact, are meant to compare two years, but I'm not being given a spectrum of, say, five to ten years. So this isn't just with the legal fees. It could be with office expenses or whatever. How do you know which year is the anomaly, the low one or the high one?

THE WITNESS: I can't provide you with much guidance on that except to suggest that perhaps there's a mechanism by which you can obtain or request more information for previous years. I know there is some information from 2021 in the record. We're not talking ancient history here. 2023, 2022 are not that long ago. Maybe there's a way to get that information. But the burden to demonstrate a delayed expense falls upon the applicant in all cases.

THE ARBITRATOR: Yeah, but let me just ask you a

related question which builds on this, and invite counsel to make a note on this point because I would be curious to hear argument on it. Let's suppose you have kind of an up-down, up-down thing, so that this year, let's say, in this current two-year comparison, there's an upbeat in office expenses, or whatever, and the arbitrator says, "Okay, I'm going to allow this as an increase," but similar increases have already occurred before and they were already put into place for the basis of an increase. In other words, you could have the same level of abnormal expenditure could end up justifying more than one increase just because there was a low point in between the two. I'm not sure I asked that question particularly clearly, but did you get the gist of what I was saying?

THE WITNESS: Yes, I do. And you've hit upon a key point there, Mr. Arbitrator, whether an expense in an application year is something that should be built permanently into the rent structure. The parallel or the other mechanism by which mobile home parks can recover costs is through a dollar-for-dollar pass-through of an expense. In other words, something is not built permanently incorporated into the rent structure, but the cost is recovered over a particular period of time.

Let me provide an example. A park resurfaces its streets. It's a capital expenditure. Let's say it

costs $100,000, and the useful life of the street is ten years. The beneficiary of the improvement is both the park for its common areas and the homeowners for the access they have on improved streets, or reroofing a clubhouse. There's a specific dollar cost. It may take five years worth at $50 a month to recover it, and then -- per space, and then that $50 per month disappears out of the monthly billing because the item has been paid for. In other words, it is not permanently built into the rent upon which future increases in rent are calculated. And that frequently happens with decisions by arbitrators and even by applicants who say we are proposing to recover the cost of this application amortized over a certain number of years.

Mr. Dilday has another case pending right now -- actually, it's really not pending anymore, just awaiting decision -- where the cost of application has been requested to be recovered in the form of a pass-through of $10 and some cents per month for three years, and after that it would disappear. It is not built into the rent. It is an addition to the rent, but it is temporary. That's a long way. I hoped I helped provide some illumination on that.

MR. ARBITRATOR: Thank you.

/

BY MR. STANTON:

Q. So basically, Mr. Lawson, what you're saying is without knowing more about all of these monthly billings that were paid to Mr. Dilday, we just don't know, do we, whether we have nonrecurring legal issues there or not?

A. There is a paucity of information on some key points. And I believe I referenced that in my report that there may be perfectly reasonable explanations for these but we just don't have the evidence to make a finding.

Q. And with respect to the two entries totaling some 70-some hundred dollars for the lawsuit with the County, based upon what you know about that -- I'm not sure how much you heard this morning -- but based on what you know about that, do you have an opinion whether that should be excluded?

A. If the purpose of that was to challenge a classification that the park is for senior citizens or a 55-and-older park, I believe is the correct term, and the current homeowners are not in favor of that, then the cost of that action would be something that -- recovering that and incorporating that into the expenses here is in essence asking the homeowners to pay for a voluntary legal action which they do not believe is in their interest, and that was something that they would certainly want to exclude.

Q. And finally and briefly, do you have any opinion about whether or not LLC fees should be included as an operating expense as opposed to something different?

A. If it is a -- that's one way to organize an business. This morning, I believe the testimony was that there would not be a recommendation that a park be operated as a sole proprietorship, but those aren't the only two choices. There is a number of ways to organize a business. The LLC fee is a way, although small in dollar amount, I would consider it a voluntary cost that of how to -- of how a park ownership structure wishes to protect its assets. It's really an internal cost.

THE ARBITRATOR: By the way, have we lost Mr. Dilday, because he is not visible?

MR. DILDAY: Yeah, sorry.

THE ARBITRATOR: Okay. That's fine. Just wanted to make sure that you were here.

BY MR. STANTON:

Q. So Mr. Lawson, in your report that was submitted sometime before the hearing, you didn't reach a conclusion, did you, about what a dollar amount would be that would be appropriate in this case?

A. I did not. I see what the ordinance says, which grants one-half of the annual CPI increase, and provides discretion for the amount. And I believe the universe

we're talking about here is between $30 and some cents and $39 and some cents, but I did not make a calculation of what that should be simply because of the unanswered questions.

Q. And part of the unanswered questions were issues that we discussed today and that you've heard the information for the first time today, correct?

A. That's correct.

Q. So going forward, do you believe it would be possible now for you to do a calculation making adjustments or exclusions of expenses?

A. I do.

Q. Okay. So you could perform that going forward, right?

A. I could.

Q. Is there anything that would prevent you from rendering an unbiased opinion about the matters you testified to today?

A. I don't believe so.

Q. Do you have a financial interest in the outcome of the case?

A. No.

Q. And anything else that you wish to add?

A. I would say that two of the issues, two of the larger dollar issues I pleaded to in my report had to do

with the collection of the pass-through or the $57 and some cents for the property tax, and the rent, which arose out of the -- primarily out of the decrease from one year to the next, the largest factor being the $35,000 and change in uncollected rents. Those were pretty much addressed, I believe by what I heard this morning.

The pass-through amount is -- the property tax pass-through, that is precisely one of those types of items that you would look at as to whether it should be incorporated into the rent structure permanently. It is being collected. It is being recognized, but I'm not familiar with Santa Barbara County property taxes, whether it's likely to be reassessed up or down. I pretty much doubt down, but that may be something that you would have to look at in the future. But leaving those two large issues aside, the other issues you identified are the primary ones at the table that I would need to look at if I were to reexamine expenses based upon whatever information has been adduced today.

MR. STANTON: Okay. Thank you. I have nothing further at this time.

THE ARBITRATOR: Before Mr. Dilday asks his questions, I would like to ask some questions about Mr. Eid's Exhibit 1, which is Del Cielo 009. I don't know, Mr. Dilday, whether you could put that on the

screen.

MR. DILDAY: Yeah. You talking Exhibit 1, the original one, or the updated one?

THE ARBITRATOR: Hang on a second.

It's the original one, not 1A.

MR. DILDAY: Sorry, give me one second.

MR. STANTON: And actually, I will have one other area to ask him about once you're finished, Mr. Derrick, in connection with the revised ones.

MR. DILDAY: What page, sir?

MR. ARBITRATOR: Well, I'm looking at Del Cielo 009, which is --

MR. DILDAY: I've got it.

THE ARBITRATOR: Okay.

MR. ARBITRATOR: And I think, and correct me, Mr. Dilday, if I am looking actually at the wrong version, but I mean this is the version which explains how a number under the ordinance up to $30.45 can be justified. I know that you make other arguments in favor of the notice number, $39 and something, and indeed the higher number still of $155.

But just looking at this one, I think my question to the witness is, if I am hearing you correctly, aren't you saying basically that the total allowable increase, in your opinion, would be something between

$17.66, which is the two lots of 8.83 -- well, at a minimum, and 30.45 at a maximum? The 30.45 includes the operating costs amounts, some of those you have challenged. So are you suggesting that your opinion is that the right number would land somewhere between 17.66 and 30.45, but that you accept that -- and I know this number is way below what management are asking for -- but I just want to make sure I define the contours of both sides' positions. Are you accepting that 17.66 is a legitimate number?

THE WITNESS: Yes.

THE ARBITRATOR: You think 30.45 is too high, and you think it's something between those two?

THE WITNESS: Yes. The 8.83 plus 8.83, 17.76 is the floor. And I would have to run numbers on those operating costs, which are the first two lines under the bold faced heading Excess Operating Cost, to determine whether that 1279 remains or is reduced.

MR. ARBITRATOR: Okay. Well, I mean, if I were to accept some of your arguments, for example, about the stationary, I imagine the 12.79 would be reduced. But then we also have an argument that it should be up to $39 and something, and that's based on two different alternative approaches. One is by factoring in sort of a rate of return analysis outside falls of the statute, or

maybe Mr. Dilday would say the statute or the ordinance, rather, does allow for it. But either way, a rate for return route to up to $39. But the other way, there was testimony about this $20,000 commission. Did you hear about that?

THE WITNESS: I heard part of that.

THE ARBITRATOR: And do you have any views you want to share about why I should or should not allow the $20,000 commission to be a legitimate operating expense that could potentially thereby take the increase up to the $39 level?

MR. STANTON: Yeah, that was going to be my other question, so thank you for that.

THE ARBITRATOR: Oh, okay.

THE WITNESS: Okay. Yes, I definitely have some thoughts on that. But I think the ceiling, the $39-and-some-cents ceiling, the illuminating factor on that is the Notice of Rent Increase that was sent out to the homeowners rather than the rate of return, because as Mr. Eid and Mr. Dilday had made clear, the park feels that it is applying for an amount that is less than they would get under an ROI analysis.

With respect to the commission, the $20,000 commission, that is part of -- that is an investments expense rather than an operating expense, based upon what

I've heard.

THE ARBITRATOR: Doesn't the ordinance, the language -- I'm just trying to get it back. I've got so many PDF's open.

MR. DILDAY: I can put it up here right now.

THE ARBITRATOR: Okay. It includes some language about the park expenses incidental to the purchase of the park, and why wouldn't a real estate commission fall under that category?

THE WITNESS: Because it's part of the purchase of the park, not an expense incidental to, it is factored into when they made the purchase and expense incidental to, I would deem it something such as they had to have an assessment done or a property valuation done. A commission is part of -- when they're making that offer, when they are tendering an offer to purchase, they're taking into account the fact that, "Oh, yeah, there is going to be another $20,000 commission."

THE ARBITRATOR: It is quite a fine distinction, but I think I understand your point.

MR. ARBITRATOR: Mr. Stanton, did you want to ask anything more on that?

MR. STANTON: I did. I just want to briefly follow up.

Q. I don't know if you heard Mr. Eid's testimony on

this point, Mr. Lawson, would you agree that in an ordinance that more specifically fleshes out and describes proper operating expenses that could be included in a calculation, and then those that should be excluded, would it be your experience that most ordinances that you have seen would exclude this type of real estate commission expense?

A. There are definitely some that would exclude it, that explicitly exclude it, but not all.

Q. In your opinion, would it be for the same reason that mortgage interest is excluded? In other words, that this is an amount that could be manipulated, negotiated to the advantage of either party, with the idea that it doesn't really matter how big the commission gets, we're always going to be able to get a rent increase based on it?

A. It certainly could be interpreted as being subject to that sort of manipulation.

Q. I believe that Mr. Eid had said that it's unusual for an ordinance to allow this kind of expense. Would you agree with that?

A. I do.

Q. And initially, Mr. Eid performed an analysis which excluded that expense. Would that have been the way that you would have performed the same analysis, to

exclude it?

A. When I saw the initial analysis, because it was excluded, it seemed to be a very reasonable thing to do. I would endorse that initial approach.

MR. STANTON: Thank you. That's all.

THE ARBITRATOR: Mr. Dilday.

MR. DILDAY: Thank you.

CROSS-EXAMINATION

BY MR. DILDAY:

Q. Have you ever in one of your expert reports excluded or thought something that was excluded should be included?

A. I would have to scratch my memory banks and see. I cannot recall anything at this time.

Q. Have you ever represented a park owner as an expert?

A. I have not represented a park owner as an expert.

Q. And how much are you getting paid for your testimony and your report and your work on this case?

A. $120 per hour.

Q. And when you said you have no financial interest, do you agree that you don't have a financial

interest?

A. In the outcome of the case, absolutely not.

Q. Do you think you will be hired as an expert again if the outcome is bad?

A. I haven't given that any thought.

Q. You were just talking about the -- we were talking about that section here, expenses incidental to the purchase of the park, and you gave a couple examples of -- I can't remember exactly what you said.

A. Property appraisal, property inspection.

Q. Okay. So the ordinance includes this. How you want to parse it out, that's fine, but even in your examples, you're saying those almost always are never recurring expenses. They will always been anomalies under your example, right? So even though the ordinance specifically includes it, you would never include them; is that correct?

A. Well, no. In this case, the starting point is always looking to the words of the ordinance. I believe that those expenses would be considered incidental to the purchase, whereas a commission is part of the purchase price.

Q. But you also said that nonrecurring expenses shouldn't be included.

A. A purchase by definition is nonrecurrent.

Q. I understand that.
A. But this ordinance specifically says certain expenses incidental to the purchase may be included.
Q. So the ordinance specifically authorizes nonrecurring expenses?
A. In this case, yes.
Q. Okay.
MR. ARBITRATOR: Well, is it not true to say that the ordinance really doesn't talk about whether an expense recurs or doesn't recur? This is our -- our own interpretation of what is a normal operating expense. I mean, recurring isn't an term in the ordinance, I believe.
MR. DILDAY: That's correct. My point is that's his interpretation. He is basically saying it has to be recurring. The ordinance does not say that.
THE ARBITRATOR: Indeed.
MR. DILDAY: As an example of one that would never be recurring and it's specifically included.
THE ARBITRATOR: Exactly, yeah.
BY MR. DILDAY:
Q. You mentioned, going over your experience, that you provided technical assistance. What does that mean?
A. When a rent review commission or an arbitrator requested an analysis of an application for a pass-through or a fair return increase, I would perform that analysis.

When a decision was rendered and they would request that findings be drafted, I would prepare those findings frequently.

Q. Who is "they"?

A. The review commission. The City of Oxnard Rent Review Commission Previously, prior to 1999, was the body which conduct the initial hearings. And then those decisions could be appealed to a hearing officer. When the ordinance was amended in 1999, that flipped and the initial evidentiary hearing was conducted by the hearing officer. And as the staff person, rent stabilization director, I would essentially serve as an assistant as -- to provide assistance to that hearing officer at that hearing officer's direction.

Q. And have you ever acted as an expert in a fair return proceeding that did not involve MNOI?

A. Fair return that did not involve MNOI -- as an expert witness, no. As a staff person, yes.

Q. And where was that?

A. That was with the City of Oxnard.

Q. Did they not have an MNOI?

A. The requirement under that ordinance was to -- in order for a park owner -- a park owner could apply for a fair return increase on a theory that was not MNOI, but it also had to present an MNOI application. In addition,

they would present an alternate theory, comparability study, rate of return based upon fair return or a comparables with other parks. So there was an MNOI component, say, that asked for 20 percent increase, but the alternate theory may have asked for a larger amount. They had to present both of them.

Q. And what other theories besides MNOI have you experienced?

A. The return on operating income. Return on investment, pardon me.

Q. So the same thing we did?

A. Yes.

Q. And then in this tripartite rent stabilization ordinance review commission, you mentioned neutrals. Who were the neutrals?

A. One neutral was the chair of the then mobile home rent review commission of the city, and the other two neutrals were two community members who did not live in or have any financial interest in the real estate industry or the mobile home parks. One was a retired city council woman, and the other, I believe, may have been a retired city council person also but from some years earlier.

Q. Okay. And you talk about the reasonable or benefit to homeowners a couple times. You keep referring to that, that it has to be -- in your opinion, the

operating expense as to be of benefit to the residents; is that correct?

A. I don't know if I would say it in exactly those words. Many expenses enure to the benefit of the park owner and the homeowners. Replacing, for example, a clubhouse roof obviously does, repaving the streets, something like advertising or a -- to fill vacant spaces, depending on what the expense is, it's generally yes, but there could be some exceptions.

Q. How does the clubhouse, how does that benefit the park owner?

A. Oh, appreciation to the property.

Q. Okay. So is it your testimony that if it doesn't benefit the homeowners, it should be excluded?

A. I would have to look at every individual case.

Q. Well, I mean, you've given several examples here.

A. Well -- pardon me. Finish your question.

Q. Go ahead.

A. Give you an example where it might not. I go back to that hypothetical case where the salary of a resident manager all of a sudden became triple what it was the year before. There would have to be a very strong reason to justify how that benefits the homeowners.

Q. Okay. And obviously it's not in the ordinance.

Is there any authority for your position, legal authority?

A. Is there any legal authority, I believe I have seen decisions and read decisions where reasonableness was an issue that was decided upon either by a hearing officer or a court. This ordinance is somewhat unusual. Actually, it's very unusual compared to most of the others that I've seen. So there is no legal authority I can cite to with respect to the County of Santa Barbara ordinance.

Q. And in those cases where we're talking about reasonableness, that's because the ordinance had a reasonableness standard in it, correct?

A. I wouldn't say that in every case that was true. I do recall seeing some cases where it was implied or inferred by the arbitrator himself or herself that an expense had to be reasonable.

Q. What jurisdiction was that?

A. I cannot recall, but I have seen some like that.

Q. What is the -- you've got Oxnard, you have Windsor, and you have Santa Paula. What other fair return hearings or hearing officers are you involved with? What were other the other jurisdictions that could be?

A. Well, I was speaking to cases I had read. You asked me for legal authority.

Q. I am talking --

A. I read cases from all over the state, almost

none of which I'm involved with.

Q. And in all those cases, you reviewed the ordinance as well?

A. No.

Q. Okay. So you don't know if -- how are you saying the ordinance did not have a reasonableness standard?

A. By reading the moving papers and the pleadings in the case, it usually becomes apparent.

Q. We touched on this a little bit.

THE ARBITRATOR: By the way, do you want to stop the screen show for now?

MR. DILDAY: Oh, sorry.

Q. And are you aware that typically in jurisdictions that have an MNOI methodology, that there is a basis to adjust for anomalies in the base year?

A. Yes.

Q. And this ordinance does not have that?

A. This ordinance does not have that.

Q. So let me -- I'm not sure I completely understood. So we were talking about Wages. You're talking about Management Fees. Your analysis was basically those two things kind of even out, right? There is an increase in Wages. There is a decrease in Management Fees. Does that accurately --

A. At the aggregate level, they are very close to each other, like 3 percent. If you look at either one of itself in isolation, it looks like there has been a tremendous change here, but at the aggregate level, they pretty much even out.

Q. Okay. And so then we moved on from that, which we were talking about earlier, or Mr. Stanton was. So now the issue is the travel expenses. Can you explain -- you're saying that basically they evened out, the Wages and Management Fees kind of balance each other out, but now we have this increase in travel expenses because we don't have an on-site manager. Is that what you are saying?

A. Let me clarify. It's an expense that did not appear before as a component of the Management Fees, but it is an expense which had not occurred before because now the person who is performing the management expense is apparently incurring mileage fees which arise, I believe, close to $2,000. And that is an expense you look at as, well, is this something that is reasonable, has there been a reduction in service, which is this a voluntarily incurred expense.

Q. So I guess what I was asking, so the travel expenses are included in the Wages, right?

A. I believe it's included under Management.

Q. So either one of them, Management or Wages?
A. Yes.
Q. Okay. And so they balance out, but now -- explain again what the problem is.
A. So that would be one element. The first point of view was looking at Mr. Eid's spreadsheet of Exhibit 1, I believe it is, that has 2023 on the left-hand side, 2024 on the right-hand side. Looking at the large numbers in aggregate, an issue does not appear to be a significant change in Management and Wages combined from one year to another. Looking at the ledger, though, we see in 2024 oh, here is a new category of expense that did not appear before. What is the reason for it? The reason is now someone who is not in the park is coming into the park performing services that were performed before previously by someone within the park, and it incurs an additional cost. So it is an element of the Management Fees which we are looking at, not the Management Fees in aggregate.
Q. But it is not an additional cost, right? It's a different cost?
A. It's one that didn't appear before. It's a new cost.
Q. It's a new cost, but it's under -- it's all under either the Wages and Management?
A. Correct.

Q. So okay. So is it your understanding that a commission paid is part of the purchase price?

A. It's certainly something that any purchaser when they do a due diligence is going to factor into their purchase price offer, yes. "Oh, this is a commission I'll be paying." When I tender my offer, I'm well aware of that, simply because with the magnitude of it in this case.

Q. Did you hear Mr. Eid's testimony that the reason he didn't include it was because typically it would be capitalized?

A. I did not hear that testimony.

Q. Do you agree with that?

A. I would have to hear the question and the answer to know exactly what it is you're asking me to agree with.

Q. Do you know what capitalized means?

A. Certainly. But in the case of -- I'm not clear how the $20,000 commission was actually calculated.

Q. I'm not talking about the calculation. I'm talking about how it's treated in the financials.

A. I would want to -- prior to expressing an opinion on that, I would want to listen to both the line of questioning and Mr. Eid's answers.

Q. How do you think a commission should be treated? You don't think it should be an operating expense and you

don't think it should be capitalized?

A. Under the terms of this ordinance, I don't think it is expense incidental to a purchase. It is an investment expense.

Q. Where would that go?

A. It would not go as an operating expense.

Q. Where would the expense go?

A. Where it goes is where -- other than as an operating expense. I don't have to take every expense that is disallowed and say where it should be placed elsewhere. It is simply that does not go under the list of expenses when you're calculating MNOI.

Q. Where are you getting this list, expenses that are operating expenses?

A. I am looking at the document that was in Mr. Eid's report, his Exhibit 1. It's the spreadsheet that is entitled the "Del Cielo Mobile Home Park Net Operating Income Calculation 2023-2024."

Q. But did you see the updated version where he put -- because the ordinance specifically allows it, he added the commission back in?

A. Let me pull that one. I have that on another computer screen here. I believe that's Del Cielo, page 11 or something.

Q. It's a separate -- I could put it on the screen

if you want.

MR. STANTON: By the way, since we hadn't seen that until today, if you could also PDF that out, Jason, after we are done.

MR. DILDAY: I asked her to send it out. You didn't get a copy of it?

MR. STANTON: I hadn't looked.

THE ARBITRATOR: I believe I saw it in my email.

MR. STANTON: Great. Thank you.

MR. DILDAY: Okay. I'll pull it up.

THE WITNESS: Yeah. I have not seen that, I don't think.

BY MR. DILDAY:

Q. So we talked about this with Mr. Eid. Just kind of go over it. Originally his original calculations, which you have previously, it was his opinion that the $20,000 commission should be capitalized and should not be an expense. After me bringing it to his attention that portion of the ordinance, he agreed that it should be -- that under this ordinance, it is an operating expense -- or the updated calculations in Exhibit 2 basically just removes that adjustment. I don't know if you can see that, the adjustment that was here before. He removes it from there, and then that basically just increases the 2024 operating cost by $20,000. So that's the difference

between this one and the previous one. On this calculation, the only difference is it's $20,000 more.

MR. ARBITRATOR: By the way, if anyone has worked out what amount of rent increase or decrease from a certain number every thousand dollars of allowed or disallowed operating expenses, it would be quite a useful number to have in the back of my mind. In other words, for every thousand dollars that are at issue in the operating expenses, what does that come down to in terms of the per unit rent increase? I'm sure nobody has got that at the top of their --

MR. DILDAY: I think a thousand divided by 184 divided by 12.

MR. ARBITRATOR: Would it just be that? But anyway, we can talk about that later.

MR. DILDAY: I will defer to Mr. Eid.

Q. Okay. Mr. Lawson?

A. So I'm looking at this spreadsheet you've put up there.

THE ARBITRATOR: I'm sorry, what was the question pending?

MR. DILDAY: Well, he wanted to see, and I don't know what the question was earlier exactly. He was talking about it would not be an operating expense, and then he was saying that -- and I was asking him where is

he getting what should and should not be an operating expense. In other words, he is saying what things should not be operating expenses and what is he basing that on. Does that make sense or do you want me to rephrase that?

THE ARBITRATOR: No. I think I see what you're saying.

BY MR. DILDAY:

Q. I mean, you're saying certain things aren't operating expenses. I'm just asking you what you're basing that on. Where is that coming from, Mr. Lawson?

A. Mr. Eid's original calculation, which is the spreadsheet on his Exhibit 1, did not include it. I don't know how else I can say it except that under the wording of the ordinance, the language of the ordinance which permits certain expenses that are incidental to the purchase, I do not believe that falls within that definition. I believe it is a part of the purchase price.

MR. STANTON: By the way, I think the answer is 45 cents for every thousand, the way I just calculated it.

THE ARBITRATOR: Okay. Thank you.

MR. DILDAY: Is that how you calculated it, what I said, Bruce, or is it different?

MR. STANTON: No, I agree with you.

MR. EID: That's rounded, but we're talking about more than a thousand dollars. You've just got to be

careful. I'd go out a couple more decimals just to be safe, but the formula is correct, Jason. It's dollars divided by 184 divided by 12.

MR. DILDAY: Thank you.

Q. So Mr. Lawson, I understand that you don't -- but if it was an expense that is incidental to the purchase, should that go as an operating expense?

A. If it was an expense that is incidental to the purchase, the ordinance would specifically authorize it to be included.

Q. Okay. And so you're saying that's not incidental?

A. Correct.

Q. And it's part of the purchase price?

A. Absolutely.

Q. And then where would it be listed as part of the purchase price?

A. It would not be listed. It's not going to appear on this spreadsheet that you're showing me.

Q. No, no. You're saying the commission would be part of the purchase price. In the purchase and sale agreement, it would be listed as part of the purchase price?

A. I don't know if they list it there or not, but I know when a purchaser is tendering an offering, they're

knowing that they are on the hook for another $20,000 one way or another, and that's going to impact how much they offer. So whether they pay it as a side agreement or whether it's listed on the actual purchase contract, makes no difference.

THE ARBITRATOR: Would you say the same about, let's say, the transactional fees of a lawyer in the real estate transaction?

THE WITNESS: The transactional fees of the lawyer, it depends on whether that is something that is on a recurring basis and reasonable.

BY MR. DILDAY:

Q. Hold on.

A. I'm sorry, go ahead.

Q. I'm sorry, now you're talking about recurring again. Didn't we agree that the purchase -- any expense incidental to the purchase of the park cannot be recurring by definition?

A. Yes. And the ordinance specifically allows for those nonrecurring fees to be expensed.

Q. So you agree that expenses incidental to the purchase of the price can be included as an expense, correct?

A. That is exactly what the ordinance says.

Q. Okay. And you also agree that there is nothing

in the ordinance that says an operating expense has to be recurring. You agree with that?

A. There is nothing, yes, I do.

Q. And there is nothing in the ordinance that says that an operating expense has to benefit the resident, correct?

A. That is correct.

Q. So we kind of got into this, but when you're talking about the WMA Dues and Subscription, you're talking about the legislative -- the reason you have a problem with it is the legislative and the lobbying; is that correct?

A. It's not that I have a problem with it.

Q. Not a problem with it, but that shouldn't be included because of that FACT function?

A. It is a significant, if not the predominant, function of the WMA is to advocate for legislation that does not -- would not be something that homeowners would endorse or support.

Q. I understand wouldn't endorse it and support it, but again, there is nothing in the ordinance that says they have to endorse or support something for it to be an operating expense, correct?

A. That is correct.

Q. So what is your basis for saying that the

majority of WMA's function is legislative and lobbying?

A. Just being aware of what they have done for the last 40 years, reading their publications on a regular basis, listening to the presentations by representative of WMA, knowing their activities in lobbying activities throughout the state over the last 40-some years.

Q. But are you aware -- maybe you missed this testimony, that the legislative and lobbying activities are separate from the member services?

A. I thought the testimony was that the Political Action Committee calls for separate.

Q. That is the legislative and lobbying arm. That is who does it. The money for that comes from the PAC.

MR. STANTON: Actually, PAC is not that. PAC is supporting candidates, not lobbying in my experience, but I guess we can differ on that.

MR. DILDAY: Okay. All right.

THE WITNESS: I would agree with that. There is a lot more to lobbying and advocacy than making contributions to a PAC.

THE ARBITRATOR: I believe that Mr. Eid's testimony referred not to PAC, but to lobbying. That's my recollection from what he said this morning.

MR. STANTON: I believe I heard differently, but I guess we could look at the record. I believe that there

was an actual PAC contribution that he saw, but maybe we can recall him and he could clarify that.

THE ARBITRATOR: Anything else, Mr. Dilday?

MR. DILDAY: Yes, a few things.

Q. So for the legal fees, do you agree that some ordinances allow legal fees for fair returns and others exclude them?

A. Yes.

Q. Okay. And so ordinances basically -- some ordinances do allow them. And so your characterization if something is not benefitting the residents doesn't apply to those ordinances either, correct?

A. Well, each ordinance has to be looked at in and of itself, but the issue with legal fees related to applications extends beyond whether it should be allowed as an expense. It extends as to whether it should be collected or recovered as a pass-through with a termination date or incorporated into the rent structure permanently.

Q. Understood. But these legal fees, they would never be -- legal fees for a fair return, as you said -- a rent increase would never be a benefit to the resident, correct?

A. I believe that's the position that most homeowner associations would take.

Q. Okay. So legal fees don't have to benefit the homeowners, correct?
A. Legal fees don't have to benefit the homeowners?
Q. Yes.
A. I was mentioning the other types of legal fees which -- legal expenses which, for example, defending the park from a liability case in a slip-and-fall that I guess to the extent that it protects the overall business can be seen indirectly to benefit the homeowners. You wouldn't want the management to pay a $2 million settlement for a slip-and-fall accident. Case-by-case basis.
Q. If it benefits the management, isn't that what we're talking about? I mean, obviously the legal fees are being incurred because they think it will be to some benefit or they wouldn't incur them?
A. Case-by-case basis have to look at them.
THE ARBITRATOR: It appears there are three categories. Those legal activities that benefit the management and are neutral on the homeowners, and those that benefit the management and help the homeowners as well, and thirdly, those that benefit the management and harm the homeowners. So I think it's three variations, not two. I'm not sure whether that makes sense.
MR. DILDAY: I agree with you.
Q. So are you aware of any rent control ordinance

that excludes legal fees for evictions?

A. I believe I've run across a couple that do. I think the one in Windsor had a restriction on evictions. I'd have to go look at that.

THE ARBITRATOR: So if you've got two different jurisdictions and one excludes something like that and the other doesn't exclude it, does one assume that the one that didn't exclude it intentionally didn't exclude it? In other words, by comparing two different ordinances, one of which has got a certain provision, one which doesn't, what conclusions are meant to draw about the one that doesn't, if any?

MR. DILDAY: Are you asking the one that doesn't include any language or one that doesn't specifically -- I'm sorry. Are you talking --

MR. ARBITRATOR: What I'm saying is that if you have one county that says we're not going to allow a certain type of expense, or to put it another way -- let's give another example. If we have one county that says allowable operating expenses have to help the community, and another one is silent on that, doesn't address it either way, do we, therefore, take the view that the one that is silent chose to omit that language? In other words, are we going to do some sort of legislative intent type of thing, as one might between two different

statutes, or do we just take the view that the county that didn't include it might not have thought about it either way? In other words, I don't know what point am I meant to take away from a comparison that says one county has something and the other doesn't.

MR. DILDAY: Well, I mean, just for this question in particular, Windsor does not say you can't have eviction. My point is every ordinance that I've ever looked at that talks about legal fees always allows legal fees for evictions.

Q. So Mr. Lawson, would you agree that the majority of them allow -- even if they exclude other legal fees, always allow legal fees for evictions, the majority of them?

A. The majority do.

Q. And by definition, that would be a benefit to the residents, at least one resident?

A. However, there may be cases where people are evicted because they are causing a disturbance to their neighbors. There is evictions of all types.

Q. Have you ever seen an ordinance that specifically limits the eviction language to those types?

A. No.

Q. Okay. I mean, I'm just getting to the point -- I'm unaware of any authority that says that an operating

expense has to benefit the residents.

THE ARBITRATOR: Indeed.

MR. DILDAY: Those were my notes from your testimony. I'm going to move on to my pre-prepared outline, so give me a second.

THE WITNESS: Sure.

THE ARBITRATOR: Madam Court Reporter, we will take a break fairly soon or let me know if you want to take one sooner.

MR. DILDAY: It's as good as time as any.

THE ARBITRATOR: Do you want to take one now? I think I see a nod.

THE REPORTER: Sure.

THE ARBITRATOR: We will resume at 3:49 p.m.

(Break taken.)

MR. ARBITRATOR: Back on the record.

Mr. Dilday, if you want to resume.

BY MR. DILDAY:

Q. Mr. Lawson, are you familiar with the increases in the minimum wage? I'm sorry, that's a bad question.

Do you know for '23 and '24, are you aware that the minimum wage increased from $15 an hour to $16 an hour?

A. I would have to accept your representation of that. I know there was an increase. I don't recall the

exact amount.

Q. Do you know what percentage increase that would be from 15 to 16?

A. 7 percent, approximately.

Q. So from 2023 to 2024, there was a 7 percent. If you just look at the minimum wage increase, there is a 7 percent increase in labor cost. Is that fair to say?

A. In minimum wage labor cost, yes.

Q. Are you aware that all wages, at least lower end wages, go up when the minimum wage goes up?

A. They tend to track.

Q. So the Wages and Management Fees in 2024 should be at least 7 percent higher?

A. Not necessarily. Wages are a component of that. That is why I did -- that's one of the reasons that I did not believe that a 3 percent increase was out of line for those two together.

Q. Okay. Your only issue -- and again I'm sorry -- is that with the travel expenses, that the fee -- that the Management Fees and Wages combined -- I apologize if I'm not understanding this -- Wages and Management Fees combined for 2023 and 2024, their increase is within an acceptable range to you, correct?

A. Yes.

Q. Okay. But your issue with the travel fees is

what? Even though those are a component of the Wages and Management Fees.

A. That is one component which did not exist as an expense in 2023, and it appears to have been as a result of a management decision to have someone from outside the park traveling to the park to provide services.

Q. And why does that matter if the allocation of an item -- I'm sorry, I don't know offhand whether it's Wages or Management Fees so I was combining them. If the total is acceptable why would that specific part of it be a problem for you?

A. Because if that particular expense is something that's voluntarily incurred and need not happen, it would also be reasonable to have that not included to the aggregate totals. It's within a range. It's not dollar for dollar, so if that particular expense is found to not be justifiable.

Q. Why was it not justifiable, though?

A. The existence of the travel expense in 2024, which did not exist in 2023, is what is the reason for it? It raises the question of inquiry, is it a voluntarily incurred expense.

Q. I don't know what you mean by voluntarily incurred?

A. There used to be an on-site manager or there was

an on-site person who performed that services. That person is no longer there, but now there is a new cost added on because of travel to perform those services.

Q. There's not a new cost. There is a new category of cost. The cost, you said, is basically the same between the two years.

A. The aggregate cost of all Wage and Management -- but that in and of itself comes to 2 percent of the total cost.

Q. What does?

A. The travel expense, I believe, it was 1,900-something, 1,800-something. When you look at the total Wage and Management expense of 160-some thousand, that is less than 2 percent. But it doesn't mean that it gets a free pass because it's less than 2 percent.

THE ARBITRATOR: But your point is, you use this phrase voluntarily incurred, but your expenses do not have to be involuntarily incurred in order to be allowable. So is all you're saying is that the fact that it's new and voluntary means you want to take a look at it?

THE WITNESS: Correct.

MR. ARBITRATOR: And you have taken a look at it, correct?

THE WITNESS: I have now received information.

THE ARBITRATOR: And do you have any opinion on

it? And if so, what is that opinion?

THE WITNESS: Opinion is that it should not be considered as an expense because it is something that can easily be done by an on-site person without having any travel expenses.

THE ARBITRATOR: But that then implies that you have to then recheck who the online people are and maybe have to spend more money on having someone on-site. But anyway, that's your opinion. So I mean, I get your opinion, so I think we can probably move on from this point.

BY MR. DILDAY:

Q. Just -- I don't know that you've explained it, but your report, I mean, is a great deal of it -- I mean, you have nine sections, at least four of those nine you talk about MNOI. There is a lot of MNOI talk. Maybe you explained it earlier and I didn't catch it. Why so much MNOI talk, maintenance and net operating income talk?

A. Net operating income --

Q. I'm talking about MNOI, not --

A. I understood. I understood. Net operating income is a component of the MNOI. And I was not familiar with the level of information or expertise that Mr. Derrick had with respect to MNOI. I find it to be very illuminating to explain and elucidate what NOI is in

the context of the more typical way that NOI is utilized in rent stabilization, which is with the maintenance on net operating income. That is why that's there.

Q. So to me, it confuses things for him because you're introducing something that's not even at issue at all. How am I -- can you explain why that's not the case? Explain what you're trying to say. You think this is helpful to introduce something that is not an issue at all in this case?

A. It provides a framework for understanding what is on pages 5 and 6, et seq., from my application, which essentially provides a framework for looking at how you compare expenses from one year to the other. You'll note I did follow it through to calculate what a percentage increase would be under MNOI. I just said this is how you look at analyzing a base year with a comparison year. These are the questions and issues that are raised.

THE ARBITRATOR: This isn't an issue, I think we're agreed. So whether or not it confused me, I think we can put that matter aside.

MR. DILDAY: I'm not saying it confused you. I'm saying it had the potential to confuse you.

THE ARBITRATOR: All sorts of things confuse me.

MR. DILDAY: All right.

Q. And I'm sorry if I asked this, but every case

that you've been an expert on has all been an MNOI expert; is that correct?

A. With mobile home parks, correct.

Q. Oh, you've been an MNOI expert for other things too?

A. Apartment.

Q. Okay. And this is -- maybe you explained this but when I read your report, I just found it confusing so I'm going to ask you about it. So you talk about, in your report, that the WMA expenses should be excluded because -- let me read what it says -- because WMA is a lobbying organization that is dedicated primarily to opposing mobile home rent stabilization. Is that still you think that's accurate?

A. Yes.

Q. That's their primary purpose is to oppose local rent stabilization?

A. That's what their lobbying efforts primarily engage in. They do some lobbying with respect to utilities and certain other issues.

Q. They do lobbying against local rent control ordinances?

A. Oh, absolutely.

Q. Okay. Do they do lobbying at the state level?

A. Yes.

Q. Okay. So you are characterizing them as that's their primary focus, correct?

A. I would say that is a major significant function. Primary, I guess, means more than 50 percent. I don't know what the word primary means, but that is a significant function that is -- the focus of their conferences almost always reverts to the WMA committee to save property rights, which is what they talk about frequently. It is a significant part of that organization's activities.

Q. And your understanding is that the committee to -- what is it called?

A. I believe it's called the Committee to Preserve Property Rights or something like that.

Q. That's paid out of the general fund of WMA, is that your understanding?

A. That's the specific PAC. I believe that's the name of the Political Action Committee.

Q. Okay. So that's not what's included in these dues, is it?

A. My understanding from what was stated is that Mr. Eid excluded the PAC contribution, excluded that from the expense. But the organization itself, whether it's specific to PAC contribution, that is the focus of it even outside their PAC is always a key focus of all their

conference events.

Q. Rent stabilization?

A. Rent stabilization.

Q. I've been to several conferences and I don't think I have ever seen a presentation on rent stabilization.

A. Maybe it has changed in the last couple of years.

Q. When is the last time you were there?

A. Oh, gosh, I used to read the WMA Reporter regularly, 30-some years. And that is a publication they put out, I believe, on a monthly basis, which frequently always has lead articles about efforts to litigation and efforts to amend or repeal local rent stabilization ordinances.

Q. So how many pages are these newsletters?

A. The WMA Reporter I believe typically runs a 48-page magazine, I think. I'm guessing. I should withdraw that. It's a nice, slick publication.

Q. Okay. And I would guess that's probably a pretty close estimation. And how many pages in this Reporter were dedicated to lobbying for rent control?

A. It varies.

Q. More than 25 pages?

A. Well, a whole lot of the publication is ads,

let's be frank. But it's --

Q. More than one article per newsletter ever?

A. Yes.

THE ARBITRATOR: I hate to sort of cut things short, but I'm looking at the time. I think I get the gist of this issue.

BY MR. DILDAY:

Q. One other thing, I was leading off with this but I found it interesting that you're calling them this, and then you're using completed professional education case work from them as part of your, you know, CV. That seems a little strange to me.

MR. STANTON: Is there a question?

BY MR. DILDAY:

Q. Yeah. I mean, I assume that your course work was not in defeating rent control, right?

A. No. But I found it very -- I found it as a civil servant very informative to hear the perspective of the major parties on issues, and specifically with respect to utilities, which we dealt with in our city on a constant basis, utilities in mobile home parks. And WMA analysts always had very good information on that, as did GSMOL, the homeowners associations.

THE ARBITRATOR: Okay. I get the WMA issue at this point. It's a tricky one, but I think I understand

the issue. Maybe we should have had a witness from the WMA.

Is that it, Mr. Dilday?

MR. DILDAY: Just a few more things.

Q. You did recognize that there were decreases in certain operating expenses, right, from '23 to '24?

A. Yes. The most significant one was on the management.

Q. Okay. But that's in your report, though, fair?

A. I didn't include Wages -- the Wages and Management in there because combined together, I thought it was insignificant. No reason to point out the increase in one or the decrease in the other.

Q. So you didn't notice any other decreases in operating expenses besides those two?

A. There were a couple of smaller ones, but they amounted to maybe 5,000 or 6,000 dollars total.

Q. Okay.

A. I believe they were -- I believe Mr. Eid put them -- listed them on a page those. I believe 22,000 was the Management Fee of one. And between them, they totaled, I think, 27,000, I believe, 28,000.

Q. But is there a reason why you only put the increases and not the decreases?

A. I didn't put all the increases either. I put

the ones I thought were significant.

Q. You don't think 29,000 is significant?

A. Oh, no. Of that 29,000, 22,000 was the part of the Wages and Management component.

Q. But you have --

A. Which I did not mention because it was, as I say, you combine those two categories together, it was -- Wages and Management Fees was insignificant. One went up a whole lot, one went down a whole lot, but together a wash.

Q. On page 5 of your report, you have increases that are much less than that. What is that, $7,000 left over. You have things for 4,000, 2000, increases. Why --

A. On a percentage basis significant.

Q. Just go by percentage basis, correct?

A. Let's see. For example, insurance workers' comp, insurance property, significant ones. But my own experience and analysis determined that those were not out of line. The ones that required some investigation are the ones I detailed on page 6, Legal Expenses, Dues and Subscriptions, Office Supplies. I didn't list every increase that went up or every decrease that went down.

MR. DILDAY: Okay. Give me one second. Let me just check through.

Q. And did you testify -- you didn't apply the

analytical framework required under the ordinance in your report because why? Is it because you said that you didn't know enough or --

A. The scope of my engagement was to look at the report and to analyze it, not to produce another one.

Q. Okay. Understood.

THE ARBITRATOR: Can I ask a question, which is sort of a bit related to that, which is in the conclusion to your report, when I read it in preparation for this hearing, I kind of got the sense that you were concluding that there was no basis for any increase at all, whereas a little earlier when asked you something, you found this to be correct, agreed that there was a basis for an increase of at least $17.66 under the ordinance, and then maybe more depending on, you know, what expenses one allows or what one doesn't.

So to be -- so that the window you were identifying was between 17.66 and approximately $30 or whatever. But your report, like I said, seemed to indicate that you didn't think there was a basis for any increase.

THE WITNESS: Perhaps I wasn't precise stating. Any increase above the guaranteed, the 8.83 plus 8.83.

THE ARBITRATOR: So in any event, you agree the rent is going to go up. The only question is how much,

correct?

THE WITNESS: I believe the ordinance stipulates that at least one-half of the 75 percent.

THE ARBITRATOR: Indeed, exactly. That's what I wanted to clarify.

THE WITNESS: Which would happen without any of the presentations of return on investment or NOI.

MR. ARBITRATOR: But unless I disallow the entirety of the opinion, every single operating expense increase, it would go up but something more than 17.66. Do you agree with that?

THE WITNESS: Yes.

THE ARBITRATOR: Okay.

MR. STANTON: I would just say I'm not sure, but I know you asked him the question, but I don't know that he can really answer that without running all the numbers, right?

THE ARBITRATOR: I mean --

THE WITNESS: I would have to run the numbers.

THE ARBITRATOR: Mr. Stanton, why don't you ask him questions on that if you like, but first I want to check whether Mr. Dilday is finished.

MR. DILDAY: One other thing.

Q. In your -- again, I guess, your About the Author section, you say that your position was -- hold on.

A. It was rent compliance services manager was my last title.

Q. At what time were you the rent stabilization program manager?

A. From 1991 on. Compliance service manager included that position, rent stabilization manager.

MR. DILDAY: No further questions.

THE ARBITRATOR: Mr. Stanton?

MR. STANTON: Well, thank you, just one. I mean, to kind of just piggyback upon the Hearing Officer's question.

REDIRECT EXAMINATION

BY MR. STANTON:

Q. Mr. Lawson, based upon all the information that you now have available, what you've heard today, what you've received, the additional documents that have come in, are you in a position now to prepare as a conclusion a calculation of what you believe the authorized rent amount would be under the ordinance formula?

A. Yes. The only caveat, I would have to go back and relisten to the recording of everything I could not hear this morning.

Q. Sure. So that is something that we could submit

certainly along with closing briefing.

THE ARBITRATOR: That is something we will have to discuss because the question is whether we are going to close the hearing for evidentiary purposes today or leave the hearing open. And maybe that is something which we should discuss at the end because there's a difference between closing briefing and additional argument, additional evidence. And if you bring in additional evidence, it raises the question should there be a right to cross-examine the witness about the additional evidence. So --

MR. STANTON: Understood.

THE ARBITRATOR: I'm not sure that it goes without saying one can have supplementary expert reports with written closing briefing, although I'm not ruling it out if everyone wants that to be.

MR. DILDAY: I wouldn't agree to that, obviously.

MR. ARBITRATOR: We can talk about it in a bit.

But in terms of this witness now, Mr. Stanton, do you have any other questions?

MR. STANTON: No. And if we don't do it that way, then I will simply -- it will be a part of my argument, then. Based upon all of the testimony we've had, I'll do the calculation as argument in my closing

brief.

MR. ARBITRATOR: Exactly.

MR. STANTON: Happy to do that.

In response to what you had asked, I have no further questions. Thank you.

MR. ARBITRATOR: Okay. So Mr. Lawson, thank you very much. That was most helpful. I think we're done with your testimony.

THE WITNESS: Thank you very much and good day to all of you.

THE ARBITRATOR: Thank you.

So Mr. Stanton, who is your next witness?

MR. STANTON: Endeavoring so we can finish today, I'm going to do this as quick as I can. The next would be the first resident witness on my list, and that is Sue DeWeese. And I believe each of these three ladies is present at the Santa Maria location.

MR. ARBITRATOR: Yes. I think I can see Ms. DeWeese reproaching the podium.

Good afternoon, Ms. DeWeese.

MS. DeWEESE: Good afternoon.

MR. ARBITRATOR: So could you, please, raise your right hand.

/

/

SUE DeWEESE,

A WITNESS HEREIN, BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

DIRECT EXAMINATION

BY MR. STANTON:

Q. Can you spell your name for the record, please.

A. It's Sue, S-u-e, last name is DeWeese, D-e-W-E-E-S-E.

Q. And do you reside in Del Cielo Mobile Home Park?

A. Yes, I do.

Q. What is your space number?

A. 5.

Q. How long have you lived in Del Cielo?

A. Sixteen years this month.

Q. And you have obviously lived in the park since April of 2024, correct?

A. Definitely.

Q. April of 2024, you were aware that Harmony Communities has taken over management of the park?

A. Yes.

Q. And were you aware before today who the main manager or, I guess, pseudo-in-place or on-space manager is for the park?

A. The outside manager is Tanya and David.
Q. Okay. And David is her husband?
A. Yes.
Q. So I think that's when we say Paul Beagle, we are talking about the same person, are we?
A. Yeah. We know him by David.
Q. So there is Tanya, and David is the assistant manager; is that right?
A. They are both managers.
Q. And then there is a person named Fernando?
A. Yes. He is a gardener/maintenance.
Q. So in the interest of time, I am just going to ask you, you have heard the testimony today, correct? You've been listening today?
A. Yes.
Q. And so as far as Tanya is concerned, how often does Tanya come to the park?
A. I have seen her four times in the time that Harmony has been here. She came in the very beginning when Nick came to introduce themselves. We have had two meet-and-confer meetings, and she was there with David. And then I saw her once when I was at a neighbor's house. She came into the clubhouse with a new family to sign documents. That's it.
Q. Did Harmony, once they took over management,

provide you with anything in writing indicating how to contact management in the case of an emergency or, you know, which persons of management would be available in the park?

A. Well, in the beginning, they said that Fernando was the on-site manager, which he never was. He had the phone, but he never answered it. And when we would go over there, he would yell at people and say, "I'm not the manager." So now he has no phone that works at all, so we would have to go over to his house and then he would call Tanya, then Tanya would send Dave out if it was something of an emergency. But Dave, we see him maybe two or three times a week, so that's where I'm not sure where all this mileage is coming from.

Q. Well, getting back to Tanya, what functions in the park are you aware of her performing that you can at least see as a resident of the park?

A. Well, she hasn't performed anything in the park.

Q. You did say that she came when a new resident was signing papers, right?

A. Just to fill out the application or the lease agreement with them, and then that would be it.

Q. And if somebody from Harmony main office, like Nick Ubaldi, were to come, does she show up with Nick?

A. Oh, yeah. She is always by his side.

Q. How many times has that happened since April of 2024?

A. Well, like three times.

Q. Okay. And otherwise, as far as you know, she's either in Nipomo or she's involved with the other parks that she apparently manages; is that right?

A. Yes.

Q. And you said her husband, David, comes in two to three times a week?

A. Right.

Q. What does he -- do you have any ability to tell us, based on what you know or what you've seen, what he does when he come to the park?

A. No. I've seen him come usually between the 1st and the 6th to pick up the checks that were dropped the office because you can always tell if he has his truck or the white car that they drive. He comes when they put violations on people's doors. He comes to read the meters. That's usually around the 8th of the month. And I think he comes once in a while when Fernando needs help. When Fernando hurt his shoulder, he came and passed out the rent invoices, but usually Fernando does that.

Q. Does the park have some kind of a building where an office is located?

A. Inside the clubhouse.

Q. Inside the clubhouse, is there a space that's like the management office?
A. Yes.
Q. Is that office open during business hours?
A. It has never been unlocked since they moved here. Since they took over, that door has never been opened.
Q. Do you know if anybody is working in the office behind the closed door?
A. No, nobody.
Q. So you are not aware that anybody is ever in there?
A. No.
Q. And is Fernando responsive to issues if you have to call him?
A. We can't call him. His phone number doesn't work anymore. We usually have to go find him, and he is pretty good. If we can find him, he will come and do what he can, but a lot of times we'll have to call Tanya and then Tanya will have Dave come out or, you know, or call, you know, 911 or whatever.
Q. So currently there is no manager living in the park unless we would say Fernando is the manager, correct?
A. Yes, that's correct.
Q. But Fernando can't be contacted at present, at

least, because his phone is not working; is that right?

A. Well, it never has, no.

Q. Okay. Now, is there a number that you call for emergencies that you've been provided if there is an emergency or do you have to track Fernando down?

A. No, we can't call Fernando. His phone doesn't work. We have to call Tanya, or if we can't get ahold of Tanya, then we call Harmony, but when you call Tanya, they screen her calls. We never get to talk to her when we call, so we're put on -- we have to leave a message. And I've left messages, and I never get a call back no matter what.

Q. Have you ever had a phone call with Tanya on the phone?

A. I probably have. I can't remember when, but the majority of the time -- I mean, she never picks up. She will call back. I know one time I got her to call me back, but not very often.

Q. Do you have anything to add with respect to your experience with management's presence in the park?

A. Well, it's nonexistent. That's what I'm saying. I don't know how we can get 75 percent of nothing. We have no presence in the park of management.

Q. Prior to -- no, finish your thought.

A. Well, and the mileage, I mean, you know that

should be maybe on Cambria or whatever, but where that mileage is coming from for us, they are never there enough to calculate that much mileage.

Q. I want to ask you a couple of other questions about -- let me, one more question with respect to management. Prior to the sale of the park, when the park was under prior management, was there an actual manager in place or in-place manager present in the park?

A. Yes.

Q. And was the office of the park typically available to residents to access or enter?

A. Oh, definitely. Yeah. All the time. I mean, it was 9:00 to 3:00, but I mean, we had access to her. She was always there for us. If we needed to call her at home, just she was always available to us. I don't know where all this came from Matt Davies, because it's not true.

Q. So currently in front of the park, is there a sign that states what the age limitations of the park are for residents?

A. Not anymore. They chopped it down.

Q. Previous to Harmony purchasing the park, was there such a sign?

A. Yes. It said 55-plus community.

Q. Okay. And prior to Harmony's purchase, was it

your understanding that that was the rule of the park?

A. Yes, since 1962.

Q. So from the time you moved into the park, at least up to the point when Harmony had purchased it, your understanding was that it was a park -- it was a senior park for housing for older persons; is that correct?

A. Yes.

THE ARBITRATOR: By the way, just to interrupt briefly, I think for the point of accuracy, I believe the evidence shows that Harmony didn't purchase it but took over the management.

THE WITNESS: Well, that's what they say, yeah.

MR. STANTON: I apologize, you are correct. And I stand corrected, so I will redirect or readdress based upon Harmony taking over management.

THE ARBITRATOR: But no need to ask all those questions again. I think the answers will be the same.

THE WITNESS: Yeah.

BY MR. STANTON:

Q. So at some point, did you receive communication from management that they believe it was not a senior park?

A. Yes. At first we had a letter that stated we are the new management company and we are just here to collect the rent. It was a very nice, kind letter, but

then after that, it went downhill. I don't remember if we received a letter, but the rules and regulations changed to say "all family park," and that gave us the idea of what they were trying to do.

Q. So at some point the rules and regulations of the park were amended?

A. Yeah.

Q. To change the rule that said everybody had to be a certain older age to now say all-age?

A. Yeah.

Q. Okay. And do you believe that the residents were in favor of that change?

A. Oh, no, no. We moved there because we retired. We wanted a nice retirement community with seniors. We didn't want a bunch of kids running around and, you know, we deserve it.

Q. Did you make any complaints to the local jurisdiction about this or have any communication with them about this issue?

A. Yes. We went to the Santa Barbara Board of Supervisors, and they put a moratorium in place and then a senior overlay ordinance stating that we are a senior park. And that's part of the litigation that's going on right now.

Q. And so when you say an overlay, you are talking

about a zoning overlay that zones the property permanently or purports to zone it permanently for senior housing?

A. Yes.

Q. Is it your understanding that the litigation that's referred to -- that we referred to today when we were talking about legal expenses, the litigation between the park owner and the County of Santa Barbara is with respect to that senior overlay?

A. Not the senior overlay. I think they are doing that. It was never a senior park because of HOPA. So that's why I don't feel we should do anything with the legal because that's their battle with the Santa Barbara County. Why are we involved?

Q. When you say HOPA, what does that mean? What does that refer to?

A. Housing for Older Persons Act.

Q. So you are saying -- you're just referring to the federal law there?

A. Yes.

Q. Okay. So it's your understanding the litigation is that the park owner is saying that the minimum requirements of the federal law were not in place; and therefore, the park can't be a senior facility?

A. We weren't in compliance with HOPA.

Q. And that, basically, would be referring to the

prior owner, right?

A. Right.

Q. Okay. Anything else that you know about this lawsuit with the County that you personally know about?

A. No, just that it's ongoing. I mean, it hasn't been resolved yet.

MR. STANTON: Thank you. I have no further questions.

THE ARBITRATOR: Mr. Dilday.

CROSS-EXAMINATION

BY MR. DILDAY:

Q. Good afternoon, Ms. DeWeese. DeWeese or DeWeese?

A. DeWeese.

Q. Do you know Pamela Barilone?

A. Yes.

Q. And was she previously one of the resident representatives?

A. She was the president before me.

Q. Okay. Are you aware that she is selling her home?

A. Yes.

Q. Are you aware that she has listed it as

all-ages?

A. No, but she also has a disclosure from the real estate saying that it's in litigation.

Q. Okay. Do you know why she would list it as all-ages?

A. The real estate agent is doing that. She is not.

Q. Okay. Do you know why the real estate agent is doing that?

A. Well, like always, they have gotten flack from Harmony every time they try not to.

Q. Is it your understanding that a home in an all-ages park is likely to generate or sell for more than a home in a 55-and-older park?

A. Say that again, please.

Q. Is it your understanding that a mobile home in an all-ages park is likely to sell for a higher price than a mobile home in a 55-or-older park?

A. Well, yeah. That's why I'm sure Harmony is doing this.

Q. Harmony doesn't own any homes, so what does that mean?

A. I don't know. I don't agree with that, so.

Q. You don't agree with what?

A. That Harmony doesn't own this park.

Q. That's not what I said, anyway. I said they don't own any mobile homes. You said that's why Harmony is doing it.

A. Harmony owns homes in the park.

Q. Okay. Which mobile homes?

A. 25, 49. They own 27. That sold. 23.

Q. How do you know that Harmony owns them? Based on what?

A. Previous owners. I mean, they sold to Harmony.

Q. Go ahead.

A. I mean, you can ask Harmony.

Q. Well, I'm asking you.

A. Verify it.

Q. You're saying that the prior owner owned these mobile homes?

A. A resident sold it to Harmony.

Q. A resident sold it to Harmony.

A. Right.

Q. Not the prior -- not the mobile home owner?

A. No.

Q. Are you aware from the prior owner who the management company was?

A. Martinez.

Q. Were they the owner or the management company?

A. They are the management company.

Q. And why is it that you are saying that Harmony is the owner?
A. I don't know. If you look up anything on the internet, it says it.
Q. There is stuff on the internet that says Harmony owns this mobile home park?
A. If you look up Harmony Communities, and it says they are owner of Del Cielo Mobile Home Park.
Q. What website is this?
A. We just looked it up again. I'm not sure what website it was.
Q. Were you here when Mr. Stanton was talking about the grant deed and who is listed on the grant deed?
A. The LLC?
Q. Were the entities listed on the grant deed, were any of those entities Harmony?
A. Yeah, but you can hide behind the LLCs.
Q. So you're saying that -- so you're not saying that Harmony, the company, owns the park?
A. I'm saying they are one of the owners.
Q. Based on what, though?
A. I believe it.
Q. Based on the website?
A. Yeah.
Q. But you heard the entities that were on the

deed.

A. Well, then, what we need to know, then, is if we have -- they are supposed to give us the name of the owner of the -- we don't even know who the owner is, and we should have their name, their phone number. If we want to make a complaint against Harmony, we should have that information.

THE ARBITRATOR: Can I just interject briefly here. Is the purpose of this line of questioning and the relevance to do with whether or not expenditure on legal services to make this an all-age community is somehow in the interest of the residents and supported by the residents because if that is the only purpose of this line of questioning, I mean, I think it has been fairly clearly established that generally speaking the residents don't favor that change. And so I mean, I get that. And Ms. DeWeese's subjective understanding as to who the exact title owners are of the land may just not particularly impact the things I have to decide.

MR. DILDAY: Okay.

Q. And then can you repeat, because I didn't catch it, I think you testified how many times Tanya -- since the new owner took over, how many times she's been at the park? What was that number?

A. For me, it's four times.

Q. So does that mean you've only seen her four times?
A. I have only seen her in the park four times.
Q. And that includes maybe the times she's with Nick?
A. Three or four with Nick, and one time she was doing a lease agreement with somebody in the clubhouse.
Q. Okay.
A. Yeah.
Q. So you don't know if she has been there four. You only know four?
A. Me personally.
Q. So is there a reason why you would see her when she came?
A. Well, I am over at the clubhouse quite a bit. On certain days, I'm there. I'm usually there -- I'm usually there on Wednesdays, on Saturdays, sometimes on Thursdays, but you never see her car out there in the parking lot or the truck.
Q. You're saying that when -- on those days when you've been in the clubhouse, you've never seen her car in the lot?
A. Yes.
MR. DILDAY: Okay. Thank you very much.
MR. ARBITRATOR: Mr. Stanton, do you have

anything further?

MR. STANTON: No, thank you.

THE ARBITRATOR: Thank you.

Ms. DeWeese, thank you very much.

Mr. Stanton, you going to call another witness?

MR. STANTON: Yes. Very briefly, I will call Kathy Halter.

THE ARBITRATOR: Good afternoon, Ms. Halter. How are you?

THE WITNESS: Fine. How are you?

MR. ARBITRATOR: Not too bad, thanks.

Please raise your right hand.

KATHY HALTER,

A WITNESS HEREIN, BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

DIRECT EXAMINATION

BY MR. STANTON:

Q. Thank you, Ms. Halter. Could you please spell your name for the record.

A. Kathy, K-A-T-H-Y, Halter, H-A-L-T-E-R.

Q. And you are a resident of Del Cielo Mobile Home Park; is that correct?

A. Correct.
Q. What space number do you reside at?
A. 104.
Q. How long have you resided at space 104?
A. Seven years in May.
Q. Okay. And so you have resided there the entire time since Harmony took over management of the park; is that right?
A. That's correct.
Q. Now, you've been -- just in the interest of time, you've been present while Ms. DeWeese was just testifying, correct?
A. Yes.
Q. And you heard all of her testimony?
A. Yes.
Q. With respect to her testimony as it relates to management's presence in the park, do you agree with that testimony?
A. Absolutely.
Q. Do you have anything to add to that testimony?
A. Nothing that I can add. I can just absolutely testify that I am in the clubhouse multiple times a week, every single week, and I don't believe that if Tanya walked in this door, I would recognize her today.
Q. Do you know how many times you have actually

seen Tanya in the park?

A. I would say twice.

Q. Anything else to add on that subject?

A. No, sir.

Q. With respect to Ms. DeWeese's testimony in connection with the senior park or all-page park rule issue, did you hear that testimony?

A. Yes.

Q. Do you agree with that testimony?

A. Yes.

Q. Do you have anything other specific to add to that testimony?

A. No, sir.

MR. STANTON: Okay. I have nothing further.

THE ARBITRATOR: Mr. Dilday.

MR. DILDAY: No questions.

THE ARBITRATOR: Okay. In that case, thank you very much indeed.

And Mr. Stanton, are you going to call one last witness?

MR. STANTON: One last witness would be Sally Fisher.

MR. ARBITRATOR: Good afternoon, Ms. Fisher. How are you?

THE WITNESS: I'm very well, thank you. And

you?

THE ARBITRATOR: Not bad. Is that a British accent I detect?

THE WITNESS: I'm sorry?

MR. ARBITRATOR: For a second, I thought you had a British accent.

THE WITNESS: No.

MR. ARBITRATOR: The pronunciation of a vowel, you spoke with one. Anyway, if you could please raise your right hand.

SALLY FISHER,

A WITNESS HEREIN, BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

DIRECT EXAMINATION

BY MR. STANTON:

Q. Thank you, Ms. Fisher. Could you spell your full name for the record for us.

A. Sally, S-A-L-L-Y, and Fisher, F-I-S-H-E-R.

Q. And are you a resident of Del Cielo Mobile Home Park?

A. Yes, I am.

Q. What space number do you reside at?

A. I am in 48.
Q. How long have you lived in the park?
A. Twenty years.
Q. So you have lived there the entire time since Harmony Communities took over management of the park, correct?
A. Yes, I have.
Q. Now, you were present just in the last little while to hear the testimony of Sue DeWeese with respect to the issue of management's presence in the park?
A. Yes.
Q. Do you agree with that testimony?
A. Yes, I do.
Q. Do you have anything to add to that testimony specific to your own experience with respect to management's presence in the park?
A. Well, I know that I have knocked on the door to the office and they wouldn't answer. I ride my bike in the park constantly. I am probably in seven days, five days a week I ride my bike around and around, and I see Dave once in a while. I am like Kathy, I wouldn't know Tanya if she walked in because I haven't had any reason to see her, but at the same time, she wasn't available to be seen.
Q. Do you have any way of knowing how many times

you actually have seen Tanya?

A. I saw her once at a meet-and-greet or, you know, a negotiation thing where she was there. And then one other time, I was riding my bike and she was in the car with her husband taking pictures of the front of some of the mobile homes. But other than that -- it took me a minute to even recognize what they were doing. But other than that, I have never seen them. I see Dave once in a while reading meters. He is very personable.

Q. Okay. Anything else to add about that issue?

A. Nope.

Q. And did you hear Ms. DeWeese's testimony with respect to the senior park or all-age rule or regulation issue?

A. I know that the sign went down and I know that when we got our rules and regs, they referred to it as an all-age park. What was I going to say about that? It's unfortunate because of the turnover. I feel for a lot of the people who have small children who have moved in because there is no place for the kids. It was set up as a senior park. And before we could come to the park to live, we had to sign a paper stating our age so that they recognized that we weren't trying to get in younger, and we had to have proof of like with a driver's license or something. So my original paperwork, I still have a copy

of that.

Q. And so you heard Ms. DeWeese's testimony about this issue. Do you agree with it?

A. Yes.

Q. And do you have anything else to add other than what you just stated?

A. No, I do not.

MR. STANTON: Okay. Thank you very much. Nothing further.

THE ARBITRATOR: Mr. Dilday.

MR. DILDAY: Nothing from me. Thank you.

MR. ARBITRATOR: In that case, Ms. Fisher, thank you very much.

THE WITNESS: Thank you.

THE ARBITRATOR: Okay. So Mr. Dilday, do you wish to call any rebuttal witnesses?

MR. DILDAY: Yes.

THE ARBITRATOR: And who is your first rebuttal witness?

MR. DILDAY: Mr. Davies.

MR. ARBITRATOR: Mr. Davies, so let's get Mr. Davies back.

MR. DAVIES: Give me one second to park.

THE ARBITRATOR: You are still under oath from before.

Mr. Dilday, go ahead.

MATTHEW DAVIES,

CALLED AS A WITNESS UPON REBUTTAL, HAVING BEEN PREVIOUSLY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

DIRECT EXAMINATION

BY MR. DILDAY:

Q. I just want to follow-up with some of Mr. Lawson's testimony, specifically regarding the, first of all, the WMA. Do you have anything to add? I know we've beat this to death.

A. Yeah. Mr. Derrick, yes, so I am on one of the supervisory committees for WMA, so if you wanted somebody to testify from WMA, one of them in de facto would be me. Like I said before, to clarify my testimony really quickly, there are two things. There is the WMA, and then there is the PAC fund that deals in the lobbying. The PAC fund is in the donation side of the P&L, which is below the NOI, as I testified previously, and the dues for the services received from the trade association are a tax deductible expense, they are part of it, and it's services that they provide to my staff to educate them and many ongoing things.

I have never heard -- in all my prior fair returns, not as many as Mr. Stanton, but I don't think -- I've never seen them disallowed. That's all I have to say about that.

Q. And then on the -- regarding the -- another thing that Mr. Lawson was talking about was the mileage. He had some question about whether this was actually apportioned to the park. In other words, the mileage that is showing up as travel, is that only for the manager's travel to Del Cielo?

A. No. Tanya submits an expense report for each park for each month. And she's even really good about, for example, with her internet, with the internet, she apportions that from her expenses. She's very specific about her apportionment. So all the expenses that have been attributed to Del Cielo for the mileage are directly to Del Cielo. Anything for Oak Terrace is billed to Oak Terrace and has its own separate mileage reimbursement form. They are all parcelled out.

Q. And just if you had a full-time person in addition to the maintenance person, a full-time person, would the Wages expenses be higher than it is with having Tanya that does the three parks total?

A. In my 25 years of experience, and the fact that we manage almost a hundred parks, over 80 of them in

California, it's our job to find the most -- to meet the needs of the community while finding a cost effective way to do it. We can always do everything in a more expensive way. And if we were doing it in a more expensive way, we'd have shown a bigger increase in expenses and we'd be asking for a larger rent increase from the tenants.

Q. Is there anything else you want to cover I am forgetting about?

A. It gets petty, but Sue DeWeese has turned us into the State and the County, I don't know, three different times. She's made claims we don't have an on-site manager. She's made those complaints directly, which have been verified. Every time the County has called, the emergency line as been returned within 10 to 15 minutes. Tanya is out at that park multiple times per week. I believe you now have Tanya coming in as a rebuttal witness because she was slandered and it was wrong. And I think everything from my management, it hurts my feelings that Sue would say those things, and that she would go to that extent to try -- it's unsettling. I have nothing else, just my feelings.

THE ARBITRATOR: Do you know happen to know what rate the mileage is paid?

THE WITNESS: The IRS sets it. And our HR, it goes up annually. If we Google it really quickly, it's

whatever the IRS says we have to pay. I think it's 78 cents, 81 cents. It's somewhere in there.

THE ARBITRATOR: So maybe counsel in closing argument, written closing argument, could interpolate the dollar numbers for mileage and figure out how many actual miles we're talking about.

With that said, Mr. Stanton, do you have any questions?

MR. STANTON: Actually, you kind of stole my thunder because I was going to ask that very same question. But having heard Mr. Davies' answer I guess I would just ask it this way.

CROSS-EXAMINATION

BY MR. STANTON:

Q. I see from the ledger, for example, there is four entries for the mileage, and the fourth one for $724.27 says mileage for September and November. So I guess my question is it's your understanding that that $724 number is reflective of only the mileage that Tanya required to go to and from Del Cielo during those two months; is that right?

A. I don't have the numbers in front of me, but how about I reply with this. If the three of you aren't

opposed, I would more than happy with the closing briefs to submit 12 months of her mileage reimbursement statements. And everyone can view them, they can see every time she drove out there, they can see how many miles she drove. They can see the rate. I would rather everybody have full transparency since this has become a question.

MR. ARBITRATOR: Thank you for that. Whether or not we are going to accept additional evidence after today is another matter, but thank you for making the offer.

Any other questions, Mr. Stanton?

MR. STANTON: Nothing further.

THE WITNESS: Mr. Stanton, one other thing, if you don't want to submit the extra, if you give Jason instructions, I can summarize it in a table as part of the closing brief. I can give you the total miles by month. I am happy to give you whatever information you want within the form of the closing brief for clarity.

MR. ARBITRATOR: I understand.

Okay, Mr. Dilday, do you have any other questions?

MR. DILDAY: Yes, Ms. Beagles.

THE ARBITRATOR: I'm sorry, did you have any questions for --

MR. DILDAY: No. Yes. I'm sorry, no, I don't

for Mr. Davies.

MR. ARBITRATOR: Thank you, Mr. Davies.

You're going to call Ms. Beagles, correct?

MR. DILDAY: Yes.

MR. ARBITRATOR: Okay. Good afternoon, Ms. Beagles.

THE WITNESS: Good afternoon.

TANYA BEAGLES,

CALLED AS A WITNESS UPON REBUTTAL, HAVING BEEN FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

DIRECT EXAMINATION

BY MR. DILDAY:

Q. First, just talking about it, when you submit mileage reimbursement, do you always allocate it to the park, the miles that you drove to that park?

A. Yes. My husband and I, we are a management team. Yes, there is a mileage log for the two of us.

Q. And it specifies exactly what park you are going to and what mileage?

A. Yes. Everything I turn in for Del Cielo is just for Del Cielo. It's dated and exactly what we did each day and each trip.

Q. And I don't know if you heard all of the tenant testimony. You may have not have heard the first person, Sue, Ms. DeWeese. I'll just summarize it, Ms. DeWeese testified that in the 17 months since the new owner took over, you've only been at the park -- or she's only seen you four times. Ms. Halter said only two times. And I don't recall Sally, what she said. Anyway, do you have -- how often are you at the park?

A. Monday through Friday, at least once a day, if not more than once a day. If it's not me, my husband, Dave is there. So Monday through Friday, we are there.

Q. So one of you is there every day?

A. Every single day, Monday through Friday, even weekends. Del Cielo is a demanding community, so we end up showing up there on the weekends if something is wrong, which is often.

Q. She did preface it by saying that she just didn't see you. Is that -- have you seen Sue?

A. I have seen Sue around, yes. Often no, but I have seen her.

Q. More than four times?

A. Yeah.

Q. Okay. And what about Ms. Halter?

A. I see her husband walking more than I see her. He walks quite a bit, and I see him often.

Q. Okay. Anything else you want to add from what you heard? That's the majority I've got for you.

A. Just that we are there. Just because they don't see us doesn't mean we're not there in some capacity working.

MR. ARBITRATOR: Ms. Beagles, do you happen to know offhand the amount per mile for which you are reimbursed?

THE WITNESS: I'm not certain. It's between 67 and 75 cents a mile. It's somewhere in there. I don't know exactly.

MR. DILDAY: I'm seeing the IRS is 70.

THE ARBITRATOR: Does that sound about right, Ms. Beagles?

THE WITNESS: That sounds about right, yes.

THE ARBITRATOR: Okay. Mr. Stanton.

CROSS-EXAMINATION

BY MR. STANTON:

Q. Very briefly, do you know the miles, Ms. Beagles, between your home and the park? Do you know what the total miles would be?

A. Round-trip is about 27. It also depends if I have to drive around the community, I am using the car or

the truck. But if I go from my home to the office, do what I need to do, do signings or whatever, deal with my appointment and back home, round-trip just to the office is 26 miles.

Q. 13 miles each way, right?

A. Correct.

MR. STANTON: Okay, thank you. Nothing further.

THE ARBITRATOR: Okay. Mr. Dilday, anything further from you?

MR. DILDAY: Yeah. Not for Ms. Beagles.

Thank you, Ms. Beagles.

MS. BEAGLES: You're welcome.

THE ARBITRATOR: Thank you.

Did you say you have one other witness?

MR. DILDAY: Yeah. Mr. Eid.

THE ARBITRATOR: So Mr. Eid, and you are still under oath.

Mr. Dilday.

BRIAN EID,

CALLED AS A WITNESS UPON REBUTTAL, HAVING BEEN PREVIOUSLY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

/

/

/

DIRECT EXAMINATION

BY MR. DILDAY:

Q. All right. So the first thing we want to talk about was the -- you sent me an email. Is it the remapped -- exhibits you remapped, and I'll just go over this, or should I should bring up the other spreadsheet, the profit and lost 12-month recap?

A. You can open both of them or if you want me to share, I have them up.

Q. Why don't you share. That will be a lot easier. And you go ahead and take us through it.

A. Sure. So as we discussed earlier, the P&L for 2024 was combined first four months of the seller's P&L, and then the remainder of the new park owners for 2024 because it was purchased in April. There was a little bit of overlap in April.

The previous owner, the seller, had a different chart of accounts, so their categories didn't exactly line up. The P&L, combined P&L that was given to me, it was combined by the staff at Harmony, and some of the mappings didn't exactly line up, so I know Mr. Lawson said, you know, he would want to see some more detail behind, for example, Office Supplies. And the staff was able to find that detail. And that's what I am showing here on the

screen today, this spreadsheet which was --

MR. STANTON: Can we clarify, is this something new that we haven't seen before?

THE WITNESS: That's what I was getting at, Mr. Stanton. I just converted this to Excel, but it was provided to me in PDF and provided to you in PDF, and it's called "Profit & Loss, 12-Month Recap, 5/23 through 5/24." And I'm just looking at January, February, March and April of '24 because those are the four months relevant to the time period that we're looking at here.

And you can see there is a couple of items here. Professional Services, which includes all these items up here. And then all of these other items here which are summed up into something called Total Office Expense. Both of these line items, the 2775 and the 3860, were mapped to Office Supplies. But as you can see, the items that make up these totals are actually not all office supplies. Some was insurance -- actually, the insurance was mapped to Insurance. It was pulled out, but the remaining items were all left in Office Supplies.

So what I did was I took these remaining items that were in Office Supplies, and I categorized them as to how they're actually labeled in the seller's P&L, which is what we're looking at. And so there's a total of $10,790 that were considered office supplies in my Exhibit 2 here,

part of this 11,972, that actually weren't office supplies and they should very recategorized in these other areas.

So here you see me subtracting the 10,790 of Office Supplies, and so the remaining Office Supplies expenses that were true $1182, which is almost exactly the same as 2023's number of 1183.

THE ARBITRATOR: And then if you could redistribute the phantom office supplies under other categories, are you then left with unexplained increases in any of those other categories?

THE WITNESS: Good question, and I don't believe so. Here we have Legal General. There was $302 added there. In Outside Services, there is subtraction of the $20,000, but then added back -- sorry. Removal of $20,000, which would be a positive number, but then some Outside Services were added back here. So we're going from $6,000 in Outside Services to 7900. Again, I wouldn't consider that a big increase. And you can see here that as a percent of income, there is still, both in '23 and '24, were half a percent.

You've $629 in bank charges, not unreasonable. We already went over what the remaining office supplies are. $68 in Postage, so we went from $394 down to 148 in 2024. We've got $1900 in Telephone/Internet. And I lumped in some computer type services in here, so we're

going from $2400 to $3400, but still only .2 percent of income. $156 in travel. So Travel goes from $1500 down to 274. Auto Expense, $144, but that actually goes down from 442 to 144. Management Fees, I'll come back to in a second. Meals and Entertainment, there is $64 there, so that goes from $571 down to $64. And then the last is Dues and Subscriptions of $3100, so that goes from 3800 up to 8800 dollar.

BY MR. DILDAY:

Q. And Brian, real fast, I'm sorry to interrupt you, just my paralegal is leaving, do you have the PDF of this so I can send everybody, the updated one?

A. The amended one, yes. I believe I sent it to you.

Q. I'm sorry.

A. Yeah. It's Exhibit 2 Remapped, and there is Exhibit 2 Remapped with the commission taken out. I'll be sure to get them to you if you can't find them.

Q. Which one should I send? I was going to have her send it out before she left. Both of those or just the one remapped?

A. Give me a second.

Q. I apologize. I just want to get it to everybody who's leaving. I'm sure I could do it. I'd just have to find all the emails.

A. Sorry. The only one I sent is really this one.
Q. Okay.
A. You can do it without the commission, so it's kind of the original analysis but now remapped.
Q. Okay. I'll just send it out. I'll find the emails and send it later. Sorry to interrupt you. Go ahead.
A. That's okay. So then the last item that we didn't talk about are the Management Fees. You see here, I basically increased Management Fees by this 21,756. Remember, this is Off-Site Management Fees. And when we look here in the P&L from the seller for the four months, January through April of '24, there is this line item off-site Management Fee. Well, this got included in Wages up here, and so I'm taking it out of wages and putting it down here in Management Fees, Off-Site Management Fees.
So now, looking at Off-Site Management Fees from '23 to '24, almost identical, 69,000 and change. Here we've got Wages going from 89,000 to 95,000. But again, when you look at Total Management Expenses, which includes Wages, Payroll Taxes, Workers' Comp Benefits, and I also included Travel and Auto and Management Fees, because of the testimony today, 180,000 in '23, 184,000 in '24, an increase of 2.24 percent, which is less than inflation.
Q. And then so, basically, when we try to match up

the previous owner's P&L with the current owner's P&L, there's just different categories. Just trying to summarize it. So basically --

A. In the seller's P&L, there was subaccounts and total accounts, and the total accounts said Office Expenses. And so that was just mapped as Office Supplies. But when you expanded and looked into the detail of what's included in that total called Office Expenses, there's actually things that would be better presented as a separate category. The total dollars you see here, Total Operating Expenses is still the 686,389, which you guys are familiar with from this exhibit here, my Exhibit 1.

Q. So none of the numbers changed. There's just allocated -- so it's the same exact numbers?

A. Same exact numbers recategorized, so we can compare it a little bit better.

MR. DILDAY: Okay. Mr. Derrick, do you have any questions?

THE ARBITRATOR: I didn't have any other questions. Mr. Stanton --

MR. DILDAY: Oh, I meant on this.

THE ARBITRATOR: Oh, I see.

BY MR. DILDAY:

Q. Is there anything else, Brian, that you wanted to discuss based on Mr. Lawson's testimony that we haven't

discussed?

A. In addition to Office Supplies, you mean, other things?

Q. Yeah, besides the Office Supplies.

A. Again, sorry to beat a deed horse here, but the legal expenses. You guys were talking about pass-throughs. I think Mr. Lawson said sometimes you would accumulate these legal fees and amortize them over some period of years and increase the rent temporarily to recoup those. You know, that type of a scenario is generally when the legal fees are related to the fair return proceeding, but not for general operational legal fees, like evictions and various lawsuits and things like that. So that's one point I wanted to make. Those are typically separated. It's kind of a separate part of a claim in a lot of cases.

The other thing I noticed, you know, with respect to legal fees, Mr. DeWeese stated -- Ms. DeWeese stated that the lawsuit that she was talking about is ongoing so, you know, further evidence that these expenses are going to continue, so it's not an anomaly. And what I would say about legal expenses in general with respect to normal operating legal expenses is that legal fees for specific matters, such as an eviction or a particular lawsuit, are by definition nonrecurring, but they are

operating expenses, right? It's one eviction for one space for one person, it's not going to happen again, but it's an operating expense.

THE ARBITRATOR: If I may ask a question on that. I'm sure Mr. Stanton and Mr. Dilday would agree with me that litigation can become very, very expensive, and it's quite common for lawsuits to cost hundreds of thousands of dollars and it could go through multiple levels of courts. So if this litigation took on a life of its own and cost several hundred thousand dollars, are you saying that all of this could be passed on in future rent increases?

THE WITNESS: What I'll say it's possible it may be recouped in more of a temporary rent increase over some period of years. I think what I testified to before when we talked about like the landslide issue that Mr. Davies had brought up, and I said there's going to need to be some sort of adjustment or something taken into account there because $900,000 of legal fees in one year is not a normal thing that residents should be on the hook for on a permanent basis.

THE ARBITRATOR: But are you saying they could be on the hook for it at all? Are you saying that one way or another management can reclaim all of its legal fees for litigating this issue with the County?

THE WITNESS: I mean, it's possible. I don't know with respect to this specific matter that you're talking about, but yes, it's an operating cost of the park.

THE ARBITRATOR: But is it the operating cost of the park or is it an operating cost of the entity that happens to own the park; that is, try to somehow leverage and increase the value of that asset?

THE WITNESS: I guess that's debatable, Mr. Arbitrator.

THE ARBITRATOR: But it's a key point here because the park is not a party in the lawsuit. The entity that owns the park is. But at what point is the lawsuit an activity of the park?

THE WITNESS: It has come about as a result of operating the park, whether it's being operated as an senior or an all-age. I don't think there is a distinction, particularly in this ordinance or any ordinance that I've seen, that says a park has to be operated under one -- only under either of those pretenses.

THE ARBITRATOR: I'm sure we'll get more argument on this from the lawyers in argument, but thank you for answering the question.

THE WITNESS: Sure.

And so lastly, about these -- well, not lastly, you know there are these operating expenses. There is normal operating expenses in the form of legal fees that, yeah, the exact same lawsuit or the exact same eviction isn't going to come up every time, but there are going to be legal matters that come up probably every year, particularly in heavily regulated industries like this. So just because that amount of money wasn't spent in 2023 doesn't mean that it's not an operating cost in '24, doesn't mean it's not going to happen in '25, or maybe it dips down again in '25, and goes way up in '26. The point is these are operating expenses that are not disallowed by this ordinance. These types of expenses would be allowed in an ordinance, and so I think you have to include them as an operating expense. If they're not, then essentially a park would never be able to cover its legal fees through rents.

MR. ARBITRATOR: Yes. But there's surely a difference conceptually between an unlawful detainer action for an eviction, on the one hand, which is something which is intrinsic to the operation of a park, versus an elective lawsuit about the type of park this should be which, you know, has to do with increasing the value of the asset to the owners.

MR. DILDAY: Well, just one clarification. They

didn't file the lawsuit until the County tried to -- I mean, they changed their rules to comply with the law. The County changed -- after they did that, the County changed -- they tried to implement a senior's zoning overlay, and the lawsuit was in response to that. So they changed the rules, which is how parks change their rules all the time, and it was in response to that that the County acted, and then the park -- the lawsuit came from that. It's a slight distinction, but it was in response to something the County did, so I don't know if it matters.

THE WITNESS: I apologize if there was testimony about how this might have increased the value of the park, but what I would say about that is the value of a park is derived from its ability to generate income. And if the park is still under rent control, no matter who lives there, the income is going to be what it is. It can't being changed because an all-age person occupies the property.

BY MR. DILDAY:

Q. I mean, I wasn't conceding that point about the value. There is no -- not any kind of straight line it's going to increase the value of the park because all-ages, it has nothing to do with the rent control. I mean, that's what increases the value of the park is the rent.

A. Income.

MR. STANTON: Is Mr. Dilday testifying now?

MR. DILDAY: I was just clarifying.

THE ARBITRATOR: To that point, we've taken a fairly kind of relaxed view to comments by counsel midway because we're interjecting some argument into testimony, can a proceeding like this be helpful.

But anyway, any more questions, Mr. Dilday, for your witness?

MR. DILDAY: Go on, Brian.

THE WITNESS: The last comment before you want to ask me any more questions is with respect to -- there has been a lot of discussion about expenses having to benefit the residents. That is not in any ordinance that I've ever read with respect to an operating expense. Where I have seen it in an ordinance, and it's only been in a few, it has to do with capital improvements. And it says in the ordinance that in order to be able to recoup that through generally a temporary rent increase, the park has to -- the improvement has to be for the benefit of the majority of the residents. That's the only time I've ever seen that. Never have I seen that with respect to an operating expense.

THE ARBITRATOR: And I think that Mr. Lawson's phrase, that his preferred phrase was not so much for the

benefit of the residents, and I think I'm quoting him correctly, for the benefit of the community, implying that it's for the overall good, as opposed to something which is potentially harmful to the residents and only benefitting management. But I understand what you're saying Mr. Eid, and certainly the ordinance itself, as noted, doesn't include language about that.

Anything else, Mr. Dilday?

MR. DILDAY: No. I don't have anything else.

THE ARBITRATOR: Mr. Stanton?

MR. STANTON: No. I mean, this new exhibit, I have never seen it until now. I'd have to study it, look at it with my expert. So I guess I'll just reserve any comments in my brief to that, but I have nothing further.

MR. ARBITRATOR: Okay. And Mr. Dilday, is that your last witness?

MR. DILDAY: It is.

THE ARBITRATOR: So Mr. Bowden, at some point we'll have not quite closing arguments, but comments by me and discussion about the form of closing arguments in writing, the timing and so forth. But before we do that, shall we first do the public comment?

MR. BOWDEN: We did not have anybody sign up.

MR. ARBITRATOR: Well, that's simple. In that case, there is no public comment so we can talk about

where that leaves us. And let me just share a few points with counsel. And anything I do say today is going to be a tentative view, which might help you formulate and focus your arguments, but you're welcome to argue against any tentative views, if you wish. But before I give you the tentative views, kind of procedurally, I believe that we are going to close the hearing for evidence, the purpose of receiving evidence today. If either side wants to make a move to reopen it, and I have to look at what the ordinance says, well, we can look at it, but my belief generally at the end an arbitration hearing is that the time for evidence is closed, and we go on to argue about the evidence we have received. And there can be a gray area between the two, but there you go.

One tentative view I wanted to share with you is that to the extent that management's -- one of management's kind of routes to getting up to the $39 and to the noticed amount, to the extent that one of the paths to that number has to do with a return on investment theory going outside the framework of the ordinance itself, my view as I sit here today is I am far from convinced that I can do that.

I know that the ordinance in a preamble does refer to return on investment. It is part -- you know, the County when it enacted this ordinance was concerned

that management can get a fair return on investment. And I know that there is kind of law outside of the ordinance that speaks to that. But my reading of the ordinance is that what is written is 11A-5(i)(1) is very, very clear. It says what I should do as to give a just and reasonable return on investment. And then it says, quote, "The Arbitrator shall have no discretion to award additional amounts as a just and reasonable return on investment."

So it would seem to me that if I did what I am invited to do by management in its return on investment part of its argument, it will be a textbook case of abuse of discretion because I will be doing that which the ordinance expressly states I have no discretion to do. So as I sit here today, I think it's highly unlikely that I would agree with that part of management's way to get to $39 that relies on return on investment. By all means, argue against me in your written argument, but I just wanted to share that tentative.

You've got another route up there, of course, which is the $20,000 commission, and I think that's a tricky issue. I am not going to give a tentative either way on that. I welcome argument about that.

And I welcome argument about the various other expense items, but it seems to me, as I think Mr. Stanton wrote in his prehearing brief, this whole hearing is very

much about 11A-5(i)(3), and that's kind of the main area of contention in terms of the various line items that we've discussed. I mentioned the open mind I have on the commission issue.

On the legal fees, I'll share with you that I am concerned with the potential implication of allowing that as an operating expense because this could lead to monumental increases going forward if this to kind of be the rule for management to pursue litigation regardless of its merits, and I have no idea what the merits are, to do something which is really for management's benefit. And not even -- we're using the phrase management, but it's for the owners of the entity that owns the park. And I am concerned with kind of how potentially allowing hundreds of thousands of dollars of legal fees to be an operating expense to be passed on to the tenants, how that is right and, you know, whether either the letter or, to the extent that there is such a thing, the spirit of the ordinance allows it. So I would invite argument on that point.

On the contentious topic of the Office Supplies, I am not -- I found Mr. Eid's explanation of that sort of somewhat convincing. Maybe I was just drinking the management Kool-Aid on that subject. And Mr. Stanton, if Mr. Eid's explanation in his rebuttal testimony isn't satisfying to you, you know, by all means argue that.

I've got an open mind on that. But Mr. Eid, I think, went some way to addressing what was something of a concern I'd had beforehand.

The WMA issue, we've discussed at length. I believe that Mr. Lawson said that one way to resolve this is to make some type of apportionment of that amount. Now, I know that Mr. Eid points out that there already has been apportionment by the exclusion of either the PAC element or the lobbying element, so I am a little confused as to what the initial testimony was. But either way, there already has been some apportionment there. Maybe there should be more, maybe not. So by all means, argue that point, but I do have some concern about the WMA issue.

On the whole kind of Wages issue and Travel, well, on the Wages issue, I think Mr. Lawson himself said that he didn't think there was much of an issue except to the extent there is a travel, you know, component to that. And we've had testimony that questions, you know, whether or not any mileage, significant mileage could be appropriate given homeowners' views as to the presence of management, but then we had rebuttal testimony.

I mean, you know, I don't want this to be -- because it isn't really -- I mean, I know people feel strongly on both sides on this, but my role as arbitrator

here isn't about to be the referee of the good management of the park. So I don't want this to come down to some argument about whether the park is generally being diligent or not because I'm not sure that is really anything that is properly before me. But I do have these mileage expenses before me, and the mileage expenses appear to be based on actual presence.

So you know, Mr. Stanton, you can make what arguments you want to make of that but, you know, you heard the same testimony that I did. I think that probably addresses most of the contentious line items that fall under (i)(3), unless I am forgetting anything right now.

MR. DILDAY: Well, what was the section that you quoted earlier? I'm sorry, from regarding the discretion.

THE ARBITRATOR: Sure. It's on (i)(1), the second sentence.

MR. DILDAY: Okay.

MR. ARBITRATOR: And I just don't see a way around that. And I want to be clear, I'm not making any type of subjective personal statement about any views I may have about, in general, whether park operators should be entitled to returns on investment. I mean, I'm a mere functionary here, who's been hired for the sole purpose of interpreting and making decisions under this ordinance.

And if you want to make an argument that the ordinance as written doesn't allow an arbitrator to give a fair rate of return as mandated by constitutional standards, by all means make your record here.

And I think you have already done so, but I ultimately -- you know, my level on the pecking order of decisionmaking, I think that's way above my pay grade because all I'm here to do is to apply the ordinance. I'm not a judge of the Superior Court who might be able to apply various other things. If you think that I'm wrong on that and I've got a much wider remit than I do, then by all means argue it, but it would take quite a lot of convincing, I think.

Before we talk about the timing of arguments, is there anything else anyone wanted to say about the kind of scope of arguments? You can argue what you want. I am giving these comments purely to serve -- because I find, and I used to find when I was in the job of being an advocate, that if you had some kind of focus, it actually helps the arguments.

MR. DILDAY: It's appreciated.

MR. STANTON: Yeah, likewise.

THE ARBITRATOR: Otherwise, we come onto the issue of timing. Now, the ordinance says that I have got to provide a decision up to 30 days from the hearing. I'm

not sure whether the ordinance actually defines when the hearing ends. But in the other types of arbitration proceedings that I handle, the term hearing encompasses the time for written arguments, so that the hearing would end once the last written submission is received. And that would trigger the 30 days.

But Mr. Bowden, is that approach good for you in terms of the guardian of the ordinance?

MR. BOWDEN: I believe that's acceptable, yeah.

MR. ARBITRATOR: Okay. Our court reporter earlier indicated that she'd probably need two weeks, and you know, one always needs to allow a little bit of extra time in case things get in the way to prepare a transcript. And counsel may want to have access to that transcript before at least finalizing or even starting their written arguments.

With that in mind, I'll ask you first, Mr. Dilday, how much time would you like for a closing written argument? And the second question, which you can also answer, and then I will ask for Mr. Stanton's views, do you want this to be like a sequential format, where you go first, then Mr. Stanton, then you file a reply, or do you want it simultaneous written closings, and then perhaps two simultaneous replies?

MR. DILDAY: I would prefer the first one, if

we're going to do it like that.

MR. ARBITRATOR: The timing --

MR. DILDAY: Are you asking for timing after -- so we said 10 days?

MR. ARBITRATOR: Timing from today, allowing for the fact that it's probably going to be -- I think Ms. Spere said ten days to two weeks, so let's call it two weeks, just in case anything happens, before you get the transcript. So I mean, would thirty days from now for closing be sufficient or is that too tight?

MR. DILDAY: Thirty days from today would be fine.

THE ARBITRATOR: Okay. And Mr. Stanton, do you have a view as to whether we should go with kind of the sequential, management goes first, then you go next, then management has a reply, or simultaneous briefs?

MR. STANTON: I mean, in my experience, it has typically been simultaneous at this level. Once you're in a judicial scenario, it's going to be the other way, in my experience. I guess I would just leave it up to the Hearing Officer's discretion. I am happy to do simultaneous. And I don't know that we need to do simultaneous open and then simultaneous rebuttal. I mean, at some point, we have to put a lid on it.

MR. DILDAY: I would agree. If we're going to

do simultaneous, it would just be one.

MR. ARBITRATOR: I think that I would find it most helpful to have sequential because it tracks the burden of proof. So Mr. Dilday, you go first 30 days from now.

Mr. Stanton, would two weeks after that be okay or do you want a full 30 days as well?

MR. STANTON: Oh, I don't think I need 30 days at all. It's just going to be a matter of the timing as it relates to my schedule. I have another one of these hearings that may take several days the first week of March, so I would just want to plan around that. But I mean, if we did Jason's initial brief somewhere around the 18th, 19th, 20th of February, which are from Wednesday to Friday, then I could probably have mine by the following Friday. I don't think I would need more than a week to be honest with you.

MR. ARBITRATOR: Okay. Well, we could say that -- I mean, four weeks today is the 17th. Let's say four weeks from tomorrow, it would be the 18th. We could say the 18th of February for the management brief, and then the 27th of February for --

MR. DILDAY: 27th, you said?

MR. ARBITRATOR: 27th, yes.

MR. DILDAY: Let me just look at my calendar.

MR. STANTON: That's for mine. Yours would be --

MR. DILDAY: Yeah, I know. We're going to get to mine next.

THE ARBITRATOR: Then yours would be either the 6th or the 13th.

MR. DILDAY: Yeah, the 6th works, my birthday.

MR. ARBITRATOR: Your birthday.

MR. DILDAY: No way I would rather spend it.

THE ARBITRATOR: Indeed.

MR. DILDAY: It will all be done that day.

THE ARBITRATOR: I'm trying to look at my calendar. In a way, I would rather actually say the 13th because I'm going to pair it when I might be gone for 10 days, and I don't want that to eat too much into my 30 days. So let's make it the 13th.

And by the way, I think we need to have a system in place. I, based on my own experience as an advocate where I became a master, if nothing else, of the application for an extension of time, you know, I am very kind of reasonable if people, for whatever reason, things happen to get in the way of, you know. So it wouldn't take much to persuade me to alter these deadlines if you need extra time.

MR. DILDAY: Okay.

THE ARBITRATOR: So that's the 18th, the 27th and the 13th. And I might even send you off an email with my preferred formatting guidelines for briefs to make them easier on the eye. And if you want to attach, you know, exhibits to your brief, that's fine, or separately, but the exhibits will be drawn from what was before us at the hearing today. And I will deem everything that was submitted in writing regardless of whether or not we looked at it today as the universe of evidence that was submitted to the hearing. So everything in the two expert reports, and then I think there were a bunch of separate exhibits that claimant lodged which were not attached to Mr. Lawson's report. So the only thing I'd say further is please, if possible, put in PDF bookmarks to make it easier to find exhibits so if you do attach a whole lot.

Mr. Bowden, is there anything else from your point of view that I am forgetting to talk about?

MR. BOWDEN: No, not at this point.

THE ARBITRATOR: Okay. And Mr. Stanton, was there anything else from you?

MR. STANTON: I'm just assuming that our filings will be electronic only by 5:00 p.m. the day that they're due; is that right?

THE ARBITRATOR: Yes, please. And you can email them directly to me, as well as, obviously, sending them

to Mr. Bowden or Mr. French.

MR. DILDAY: The same thing we've been doing, right? Keep the same chain. And I just sent you guys something. I found it.

THE ARBITRATOR: I'm sorry?

MR. DILDAY: I just sent those things that we had. I was able to do it myself, so I didn't need anybody else to do it.

THE ARBITRATOR: So the dates are the 18th of February, the 27th of February and the 13th. I think earlier I may have said February but, of course, I meant March.

And anything else from you, Mr. Dilday?

MR. DILDAY: No, that's it. Thank you very much.

THE ARBITRATOR: Thank you to you, Mr. Dilday and to you, Mr. Stanton, and to your experts for a very helpful, cogent, well-argued hearing. You know, I will just say there are some difficult issues here. The answers aren't always obvious, but I appreciate the skill and diligence with which both sides and their witnesses have put this forward and done so in a collegial and civilized way. So thank you. I appreciate it.

Thank you to Mr. Bowden and to Mr. French.

And so I think I will declare -- and to our

court reporter, of course. Thank you, Ms. Spere.

I will declare today's hearing closed.

(Proceeding concluded at 5:35 p.m.)

CERTIFICATE

OF

CERTIFIED SHORTHAND REPORTER

*** * * * ***

I, THE UNDERSIGNED CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, DO HEREBY CERTIFY:

THAT, THE FOREGOING PAGES COMPRISE A TRUE AND CORRECT TRANSCRIPT OF THE PROCEEDINGS HAD IN THE WITHIN-ENTITLED MATTER REPORTED BY ME BY STENOTYPE ON THE DATE AND AT THE HOUR HEREIN WRITTEN, AND THEREAFTER UNDER MY DIRECTION INTO TYPEWRITING.

IN COMPLIANCE WITH SECTION 8016 OF THE BUSINESS AND PROFESSIONS CODE, I CERTIFY UNDER PENALTY OF PERJURY THAT I AM A CERTIFIED SHORTHAND REPORTER WITH LICENSE NUMBER 10091 IN FULL FORCE AND EFFECT.

WITNESS MY HAND THIS 2ND DAY OF FEBRUARY, 2026.

Carolynn Espere

CAROLYNN E. SPERE

CSR NO. 10091

$

$1,263,229 85:22
$1,265,000 37:13
$1,265,228 37:13
$1,948.72 119:6
$1,950 155:1
$10 168:19
$10,000 69:7
$10,790 251:24
$100,000 168:1
$105,000 123:13
$11,000 70:1
$11,972 69:1
$117,495 127:2,9
$1182 252:5
$1183 68:23
$12,000 69:1
$12.79 22:13,18
$120 178:23
$144 253:3
$1451 54:21 70:17
$15 201:22
$1500 253:2
$155 173:21
$156 253:2
$16 201:22
$165,000 154:4
$1665 94:16
$169,000 154:3
$17.66 174:1 213:14
$17.67 13:21 14:18 15:12
$174,000 21:9
$174,472 17:21
$189,000 48:1
$189,154 47:25
$1900 252:24
$191,000 26:12
$2 69:7 198:10
$2,000 28:11 113:16 186:19
$20 111:21
$20,000 27:24 31:6 33:8,12 34:12,21 50:15 51:2,3 78:13 87:16,20 165:2 175:4,9,23 176:18 188:18 190:17,25 191:2 194:1 252:14,15 264:20
$200,000 148:19
$23,496 32:21
$2400 253:1
$25,000 63:7,11 166:4
$3,000 28:12 166:4
$30 33:2 171:1 213:18
$30-and-something 50:16
$30.45 22:19 23:4 86:9,20 173:18
$302 252:12
$3100 253:7
$3400 253:1
$344,374 37:15
$35 86:19
$35,000 25:6,11 85:18 172:4
$351,253 81:12
$3690 114:2
$39 32:12 49:12 50:7,9 171:2 173:20 174:22 175:3,11 263:17 264:16
$39-and-some-cents 175:17
$39-and-something 33:2
$39.00 50:8
$39.16 57:22
$39.51 86:21
$394 252:23
$4,000 154:5 159:7
$400,000 24:12
$5,000 102:13 122:20
$50 168:6,7
$50,000 120:17
$500 112:2
$500,000 64:18
$511,916 26:4
$52.82 38:24
$57 172:1
$57.40 21:2,15,20 22:12 48:3,10 82:2
$571 253:6
$6,000 252:17
$608 110:19
$629 252:21
$64 125:20 253:5,6
$665.61 13:19
$68 252:23
$686,389 26:3 33:10
$7,000 164:4 212:12
$7,493 78:5
$724 244:21
$724.27 244:19
$73,600 122:15
$73,697.80 122:14,16
$74,000 123:3
$745 91:5,10
$75,000 148:18
$79.02 20:22 22:10
$8.83 14:3 15:12 20:24 22:3,11, 17
$80,600 128:6
$800,000 111:25
$81,000 127:7,9
$900,000 257:19
$900-some 54:23
$920,854 37:15

(

(2) 17:2 145:13

(3) 17:1 145:13

(4) 145:11

(5) 145:11

(6) 145:11

(f)(1) 88:20

(i) 61:14

(i)(1) 15:22 17:1 22:18 39:13,24 145:13 267:16

(i)(2) 15:22 17:1 22:18

(i)(3) 17:5 21:22 22:9,18 47:8,20 50:15 61:7,10,22 66:10 145:16 267:12

(i)(4) 22:15

(i)(5) 22:15

(i)(6) 22:15

(k) 62:3,20 145:22

0

0.0 86:4

009 172:24 173:12

1

1 12:14,15 13:11,19 48:5 61:2 66:5 84:14,23 86:10 87:3 141:14 153:22 154:6 172:24 173:2 187:6 189:16 192:12 255:12

1,800-something 204:12

1,900-something 204:12

1/2 37:3 153:22 154:6

10 54:19 97:17 112:13 243:14 270:4 272:14

10,000 55:18 110:20

10,790 252:3

100 47:24 121:21 128:23 129:5 133:3

104 235:3,4

10:32 58:21

10:42 58:22

11 77:12 81:12 126:5,9 127:22 128:13,15,25 130:20 189:23

11,900 72:13

11,972 252:1

11-plus 44:10

110 7:13

117 127:17

1183 252:6

1190 123:19

1196 123:16

1197.5 123:20

1197.50 123:10,19

11A-5 22:17 26:5,20 47:16 48:24 59:14 82:22 145:9

11a-5(f) 31:25

11a-5(i) 10:3,19 11:5 13:22 20:23 45:11 61:3 82:19 83:14 145:7

11a-5(i)(1) 264:4

11a-5(i)(2) 11:10

11a-5(i)(3) 265:1

11a-5(k) 61:13

12 7:12 11:11 18:20 19:1 20:20 37:18 142:13 191:13 193:3 245:2

12-month 18:7,16 130:24 250:8 251:7

12.79 174:21

125 166:5

1279 174:18

13 249:5

13th 272:6,13,16 273:2 274:10

14 127:22 128:24 142:13

14,500 92:20

14.51 55:2

144 253:4

148 252:23

15 202:3 243:15

15.96 87:1

150 166:6

159,000 26:13

16 202:3

16-hour 109:23

160-some 204:13

17 15:16 247:4

17.66 174:5,9 213:18 214:10

17.67 15:17

17.76 174:14

17th 271:19

180,000 254:23

184 17:24 18:1 20:20 86:13 191:12 193:3

184,000 254:23

185 17:24 101:8

189 48:8,17

189,154 84:8

18th 271:14,20,21 273:1 274:9

1962 225:2

1988 141:15

1991 215:5

1998 141:17,18,20

1999 181:6,9

19th 271:14

1A 36:13 41:10 173:5

1st 21:6 84:16 106:9 221:14

2

2 22:3 23:8 30:23 46:6 52:19 62:23 66:12,15 68:23 77:12 81:12,22 82:16,21 120:17 121:16 126:5,9 142:15 152:24 190:21 204:8,14,15 251:25 253:1,16,17

2,696 77:13

2,900 140:23

2.24 254:24

2.4 85:15

2.654 13:3,20

20 119:11 127:22 128:25 136:7 155:10 157:2 162:11 182:4

20,000 32:23 33:1 35:2,3,6 50:6

200 52:8

2000 71:12 212:13

2001 7:7

2004 110:9,11

2021 166:20

2022 7:9 166:21

2023 8:23 17:17 18:8 26:3 53:16 62:24 65:11 68:22 71:15 77:13 82:18 85:17 91:5 99:4 101:13 113:16 153:2,17,20 154:3 157:11 166:21 187:7 202:5,22 203:4,20 259:8

2023's 252:6

2023-2024 189:18

2024 7:8 8:23,24 9:1 17:19 26:2,7 27:25 28:24 48:4 53:16 54:24 55:20 62:24 65:12 68:25 70:14 71:9,14,17 77:13 81:12 82:18 84:1,9 85:18 91:5 92:19 98:25 99:4 100:17 101:13 105:22 106:16 112:9 113:16 126:11,13 127:11 130:17 153:2,6,17,20 154:4,16 157:11 187:7,11 190:25 202:5,12,22 203:19 218:18,20 221:2 250:14,15 252:24

2025 9:15,17 11:13 13:11 21:6 49:5 82:2 84:11 86:23 106:16 120:25 121:4 125:5

2026 106:17,24

20th 271:14

21 37:4 52:7

21,756 254:10

22 52:7 71:25

22,000 211:20 212:3

23 17:19 18:7 20:11 23:7 51:25 52:22 70:17 71:25 79:10 85:19,22 114:4 201:21 211:6 230:6 252:20 254:18,23

23,496 30:25

24 8:25 11:14,16,18 17:19 18:6,7 19:2 20:11 21:11 23:7 26:15 27:11 29:3 37:3 51:25 52:1,22 54:21 70:7,8,9,18 78:1,2 81:23 84:15 101:24 114:2,9 130:9 201:21 211:6 251:9 252:20 254:13,18,23 259:9

24,789 122:9,13

25 11:13,15,18 13:12,19 18:6 19:2 48:5 80:25 84:14,16 98:12 110:12,14 119:11 121:11 129:8 166:5 209:24 230:6 242:24 259:10,11

25,412 77:13

26 120:16,17 123:20 128:5 249:4 259:11

27 230:6 248:24

27,000 211:22

2700 71:13

274 253:3

2775 251:15

27th 271:22,23,24 273:1 274:10

28 166:5

28,000 211:22

29,000 112:9 212:2,3

29th 11:12 86:23

2:00 138:5

2A 46:7

2nd 9:17

3

3 84:13 85:11 154:6 186:2 202:16

3-plus 44:10

3.539 11:17 12:20 13:2

30 63:6 113:3 268:25 269:6 271:4, 7,8 272:16

30-some 209:11

30-year 38:5,19

30.45 50:3 174:2,6,12

300 52:8

31 9:1 123:15

31,100 123:11 124:20

3100 128:2,5

31st 105:25

347,727 82:4

35 48:12,13 50:22 109:18

35,000 48:2

35-cent 50:24

351 26:14

3800 253:7

3860 251:15

39 50:18 51:2

39.16 31:17 34:24 58:9

39.51 31:13 50:20

3:00 224:13

3:49 201:14

4

4 43:12,13

4,000 212:13

4.92 38:10,11,23,25

40 55:5 109:22 196:3

40-some 196:6

400-plus 143:21

407 73:11 87:19 117:19

408 77:25 117:8,20 118:17,19,22, 24 119:4

409 117:8,12,16 119:3,19 154:25

41.09 130:4

4155.97 37:20

442 253:4

45 137:24 192:19

4500 71:12

48 238:1

48-page 209:18

49 230:6

49,262,72 120:18

5

5 206:11 212:11 218:14

5,000 211:17

5/23 251:7

5/24 251:7

50 28:12 100:2 124:22,24 140:7

208:4

50/50 94:5

50707 159:19

511,916 66:11

55-and-older 169:18 229:14

55-or-older 229:18

55-plus 224:24

56 97:18

57 48:12

57.07 77:4

57.40 22:22,25

5:00 273:22

5:35 275:3

6

6 37:8,12 44:1,12 45:16,18 47:13 78:1 127:25 206:11 212:20

6,000 211:17

6.72 44:11

6.81 44:5,11

60 116:3,4,10,12 122:1

60022 87:19

60100 131:4

6200 128:4

62000 102:8

62002 128:24

63.05 122:20

64000 102:10

6500 137:8

665.61 13:6

67 248:9

686 33:9

686,389 31:5 33:13 66:11 255:11

69,000 254:18

6th 221:15 272:6,7

7

7 127:24 202:4,5,6,13

7,000 129:1

70 114:7 141:2 248:12

70-some 169:11

700 69:10

706,389 31:5

73,697 122:23

74 122:10,12

74,000 124:20

745 91:15

75 10:16 11:19 13:3,16 14:5,6,11, 25 15:12 19:25 20:1 87:1 129:7 139:6 214:3 223:22 248:10

78 244:1

7900 252:17

798 104:21

8

8,000 112:3

8.83 15:17,18 21:21 22:7 174:1, 14 213:23

80 104:16 116:3,5,10,12 122:1 140:8 242:25

80,969.72 124:25

800 77:17 91:16

81 123:22 124:25 125:1 244:2

8800 253:8

89,000 254:19

8th 221:19

9

9 12:16 127:24 129:2

90 113:4 120:5

911 222:21

9300 128:2

947 123:20

947.36 120:15,17

95,000 254:19

950.094 11:20

957 55:5

958.36 123:20

983.714 11:21

99 115:15,17 131:13

99.9 112:2

9:00 224:13

9th 78:2

A

A&w 109:22

aberration 65:18 151:12 152:4 153:8

ability 14:7 221:11 260:15

abnormal 165:6 167:10

absence 149:3 164:15

absolutely 72:25 76:2,3 89:20 179:2 193:15 207:23 235:19,21

absorb 75:8,23

abuse 264:11

accent 237:3,6

accept 147:24 149:8 174:6,20 201:24 245:9

acceptable 42:21 202:23 203:10 269:9

accepted 38:6 60:20

accepting 174:9

access 80:19 104:14 112:22 168:4 224:11,13 269:14

accident 198:11

accommodation 134:4

accordance 30:12

account 23:1 26:17 43:17 57:23 84:6,17 111:11,16,17 122:17 127:8 158:13 176:17 257:18

accountant 7:7 35:11 60:4

accountants 95:15 131:14

accounting 7:4,10 27:13 30:7 59:16,17,19,21,24 60:6 110:25 111:8

accounts 70:10 102:9 110:25 111:1,9 128:16 134:10 250:19 255:5

accumulate 256:8

accuracy 225:9

accurate 14:17 29:1,12 34:20 65:23,25 101:7 124:18 207:14

accurately 185:25

acknowledges 39:9 40:15

acquire 42:1

acquired 109:9,11

acquiring 109:10 130:3 157:17

Act 227:16

acted 181:15 260:8

action 56:19 161:2 169:20,23 196:11 208:18 259:20

activities 23:14 94:11 162:11,23 196:5,8 198:18 208:10

activity 258:14

actual 11:23 81:10 86:16 194:4 197:1 224:7 244:5 267:7

actuality 86:3

add 15:17 16:6 23:12 40:23 45:4 46:1 51:21,25 54:24 61:5 107:7 110:17 113:8 171:23 223:19 235:20,21 236:3,11 238:14 239:10 240:5 241:12 248:1

add-back 57:24

add-on 106:15 107:3

added 16:9 49:7 50:14 56:24 86:11,17,21 154:2 189:21 204:3 252:12,14,16

addition 21:20 36:13 122:24 168:21 181:25 242:21 256:2

additional 10:21 31:18 34:21 39:17 45:5 61:21 94:16 145:17 187:16,19 215:18 216:7,8,10 245:9 264:7

Additionally 24:15

address 42:8 73:9 74:22 96:1 136:20 150:16,19 199:21

addressed 53:19 112:7,8 172:6

addresses 267:11

addressing 158:16 266:2

adduced 172:19

adjust 36:24 37:1 65:4 185:16

adjusted 24:5 25:10 26:25 65:6 78:16 125:11 151:11,14 163:25

adjusting 63:24

adjustment 31:2 33:15 34:11 45:7 46:6,17 47:25 48:9,16,17 49:9 63:12,15,23 65:16,23 67:12 68:3,7,9,15 71:8,16 72:6,7,10 81:2 84:7,9 152:2 158:5,6,16 190:22,23 257:18

adjustments 23:11 24:4 44:16 46:3,5 49:3 51:10 66:20 67:16 145:18 151:15 171:11

administer 6:11

administration 7:4,6 142:23

administrator 96:20

admitted 5:5 52:14

adopted 142:4

adopting 146:25

ads 209:25

advancement 162:12

advantage 177:13

advertising 51:24 183:7

advice 105:4

advocacy 104:7 105:10 196:19

advocate 162:16 195:17 268:19 272:18

advocating 161:3,25

affairs 25:5

afraid 138:3

afternoon 77:8 138:19 217:20,21 228:14 234:8 236:23 246:5,7

age 132:14 133:9 134:22 224:19 226:9 239:22

agendas 161:8

agent 88:3 229:6,8

aggregate 155:4 186:1,4 187:9, 18 203:15 204:7

aggressively 162:16

agree 17:7 33:19,24 40:1,9,20 123:4 130:5,6 132:2 133:3 148:15 177:1,21 178:25 188:13,15 192:23 194:16,21,25 195:2 196:18 197:5 198:24 200:11 213:24 214:11 216:17 229:23,24 235:17 236:9 238:12 240:3 257:5 264:15 270:25

agreed 34:9 142:3 190:19 206:19 213:13

agreement 193:22 194:3 220:22 233:7

ahead 7:2 13:5 35:23 183:19 194:14 230:10 241:1 250:12 254:7

ahold 223:7

AICPA 95:15,20

aimed 161:3

albeit 71:10

align 161:6

all-age 132:12,15,21 133:1 134:22 135:10 226:9 232:11 239:13,17 258:17 260:18

all-ages 229:1,5,13,17 260:23

all-page 236:6

allocate 67:20 68:8 94:5 246:17

allocated 14:14 99:6 100:22,23 101:5,10 111:17 120:18,21 124:20 255:14

allocating 14:4,13,16,17 15:5 79:8 121:22

allocation 9:2 67:22 68:1,7 121:20,25 122:5 124:21 154:9 156:14,15,20 157:21 203:7

allocations 67:19

allowable 31:24 34:1 57:13 93:20 94:8 173:24 199:20 204:18

allowed 22:6 64:15 78:23 80:10 122:22 148:2 191:5 197:15 259:13

allowing 35:19 265:6,14 270:5

alluded 99:24

alter 272:23

alternate 182:1,5

alternative 27:21 174:24

Amazon 72:21

Amberwood 90:20

amend 141:24 209:14

amended 181:9 226:6 253:13

amendments 142:2,12,13

American 95:14

amortization 30:5 35:13 36:1 147:5

amortize 256:8

amortized 152:20 168:13

amount 14:12 21:22 22:6 28:16 31:18 34:23 39:7 42:2 48:3 49:22, 24 50:11 58:5 60:23,24,25 63:10 64:19 69:15 73:13 77:4,5,6,12 78:13 81:3,8 82:6,25 84:3 86:7,8, 11,15,21 87:10 113:18 122:21 124:19,20 151:2 154:16,18 159:19 161:1 166:1,7 170:10,21, 25 172:7 175:21 177:12 182:5 191:4 202:1 215:20 248:7 259:8 263:18 266:6

amounted 211:17

amounts 39:15,17 54:17 61:6 71:12 120:20,21 145:17 154:25 174:3 264:8

analogy 95:19

analyses 30:9 52:2 72:9

analysis 7:18 9:21 18:6 24:22 30:12 36:15,16,17,18 37:9,10 38:21 39:8 41:2,4,5,9 42:19,25 43:15,16 44:1,19 45:2,6,19 47:13, 20 49:1,14 52:20 53:12,14,21 56:21 57:18,25 58:7,10 60:8 62:22 64:25 73:5 78:15 82:13 83:23 85:1,7 93:2 144:14,17,24 149:24 150:16 151:20 152:8,23 155:14 174:25 175:22 177:23,25 178:2 180:24,25 185:22 212:18 254:4

analyst 7:8,9 140:25

analysts 210:22

analytical 213:1

analyze 7:20 152:7 213:5

analyzed 18:19,24 140:6,9

analyzing 19:5 20:11 37:2 150:13 206:16

ancient 166:21

and/or 46:23

Angeles-long 9:18

annual 10:17 11:16 26:18 126:18 145:18 160:7,14 170:24

annually 243:25

anomalies 63:24 71:8 163:22 179:14 185:16

anomaly 65:3,18 71:9,16,21,25 151:6,12 152:4 153:8 154:7 158:14,15 166:8,15 256:21

answering 258:24

answers 108:7 149:9 150:10 188:23 225:17 274:20

anticipate 156:2

anticipated 119:15

anymore 31:2 98:18 168:16 222:17 224:21

Apartment 207:6

apologies 103:4

apologize 20:15 103:5,11 115:11 126:7 134:15 163:8 202:20 225:13 253:23 260:12

apparent 185:9

apparently 87:2,12 186:18 221:6

appeal 143:6

appealed 181:8

appeared 56:6,13 158:20

appears 130:3 142:15 152:10 158:14 162:4 198:17 203:4

appendix 139:17

applicable 22:15

applicant 130:4 166:24

applicants 168:12

application 18:14 80:22 143:14, 17 150:20 151:5 152:15 165:13, 22 167:17 168:13,17 180:24 181:25 206:11 220:21 272:20

applications 140:5,9 197:15

applied 122:18 146:12

applies 148:11

apply 8:1 10:24 13:16 37:6 68:16 78:17 150:16 181:23 197:11 212:25 268:8,10

applying 47:13 59:14 175:21

appointed 40:12

appointment 249:3

apportion 124:5 158:9

apportioned 115:23 116:11,18 125:10,25 127:4 128:13 129:6,9 156:3 163:25 242:8

apportionment 121:20 124:2 125:12 156:1,8,20 242:15 266:6, 8,11

apportions 242:14

appraisal 179:10

appreciated 268:21

appreciation 183:12

approach 178:4 269:7

approaches 174:24

approve 146:19

approving 98:19

approximate 140:4

approximately 110:19 129:6 164:3 202:4 213:18

approximation 50:4

April 8:24 9:15 21:11 26:15 27:11 28:24 72:19 98:25 126:15 128:25 129:1 218:18,20 221:1 250:16,17 251:8 254:13

arbitration 263:11 269:2

arbitrations 7:15

arbitrator 5:2,14 6:3,9 11:20 12:2,7,10,15,17,24 13:4,24 14:22 15:7,16,20,25 16:3,10,18,22 17:8 18:4 19:6,15,19 20:8,16 21:18 22:8 24:6,21 25:14,20 28:1,10,15

29:14 31:18,23 32:4,8,20,25 33:5, 19 34:3,7,25 35:8 36:7 39:1,12,14 40:10,17,20 41:18,20 46:3 47:2,5, 7,10,17,22 49:10 50:5,13,23,25 51:7 52:3 58:16,20,24 61:5 62:3 63:19 72:11,23 76:12,18,19 78:11 87:15 88:1,25 89:6,18,25 92:25 93:9,13,23 94:14,24 96:17,22,25 97:7,12,15,18,21 103:15,18,21 104:1,12,19,22 105:3,8 106:4,18, 23 107:5 108:1,12 109:7,25 110:4 113:11,22 114:19 118:12,16,21 125:7,16,21 128:10 129:11,23 130:20,23 134:7 135:23 136:13, 18 137:12,18,25 138:2,8,25 139:5,8 143:5 146:2,16 147:18 148:10 149:3,8,20 150:3,11 156:12 158:17 159:1,5,12 162:20 163:2,9 164:19 166:9,25 167:6,16 168:24 170:13,16 172:22 173:4, 11,14,15 174:12,19 175:7,14 176:2,6,19,21 178:6 180:8,16,19, 23 184:14 185:11 190:8 191:3,14, 20 192:5,20 194:6 196:21 197:3 198:17 199:5,16 201:2,7,11,14,16 204:16,22,25 205:6 206:18,23 210:4,24 213:7,24 214:4,8,13,18, 20 215:8 216:2,13,19 217:2,6,11, 18,22 225:8,16 228:9 232:8 233:25 234:3,8,11 236:15,17,23 237:2,5,8 240:10,12,15,18,21,24 243:22 244:3 245:8,19,23 246:2,5 248:6,13,16 249:8,13,16 252:7 255:19,22 257:4,22 258:5,10,11, 22 259:18 261:4,24 262:10,15,18, 24 264:7 266:25 267:16,19 268:2, 23 269:10 270:2,5,13 271:2,18,24 272:5,8,10,12 273:1,19,24 274:5, 9,16

arbitrators 40:7 168:11

area 91:2 173:8 263:14 265:1

areas 38:1 132:1 143:1 168:3 252:2

arguable 35:3

argue 33:22 34:8 40:21 64:13 93:5 149:12 263:4,12 264:17 265:25 266:12 268:12,16

argument 51:1 135:24 167:3 174:22 216:7,24,25 244:4 258:23 261:6 264:11,17,22,23 265:19 267:3 268:1 269:19

arguments 40:10 173:19 174:20 262:19,20 263:4 267:9 268:14,16, 20 269:4,16

arise 116:18 186:18

arm 196:12

arm's 42:10

arose 172:2

article 210:2

articles 209:13

as-needed 116:20

as-required 116:20

asks 113:12 139:1 172:22

assess 92:4

assessed 81:21

assessment 62:18 176:14

assessments 24:22

Assessor 21:12

asset 24:18 27:15 42:1,3 56:17 89:4,12,14 258:8 259:24

assets 24:17 37:24 170:12

assign 46:19

assignment 143:13

assistance 141:4,8 180:22 181:13

assistant 181:12 219:7

assists 120:4,6

Associates 99:11

association 73:24 150:6 241:22

associations 142:10 197:25 210:23

assume 58:24 92:10 162:10 199:7 210:15

assuming 46:18 76:19 127:3 273:21

assumption 85:2 114:1

assumptions 73:4 84:22

attach 273:4,15

attached 81:25 116:15 139:17 143:23 273:12

attachment 118:13 139:18 141:3,12 142:15

attempting 49:18,19

attend 73:23 160:8

attendance 107:4

attended 142:22 160:2,22 161:15

attention 32:10 68:20 190:18

attorney 34:4 104:14

attorneys 108:7 136:9

attributable 49:4 101:5 125:3

attributed 242:16

audio 139:4 154:13

audit 72:24 111:2

auditor 7:10 73:6

auditors 73:2

audits 73:1,2

August 11:12 13:12 86:23 128:1

Author 214:24

authority 116:2 184:1,2,7,23 200:25

authorize 193:9

authorized 215:20

authorizes 180:4

Auto 253:3 254:22

automatic 10:14,15 11:3 13:20, 23,25 14:3,18,25 15:4,11,13,17, 23 16:23,25 17:2,3,4 19:11 20:2, 6,14,23 21:24 39:13,24 49:16 61:12 81:22

average 13:8,10,15,19 44:11 64:23,24 86:18,25 87:2,5 158:8

averages 150:14

awaiting 168:16

award 13:24 39:15,16,22 40:18 264:7

awarded 22:11 48:10

aware 67:4 75:3,6 78:10 95:9 99:1 145:19 185:14 188:6 196:2,7 198:25 201:21 202:9 218:20,23 220:16 222:11 228:22,25 230:21

B

B-R-I-A-N 6:22

bachelor's 7:3

back 8:16 12:11 21:16 22:4,11,12 26:20 31:7 36:10 37:21 47:18 48:15 56:24 68:20 80:1 87:9 88:23 93:14 96:23 97:18 110:8 115:17 119:17 124:11 128:20 134:7 176:3 183:21 189:21 191:7 201:16 215:22 220:15 223:11,17, 18 240:22 249:3 252:14,16 253:4

backed 38:8

background 6:25 99:9 108:3

bad 46:24 84:23 85:4 179:4 201:20 234:11 237:2

balance 8:25 27:15 35:16 57:10 186:10 187:3

bank 252:21

banks 178:15

Barbara 7:21 16:15 78:3,5 80:6 121:2 132:4,8 148:6 164:5 172:12 184:8 226:20 227:7,12

Barilone 228:17

base 9:18 18:21 86:12,13 119:1 151:4,5 185:16 206:16

based 8:3 11:25 19:11,24,25 30:20 35:11 39:2 43:19,21 44:12 45:6 50:12 57:18 60:8 61:11 65:17 67:20 72:9 73:4,6 79:14 81:15 85:21 86:15,16,24 91:19 96:9 102:16,22 104:3 129:9 151:11,15 152:3 153:5 157:21 161:19 169:12,13 172:18 174:23 175:25 177:15 182:2 215:16 216:24 221:12 225:14 230:7 231:21,23 255:25 267:7 272:18

basic 133:1

basically 14:14 16:6 17:16 22:21,22 25:21 26:24 34:10 37:25 42:14 43:9,15 45:9 49:4 50:10 59:11 63:24 69:25 78:25 94:17 100:18 101:4,5 107:17 111:14 120:4 123:12 135:1,8 139:20 154:17 158:12 169:2 173:24 180:14 185:23 186:9 190:21,24 197:9 204:5 227:25 254:10,25 255:3

basing 192:3,10

basis 34:22 81:24 100:24 101:6, 10 116:20 149:13 156:5 167:9 185:16 194:11 195:25 196:4 198:11,16 209:12 210:21 212:14, 15 213:11,13,20 257:21

Bates 118:7

battle 227:12

Beach-anaheim 9:19

Beagle 119:22,24 120:1 122:2 127:5 155:9 219:4

Beagle's 119:5 156:15

Beagles 99:17 115:8 245:22 246:3,6,9 248:6,14,22 249:10,11, 12

bear 101:8 121:5 122:5 125:4 127:10 149:6

Beard 133:20

beast 136:9

beat 241:13 256:5

beg 39:16

begin 6:11 98:23 117:19 155:17

beginning 51:1 101:15 104:3 124:13 126:15 219:19 220:5

begins 88:21 117:17,18

behalf 60:16 139:12

belief 67:22 77:4 130:12 263:10

believed 49:20 156:19

belong 95:14 113:23

belonging 113:17

belongs 75:5 89:4

beneficiary 168:2

benefit 74:24 75:1 95:10 118:18 147:16,23,24,25 149:11,21,23 150:7 152:21 162:13 165:14 182:24 183:1,4,10,14 195:5 197:22 198:1,3,9,15,18,20,21 200:16 201:1 261:14,20 262:1,2 265:11

benefits 74:17 147:21 149:14,17, 21 164:5 183:24 198:12 254:21

benefitted 94:12 95:7 148:1

benefitting 197:11 262:5

big 21:8 53:24,25 54:17,21 109:9 129:2 157:10 177:14 252:18

bigger 34:14 54:25 128:8 243:5

biggest 54:14

bike 238:18,20 239:4

bill 102:23 103:12 107:20,21,22 134:14,16

billed 107:17 111:12 133:15 242:17

billing 80:15,17,24 105:21 168:8

billings 80:21 81:16 133:24 169:3

bills 35:6

birthday 272:7,8

bit 6:1 8:21 26:24 44:8 52:21 53:14 64:7 72:4 81:3 83:25 99:8, 24 101:25 122:19 138:3,9 144:2 185:10 213:8 216:19 233:15 247:25 250:16 255:16 269:12

bite-size 14:24

biweekly 122:20

blind 136:22

blown 63:7

board 79:7 106:25 226:20

body 141:23 181:6

boil 14:23

bold 16:6,8 174:17

Bond 38:5

bookkeepers 111:23

bookkeeping 89:23

bookmark 34:8

bookmarks 273:14

books 23:10 24:3 25:20 26:14 32:22 69:20 70:9 76:24 89:13,14

borne 76:3

bottom 26:2 84:22 117:7,20 118:25 137:1 141:14

bought 70:22 89:12 109:18,22 110:8,10

Bowden 96:22 262:18,23 269:7, 9 273:16,18 274:1,24

box 16:7

break 6:1,4 58:17,23 97:4,5,6,8, 9,10,13,20 102:23 104:7 137:19, 21 138:1,10 165:5 201:8,15

breaks 110:25

Brian 6:8,14,22 13:9 16:12 17:10 33:9,18 35:23 40:23 42:8 50:17 51:11 137:6 249:20 253:10 255:24 261:10

briefing 216:1,7,15

briefly 6:24 10:13 83:24 91:2 92:21 142:19 170:1 176:23 225:9 232:8 234:6 248:21

briefs 245:1 270:16 273:3

bring 18:12 46:17 131:22 216:8 250:7

bringing 190:18

brings 57:15

British 237:2,6

broad 29:16,19 64:19

broader 41:19

broken 101:23 102:24 103:12 104:5,9 114:15

broker 27:10 87:25 88:1,6

brought 30:18 109:12 132:22 257:17

Bruce 5:18 96:19 99:23 115:19 117:10 118:10,11 119:16 126:8 127:15 192:22

buckets 14:19

bucks 128:4,5

budgets 98:21

Buena 121:7 122:8,18

building 221:23

builds 167:1

built 121:19 167:17,21 168:9,20

bulk 28:24 29:2 55:17 70:1 164:9

bunch 78:12 226:15 273:11

burden 166:23 271:4

buried 114:14

business 7:4,5 25:6 38:14,18 64:11 91:13,14,19,20,21 92:9 170:5,9 198:8 222:4

butt 117:4

buy 111:18,20,22

buyer 57:8

buying 5:19 111:6

C

Cal 7:5

calculate 8:2 11:9 13:18 23:6,22 38:24 46:20 59:25 62:23 77:16 78:22 81:15 86:8 144:18 158:8 206:14 224:3

calculated 10:7 53:10 60:7 66:12 81:9,11,12,19 82:25 86:16 88:9 168:10 188:18 192:19,21

calculating 87:5 189:12

calculation 10:19 13:22 18:16 19:3 20:5 21:16 22:17 23:17 26:5, 14,20,23 30:11,21 34:16 37:12 45:11 46:16 47:1,16 48:21 53:4, 13 58:13 59:14 61:1,2 62:22 66:6, 7 81:10 82:4,6,8,17,19,22,23,24 83:6,7,14,15 87:3 104:10 127:3 145:2 146:21 161:21 171:2,10 177:4 188:19 189:18 191:2 192:11 215:20 216:25

calculations 9:2 12:21,23 13:15 16:8 22:22 23:4 25:25 27:22 32:14 45:25 66:4 83:5,8,13,16 144:24 190:15,21

calendar 8:25 18:7 271:25 272:13

California 52:12,14 56:4 75:3,10, 21 91:13,14 112:15,16 160:12 243:1

call 6:6 63:16 66:6 67:17 75:25 82:12 83:7 101:24 104:8,24 106:15 107:24 111:21 136:24 137:5,16 153:24 165:4 220:10 222:15,16,19,20 223:3,6,7,8,10, 11,13,17 224:14 234:5,6 236:19 240:16 246:3 270:7

called 9:19 10:14 23:19 38:5 43:15 63:22,23 70:5,10 72:24 73:14 90:2 91:4,13 92:23 159:21 208:12,13 241:4 243:14 246:10 249:21 251:7,14 255:8

calling 210:9

calls 13:25 196:11 223:9

Camarillo 141:10

Cambria 121:7 224:1

cancellation 52:11

candidates 196:15

capacity 140:19 248:4

capital 10:21,22,23,25 145:12 147:4 148:22 167:25 261:17

capitalized 27:14 35:16 57:3,10 188:11,16 189:1 190:17

caps 26:1

capture 49:18,19

captured 26:8,10 57:9 79:3 118:3

car 221:17 233:18,21 239:4 248:25

card 111:7

career 73:7

careful 193:1

carefully 65:13 151:24

carriers 52:15

case 17:5,17,19,20 18:13,25 20:22,24 23:24 36:18,23,25 37:11 38:4 41:25 60:13 65:5,11 66:5,16, 22 70:14 76:20 79:2 85:15 94:7, 16 124:12 137:18 138:5 145:4,12 149:1 151:19 153:19 154:7 163:20 166:2 168:15 170:22 171:21 178:22 179:2,18 180:6 183:15,21 184:12 185:9 188:8,17 198:7 206:6,9,25 210:10 220:2 236:17 240:12 262:25 264:11 269:13 270:8

Case-by-case 198:11,16

cases 7:14 23:19,22 45:7 52:10 53:23,25 60:12,17,20 65:9 85:1 136:2 140:10 166:24 184:9,13,22, 25 185:2 200:18 256:16

casework 151:10

cash 110:23,24

casualty 52:9,18

catch 205:17 232:21

categories 66:25 70:11 102:24 117:19 155:5 198:18 212:7 250:19 252:9,10 255:2

categorized 251:22

category 32:18 56:6,13 65:9,12 67:4,13 68:4,21,23 69:9 70:25 71:2 72:6 73:9,11 77:11,20 78:1 79:21,24 80:2 81:2 83:19,25 85:17 87:18 100:17 102:8,10 112:3 117:20 119:20 124:7,9,19 127:2 128:23 130:14 131:10 150:16,20 151:23,24 153:4,8,10 155:2,16 157:8,11,23 159:14,15, 19 176:9 187:12 204:4 255:10

caused 31:20 85:8 94:11 130:13

causing 200:19

caution 158:13

caveat 153:18 215:22

ceiling 175:16,17

centered 74:21

cents 49:13 50:22 168:19 171:1,2 172:2 192:19 244:2 248:10

certified 7:7,8 95:15

CFO 7:12

chain 274:3

chair 182:16

challenge 40:11 169:16

challenged 174:4

challenging 39:20

change 21:9 31:8 34:15,20 37:5 66:2 112:21 120:24 121:2 128:17 132:14 153:21 155:21 172:5 186:4 187:10 226:8,12 232:16 254:18 260:6

changed 209:7 226:2 255:13 260:2,3,4,6,18

characterization 197:10

characterizing 208:1

charged 68:13 99:14 103:25

charges 110:18 160:17 252:21

charging 107:3 137:2

charity 24:15

chart 55:12 70:10 102:9 250:19

charted 111:9

check 43:25 44:9 74:4 122:1 125:5 212:24 214:22

checking 125:7

checks 221:15

children 239:19

choice 92:2

choices 170:8

chopped 224:21

chose 37:8 38:19 44:5 199:23

chosen 45:17

Cielo 7:20 8:2,24 9:5 68:13,14 76:21 89:1,9,11,19,25 90:1,11,16 98:14,17,23 118:17 122:8 123:6 124:19 125:3,6,12 129:7 130:4,20 132:25 134:10,16,17,18 139:12 143:15 172:24 173:11 189:17,23 218:11,15 231:8 234:24 237:22 242:10,16,17 244:22 246:23,24 247:14

Cielo-408 118:8,13

CIG 112:16

circumstances 152:1

cite 57:15 148:14 184:7

citizens 169:17

city 91:20 121:16 140:14 141:10, 22,24 142:4 161:5 181:5,20 182:17,20,22 210:20

city's 141:24

civil 104:20 210:18

civilized 274:23

claim 165:15 256:16

claimant 273:12

claimed 147:3

claims 243:11

clarification 142:8 165:9 259:25

clarified 82:11

clarify 17:25 21:8,19 68:12 92:18 102:17 113:14 115:16 125:8 129:22 163:13 186:14 197:2 214:5 241:17 251:2

clarifying 128:10 261:3

clarity 245:18

classed 114:13

classes 74:21 106:11

classic 82:13,14

classification 111:14 130:12 131:9,17 169:17

classify 131:14

clear 5:9 25:19 87:18 111:18 149:5 162:15 163:16 175:20 188:17 264:4 267:20

clicking 8:5

client 67:9

clients 72:3 95:17 110:2

close 36:10 60:15 140:7 186:1,19 209:21 216:4 263:7

closed 222:9 263:12 275:2

closer 133:11

closing 36:21 216:1,7,15,25 244:3,4 245:1,16,18 262:19,20 269:18 270:10

closings 269:23

clubhouse 168:5 183:6,10 219:23 221:25 222:1 233:7,15,21 235:22

clue 131:20

Code 104:21

codes 143:1 160:12

coffee 64:10,12,15,18,19 92:1,13 104:25

cogent 274:18

collect 225:25

collected 46:23,24 152:19 172:11 197:17

collection 38:16 143:3 172:1

collectively 110:11 137:21

collegial 274:22

Collier's 42:12

Colliers 9:16 38:4

column 24:2,3,4 25:20,24 26:3,4 43:20 46:6

combination 127:23

combine 70:7 126:19 154:19 212:7

combined 126:21,22 131:2 153:21 154:19 187:10 202:20,22 211:11 250:14,20,21

combining 203:9

comment 80:5,8 95:13 261:11 262:22,25

commentary 137:13

commenting 51:16

comments 261:5 262:14,19 268:17

commercial 88:6 148:24

commission 27:5,8,9 29:21 30:14 32:17,24 50:2,6 56:8,16,24 57:11,24 58:2 87:10,11,13,16,23, 24 88:17 89:8 143:2 160:15 175:4,9,23,24 176:9,15,18 177:6, 14 179:21 180:23 181:5,6 182:14, 17 188:2,5,18,24 189:21 190:17 193:20 253:17 254:3 264:20 265:4

committee 56:19 196:11 208:7, 11,13,18

committees 241:15

common 150:23 160:25 168:3 257:7

communication 225:20 226:18

communities 74:12 98:8 107:14,19 115:10 150:6 154:9 218:21 231:7 238:5

community 38:6 63:23 90:11,19, 20 134:22 147:17 149:11,18 160:11 162:14 182:18 199:20 224:24 226:14 232:11 243:2 247:14 248:25 262:2

comp 51:24 53:20 122:9,10,12, 14,16 123:21 212:17 254:21

companies 7:12 73:2

company 9:8 28:23 64:17 109:13,20 110:7 114:15 119:12 225:24 230:22,24,25 231:19

comparability 182:1

comparable 37:23,24

comparables 182:3

comparatively 45:8

compare 151:3 166:11 206:13 255:16

compared 71:13 82:25 153:1 184:6

comparing 47:14 57:24 65:11 150:21 199:9

comparison 126:10 151:4 152:23 167:5 200:4 206:16

compensation 119:12 123:2

complaint 232:6

complaints 226:17 243:12

completed 143:24 210:10

completely 40:9 70:21 185:20

compliance 133:19 215:1,5 227:24

comply 104:23 260:2

component 10:18,20 13:22 14:1 50:15 75:25 99:20 105:10 182:4 186:15 202:14 203:1,3 205:22 212:4 266:18

components 10:13,21 11:4 15:22 17:3 18:10

comprised 72:14

computer 5:20 189:23 252:25

computers 70:22

conceding 260:21

concept 37:22 59:20 71:18 152:7

conceptual 19:9

conceptually 78:17,18 259:19

concern 266:2,13

concerned 219:16 263:25 265:6, 14

concerns 74:23

conclude 65:15

concluded 72:7,9 81:6 275:3

concluding 213:10

conclusion 34:5 125:17 153:7, 15,16 156:22 158:18 170:21 213:8 215:19

conclusions 43:7 199:11

conduct 181:7

conducted 181:10

conference 74:20 209:1

conferences 73:23 160:22 161:8 208:7 209:4

confident 82:8

confirm 93:7 135:10

confirmed 82:11,16 144:13 155:21 156:21

confirming 82:24

conformance 132:23 135:15,22

conforms 135:21

confuse 206:22,23

confused 18:10 20:15 62:9 106:4 206:19,21 266:9

confuses 206:4

confusing 19:8 207:8

confusingly 16:19,21

conglomerate 109:10

conjunction 153:19

connection 5:10 29:18 59:11 173:9 236:6

conservative 44:8

considerable 161:1

consideration 146:7

considered 23:13 27:16 30:7 46:13 72:5 81:1 136:11 148:25 152:16 155:24 165:20 179:20 205:3 251:25

consisted 142:20

consistent 30:9 80:16

constant 165:1 166:1,5 210:21

constantly 238:19

constitutional 268:3

constitutionally 39:10 41:7

consultant 27:10

consumer 9:17 10:17

contact 220:2

contacted 222:25

contained 87:3

contemplate 19:3

contention 265:2

contentious 265:20 267:11

context 36:18 63:4 109:8 143:17 146:11 206:1

continue 64:14 79:10 136:5 256:21

contours 174:8

contract 194:4

contribution 56:18 162:25 197:1 208:22,24

contributions 196:20

control 7:15,18 17:22 20:19 41:2 84:24 85:5 86:14 107:24 108:2,6, 9,13 161:6 198:25 207:21 209:22 210:16 260:16,24

controller 7:11

controversy 147:12

converted 132:11,12 251:5

convinced 263:22

convincing 265:22 268:13

cool 119:16

copy 190:6 239:25

corporate 25:4

corporation 76:14 89:2

correct 12:6,9 13:15,16 17:6 22:2 23:2,4 25:17 26:1 27:3 29:24,25 30:4 31:10,13,14,22 33:4,7 34:17 39:4,5 41:16 45:22 46:13,14 47:21 49:14 53:2 55:15, 16 59:12,13 61:3,7,13,17,25 66:12,17 68:23,24 69:1 72:6 73:25 82:13,21 84:11,12,20,24,25 85:18 87:4 88:13,14,22 91:11 98:9,21 100:15,21,22 102:8 104:24 106:20 107:18 109:14,15 115:8,9 116:13,14 120:2,22 121:18 124:6,21 125:3 126:12 127:4 131:6,11 132:8 133:1,3,7 134:8,12 139:15,18 140:12,15,16 141:5,13 144:4,11,18,22,23 148:8 153:2 154:5,22 156:16 157:12 169:18 171:7,8 173:15 179:17 180:13 183:2 184:11 187:25 193:2,13 194:23 195:6,7,12,23,24 197:12,23 198:2 202:23 204:21, 23 207:2,3 208:2 212:15 213:13 214:1 218:18 219:13 222:23,24 225:6,13 234:25 235:1,9,12 238:6 246:3 249:6

corrected 156:13 225:14

correctly 110:1 134:8 173:23 262:2

correspond 18:18

correspondence 143:23

cost 10:18,20 11:3,4 14:2,16,21 17:14,15,17,18,21 18:14 20:12,18 22:6 25:6 27:14 30:8 36:19,24 43:16,18 57:10 75:16,17 127:16 143:3 147:15,17,21,23 148:9,17, 24 149:7 156:3 160:16 164:18 167:23 168:5,13,17 169:19 170:10,12 174:17 187:17,19,20, 22,23 190:25 202:7,8 204:2,4,5,7, 9 243:2 257:7,10 258:3,5,6 259:9

costs 15:2 18:6 19:12,13,20 20:3, 21 21:2,8 22:4,11 23:7 26:18 29:12 36:21 42:5 43:19 57:9 61:7, 11,15,16,19,21,23 62:4,6,24 66:10 71:7 75:18 105:21 112:14 127:14 129:3 145:19,22,23 146:3, 13,19 155:6 167:20 168:1 174:3, 16

council 141:24 142:4 182:20,22

councils 161:5

counsel 79:6 107:20 164:9 167:1 244:3 261:5 263:2 269:14

counsels 133:17

count 129:9 146:20

counter 161:11 162:4

countering 162:1

counting 20:25

country 109:11

county 21:12 57:4 81:17 91:21 121:1,2 132:11 133:6 135:19 141:10,13,16 148:6 161:5 164:5 169:12 172:12 184:8 199:17,19 200:1,4 227:7,13 228:4 243:10,13 257:25 260:1,3,8,10 263:25

couple 70:22 86:1,20 90:8 110:12 146:22 158:10 165:10 179:8 182:24 193:1 199:2 209:7 211:16 224:4 251:11

court 6:21 8:8 40:11 58:17 97:12 98:4 163:14 184:5 201:7 268:9 269:10 275:1

courts 257:9

cover 14:21 15:2 20:3 42:5 44:15 61:6 106:19 145:18 243:7 259:16

coverages 112:17

covered 19:21 51:11 96:2

covering 18:8

covers 18:23 27:2 116:12

CPA 60:3 95:18

CPAS 95:16,17

CPI 9:19 11:9,10,13,14,17,21,25 12:5,19 13:1,17 14:5,6,11,15 15:1,13 18:5,15,17 19:4,11,21 20:2,6,9 36:25 87:1,6 170:24

crazy 108:20

create 35:21 70:6 151:23

created 43:8

creates 33:1

credit 38:8 84:2 111:7 122:17,18, 19,20

credits 142:24

criteria 104:4 124:1

cross-examination 59:3 95:13 178:9 228:11 244:14 248:18

cross-examine 216:10

crushed 138:3

cup 64:14

curious 167:2

current 17:18 28:22 62:7 65:11 70:2,13 128:12 159:7 167:5 169:19 255:1

cut 15:7 127:14,16 129:3 210:4

cutting 15:5

CV 210:11

D

d'etre 163:10

D-A-V-I-E-S 98:7

D-E-W-E-E-S-E 218:10

damages 7:16

darn 103:10

data 115:16 125:23,24

date 18:22 19:1 37:1 38:9 114:3 197:18

dated 9:15,17 246:24

dates 274:9

Dave 220:11,12 222:20 238:21 239:8 247:11

David 219:1,2,6,7,21 221:8

Davies 97:23 98:6 103:18 113:14 119:7 120:19 124:8 125:19 126:4 127:3 128:11 130:2 134:20 136:17 137:14 156:21 158:19,24 159:3 164:21 224:16 240:20,21, 22,23 241:3 246:1,2 257:16

Davies' 244:11

Davis 97:21 115:4

day 108:8 113:7 217:9 246:25 247:9,10,12,13 272:11 273:22

day-to-day 98:16 134:5

days 109:23 233:16,20 238:19,20 268:25 269:6 270:4,7,9,11 271:4, 7,8,11 272:15,16

de 47:3 162:15 163:7,9 241:16

deadlines 272:23

deal 113:6 117:4 205:14 249:2

dealing 12:5 21:22 132:10

deals 241:19

dealt 210:20

death 241:13

debatable 258:9

debt 46:24 84:23 85:4

decades 142:21

December 8:24 9:1 78:2

decide 65:22 76:9 111:15 232:19

decided 25:4 184:4

deciding 165:20

decimals 193:1

decision 102:19 111:1 168:17 181:1 203:5 268:25

decisionmaking 268:7

decisions 111:24 168:11 181:8 184:3 267:25

declare 274:25 275:2

decrease 51:23 55:2,8 101:13 153:20 172:3 185:24 191:4 211:13 212:22

decreased 53:17,18 54:2,19 55:5

decreases 54:13 55:10 70:20 211:5,14,24

dedicated 93:18 161:24 207:12 209:22

deduct 46:22

deductible 241:23

deducting 21:20

deed 90:9 130:3 231:13,15 232:1 256:5

deem 176:13 273:7

deeper 57:5 129:18

defeating 210:16

defend 165:18

defending 198:6

defer 33:21 34:5 191:16

define 63:2 64:16 147:1 149:14 174:8

defined 10:22 64:7 148:12 149:10

defines 146:12 269:1

definite 61:15,17,19,24 62:2,18 145:24

definition 71:3 145:21 179:25 192:17 194:18 200:16 256:25

deflated 81:21

degree 7:3

Del 7:20 8:2,24 9:5 68:13,14 76:21 89:1,9,11,19,25 90:1,11,16 98:14,17,23 118:8,13,17 122:8 123:6 124:19 125:3,6,12 129:7 130:4,20 132:25 134:10,16,17,18 139:12 143:15 172:24 173:11 189:17,23 218:11,15 231:8 234:24 237:22 242:10,16,17 244:22 246:23,24 247:14

delayed 166:23

demanding 247:14

demonstrate 166:23

department 107:17 160:11

depending 66:1 183:8 213:15

depends 147:13 194:10 248:24

Depot 72:21 111:21

depreciation 30:2,5 35:13 36:1

derived 260:15

derives 159:20

Derrick 107:24,25 146:10 173:9 205:24 241:14 255:17

describe 10:13 133:23 135:20 139:20 142:19 160:4

describes 46:8 177:2

describing 29:13

deserve 226:16

designed 162:11

desire 151:23

detail 11:8 45:10 65:1,22 66:3 69:14,24 71:21 72:12,19 73:3 77:20 80:17 85:25 115:7 119:2 142:16 164:3 250:23,25 255:7

detailed 70:3 96:10 212:20

details 80:20 87:14,21 141:12

detainer 259:19

detect 237:3

determinative 82:18

determine 66:3 145:1 150:1 151:7 157:24 174:17

determined 212:18

determining 29:15

developers 74:12

development 160:11

devotes 161:1

Deweese 217:16,19,20,21 218:1, 9 228:14,15,16 234:4 235:11 238:9 243:9 247:3 256:18

Deweese's 232:17 236:5 239:12 240:2

differ 196:16

difference 11:15 17:20 31:5 33:1 37:15 48:2 50:24 89:7 127:8 154:4,20 166:3 190:25 191:2 194:5 216:6 259:19

differently 131:11 156:13 196:24

differs 82:6

difficult 274:19

Dilday 5:12,18 6:6,8,11,20 8:6,13 12:14,16 13:5,8,13 16:1,5,11,21 17:9 19:18 22:20 25:18 27:21 28:20 31:25 32:6,13,16 33:8,14, 22 34:6,7,9 35:10 36:8 39:6,25 40:14,22 42:7 48:11 49:17 50:10, 17,21 51:6,8 58:15 69:16 79:6,14 90:14,22 93:14 94:25 95:1,5 96:16,19 97:4,6,9 98:3 103:16,23 105:13 106:21 107:6,14 108:22 110:15 113:10 114:11 117:9,12, 15,16,21,25 118:5,9,15,19 126:8, 11,15,21 127:20 130:19,24 133:12 136:18,19 137:1,15,16,22, 23 142:5 153:10,13 163:1,4,15 168:15 169:4 170:14,15 172:22, 25 173:2,6,10,13,16 175:1,20 176:5 178:6,7,11 180:13,17,20 185:13 190:5,10,13 191:12,16,22 192:7,21 193:4 194:12 196:17 197:3,4 198:24 199:13 200:6 201:3,10,17,18 205:12 206:21,24 210:7,14 211:3,4 212:23 214:22, 23 215:7 216:17 228:9,13 232:20 233:24 236:15,16 240:10,11,15, 17,20 241:1,9 245:20,22,25 246:4,15 248:12 249:8,10,15,18 250:3 253:9 255:17,21,23 257:5 259:25 260:20 261:2,3,8,10 262:8,9,15,17 267:14,18 268:21 269:18,25 270:3,11,25 271:4,23, 25 272:3,7,9,11,25 274:2,6,13,14, 16

Dilday's 133:15

diligence 188:4 274:21

diligent 267:4

dips 259:11

DIRECT 6:18 98:1 138:16 218:5 234:18 237:16 241:7 246:13 250:1

direction 181:14

directly 92:7 95:10 242:16 243:12 273:25

director 7:11 181:12

disagree 39:6 85:19 92:8 146:9

disagreement 12:4 13:2

disallow 214:8

disallowed 189:10 191:6 242:3 259:12

disappear 168:20

disappears 168:7

disaster 113:3

disclosure 229:2

discounted 106:14

discrepancy 151:16

discretion 39:15,16 40:18 170:25 264:7,12,13 267:15 270:21

discuss 25:5 53:15 60:11 216:3, 6 255:25

discussed 13:1 69:12 88:17 146:3 161:14 171:6 250:13 256:1 265:3 266:4

discusses 55:11 159:19

discussing 87:16

discussion 59:18 68:22 124:24 150:4 160:23 261:13 262:20

discussions 27:21

disposal 137:20

dispute 142:24

distance 157:1 158:20

distinction 73:1 176:19 258:18 260:9

distrust 71:22

disturbance 200:19

divide 17:21 20:19 37:17

divided 11:16 128:5 191:12,13 193:3

divisions 160:15

document 104:17 118:24 189:15

documented 55:23

documents 5:11 8:19 9:20,22,24 42:13 44:18 87:19 104:15 118:3 133:19 143:20 215:18 219:24

dollar 50:8,14 54:24 55:3 75:20 168:5 170:9,21 171:25 203:15,16 244:5 253:8

dollar-for-dollar 167:20

dollars 7:13 28:13 43:20 53:24, 25 54:8,11 55:6,7 72:2 154:16 165:21 169:11 191:5,8 192:25 193:2 211:17 255:10 257:8,10 265:15

donation 24:15 241:20

donations 104:8 105:11

door 222:6,9 235:24 238:17

doors 221:18

double 15:2 20:25 21:25 41:25

double-dipping 21:17 48:8

doubling 15:4,9,11

doubt 80:25 172:14

downhill 226:1

dozen 60:15 77:22

dozens 140:7

drafted 19:8 181:2

dramatically 69:15

draw 32:9 95:19 199:11

drawing 18:11

drawn 273:6

drill 69:13

drink 64:14

drinking 265:22

drive 42:5 221:17 248:25

driver's 239:24

drop 129:2

dropped 221:15

drove 32:12 245:4,5 246:18

due 46:11 83:18 84:1 105:25 188:4 273:23

dues 73:10 76:20 95:20 113:16 114:11 159:14 195:9 208:20 212:20 241:21 253:7

DULY 6:15 97:24 138:13 218:2 234:15 237:13 246:11

duplication 19:10

duties 67:7

E

E-I-D 6:23

earlier 55:13 60:7 87:10,16 88:11 96:21 146:3 150:4 154:8 155:8 182:22 186:7 191:23 205:17 213:12 250:13 267:15 269:11 274:11

earn 38:25 40:15

earning 37:23 38:22 41:12 44:3, 4,10

easier 108:16 250:11 273:4,15

easily 205:4

easy 108:14

eat 272:15

economic 7:16

economics 38:7

educate 241:24

educated 111:23

education 142:16 210:10

educational 162:12

effect 164:22

effective 21:5 84:16 243:2

effectively 15:8

efficient 94:3 127:19 158:22

efficiently 129:4,12

efforts 105:11 161:12 162:2 207:18 209:13,14

Eid 6:8,9,10,14,22 19:7,17 33:19 34:17 59:6 62:21 71:5 73:10 77:4 78:11 87:21 89:7 91:8 97:1 105:14,20 125:9,23 137:6 139:2 144:13 156:3,18 164:21 175:20 177:19,23 190:14 191:16 192:24 208:22 211:19 249:15,16,20 262:6 266:1,7

Eid's 101:12 102:14 118:13 121:17 125:10 126:5 128:13 143:21 152:22 162:21 172:24 176:25 187:6 188:9,23 189:16 192:11 196:21 265:21,24

eight-month 158:7

eightfold 164:2

electing 161:4

elective 64:5 76:8 259:22

electricity 35:5

electronic 273:22

element 187:5,17 266:9

elucidate 205:25

email 190:8 250:5 273:2,24

emailed 54:5

emails 113:7 253:25 254:6

emergencies 223:4

emergency 100:5 124:1 220:2, 12 223:5 243:14

emphasis 7:4,6

employed 67:5 98:8 156:10

employee 115:8,9,14 156:9,25 160:18

employees 38:15 64:12 67:5,14, 18 68:9 92:1,13,14 116:24 123:5 156:10

enacted 263:25

encompasses 269:3

encountered 16:14

end 5:11 20:13 37:2 43:8 52:24 142:1 167:11 202:9 216:6 247:14 263:11 269:5

Endeavoring 217:13

endorse 178:4 195:19,20,22

endorsed 142:3

ends 128:3 269:2

energy 161:1

enforces 160:12

engage 207:19

engagement 7:24 213:4

Enjoy 138:8

ensure 94:2 157:3

enter 224:11

enterprise 148:24

entertainment 160:14 253:5

entire 127:5 156:18 162:13 235:6 238:4

entires 71:14

entirety 214:9

entities 90:10,17 108:24 156:4 231:15,16,25

entitled 39:11 40:15 41:8 42:3 49:20,25 50:2,3,19,21 189:17 267:23

entity 73:14 74:17 89:1,3,5,12 91:14 92:3,4 159:21,23 258:6,13 265:13

entries 28:24 71:15 73:13 77:23 78:1,2,4 80:13 119:4,5 132:4 155:9 163:19 169:10 244:18

enure 162:13 183:4

enures 147:16 149:11 150:7 152:21

equating 63:19

equation 75:18

err 158:13

escrow 9:5,9 36:21 57:8

essence 72:5 83:25 84:2 159:6 169:22

essential 144:19

essentially 10:16 11:1 15:1,21, 22 22:11 36:17 37:25 43:19 75:12 154:14 164:21 181:12 206:12 259:15

established 157:14 232:15

estate 87:25 88:1,3 142:24 176:8 177:6 182:19 194:8 229:3,6,8

Ester 109:21

estimate 140:4,25

estimation 209:21

evaluate 18:17

evaluated 140:6

evaluating 10:4 143:16

evened 186:9

event 213:24

events 161:9 209:1

everybody's 121:15

everyone's 137:20

evicted 200:19

eviction 200:8,22 256:24 257:1 259:4,20

eviction-related 96:6

evictions 164:14 199:1,3 200:10, 13,20 256:13

evidence 57:22 61:6,15,16,18 79:12 158:4 169:9 216:8,9,11 225:10 245:9 256:20 263:7,8,12, 13 273:9

evidences 62:4

evidentiary 181:10 216:4

exact 38:23 60:23 86:21 202:1 232:17 255:14,15 259:4

examination 6:18 28:18 95:3 98:1 138:16 215:13 218:5 234:18 237:16 241:7 246:13 250:1

examine 65:12 79:21 143:14 144:25 151:24 163:19

EXAMINED 6:16 97:25 138:14 218:3 234:16 237:14 241:5 246:11 249:22

examples 41:23 165:10 179:8,13 183:16

exceeds 64:22

Excel 251:5

exception 22:25

exceptions 183:9

excess 10:20 11:4 14:10 16:25 17:2,4,14,15 18:14 20:12 21:23 22:5 52:12 61:11 174:17

exclude 30:11 35:14 50:2 105:15 147:5 162:7,8 164:14 169:25 177:6,8,9 178:1 197:7 199:7,8 200:12

excluded 26:6 27:4 29:22 31:1 32:14 49:4 105:14 147:2 164:13 169:15 177:4,11,24 178:3,13 183:14 207:10 208:22

excludes 30:2,10 199:1,6

excluding 35:5 96:12 164:11

exclusion 163:24 266:8

exclusions 147:7,9 171:11

exclusive 74:10

excuse 63:24 71:13 79:22 128:1 134:24

exhibit 10:11,12 12:14,15 23:8 30:23 33:11 36:13 41:10 46:6,7 48:16 61:2 62:23 66:5,12,15 68:23 77:12 81:12,19,25 82:16,21 84:13 86:10 87:3 126:5,9 152:24 172:24 173:2 187:6 189:16 190:21 192:12 251:25 253:16,17 255:12 262:11

exhibits 36:10 143:22,23 250:6 273:5,6,12,15

exist 91:7 155:23 203:3,20

existence 203:19

existing 86:12

expand 148:22

expanded 255:7

expansion 148:24

expect 37:7

expenditure 24:7 25:12 147:4 148:22 158:21 162:3 165:23 167:11,25 232:10

expenditures 10:21 135:25

expense 24:1,8,11,16,23,24 25:7 26:13,22 27:12,16,20,24,25 28:11 29:23 30:3,4,14 31:12,19,24 32:6, 10,11 33:12,13 35:15,17,25 36:2, 4 47:4,20 50:15 54:20 57:1,3 63:14 64:4,10,15,22,25 65:6,10, 18 70:19 76:3 78:15 79:4,8,14 80:10 87:12 88:12,16 91:8,18 92:6 93:20 94:8,19 95:21 111:4, 19 112:5 117:18,19 136:4,11 146:20 147:3,10,12 148:25 149:6, 20,24 150:9,16,20,23 151:2,11, 18,19 152:9,10,17,18 155:23 158:10 162:4,7 164:10,17 165:4, 11,20 166:23 167:16,21 170:3 175:9,25 176:11,12 177:7,20,24 180:10,11 183:1,8 184:15 186:14, 16,17,19,22 187:12 188:25 189:3, 4,6,7,9 190:18,20 191:24 192:2 193:6,7,8 194:16,22 195:1,5,23 197:16 199:18 201:1 203:4,12,16, 19,22 204:11,13 205:3 208:23 214:9 241:23 242:11 251:14 253:3 257:3 259:15 261:15,23 264:24 265:7,16

expensed 194:20

expenses 10:22,25 18:19 20:10 23:12,14,15,23 25:13 26:2,5,17 27:19 29:2,17,18,20 30:6 31:4,19 33:25 34:12 35:12 46:5 47:9,10 48:22,25 51:22 53:15,16 54:2,6 55:10,21 57:12 62:1,24 63:5,25 64:8 69:25 70:11,16 71:22 76:2 78:22 79:6 80:3,9,11 88:17 89:13 95:10 96:13 98:20 112:1 131:10 136:1,4 137:7 143:17 144:22,25 147:1 149:4 150:13,21,22 152:6, 14 153:1 155:1,24 163:24 164:8 165:4,6 166:14 167:6 169:21 171:11 172:18 176:7 177:3 179:7, 14,20,23 180:3,5 183:4 186:8,11, 24 189:12,13,14 191:6,9 192:3,9, 15 194:21 198:6 199:20 202:19 204:17 205:5 206:13 207:10 211:6,15 212:20 213:15 227:6 242:14,15,22 243:5 252:5 254:20 255:6,8,11 256:6,20,22,23 257:1 259:2,3,12,13 261:13 267:6

expensive 52:13 243:3,4 257:6

experience 52:19 64:23 76:24 96:10 139:21 146:19 153:23 161:19 177:5 180:21 196:15 212:18 223:20 238:15 242:24 270:17,20 272:18

experienced 182:8

experiencing 5:8

expert 5:1 7:14 60:9 139:12,24

140:10,24 178:12,18,20 179:3 181:15,18 207:1,4 216:14 262:13 273:10

expert's 112:8

expertise 148:4 205:23

experts 274:17

explain 13:6 46:4 49:23 104:3 186:8 187:4 205:25 206:6,7

explained 46:2 54:1 205:13,17 207:7

explaining 45:5

explains 44:19 173:17

explanation 65:24 151:9,16 154:11 265:21,24

explanations 169:8

explicit 146:24

explicitly 177:9

exploding 112:12

exploring 125:15

expressing 188:21

expressly 264:13

extends 197:15,16

extension 272:20

extent 41:20 75:15 128:14 133:4 162:1 164:9 165:3,4 198:8 243:20 263:16,18 265:17 266:18

extra 245:14 269:12 272:24

extraordinary 152:9 158:9 165:11

extreme 25:10 41:23 135:13

extremely 52:19

eye 273:4

F

F-1 32:1

F-I-S-H-E-R 237:21

face 28:7,8 39:21

faced 174:17

facility 133:1 227:23

fact 18:10 48:1 49:15 67:13 68:4 106:25 115:19 143:16 151:17 157:21 158:19 166:11 176:17 195:15 204:19 242:24 270:6

fact-based 150:8

facto 47:3 241:16

factor 41:20 158:17 172:4 175:17 188:4

factored 47:15 82:22 83:22 176:11

factoring 174:24

factors 29:14 32:1,2 40:2,4 88:21

facts 41:24

fair 7:17 14:22 15:2 16:13 23:18 36:14,18 37:22 39:8,11 40:16,17 41:2,4,8,12 51:6 57:25 58:4,10,11 59:12,13,15,18,22,25 60:3,13 66:4 79:2 81:1 83:1,5,20 88:6 105:20 116:22 133:19 134:1,3 139:22,25 180:25 181:15,17,24 182:2 184:19 197:6,21 202:7 211:9 242:1 256:11 264:1 268:2

fairly 29:15,19 65:25 80:16 147:19 155:15 165:1 166:1 201:8 232:14 261:5

fairness 59:20

faith 38:8

fall 176:9 267:12

falls 165:18 166:23 174:25 192:16

familiar 64:23 67:16 73:16 74:13 144:4 159:23 172:12 201:19 205:22 255:12

family 109:16,24 219:23 226:3

fast 17:23 30:16 44:17 90:14 99:1 253:10

fat 128:7 131:23

father 110:10,12

favor 169:19 173:19 226:12 232:16

February 29:3 70:2 128:24 251:8 271:14,21,22 274:10,11

federal 132:18,22 135:13,15,18, 21,22 227:18,22

fee 75:17 88:8 91:5,6,12,15,19 96:8 99:15 101:25 104:6 137:2,3 164:17 170:9 202:19 211:21 254:14

feel 33:20 134:21 227:11 239:18 266:24

feelings 243:19,21

feels 175:20

fees 29:18 51:20 53:21 54:13 57:9 77:10 78:1,3,17,19,24,25 79:1,3,11 89:21 96:3,4,6,8,11,13 99:22 101:14 102:13,21,22 103:25 106:18,24 107:1,2,8,11, 13,14,15,16,17 119:1 132:3 133:4,15 136:9 153:19,25 154:2 161:21 163:18,20 164:13,14,16, 22,25 165:1 166:13 170:2 185:22, 25 186:10,15,18 187:17,18 194:7, 9,20 197:5,6,14,20,21 198:1,3,5, 13 199:1 200:9,10,12,13 202:12, 20,21,25 203:2,9 212:8 253:4 254:9,10,11,16,17,22 256:8,11, 13,18,23 257:19,24 259:3,16 265:5,15

felt 35:2

Ferdinand 107:15 132:7 133:21 134:18

Fernando 100:14,15 101:22 111:6,8 116:6,7 123:7,8,10,11,14, 19,23 124:12 219:10 220:5 221:20,21,22 222:14,23,25 223:5, 6

Fernando's 124:19 127:5

field 139:21

figure 42:19 108:10 151:11 244:5

figured 25:12

figures 16:6 65:7 84:13,14 121:18 151:18,19

file 18:22 260:1 269:22

filed 133:6

filings 273:21

fill 183:7 220:21

final 16:7

finalizing 269:15

finally 147:14 170:1

finance 7:6,11 38:7 142:23,25

financial 7:9,10 9:20 52:20 60:9 73:1 171:20 178:24,25 182:19

financials 70:7 114:5 188:20

financing 43:17

find 65:2 81:10 117:21 118:15 136:23 151:12 159:8 205:24 222:17,18 243:1 250:24 253:18, 25 254:5 268:17,18 271:2 273:15

finding 169:9 243:2

findings 181:2

fine 40:1 103:15,16,19 156:6 170:16 176:19 179:12 234:10 270:12 273:5

finish 34:10 183:18 217:13 223:24

finished 173:8 214:22

firm 134:11

fiscal 18:18

Fisher 236:22,23 237:12,19,21 240:12

fixate 113:12

flack 229:10

flaw 166:10

fleshes 177:2

flipped 181:9

flipping 127:12

floor 174:15

focus 102:11 105:6,7 133:19 143:1,4 145:21 161:9 208:2,6,24, 25 263:3 268:19

focused 60:5 75:16 145:13

focussing 66:10

follow 40:7 176:24 206:14

follow-up 241:10

Force 141:22

forensics 7:9

forget 100:13

forgetting 243:8 267:12 273:17

forgot 103:22

form 92:3,15 168:18 242:19 245:18 259:3 262:20

formalized 132:17,19

formally 156:24

format 269:21

formatting 273:3

forming 8:19

forms 136:5

formula 10:5 14:13 16:13,14 17:11 18:11 20:23 23:3 26:9 31:7, 8 36:13 39:9 40:16,18 41:14 50:1, 12 58:1,12 60:5,8 75:15 93:6 144:3,4,7,10 193:2 215:21

formulate 263:3

forums 39:19

forward 171:9,13 265:8 274:22

found 56:2 68:1,6 87:5 160:18 203:16 207:8 210:9,17 213:12 265:21 274:4

fourth 64:14 121:8 244:18

framework 10:2 206:10,12 213:1 263:20

Franchise 91:6

frank 210:1

free 38:5,7,11,23 45:22 104:13 204:15

French 163:6,16 274:1,24

frequent 153:23

frequently 151:13 168:11 181:3 208:9 209:12

Friday 247:9,11,13 271:15,16

front 90:23 224:18 239:5 244:24

frustrating 113:6

full 6:4 38:8 44:6 49:24 57:18 58:10,11 60:23,25 63:9 68:12 70:6 81:21 109:16 126:19 129:1 130:23 158:5 237:20 245:6 271:7

full-time 99:5,6,7 127:21 242:20, 21

Fullerton 7:5

fully 20:4

function 195:15,17 196:1 208:4, 6

functionary 267:24

functions 160:2 220:15

fund 162:25 208:15 241:19,20

fundamental 166:10

future 20:10 146:6 168:10 172:15 257:11

G

gain 24:17 56:17

gardener/maintenance 219:11

gave 35:9 42:20 179:8 226:3

general 8:23 61:10,22 69:19,20 71:7,23 73:12 77:22,24 117:9,12 148:5 208:15 252:12 256:12,22 267:22

generally 41:1 57:11 65:14 183:8 232:15 256:11 261:19 263:11 267:3

generate 30:21 229:13 260:15

generated 54:4

generates 34:22

generating 37:14

gentleman 99:10 100:2

get all 51:3

gist 167:14 210:6

give 24:6,25 35:4 41:22 45:1 91:1 101:2 108:6,7 110:16 112:17 115:17 117:15 130:19 152:14 155:13 173:6 183:20 199:19 201:5 212:23 232:3 240:23 245:14,16,17 253:22 263:5 264:5, 21 268:2

giving 268:17

GL 114:17

globally 22:21

good 6:10 18:12 46:14 59:6,9,10 94:3 107:22 112:17 114:2 116:2 123:22 138:6,19 201:10 210:22 217:9,20,21 222:18 228:14 234:8 236:23 242:12 246:5,7 252:11 262:3 267:1 269:7

Google 243:25

gosh 103:10 209:10

government's 161:12

grade 268:7

grand 113:4 122:10 125:1 127:22

grandfather 112:19

grant 90:9 130:3 231:13,15

granted 21:3

grants 170:24

granular 72:12 155:5

grasp 108:15

gray 263:13

great 12:17 94:13 116:25 190:9 205:14

gross 46:17 47:24 84:3,5,8,19 85:20

ground 163:10

Group 112:16

GSMOL 210:23

guaranteed 213:23

guardian 269:8

guess 11:7 18:8 20:4 23:12 26:24 44:25 65:4 66:6 69:5 71:5 74:1 75:13 77:17 83:4,6 91:3,4 100:5,20 106:14 116:21 119:7 127:2 128:7 186:23 196:16,25 198:7 208:4 209:20 214:24 218:24 244:11,20 258:9 262:13 270:20

guessing 209:18

guidance 42:21 166:17

guide 43:25

guidelines 273:3

guy 100:11 119:17 126:6

guys 101:21 136:12 255:11 256:6 274:3

H

H-A-L-T-E-R 234:23

hair 124:22

half 13:23,24 14:2,14,16,19,20 15:5,8 20:13,23 44:3 109:17 110:1,3,4 124:11 137:7,23 252:20

Halter 234:7,8,14,21,23 247:6,23

halves 15:6,8,21

hand 217:23 234:12 237:10 259:20

handful 60:24

handing 93:14

handle 67:17 98:21 269:3

handled 94:20 133:18

handles 89:23

handling 133:20

hands 21:13 42:10

handy 120:23

hang 137:5 161:16 173:4

happen 70:6 79:11,13 152:11 203:13 214:6 243:22 248:6 257:2 259:10 272:22

happened 71:25 96:21 221:1

happening 8:5 96:4,9

happy 129:22 131:19 156:12 217:3 245:1,17 270:21

hard 52:6,16 65:20

hard-and-fast 65:21

harm 198:22

harmful 262:4

Harmony 89:3,4,8,11,14,18,22 90:3 98:8,23 102:18 103:24 104:2 107:14,18 109:12 110:18 115:9, 14 121:19 123:2 131:10 134:21 154:9,17 157:16 218:20 219:19, 25 220:23 223:8 224:22 225:4,10, 15 229:11,19,21,25 230:2,4,7,9, 11,16,17 231:1,5,7,16,19 232:6 235:7 238:5 250:21

Harmony's 76:21,24 102:16 110:1 224:25

hate 210:4

hazard 165:14

HDC 161:18

He'll 5:4

head 74:3 100:12

headed 141:20

heading 117:7,20 119:4 174:17

heads-up 5:15

hear 8:6 103:15,17,18,19 154:13 155:7,17 156:2,18 158:24 167:3 175:4 188:9,12,14 210:18 215:24 236:7 238:9 239:12

heard 102:14 105:17 107:8 139:3 144:12 150:4 154:8,12 158:19 162:20 164:6,20 169:13 171:6 172:6 175:6 176:1,25 196:24 215:17 219:13 231:25 235:14 240:2 242:1 244:11 247:1,2 248:2 267:10

hearing 5:12 60:20 80:23 90:9 143:6,10 149:2 151:14 170:20 173:23 181:8,10,13,14 184:4,20 213:10 215:10 216:4,5 263:7,11 264:25 268:25 269:2,3,4 270:21 273:7,10 274:18 275:2

hearings 139:25 140:25 165:9 181:7 184:20 271:11

heavily 259:7

heavy 157:22

heck 108:4,10

hefty 28:4 113:18,19

held 161:9

helped 168:22

helpful 46:4 97:2,10 131:2 137:14 206:8 217:7 261:7 271:3 274:18

helps 163:15 268:20

hesitate 6:5

hey 14:19

hide 231:17

high 50:11 131:16,25 132:1 166:15 174:12

higher 20:11 39:19 52:15 65:2,22 78:19 79:9 86:4 99:14 100:23 101:25 127:17 128:15,17 130:10 137:8 173:20 202:13 229:17 242:22

highlighted 48:25

highly 264:14

hired 179:3 267:24

historical 132:23

history 108:19 150:22 151:1 166:21

hit 167:15

hold 10:8 19:7 33:9 107:11 115:19 118:6,9 122:4 130:19,24 137:1 194:13 214:25

home 7:18 8:2 9:5 24:18 25:3 38:13 52:20 56:3 59:22 60:13 72:21 73:19,20 74:12 88:4 93:15, 17 98:11 100:15 104:16,20 110:8 111:21 139:12,21,24 140:5,17 141:21 142:9 143:7,8,11 153:24 155:13 156:4 160:6,13,17,19 161:4,6,12,25 162:5,13,18 167:19 182:17,20 189:17 207:3,13 210:21 218:11 224:15 228:23 229:12,14,16,18 230:19 231:6,8 234:24 237:22 248:22 249:1,3

homeowner 197:25

homeowners 5:1 147:22,25 149:15,19,22 150:7 155:20 162:14 165:13,24 168:3 169:19, 22 175:19 182:24 183:5,14,24 195:18 198:2,3,9,19,20,22 210:23

homeowners' 266:21

homes 93:19 229:21 230:2,4,5, 15 239:6

honest 108:8 271:17

hook 75:11,23 194:1 257:20,23

HOPA 132:18,21 227:10,14,24

hope 100:8

hoped 168:22

horse 256:5

hour 97:19 137:21,24 138:1,2 178:23 201:22,23

hours 116:15 117:1 122:21 222:4

house 164:9 219:22 220:10

housing 90:19,20 132:25 134:3 142:22,23 143:9 150:6 160:10 225:6 227:2,16

HR 119:17 243:24

huge 69:8 71:11 154:18

hundred 28:18 46:18 55:3,4 85:21 104:15 169:11 242:25 257:10

hundreds 257:7 265:14

hurt 221:21

hurts 243:19

husband 119:25 219:2 221:8 239:5 246:19 247:10,24

hypothetical 25:1 41:24 183:21

hypothetically 41:22,25 93:15 94:6 147:25

hypotheticals 41:22

I

IBIS 9:14

id 104:19

idea 111:12 112:1 120:14 131:24 177:13 226:3 265:10

identical 254:18

identifiable 151:9

identified 30:15 53:23 66:9 72:8, 16 172:16

identify 143:15

identifying 213:18

identity 90:12

illuminating 175:17 205:25

illumination 168:23

illustrate 41:23 148:13

illustrating 54:7

illustrations 165:10

imagine 92:24 112:25 159:3 174:21

immediately 11:11 19:1

impact 194:2 232:19

impactful 54:9,11

imperceptible 153:21

implement 40:13 160:16 260:4

implementation 146:25

implemented 27:1

implication 149:4 265:6

implied 184:13

implies 205:6

implying 262:2

important 18:13 55:7 73:1 111:2 112:4 144:18

imposes 57:16

improved 168:4

improvement 168:2 261:20

improvements 10:23,25 36:22 145:12 261:17

in-house 107:20 133:17

in-place 224:8

inaugural 106:10

incident 31:20

incidental 27:19 29:20 31:12 32:7,11 33:25 35:15 57:2 88:18 176:7,11,12 179:7,20 180:3 189:3 192:15 193:6,8,12 194:17,21

include 19:20 29:11 31:11 32:3 40:5 48:2,6,9,10 57:11 63:8 69:21 88:21 105:4 145:1 152:2 179:16 188:10 192:12 199:14 200:2 211:10 259:14 262:7

included 26:5,19,25 27:12,14,24 29:23 30:14 32:5 35:4,12,22 36:2, 5 40:2 48:4 49:8 50:7 62:16,21 64:5 75:17 85:5 91:9 124:9 147:2 152:20 155:15 156:20 164:13 170:2 177:3 178:14 179:24 180:3, 18 186:24,25 193:10 194:22 195:15 203:14 208:19 215:6 254:14,22 255:8

includes 36:20 49:2 50:9 64:10 122:24,25 149:18 174:2 176:6 179:11,16 233:4 251:12 254:20

including 31:19 48:7 84:15 143:21 161:20 162:14

inclusion 33:25

inclusions 147:9

income 18:19 23:12,17,20,22,23 26:22 37:14 43:22 46:15,16 47:1, 6,11,12,14,15 48:6 49:2,8 52:18 53:7,11,13 54:23 62:22 63:9,25

65:6 69:24,25 70:11 78:22 82:12, 17,21 83:22,25 84:2,3,5,8,10 85:7,22 91:19 92:19,22 93:1 105:16 126:10 142:24 143:16 144:3,18,21 146:21 151:18,20 152:23 182:9 189:18 205:18,19, 22 206:3 252:19 253:2 260:15,17 261:1

inconsistent 56:3

incorporated 152:13 153:24 167:22 172:10 197:18

incorporating 169:21

increase 7:21 8:3 10:7,15,17,18 11:2,3,4,5,9,12,16,17 12:20 13:3, 17,18,21,23,25 14:2,3,6,10,11,15, 16,18,25 15:1,11,13,14,17,23 16:24,25 17:3,4,5,14,15 18:5,14, 17 19:11,12,13,20,21 20:2,3,7,9, 12,13,14,18,21,24 21:1,2,3,4,8,9, 10,14,15,23,24 22:10,16 23:1,4,6 24:7 26:8,13 27:1,23 28:4,12 29:15,17 31:13 37:3,20 38:10,24 39:2,7,13,24 45:20 48:7 49:4,5, 13,16,18 50:8,9,14,18 51:4 54:18 55:8,14 57:18,21 61:11,12,22 62:5,8 65:10,17 69:3,9,13 75:19, 24 77:17,18 80:22 81:23 82:2,3 83:17 86:9,15,24 87:1 93:16 99:4 101:12 113:15 128:9 145:17 146:4,5 151:21 152:3,15 153:17 154:4 155:22,24 157:10,11 164:1 165:12,22 167:7,9,11 170:24 173:25 175:10,18 177:15 180:25 181:24 182:4 185:24 186:11 191:4,10 197:22 201:25 202:2,6, 7,16,22 206:15 211:12 212:22 213:11,13,21,23 214:10 243:5,6 252:18 254:24 256:9 257:14 258:8 260:23 261:19

increased 17:19 24:12 29:11 51:18 52:21 53:16,19 61:11 69:15 75:16 81:3 84:10 86:7 112:6 153:6 201:22 254:10 260:13

increases 10:4 14:21 20:6 22:4,6 34:11 37:10 52:8 53:23 54:10 55:10,11 70:20 75:9,13 84:15 140:5 167:8 168:10 190:24 201:19 211:24,25 212:11,13 252:9 257:12 260:25 265:8

increasing 84:5 259:23

incur 198:15

incurred 55:25 62:4,7 64:9 70:1 89:8,9 95:22 143:3 146:4 186:22 198:14 203:13,22,24 204:17,18

incurring 186:18

incurs 187:16

index 9:18,19 10:17 11:13,16,18, 23 36:25

indicating 220:1

indices 11:14,15

indicia 11:22

indirectly 75:12 93:2 95:17 198:9

individual 76:13 92:10 102:19 109:12 164:23 183:15

individuals 160:8 161:4,5

industries 259:7

industry 9:9,14 52:22 64:23 150:14 182:19

inexpensive 107:21

inferred 184:14

inflated 42:5 56:7,14

inflation 18:15 19:3 36:25 254:24

Inflation-adjusted 37:4

inform 94:5

information 38:2 72:1 108:24 130:9 155:13,21 157:20 160:9,19 166:19,20,22 169:6 171:7 172:19 204:24 205:23 210:22 215:16 232:7 245:17

informative 210:18

inherently 38:13

inherited 158:4

initial 56:20 153:16 178:2,4 181:7,10 266:10 271:13

initially 177:23

injury 165:15,16

inputted 66:14

inquiry 150:1,8,9 157:24 203:21

inside 121:16 221:25 222:1

insight 110:22

insignificant 211:12 212:8

inspection 179:10

instance 28:11 57:6 64:8 99:16

Institute 95:15

instruct 59:25

instructions 245:15

insurance 9:2,3 52:6,9,18 53:20 112:6,11,13,15,16,23 113:6 212:16,17 251:18,19

insurers 52:11,12 112:25

intending 144:14

intensive 104:17

intent 199:24

intentionally 199:8

intents 11:1

interact 106:2

interest 24:10,13 26:11 56:16,17 74:11 89:16 130:4 147:6 165:24 169:23 171:20 177:11 178:25 179:1 182:19 219:12 232:12 235:10

interested 121:24

interesting 210:9

interests 94:1 161:3,4,22,25 162:4,17

interject 232:8

interjecting 261:6

internal 79:6 170:12

internally 92:4

International 9:16

internet 5:8,21 55:5 231:4,5 242:13

interpolate 244:4

interpretation 33:21 40:1 180:11,14

interpreted 148:4 177:17

interpreting 267:25

interrupt 13:5 147:18 225:8 253:10 254:6

interruption 19:14

intrinsic 259:21

introduce 206:8 219:20

introducing 206:5

invest 165:21

invested 36:22 147:14

investigation 212:19

investigator 41:25

investment 11:2 36:15,18 37:4,7 38:11 39:11,18 40:16,17 41:8,15, 21 45:6,13 47:13 49:1,20 53:12 58:7,8,13 83:7,15,23 91:7,18 92:2,13 147:12 182:10 189:4 214:7 263:19,24 264:1,6,8,10,16 267:23

investment-related 92:6

investments 175:24

investor 37:7 42:2

investors 90:19 109:12

invite 135:24 167:1 265:19

invited 264:10

invoices 9:2 80:19 112:10 132:6 221:22

involuntarily 204:18

involve 181:16,17

involved 19:10 82:19 87:7 88:3 89:17 90:21 98:10,16 132:9 133:21 140:22 184:20 185:1 221:5 227:13

involvement 141:13

involves 132:24

involving 164:4

irrelevant 83:19,21

IRS 64:8 95:22 112:4 243:24 244:1 248:12

isolation 186:3

issue 35:3 111:14 113:13 130:12 131:9 132:24 133:9 134:22 145:12 184:4 186:8 187:9 191:8 197:14 202:18,25 206:5,8,18 210:6,24 211:1 226:19 236:7 238:10 239:10,14 240:3 257:16, 25 264:21 265:4 266:4,14,15,16, 17 268:24

issues 5:8 7:15,16 54:1 74:23,24 79:20 116:17 143:9,15 169:5 171:5,24,25 172:16 206:17 207:20 210:19 222:14 274:19

item 24:19 33:16 50:6 54:13 72:19 89:22 115:7 149:7 154:15 160:14 168:8 203:8 254:8,13

items 8:22 9:18 60:10 72:15 86:1 99:2 136:15 155:15 172:9 251:11, 12,13,15,16,20,21 264:24 265:2 267:11

J

January 21:6 29:2 48:5 70:2 84:14,16 128:24 251:8 254:13

Jason 33:17 35:25 69:17 90:5 107:14 108:17 133:10,18,21 190:3 193:2 245:14

Jason's 133:19,24 271:13

job 116:19 243:1 268:18

John 87:12,20,23

join 102:20 108:13

joining 5:4

journal 59:19

journals 59:21

judge 268:9

judgment 73:6

judicial 270:19

July 9:17 11:13,14,15,16,18 18:5 19:2

jump 69:18

June 78:1 129:2

jurisdiction 39:22 184:16 226:18

jurisdictions 141:4,7 184:21 185:15 199:6

justifiable 203:17,18

justified 61:6 65:2 173:18

justify 58:2,5 61:21 85:13,14 183:24

justifying 167:11

K

K-A-R-L 138:23

K-A-T-H-Y 234:23

Karl 138:12,23

Kathy 234:7,14,23 238:21

key 66:10 147:19 167:16 169:6 208:25 258:11

kids 226:15 239:20

kind 6:4 8:4 11:21 12:19,20 18:15 19:25 25:9 28:5 35:1 42:20 45:5, 8,10 47:3 49:25 50:25 53:19 54:7, 9 55:6 57:5 63:15 64:6,19,24 65:17 70:19 76:20 78:9,13 82:23 84:6 85:3 94:20 95:18 99:24 101:15 111:12 113:17 126:6 157:19,21 163:22 167:3 177:20 185:23 186:10 190:14 195:8 213:10 215:10 221:23 225:25 244:9 254:4 256:15 260:22 261:5 263:6,17 264:2 265:1,8,14 266:15 268:15,19 270:14 272:21

kinds 134:2

King 112:16,18

KMLM 90:19

knew 121:24

knocked 238:17

knowing 164:6 169:3 194:1 196:5 238:25

knowledge 60:19 73:18

Kool-aid 265:23

L

L-A-W-S-O-N 138:24

labeled 80:15 139:18 251:23

labor 202:7,8

lack 151:4

ladies 217:16

lady 116:25 131:20

Lakes 90:18

land 9:15 78:3,6 80:6 132:5,9 134:7 148:23 174:5 232:18

landslide 136:8 257:16

language 30:21 32:5 39:21 57:16 62:9 88:21 148:3 149:3 150:18 164:15 176:3,7 192:14 199:14,23 200:22 262:7

large 21:10 26:11,12 47:25 49:8 54:8 63:6 65:10 69:3,6 71:20 77:18 151:21 154:16 157:15 158:12 166:7 172:15 187:8

larger 75:8,24 111:13 171:25 182:5 243:6

largest 157:15 172:4

lastly 259:1

law 75:3,10,21 99:25 104:20,23 105:2 106:3,6 108:11 132:18,20, 22 134:11 135:13,15,18,21,22 227:18,22 260:2 264:2

laws 104:25 161:13

Lawson 5:2 53:4 57:15 138:12, 19,24 139:11 146:18 150:13 156:17 157:8 159:16 163:7,19 169:2 170:19 177:1 191:17 192:10 193:5 200:11 201:19 215:16 217:6 242:6 250:22 256:7 266:5,16

Lawson's 53:1 54:10 112:8 241:11 255:25 261:24 273:13

lawsuit 132:11 133:5,16 134:8 135:9 165:19 169:11 228:4 256:19,25 258:12,14 259:4,22 260:1,5,8

lawsuit's 135:9

lawsuits 256:13 257:7

lawyer 194:7,10

lawyers 258:23

lead 209:13 265:7

leading 210:8

lean 131:18

learn 149:13

lease 74:24 220:21 233:7

leases 79:18,19 89:24 104:13 134:1,2

Leasing 9:15

leave 51:8 65:3 216:4 223:10 270:20

leaves 263:1

leaving 172:15 253:11,24

ledger 8:23 66:21 69:19,20,22 71:23 73:12 77:22,24 87:11,18 117:6,12,16,17 120:20 154:24 159:20 163:19 187:11 244:17

left 17:10,13 20:17 36:4 212:12 223:11 251:20 252:9 253:20

left-hand 187:7

legal 34:5 38:17 77:10 78:1,3,17, 19,24 79:3,11 80:10 96:3,6,8,10, 12,13 107:8,11,13,14,16 108:3,9 132:3 136:2,4,10 137:3 163:18,20 164:8,13,14,16,22,25 165:4,11 166:13 169:5,22 184:1,2,7,23 197:5,6,14,20,21 198:1,3,5,6,13, 18 199:1 200:9,12,13 212:20 227:6,12 232:10 252:12 256:6,8, 11,12,18,22,23 257:19,24 259:3, 6,16 265:5,15

legally 135:10 165:18

legislation 162:17 195:17

legislative 108:19 160:7,10 161:2 195:10,11 196:1,8,12 199:24

legislators 161:7

legitimate 174:10 175:9

length 42:10 266:4

lengthy 119:19

lens 111:25

letter 225:23,25 226:2 265:17

level 32:12 63:18 73:3 91:22 105:9,12 110:25 155:5 162:3 167:10 175:11 186:1,4 205:23 207:24 268:6 270:18

levels 84:15 257:9

leverage 258:7

liability 38:17 135:13 198:7

liberally 107:21

license 91:21 239:24

lid 270:24

life 168:1 257:9

likewise 68:17 268:22

limitations 224:19

limited 32:3 34:23 40:5 112:24 161:18

limits 200:22

Linda 131:21

lines 15:12 52:13 174:16

list 29:10 32:2 54:4,5 104:14 120:22 133:16 189:11,13 193:24 212:21 217:15 229:4

listed 9:4 147:3,7 149:6 193:16, 18,22 194:4 211:20 228:25 231:13,15

listen 139:2 161:17 188:22

listening 5:6,24 107:10 196:4 219:14

listing 118:25

litigating 257:25

litigation 78:8 141:25 209:13 226:23 227:4,6,20 229:3 257:6,9 265:9

live 94:13 182:18 239:22

lived 218:15,17 238:2,4

lives 100:3,16 119:10 155:9 157:1 260:16

living 222:22

LLC 89:2,12 90:1,11,12,13,16,19 91:4,7,23 92:15,16 170:2,9 231:14

LLCS 231:17

Lloyd's 113:1

loaded 157:25

lobbying 105:11 161:2 162:23 163:1,3 195:11 196:1,5,8,12,15, 19,22 207:11,18,19,21,24 209:22 241:19 266:9

lobbyist 94:17

local 110:13 141:4 161:12 162:2 207:16,21 209:14 226:17

located 140:18 221:24

location 150:23 217:17

lock 111:20,21

locked 96:20

lodged 273:12

lodging 122:17,18,19,20,23

log 246:20

long 46:22 58:17 61:24 98:10 99:10 137:20 166:21 168:22 218:15 235:4 238:2

long-term 134:2

longer 18:23 204:2

longest 116:24

longwinded 100:7

looked 8:22,25 9:1,3,5,9,14,15, 17 23:16 27:22 31:8 35:18 42:20 43:2 52:5 69:19 74:15 77:21,22 80:24 81:5 86:23 101:11 104:16 110:18 112:9 154:24 190:7 197:13 200:9 231:10 255:7 273:9

Los 9:18

loss 8:23 23:9,11 25:21 66:15,19 71:10 100:18 111:3 151:21 154:15 251:7

lost 103:20 139:4 170:13 250:8

lot 29:4 35:13,14 52:9 74:25 76:24 92:20 104:22 105:1 108:10, 17 109:20 112:13 113:5 119:2 121:22 131:23 140:9 196:19 205:16 209:25 212:9 222:19 233:19,22 239:18 250:11 256:16 261:13 268:12 273:15

lots 174:1

low 52:19,20,22 142:23 166:15 167:12

lower 20:12 29:4 33:13 45:20 49:25 52:1 82:4 91:17 99:16 102:1 110:25 112:22 127:17 202:9

lumped 70:13 252:25

lumping 131:9

lunch 97:10 115:17 137:17,21 138:8,10 161:16

lunchtime 97:7

M

M-A-T-T-H-E-W 98:6

MAC 90:16

Madam 58:17 97:12 201:7

made 20:14 21:5 23:10 46:3,5 66:20 67:23 68:2,3,7,15 75:8 82:6 84:10,22 120:24 135:14 154:9 155:22 175:20 176:12 243:11,12

magazine 209:18

magnitude 188:7

main 10:13 74:20 218:23 220:23 265:1

maintenance 23:19 29:16 46:15 51:19 53:7,12 74:23 82:12 85:7 100:3,11,18 101:24 102:6,11 111:11 123:25 144:3 205:18 206:2 242:21

major 112:15 143:1 208:3 210:19

majority 21:1 74:20 79:5 142:11 196:1 200:11,13,15 223:16 248:2 261:21

make 11:5 13:14 19:22 21:18 24:22 34:5 42:6,9 46:16 47:18 49:11 60:10 63:12 65:23 67:12,16 73:4,13 77:3 80:13 85:3 87:17 89:6 102:19 105:1,4 108:10 111:23 121:17 135:17 146:23 148:21 151:15 163:16 167:2 169:9 170:17 171:2 173:19 174:8 192:4 226:17 232:6,11 251:17 256:14 263:8 266:6 267:8,9 268:1,4 272:16 273:3,14

makes 21:17 33:24 72:22 95:18 100:8 110:1 111:1,3 194:4 198:23

making 39:19 55:6 63:22 72:6 81:2 93:18 94:7 98:22 114:1 118:24 133:20 157:21 171:10 176:15 196:19 245:10 267:20,25

malfunction 139:4

manage 38:15 74:22 109:20 116:19 120:25 242:25

managed 75:2 99:10 121:13 129:8

management 25:3 28:2,5,23 39:2 42:3 51:19,20,21,24 53:21 54:13 68:4 70:7 73:25 74:21 75:4, 9,21,25 76:2 79:19 85:9 89:21 99:9,15,22 100:9 101:14,16,25 105:18,23 109:13 113:23 114:15 118:25 129:3,15 136:23,24 142:25 147:23,24 148:1 149:19, 21 153:19,25 154:2,10,17,19 155:3 158:19 159:7,10 174:7 185:22,25 186:10,15,17,25 187:1, 10,17,18,24 198:10,12,19,20,21 202:12,20,21 203:2,5,9 204:7,13 211:8,11,21 212:4,8 218:21 219:25 220:2,3 222:2 223:23 224:6,7 225:11,15,21,24 230:22, 24,25 235:7 238:5 243:18 246:19 253:4 254:9,10,11,14,16,17,20,22 257:24 262:5 264:1,10 265:9,12, 23 266:22 267:1 270:15,16 271:21

management's 223:20 235:17 238:10,16 263:16,17 264:15 265:11

manager 67:5,17 89:15,21,22,23 90:4 99:5,7,11 100:1,4,6,20 102:6 107:20 111:13 140:15 148:16,17 155:1,8 183:22 186:12 203:25 215:1,4,5,6 218:24 219:1,8 220:6, 9 222:22,23 224:7,8 243:12

manager's 18:2,3 242:9

managers 73:22 98:15 101:18 106:1 109:19 127:16 219:9

manages 89:15 100:20 116:11 121:4,10 155:11 221:6

managing 67:14 98:10,23 101:6 108:19 121:14,16 129:3,12

mandated 268:3

mandates 75:21

mandatory 34:1 76:5 105:19,20, 22 106:6,19,21

manipulated 177:12

manipulation 177:18

manufactured 74:12 90:11,19, 20 150:6

mapped 251:16,19 255:6

mapping 70:5

mappings 250:21

March 29:3 70:2 98:25 105:25 128:25 251:8 271:12 274:12

Maria 217:17

market 42:11 52:6,16 112:23

markets 37:24

Martinez 99:11 230:23
master 7:9 272:19
master's 7:5
match 126:18 254:25
matches 43:24
materialism 91:3
materiality 28:10,17 66:1 71:18
materials 155:19 161:23
math 123:16
mathematical 12:21
mathematics 33:1
Mathews 121:14,16
Matt 19:17,18 224:16
matter 7:25 78:4,6,8 80:6 96:5 97:9 100:12 132:5,9,24 133:2 139:15 143:11,13 164:4,23 177:14 203:7 206:20 223:11 245:10 258:2 260:16 271:9
matters 141:5 143:7 160:9 171:17 256:24 259:6 260:11
Matthew 97:23 98:6 136:20 241:3
maximum 122:21 174:2
Meals 253:5
meaning 52:12 85:13 94:12 149:10,14
means 37:12 43:16,17,24 114:3 146:15 162:1 163:11 188:16 204:20 208:4,5 264:16 265:25 266:12 268:4,12
meant 166:11 199:11 200:3 255:21 274:11
mechanism 166:18 167:19
median 44:2,11
medians 43:24
meet 243:1
meet-and-confer 219:21
meet-and-greet 239:2
meetings 142:2 219:21
meets 100:3 123:25
member 76:9,13,14,17 102:18 103:24 104:2,6,11 114:5,6 143:6 159:25 196:9
members 73:23 106:13 114:18 160:8 182:18
membership 75:17 76:1,5,25 95:7 102:16,22 105:21 114:7 150:5 159:20 161:20
memory 178:15
mention 126:18 212:6
mentioned 34:23 40:3 42:12 54:3 100:25 180:21 182:14 265:3
mentioning 105:18 198:5
mentions 53:15
mere 267:23
merits 265:10
message 223:10
messages 223:11
meters 221:19 239:9
methodologies 57:25
methodology 37:16 41:13,15 53:8 58:4 185:15
midday 97:13
middle 24:3
midway 261:5
mile 248:7,10
mileage 119:5,8,14 156:15,24 157:4 186:18 220:14 223:25 224:2,3 242:6,8,16,18 243:23 244:5,18,19,21 245:2 246:17,20, 22 266:20 267:6
miles 119:11 155:10 157:2 244:6 245:5,16 246:18 248:21,23 249:4, 5
million 7:12,13 37:5 69:7 125:20 136:8 198:10
million-dollar 64:17
mind 89:1 92:9 93:24 125:16 163:23 191:7 265:3 266:1 269:17
mine 271:15 272:1,4
minimum 91:15,16,17 174:2 201:20,22 202:6,8,10 227:21
minimums 43:24
minute 37:8 239:7
minutes 58:20 97:15 137:24 243:15
mirrors 41:24
misclassed 102:3
mispronounced 163:8
missed 153:10 196:7
mission 93:16,25 95:16 161:23
misspoke 26:24 115:13
misunderstood 50:5 86:19 134:9
MNOI 82:13 144:6,10,14,17,24 181:16,17,21,24,25 182:3,7 185:15 189:12 205:16,18,20,22, 24 206:15 207:1,4
mobile 7:18 8:2 9:5 24:18 25:3 38:13 52:20 56:3 59:22 60:13 73:19,20 88:4 93:15,17,19 94:1 98:11 104:15,20 110:8 139:12,21, 24 140:5,17 141:21 142:9 143:7, 8,10 153:23 156:4 160:6,13,17,19 161:4,6,12,25 162:5,13,18 167:19 182:16,20 189:17 207:3,13 210:21 218:11 229:16,18 230:2,5, 15,19 231:6,8 234:24 237:22 239:6
modest 82:25
mom 109:21
moment 5:3 12:12 32:9 71:6 91:1 121:5
Monday 247:9,11,13
money 42:2 196:13 205:8 259:8
monies 165:23
month 8:25 11:25 13:21 20:21 22:10,19 37:19 69:25 71:13 72:2 129:1 137:9 159:8 168:6,7,19 218:16 221:19 242:12 245:16
month-to-month 128:16
monthly 13:10 31:13 37:19 69:24 79:14 80:15 86:9,22,25 99:14 133:24 158:8 168:8 169:3 209:12
months 5:17 11:11 18:20 19:1 20:20 37:19 44:7 46:19 70:8,9

71:10,11,13,17 130:9,11 142:1 154:16 157:16,22,23 158:1,6,10 159:11 244:23 245:2 247:4 250:14 251:9 254:12

monumental 265:8

moratorium 226:21

morning 5:6 6:10 7:2 59:6,7 97:2 144:13 156:14,18 162:21 164:7 169:13 170:5 172:6 196:23 215:24

mortgage 24:10,13 26:11 56:16 147:6 177:11

mouse 8:9 128:20

move 5:25 44:15 94:13 103:4 129:19,20,22,23 163:18 201:4 205:10 263:9

moved 98:18 186:6 222:5 225:3 226:13 239:19

moving 14:15 185:8

MRL 104:16,19

multiple 5:21 67:19 68:17 76:14, 22 92:16 109:13 148:11 235:22 243:15 257:8

multiplied 10:16

multiply 11:18 13:20

municipal 160:18

mute 8:10 19:15,18

muted 8:11 69:17 96:19

N

named 87:12 99:10 219:10

names 99:17

narrative 44:17 46:10

nature 19:8 151:2

nearest 50:8

necessarily 26:16 38:2 70:12 71:20 95:16 111:2,20 118:18 202:14

necessity 64:21

needed 21:16 48:2,6 115:16 142:11 224:14

needing 155:12

needn't 118:18

negative 26:12

negotiated 177:12

negotiation 239:3

neighbor's 219:22

neighbors 200:20

nerve 117:5

net 23:16,19 37:13 43:22 46:16, 25 47:6,11,14,15 49:2 53:7,11,12 54:22 62:22 63:9 82:12 83:22 85:7,23 105:16 126:9 144:3,18 146:21 151:20 152:22 189:17 205:18,19,21 206:3

neutral 162:11 182:16 198:19

neutrals 142:11 182:14,15,18

newsletter 210:2

newsletters 209:16

nice 100:13 209:19 225:25 226:14

Nick 109:19 219:20 220:24 233:5, 6

Nick's 109:20

night 108:8

Nipomo 119:10 155:10 157:1 221:5

nod 201:12

NOI 25:24 26:14 205:25 206:1 214:7 241:21

noise 8:5

non-answer 94:10

nonadmitted 52:11

nonexclusive 29:10 32:2 40:4

nonexistent 223:21

nonoperating 23:15,22 26:22 30:8 78:22

nonoperational 56:7,10,14,15

nonpayment 38:16

nonrecurrent 179:25

nonrecurring 63:13,16 78:14 152:6 164:10,23 165:3,6 169:5 179:23 180:5 194:20 256:25

nonrenewal 52:10

nonstandard 78:14

nonutility 52:18

normal 24:19 25:11,12 63:20 64:1,22 71:7 80:11,12,13 165:4, 20 180:11 256:23 257:20 259:3

normalized 63:4 150:15

normalizing 26:17 63:23 71:7

north 116:5

notable 157:13

notably 54:13

notation 78:3

note 18:13 65:9 73:11 141:3 151:21 153:5 163:22 167:2 206:13

noted 87:11 91:4 262:7

notes 87:9 201:3

notice 11:11,12 19:1 38:9 49:22 52:10 70:15 82:1 86:24 87:8 129:2 173:19 175:18 211:14

noticed 14:10 31:16,17 34:24 35:19 39:7 49:12,18,19 50:10 51:4 57:21 58:5 69:18 78:2 256:17 263:18

noticing 89:23

notwithstanding 81:2

November 114:2,4 244:19

number 5:7 7:12,14 9:1 11:24 13:7,17 14:18 16:7 17:22,24 20:19 26:12 32:12 33:3,13 34:15 37:17 43:20,22 44:3,4,13 45:17 48:13 49:21,25 51:1 54:1,21 66:11 67:25 77:25 81:10,15,17 82:3 84:8,18 86:4,17 87:5 99:18 101:3 104:3 112:12 116:1,15 121:25 122:6 124:25 127:1,17 130:18 136:3 150:15 152:12 168:13 170:8 173:17,20 174:5,7, 10 191:5,7 218:13 222:16 223:3 232:5,24 235:2 237:25 244:21 252:6,15 263:19

numbers 11:20,24 12:5,8,19 13:1 16:8 24:5 28:3,6 43:1,9,13 52:4 66:11,14,18 67:23 68:2 69:14 71:20 82:17,21 86:20 98:22 125:11 126:17 128:6,15,17

131:19,25 132:1 153:5,6 154:2 156:19,22 158:12 174:15 187:8 214:16,19 244:5,24 255:13,14,15

numerous 132:1 142:22

nutshell 81:20

O

Oak 121:6 122:8 242:17

Oaks 141:11

oath 6:11 240:24 249:17

object 135:9

objection 13:2 14:9

obligation 89:8,9,11

observe 56:6,13

obsess 113:12

obtain 166:18

obtained 69:23

obvious 274:20

occupancy 46:18 47:24 85:21

occupied 46:21

occupies 260:18

occurred 29:2,3 157:16 167:8 186:16

occurrence 25:11 151:13 152:11

occurring 65:17 152:3 164:18

October 128:2

off-site 51:20,24 89:23 118:25 129:15 136:24 254:11,14,16,17

off-sites 99:14 137:7

offer 62:12 160:7 176:15,16 188:5,6 194:3 245:10

offering 193:25

offhand 203:8 248:7

office 28:4,21 29:2 35:5 55:13 64:9 68:21 70:18 71:1 72:2 99:21 110:17 111:5,10,19 130:8 131:4, 18 157:7,25 158:21 159:8 166:13 167:6 212:21 220:23 221:16,24 222:2,4,8 224:10 238:18 249:1,3 250:24 251:14,16,17,20,22,25 252:1,4,8,22 255:5,6,8 256:2,4 265:20

officer 5:12 60:20 90:9 143:6,10 149:2 181:8,11,13 184:4

officer's 181:14 215:10 270:21

officers 151:15 184:20

offset 122:19 158:9

offsetting 27:1

oftentimes 78:23

older 112:19 132:25 225:6 226:9 227:16

omit 199:23

on-site 51:19 99:3,5,7,25 100:1, 3,5,6,7,9,11,19 101:24 102:5 105:18,23 111:6 121:11 123:25 127:18 129:14 156:25 186:12 203:25 204:1 205:4,8 220:6 243:12

on-sites 99:12,13,16,22

on-space 218:24

one-half 21:23 170:24 214:3

one-time 136:3,4 152:10 164:17

ongoing 78:19 79:9 81:24 104:24 164:16 228:5 241:25 256:20

online 205:7

open 176:4 216:5 222:4 250:9 265:3 266:1 270:23

opened 222:7

operate 64:11 78:25 92:9 135:10

operated 170:7 258:16,20

operating 10:18,20 11:3,4 14:2, 16,21 15:2 17:13,14,15,17,18,21 18:6,14 19:12,13,20 20:3,12,18, 21 21:2,8 22:4,5,10 23:7,13,14, 17,20 24:8,11,16,19,23,24 25:6, 13 26:4,17 27:12,20,25 29:12,16, 18,23 30:3,6 31:19 33:13 35:12, 25 36:2,4 37:14 38:14 43:22 46:5, 15,16 47:1,3,6,11,14,15,20 48:22 49:2 50:15 53:7,11,13 54:22 55:21 56:3 57:3 61:7,11,21,23 62:22,24 63:5,9,25 66:10 76:3 78:15 79:4 80:10 82:12 83:22 85:7 88:12,15 94:18 95:21 96:13 98:20 105:16 126:10 135:25 136:11 144:3,18,22,25 145:18,22 146:13,19,20,21 147:3,10,21,22 148:25 151:20 152:16,18,22 165:20 170:3 174:3,16,17 175:9, 25 177:3 180:11 182:9 183:1 188:25 189:6,9,14,18 190:20,25 191:6,9,24 192:1,3,9 193:7 195:1, 5,23 199:20 200:25 205:18,19,21 206:3 211:6,15 214:9 255:11 256:23 257:1,3 258:3,5,6,16 259:2,3,9,12,15 261:15,23 265:7, 15

operation 64:1 75:16 92:7 147:11,13 155:22 259:21

operational 91:8 164:16 256:12

operations 98:17 105:7 133:17 135:14

operative 12:4

operator 153:23,25

operators 74:11 93:17 267:22

opinion 33:23 40:19 41:3,11 55:20 59:21 61:20 62:21 82:5 86:8,10 89:7 91:18 125:2,25 143:25 146:12 161:20 169:14 170:1 171:17 173:25 174:4 177:10 182:25 188:22 190:16 204:25 205:1,2,9,10 214:9

opinions 8:20 60:9,19

oppose 207:16

opposed 64:4 86:17 147:4 157:22 170:3 245:1 262:3

opposing 207:12

options 112:25

order 13:14,17 14:9 20:25 23:11 53:11 62:23 70:6 91:14 181:23 204:18 261:18 268:6

ordinance 7:21,22 8:1,3 9:20 10:2,15,23 11:10 13:23 14:4,8 15:21 16:16,17,18 18:24,25 19:8 20:6 22:23 23:3,21 27:17,18 29:6, 9 30:2,10,12,15,20 31:12,23 33:24 35:19 36:5,14 37:18 39:9, 12,20 40:8,12,13,15 45:9 46:12 48:21 50:1 53:5,8 57:12,16,19 58:2 60:8,11 61:2,8 62:1 66:6 75:15 78:21 79:2 80:9 82:19,25 83:9,11 86:14 88:16 93:6 95:9 96:12 108:3,6,14 136:11 141:21, 25 144:6,9 145:4 146:11,15,25

147:1,9,20 148:6 150:18,19 170:23 173:18 175:1 176:2 177:2, 20 179:11,15,19 180:2,4,9,12,15 181:9,22 182:14 183:25 184:5,8, 10 185:3,6,18,19 189:2,20 190:19,20 192:14 193:9 194:19, 24 195:1,4,21 197:13 198:25 200:8,21 213:1,14 214:2 215:21 226:22 258:18,19 259:13,14 261:14,16,18 262:6 263:10,20,23, 25 264:2,3,13 265:18 267:25 268:1,8,24 269:1,8

ordinance's 41:14 58:12 60:5

ordinances 18:16 23:18 35:14 36:2 85:6,10 88:12,16 147:5,6 164:12 177:5 197:6,9,10,12 199:9 207:22 209:15

ordinary 24:8 25:8 29:16 64:9 95:21 135:25

organization 73:19,20 93:16,18, 25 95:20 160:20 207:12 208:23

organization's 208:10

organizations 106:12

organize 170:4,8

original 32:13 33:11 34:16 173:3, 5 190:15 192:11 239:25 254:4

originally 27:18 29:22 190:15

outcome 171:20 179:2,4

outline 201:5

overhaul 141:24

overlap 250:17

overlay 226:22,25 227:1,8,9 260:5

oversee 98:15 126:1

overseeing 98:20

oversees 99:18

owed 134:16

owned 24:19 109:17 230:14

owner 28:22,25 59:12 60:17 66:17,22 67:6,10 69:21,22 70:2 71:11 79:23 80:2 82:1 85:13 87:19 89:19 90:4 92:11 107:23 109:16 111:13 112:14,18 130:10 133:5 150:8 178:17,19 181:23 183:5,11 227:7,21 228:1 230:14, 19,21,24 231:2,8 232:3,4,23 247:4 250:18

owner's 73:12 77:25 145:10 255:1

owners 41:7 73:21,22,25 74:11 75:22 93:19 94:1,21 102:19 107:19 108:23 109:2,14 117:7 121:21 127:13,18 128:8 131:15 142:10 143:4 158:4 160:6 161:4 162:1,18 230:9 231:20 232:18 250:15 259:24 265:13

ownership 24:14 55:15 89:16 90:5,18,21 108:25 110:19,20 112:21 113:23 128:12,14,18 130:3 170:11

owns 76:14 89:25 90:1 100:15 109:16 110:9 230:4,7 231:6,19 258:13 265:13

Oxnard 140:18 141:22 144:6 181:5,20 184:18

Oxnard's 140:14

P

P&I 71:23 101:20 102:24 104:8 105:6,16 114:16 116:7 121:11 125:5 126:18,22 127:11 130:17, 24 136:23 241:20 250:13,14,20 251:23 254:12 255:1,4

P&I's 114:9 125:24 126:20

p.m. 201:14 273:22 275:3

PAC 162:25 196:13,14,20,22 197:1 208:17,22,24,25 241:19 266:8

package 119:12 142:2

pad 8:10

pages 104:16 117:18 159:20 206:11 209:16,21,24

paid 26:16 27:9 41:25 42:2,6 55:25 62:17,19 73:13 87:12,23 89:22 94:16 102:5,15 113:25 114:2,6 123:2 127:8,18 134:16,18 168:8 169:4 178:21 188:2 208:15 243:23

pains 117:4

pair 272:14

Pamela 228:17

panel 143:6

paper 72:15,20 111:18 239:22

paperclips 72:15,20

papers 185:8 220:20

paperwork 239:25

paragraph 29:13 141:14 142:15

paralegal 253:11

parallel 83:8 167:18

paraphrasing 159:1,5

parcelled 242:19

parcels 9:4

pardon 39:16 141:20 182:10 183:18

park 8:2 9:5,9 10:24 11:6 21:5,11, 14 22:16 24:19 25:3 26:18 27:11, 14,20 29:19,20 30:8 32:7 34:1 36:20,22 37:4,13,23 38:14,22 39:10 40:15 41:7,11 42:1,10,24, 25 43:6,8,18,19,20,21 52:20 56:3 57:2 59:12,22 60:13,16 63:7 64:2 66:17,21 67:4,6,10,14,17,20,21 68:16 69:7,21,22 70:3 73:11,19, 21,24 74:17 75:4,5,8,22,23 76:8, 13,16 77:5,9,25 78:25 79:15,17, 23 80:2 82:1 84:24 85:5,8,9,13 86:25 87:19,24 88:18 89:16 90:5 91:23 92:7,11 93:15 94:1 98:20 99:9 100:16 101:7,8 102:19,22 103:24 105:4 107:17,23 108:9,23 109:9,18 110:8,11 112:16 114:4 115:8 116:16,17,18 117:7 120:18, 21 123:24 127:6 131:21 132:11, 12,17,19,23 133:5 134:20,22 135:1,6,10,11,12,13 139:12,21,25 142:9,10 143:11 147:11,13,16 148:16,18,21,23,25 149:1,18,19, 21 150:7,23 153:24 154:1,17 155:12,13 156:4,10,11 157:2,4,5, 17 159:11 160:6 161:4 162:1,5, 13,18 165:11,16,17 167:24 168:3 169:17,18 170:6,11 175:20 176:7, 8,11 178:17,19 179:8 181:23 183:4,11 187:14,16 189:17 194:17 198:7 203:6 218:11,17,21, 25 219:17 220:4,16,17,18 221:13, 23 222:23 223:20,23 224:6,8,10, 18,19,22 225:1,3,5,6,22 226:3,6, 23 227:7,10,21,23 229:13,14,17, 18,25 230:4 231:6,8,19 232:24 233:3 234:25 235:7,17 236:1,6

237:23 238:2,5,10,16,19 239:13, 17,21 240:23 242:8,12 243:15 246:18,21 247:5,8 248:22 250:15 258:4,6,7,12,13,14,16,19 259:16, 21,22 260:8,13,14,16,23,25 261:19 265:13 267:2,3,22

park's 57:21 102:16 107:19

parking 233:19

parks 7:18 37:25 38:13 43:5 44:3,4,10 52:7 67:6,15,19 68:5,8, 15,17 74:22 75:2 76:14,22 79:9 88:4 89:15 96:11 98:11 99:18,19 100:20,24 101:1,6 102:19 104:2, 16 109:17,20 115:24 116:11,13, 19 119:9 120:25 121:4,6 122:3 123:3 126:1 129:6,8,13 136:6 140:5,17,22 143:7,8 154:10 155:11 160:13,17,20 167:19 182:3,20 207:3 210:21 221:5 242:23,25 260:6

parse 179:12

part 14:14 19:20 21:1 27:15 32:21 42:13 44:17 47:8,9,10,11, 15 49:15,16,23 53:21 65:24 67:7 72:11 73:7 75:18,19 93:23,25 94:2 119:11 133:12 135:25 148:22,23 149:10 150:24,25 154:12,24 155:18 162:21 171:5 175:6,24 176:10,15 179:21 188:2 192:17 193:14,16,21,22 203:10 208:9 210:11 212:3 216:23 226:23 241:23 245:15 252:1 256:15 263:24 264:11,15

part-time 67:18

partial 126:12

participated 141:1 142:17

parties 142:5 151:14 210:19

parties' 143:22

party 108:13 152:21 177:13 258:12

pass 204:15

pass-through 84:17 152:19 167:20 168:18 172:1,7,8 180:24 197:17

pass-throughs 256:7

passed 48:3 109:18 221:21 257:11 265:16

past 97:19

paths 263:18

paucity 169:6

Paul 119:25 120:1 122:2 123:2 124:5,21 126:1 127:5 133:20 219:4

Paula 184:19

pavement 165:19

pay 57:7 63:7 75:9,24 91:20 128:3 169:22 194:3 198:10 244:1 268:7

paying 46:24 76:16 86:17 127:20 188:6

payment 87:20,21

payments 134:9,11

payroll 51:23 116:8 120:16 123:19,21 127:25 128:4,5 254:21

PDF 12:16 43:14 190:3 251:6 253:11 273:14

PDF's 176:4

pecking 268:6

pending 168:15,16 191:21

Penn-star 113:2

penny 75:20

people 46:24 64:13 97:16 107:16 108:19 114:7 117:2 137:20 200:18 205:7 220:8 239:19 266:24 272:21

people's 221:18

Pepperdine 7:6

per-space 34:22 100:24 101:6, 10 156:5

percent 10:16 11:17,19 13:2,3, 16,20 14:5,6,11 15:1,13 20:1 28:12,18 37:3,8,12 38:10,11,23, 25 44:1,5,13 45:16,18 46:18 47:13,24 52:1,8,18,19 54:18,20 55:3,5,8 69:10 77:17 81:22 85:11, 12,15,21 86:4 87:1 110:12 112:2 114:7 115:15,18 120:5 121:21 128:23 129:5,7,8 131:13 133:3 139:6 153:22 154:6 162:11 182:4 186:2 202:4,5,7,13,16 204:8,14, 15 208:4 214:3 223:22 252:19,20 253:1 254:24

percentage 42:4 45:20 54:16 87:6 90:4 113:19 202:2 206:14 212:14,15

percentage-wise 54:22 81:3

percentages 53:24 54:9

perfect 111:9 124:25

perfectly 128:6 169:8

perform 53:4,11 64:25 67:19 106:5 171:13 180:25 204:3

performance 45:3

performed 61:1 106:6 177:23,25 187:15 204:1 220:18

performing 186:17 187:15 220:16

period 11:25 18:7,8,17,23 19:4 37:1 106:19 128:3,14 158:7 167:23 251:10 256:9 257:15

periodic 161:9

permanent 65:16 75:8,24 152:3 257:21

permanently 152:13 167:18,22 168:9 172:10 197:19 227:1,2

permit 91:19

permits 192:15

person 68:13 100:5,9,13,19 107:3 110:25 111:24 119:22,24 127:7 156:3 181:11,18 182:22 186:17 204:1,2 205:4 219:5,10 242:20,21 247:2 257:2 260:18

person's 100:10

personable 239:9

personal 267:21

personally 111:10 228:4 233:12

personnel 68:17 148:17

persons 124:8 132:25 220:3 225:6 227:16

perspective 27:13 30:7 210:18

persuade 272:23

persuasive 151:16

pertain 80:21 133:25

petition 14:7 16:1,3 18:22

petitioner 14:9

petty 110:23,24 243:9

phantom 252:8

phone 5:9 220:7,9 222:16 223:1, 6,13,14 232:5

phrase 62:8 135:15 145:22 149:12 163:6 204:17 261:25 265:12

pick 221:15

picked 27:18

picks 223:16

picky 129:12

pictures 239:5

piece 57:6 110:9

pieces 14:24

Pierson 107:15 132:6 133:21 134:18

piggyback 215:10

place 94:13 147:8 165:16 167:9 224:8 226:21 227:22 239:20 272:18

plaintiff 133:6

plan 271:12

play 29:21 152:8

pleaded 171:25

pleadings 185:8

podium 217:19

point 6:4 18:12 21:19 34:2,7 41:23 46:14 47:23 52:2 54:8 55:6, 9 58:17 88:25 89:4 113:17 120:24 126:17 128:25 129:17 137:19 139:4 140:13 146:13 147:19 148:2,3 150:1,17 156:1 157:24 158:18 160:19,21 164:1,20 165:25 167:2,12,16 176:20 177:1 179:18 180:13 187:5 200:3,8,24 204:16 205:11 210:25 211:12 225:4,9,20 226:5 256:14 258:11, 13 259:11 260:21 261:4 262:18 265:19 266:13 270:24 273:17,18

points 169:7 263:1 266:7

policies 112:15,18,19,22 113:3 162:12,17

policy 112:23 113:2

Political 56:18 196:10 208:18

pop 136:7

popped 127:23

portfolio 116:25

portion 11:2 21:8 49:19 84:1 92:19 104:7,9 111:13 117:18 157:15 162:22 190:19

portions 10:6

position 135:6 184:1 197:24 214:25 215:6,19

positions 174:9

positive 252:15

possibly 72:16

Postage 252:23

potential 8:3 75:24 206:22 265:6

potentially 175:10 262:4 265:14

practices 74:25 132:23

pre-prepared 201:4

preamble 263:23

preceding 11:11

precise 164:20 213:22

precisely 172:8

predominant 195:16

preface 165:25 247:17

prefer 116:7 138:1 269:25

preferred 116:7 158:16 261:25 273:3

prehearing 143:22 264:25

preparation 87:7 213:9

prepare 42:25 181:2 215:19 269:13

prepared 7:17 27:21 42:24 66:5

preparing 26:21 28:2 30:12 80:22 143:18,19 165:12,22

prescribe 10:3

presence 151:11 223:20,23 235:17 238:10,16 266:21 267:7

present 6:2 86:1 181:25 182:1,6 217:17 222:25 224:8 235:11 238:8

presentation 46:25 142:2 209:5

presentations 196:4 214:7

presented 35:1 59:11 143:17,21 155:19 255:9

presenting 44:20

Preserve 208:13

president 228:21

press 97:5

presume 85:11 93:5 106:14

presumed 85:12

presuming 75:7 91:6

presumption 148:8

pretenses 258:21

pretty 35:24 45:10 46:3 54:11 59:10 69:3 78:19 79:13 80:5,11 82:9 104:17 114:2 131:18 144:13 157:10 172:5,13 186:5 209:21 222:18

prevalent 160:25

prevent 65:16 152:2 171:16

previous 23:1 31:8 60:14 74:1 113:23 117:18 126:12 159:10 166:19 191:1 224:22 230:9 250:18 255:1

previously 7:17 132:20 181:6 187:15 190:16 228:19 241:5,21 249:22

price 9:18 10:17 36:20 42:5 57:7 112:22 179:22 188:2,5 192:17 193:14,17,21,23 194:22 229:17

primarily 143:8,9 161:2 172:3 207:12,18

primary 61:1 172:17 207:16 208:2,4,5

principles 60:6

printing 158:5

prior 17:17 19:1 24:13,14 28:25 45:6 55:14,17 62:4 65:5,10 67:23 70:17 71:11 110:20 111:13 114:8, 10 128:17 130:10 131:15 146:4 151:10,22 157:16 181:6 188:21 223:24 224:6,7,25 228:1 230:14, 19,21 242:1

privilege 91:12

probe 129:18

problem 134:5 187:4 195:11,13, 14 203:11

problems 121:22 134:3

procedurally 263:6

procedures 129:14

proceeding 19:14 181:16 256:12 261:7 275:3

proceedings 269:3

process 166:10

processes 131:12

produce 213:5

produced 66:16 141:23

product 94:3

professional 6:25 142:16 160:20 210:10 251:12

profit 8:22 23:9,11 25:21 66:15, 18 71:9 100:17 111:3 151:20 154:15 250:7 251:7

profitable 93:19 94:8,11 105:5

profligate 158:20 159:4

program 105:3 106:10 140:14 215:4

programs 142:22,23

project 143:24

promote 162:12

promoting 74:10

prompt 65:15 68:2 71:16 152:1

pronunciation 237:8

proof 239:24 271:4

proper 146:20 158:6 177:3

properly 102:25 104:23 125:10, 25 128:13 129:6 267:5

properties 92:16 125:13

property 9:3 20:25 21:4,9,10,12, 13,15,20 22:13 26:7,15 27:2 29:17 32:12 48:7 49:9 52:9,17 53:20,22 57:7 62:16 81:8,11,16, 20 84:10,17 99:11,15 101:18 110:3,4 112:6 122:22 127:16 130:5 142:25 143:4 148:23 161:10 165:16 172:2,7,12 176:14 179:10 183:12 208:8,14 212:17 227:1 260:19

proposing 168:12

proprietary 161:20

proprietor 92:10

proprietorship 170:7

prorate 158:8 162:8,9

prorated 76:21 77:6 113:20

protect 162:17 170:11

protecting 74:11

protects 198:8

provide 91:25 92:1 99:8 104:13 123:6,23 156:11 164:12 165:9 166:16 167:24 168:22 181:13 203:6 220:1 241:24 268:25

provided 9:22,24 37:9 66:22 69:20 84:13 125:23 126:21,22 141:4,7 156:24,25 180:22 223:4 251:6

provider 5:21

providing 64:11 92:12

provision 145:16 199:10

pseudo-in-place 218:24

public 7:7,10 73:2 95:15 142:1 143:2 160:14 262:22,25

publication 209:11,19,25

publications 196:3

published 11:13,24

PUC 161:18

pull 8:14,15 29:6 30:16 42:22 52:24 54:4 107:12 115:16 117:10 126:23 130:15 189:22 190:10

pulled 94:23 251:19

pulling 119:18

pulls 120:7

purchase 9:8 27:11,19 29:20 31:12,20 32:7,11 33:25 35:15 36:20,22 37:1 57:2,6,7,10 88:18 90:10 176:8,10,12,16 179:8,21,25 180:3 188:2,5 189:3 192:16,17 193:7,9,14,17,21,22 194:4,16,17, 22 224:25 225:10

purchased 43:20 44:6 111:21 157:25 225:4 250:16

purchaser 188:3 193:25

purchasing 224:22

purely 76:20 147:23 268:17

purports 227:2

purpose 74:2,10 111:22 149:24 161:18 165:12 169:16 207:16 232:9,13 263:7 267:24

purposes 11:1 83:19 104:10 105:16 124:24 216:4

pursuant 31:11 61:2,13 145:22

pursue 265:9

pushing 103:10

put 21:24 44:1 55:3 111:2,4,15 118:10,18 126:6 137:11 167:9 172:25 176:5 189:20,25 191:18 199:18 206:20 209:12 211:19,23, 25 221:17 223:10 226:21 270:24 273:14 274:22

puts 55:12 117:1 160:23

putting 109:23 111:15 129:17 254:15

Q

quadrupled 112:14

quarter 120:9

question 18:4 29:1 33:23 49:10 57:6 64:20 67:3,9 71:5 75:20 77:17 78:5 83:4 88:25 92:18 93:3, 10,11,13 103:22 106:19 113:11 118:21 119:7,15 125:20,22 126:4 127:2 128:11,23 129:18 130:2 135:23 146:23 148:19 149:2,9 151:23 152:12,17,18 155:6 159:9 164:8,19 165:7 166:8 167:1,13 173:23 175:13 183:18 188:14 191:21,23 200:7 201:20 203:21 210:13 213:7,25 214:15 215:11 216:3,9 224:5 242:7 244:11,20 245:7 252:11 257:4 258:24 269:19

questionable 35:9

questioning 188:23 232:9,14

questions 6:12 13:6 28:2,9 33:20 58:15,25 66:25 69:14 77:19 79:23 80:2 90:8 94:25 99:25 102:15 114:20 139:1 163:23 171:4,5 172:23 206:17 214:21 215:7 216:21 217:5 224:4 225:17 228:8 236:16 244:8 245:11,21,24 255:18,20 261:8,12 266:19

quick 97:9 130:2 132:3 217:14

quickly 241:18 243:25

quizzed 28:5

quote 24:19 37:17 61:17 74:10 85:8 264:6

quoted 267:15

quoting 61:8 262:1

R

R&m 101:25 111:7 116:8

raise 155:5 159:9 217:22 234:12 237:9

raised 148:20 206:17

raises 152:12 166:8 203:21 216:9

raison 162:15 163:7,9,10

ran 18:5 128:8,24 131:23

range 116:3 202:23 203:15

ranging 7:12

RAR 134:3

rarely 164:17

rate 15:2 36:17 37:6,21 38:5,7,23 39:23 41:5,9,14,18 42:1,4,21 44:12 45:22 47:19 49:14,15 50:9 51:5 85:11 93:2,7,17 106:14 107:21 174:25 175:2,19 182:2 243:23 245:5 268:2

rates 9:16 37:11 42:15 52:15

rationale 148:21

raw 12:19 43:8 128:4

re-served 118:5

reach 125:17 170:20

read 8:1 16:23 33:9 40:2,3 108:2,5 155:18 184:3,22,25 207:8,11 209:10 213:9 221:18 261:15

readdress 225:14

reading 108:18 185:8 196:3 239:9 264:3

readings 108:8

real 5:9 17:23 30:16 44:16 55:21 87:25 88:1,3 90:14 91:2 99:1 132:3 142:24 154:18 176:8 177:6 182:19 194:7 229:2,6,8 253:10

realize 131:15

realized 63:12

reallocated 120:25

reason 15:14 21:19 26:14 28:6 34:25 36:6 78:20 96:9 113:5 148:20 151:8 159:9 163:10,11 177:10 183:24 187:13 188:9 195:10 203:20 211:12,23 233:13 238:22 272:21

reasonability 147:15

reasonable 14:1,20 37:6 39:14,15,17 43:25 44:13 45:7 62:25 63:1,3,4,8,12,19 64:9,17,18 71:7 73:4 83:11 85:14 95:21 96:11 134:4 147:15,17,21,22 148:1,7,9,10,15,20,25 149:4,7,10,14,23 150:1 158:5 159:10 169:8 178:3 182:23 184:15 186:20 194:11 203:14 264:5,8 272:21

reasonableness 41:21 44:9 45:16 73:6 184:3,10,11 185:6

reasons 202:15

reassessed 172:13

reassessment 21:11

rebuttal 69:16 240:16,18 241:4 243:17 246:10 249:21 265:24 266:22 270:23

recall 20:1 28:22 73:14 74:3,9 81:9 95:7 98:24 145:6,8 156:13 157:17 178:16 184:13,17 197:2 201:25 247:7

recap 71:10 250:8 251:7

recapture 143:3

recategorized 252:2 255:15

receive 160:9 225:20

received 84:11 204:24 215:18 226:2 241:22 263:13 269:5

receiving 67:23 263:8

recent 81:20 117:23

recheck 205:7

rechecking 125:19

reclaim 257:24

reclassed 111:11

recognition 145:18

recognize 48:8 211:5 235:24 239:7

recognized 172:11 239:23

recognizes 39:10

recollection 156:12 196:23

recommendation 97:4 170:6

recommendations 141:23

recommended 142:12,13

reconstruct 86:1

record 39:19 87:18 138:22 146:2 155:20 156:17 163:17 166:20 196:25 201:16 218:8 234:22 237:20 268:4

recorded 68:13 71:23,24

recording 215:23

records 23:10 24:3 25:20 32:22 69:21 70:4 76:25 89:13,14

recoup 256:10 261:18

recouped 257:14

recover 31:15 167:19 168:6,12

recovered 152:17 167:23 168:18 197:17

recovering 169:20

recovery 160:16

RECROSS-EXAMINATION 115:1

recur 180:10

recurrent 5:18

recurring 57:13 79:14 152:6 164:17 179:14 180:12,15,18 194:11,15,17 195:2

recurs 180:10

redirect 95:3 215:13 225:14

redistribute 252:8

redivvied 121:11

reduced 174:18,21

reduces 47:12

reduction 47:6 186:21

reexamine 172:18

refer 8:16 62:8 100:5 132:5 227:15 263:24

referee 267:1

reference 38:3 118:24

referenced 91:3 155:8 169:7

references 146:24

referred 146:5 196:22 227:5 239:16

referring 62:6 87:2 136:14 182:24 227:17,25

refers 62:4 78:6 119:23 146:3

reflect 68:4 84:10,15 128:17

reflected 49:7 67:13 128:12

reflective 51:19 244:21

reflects 90:10

regard 49:12 96:3 107:7

region 11:25

regional 98:15 109:19

regs 239:16

regular 196:3

regularly 209:11

regulated 104:18 259:7

regulates 160:12

regulation 239:13

regulations 143:2,3 146:25 226:2,5

reimbursed 248:8

reimbursement 119:5,8,14 123:10 242:18 245:2 246:17

relate 9:4 133:16

related 9:2 10:21 21:15 22:12 27:10 79:1 89:13 90:8 92:6 96:7 134:17 135:13 143:8,9 147:11,13 160:10 161:18 164:4,14 167:1 197:14 213:8 256:11

relates 119:3 235:16 271:10

relating 22:3 143:7 145:11

relationship 149:7

relaxed 261:5

relevance 232:10

relevant 19:4 23:24 29:14 40:4 41:2 43:2 47:19 62:6 64:1 78:15 88:21 93:1,5 109:8 251:9

relied 9:24 42:15 44:18

relies 264:16

relisten 215:23

rely 49:14

relying 5:12 148:3

remainder 250:15

remaining 110:20 251:20,21 252:4,22

remains 174:18

remapped 250:5,6 253:16,17,21 254:4

remember 81:17 118:4 145:24 179:9 223:15 226:1 254:11

remit 268:11

removal 63:8,10,17,18 78:12 252:14

remove 23:12 24:11 34:11

removed 24:16,20 27:24 33:16 56:19,20,22 94:18 162:22,25

removes 190:22,23

removing 33:12

render 40:18 143:25

rendered 181:1

rendering 171:17

renewal 113:21 114:3

rent 7:15,18,21 8:3,24 10:4,6,16 11:5,11 13:11,15,17,18 17:22 18:1 20:19 21:3,14 22:16 27:23 29:15 37:10,20 38:10,17,24 39:2 41:2 46:20,21,25 47:3 57:18 61:11,22 62:5,8 65:17 74:23 75:9, 12,19,24 76:4 80:22 83:17,18 84:12,14,15,18,19 85:20 86:9,11, 12,13,15,16,22,24,25 107:23 108:2,6,9,13 128:8 140:5,14 141:5,9,21 145:17 146:4 148:23 152:3,13,15 160:23 161:6,12 162:2,18 165:12,22 167:18,22 168:9,10,20,21 172:2,10 175:18 177:15 180:23 181:5,11 182:13, 17 191:4,10 197:18,22 198:25 206:2 207:13,17,21 209:2,3,5,14, 22 210:16 213:25 215:1,3,6,20 221:22 225:25 243:6 256:9 257:11,14 260:16,24,25 261:19

rental 84:3,5,8 85:22 142:25

rents 13:8,19 46:11,17,22,23 47:7,19,24 84:1 85:20 87:5 172:5 259:17

reopen 263:9

repair 101:23 102:11

Repairs 102:6 111:11

repaving 183:6

repeal 209:14

repeat 83:3 232:21

rephrase 135:4 192:4

Replacing 183:5

replies 269:24

reply 244:25 269:22 270:16

report 8:15,16 9:4,13,14,15 10:10 12:13 28:2 38:3 42:13 44:14,17 51:9,15 52:24 53:1 54:10,16 55:19 58:17 60:11 84:13,21,23 101:12 112:9 117:13 118:14 126:5 139:14,17 143:19, 21,22 152:24 159:19 169:7 170:19 171:25 178:22 189:16 205:14 207:8,10 211:9 212:11 213:2,5,9,19 242:11 273:13

reported 59:10 151:20 153:5

reporter 6:21 8:8,11 58:19 97:12, 14 98:4 161:24 163:14 201:7,13 209:10,17,22 269:10 275:1

reporting 112:3 131:11

reports 9:9 178:12 216:14 273:11

represent 92:22 162:16 164:10

representation 201:24

representative 64:1 196:4

representatives 142:9,10 228:20

represented 153:16 178:17,19

representing 77:6 130:6 161:3, 25

reproaching 217:19

request 134:4 166:18 181:1

requested 11:6 168:18 180:24

require 57:12 63:15 99:25 106:1

required 24:25 34:3 45:7 58:9 65:16 94:17 106:5 152:2 212:19 213:1 244:22

requirement 57:16 100:4 147:20 181:22

requirements 227:22

requires 64:8 75:3,10 100:1

requiring 95:10

reroofing 168:4

research 69:13

reserve 262:13

reside 162:5 218:11 235:2 237:25

resided 235:4,6

Residency 104:20

resident 74:22 131:22 148:16,17 183:22 195:5 197:22 200:17 217:15 220:17,19 228:19 230:16, 17 234:24 237:22

resident's 86:12,22

residents 14:6,10 21:5 48:4 73:21,23 74:18,25 75:1,8,11,23 76:4 89:24 94:4,12,22 95:7,10 106:2 134:20 135:16 139:12 142:9 183:1 197:11 200:17 201:1 224:11,20 226:11 232:12,13,15 257:20 261:14,21 262:1,4

resolution 142:24

resolve 266:5

resolved 228:6

resources 161:2

respect 47:12 52:22 56:15,23 80:10 81:8 87:10 98:13 133:8 141:9 155:6 156:23 157:7 159:14 162:18 163:23 169:10 175:23 184:8 205:24 207:19 210:19 223:19 224:5 227:8 235:16 236:5 238:9,15 239:13 256:18,22 258:2 261:12,15,22

response 90:15 217:4 260:5,7,9

responsibilities 98:13

responsible 19:7 75:12,14 98:19

responsive 222:14

rest 71:14 72:19

restate 103:21

rested 137:18

restriction 199:3

result 21:3 24:17 62:17 83:11 135:21 142:1 154:19 203:4 258:15

resulting 22:16 24:5 27:23

results 22:13 45:12 155:22 165:15

resume 58:21 138:5 201:14,17

resurfaces 167:24

retained 7:20 143:13

retired 182:20,21 226:13

retirement 109:24 120:6 226:14

retreat 25:4

return 7:17 9:16 11:2 14:1,20 15:3 23:18 36:14,17,18 37:6,11, 22,23 38:11 39:8,11,14,16,17,23 40:16,17 41:2,4,5,8,9,12,15,19 42:4,15 43:18 45:6,7,13 47:12,19 49:1,14,15,20 50:9 51:5 53:11 57:25 58:4,7,8,10,11,13 59:12,13, 15,19,25 60:13 79:2 83:1,5,7,14, 23 93:2,7,17 139:22,25 174:25 175:3,19 180:25 181:16,17,24 182:2,9 184:19 197:21 214:7 256:12 263:19,24 264:1,6,8,10,16 268:3

returned 243:14

returning 37:13 38:1 43:21

returns 16:13 59:22 71:24 133:19 134:1 197:6 242:2 267:23

revenue 7:13 46:12 48:3 49:4 52:1 86:5

reverts 208:7

review 8:19 141:22 143:18 145:4 152:22 153:3 180:23 181:5,6 182:14,17

reviewed 53:1 143:20 185:2

reviewing 98:21 145:6

revised 56:22 173:9

rhyme 113:5

ride 117:5 238:18,20

riding 239:4

right-hand 26:3 187:8

rights 161:10 208:8,14

rises 68:25

risk 38:5,8,11,14,15,18,23 44:12 45:22 92:5,11

risks 38:13,16

ROI 175:22

role 60:4 120:3 160:17 266:25

rolling 105:24 106:9

rolls 8:24 84:12 85:20

Ron 109:17

roof 183:6

rose 77:13

rough 127:3

roughly 102:13 110:20 123:11 124:22 130:7

round 50:7 124:23

round-trip 248:24 249:3

roundabout 162:6

rounded 192:24

route 51:2,5 175:3 264:19

routes 51:1 263:17

routinely 144:25

rule 65:21 152:7 225:1 226:8 236:6 239:13 265:9

rules 52:14 132:22 226:2,5 239:16 260:2,6

ruling 216:15

run 104:25 106:13 127:16,17 129:14 131:18,21 132:16,17,20 149:1,22 158:21 162:4 174:15 199:2 214:19

running 106:13 128:7 214:16 226:15

runs 114:15 209:17

RV 92:20

S

S-A-L-L-Y 237:21

S-U-E 218:9

safe 193:2

salaried 115:14 123:8

salaries 125:9 128:12

salary 100:22 101:4 115:18,21, 22,23 116:1,10,12 119:18 120:11, 13,14 121:24,25 122:2 127:4,6 129:7 148:17 156:15 183:21

sale 21:4,11 24:17 56:17 62:17 193:21 224:6

Sally 236:21 237:12,21 247:7

samples 73:3,5

Santa 7:21 16:15 78:3,5 80:6 121:1 132:4,8 148:6 164:5 172:12 184:8,19 217:17 226:20 227:7,12

satisfied 154:11

satisfy 129:18

satisfying 265:25

Saturdays 233:17

save 208:8

savings 107:23

scales 18:11

scenario 256:10 270:19

schedule 271:10

schedules 56:23

scheme 71:19

scope 7:24 132:18 134:5 213:4 268:16

scratch 178:15

screen 5:10,23 8:15 12:12 32:1,9 52:25 118:18 173:1 185:12 189:23,25 223:9 251:1

screens 127:12

scroll 8:21 123:18 124:14 128:20 137:4

section 10:3 15:14 17:16 19:2 22:9 24:1 29:9 30:15 31:25 46:1 48:25 61:3,5 62:20 116:8 145:7, 25 179:7 214:25 267:14

sections 22:14,18 61:14 103:12 205:15

sees 111:24

sell 229:13,17

seller 70:8 250:18 254:12

seller's 250:14 251:23 255:4

selling 24:18 228:22

seminar 160:7

seminars 105:1 160:6,21

send 102:23 190:5 220:11 253:12,19,20 254:5,6 273:2

sending 273:25

senior 98:15 132:15,17,25 134:22 135:2,6 169:17 225:5,21 226:22 227:2,8,9,10,23 236:6 239:13,21 258:17

senior's 260:4

seniors 226:14

sense 19:22 20:15 21:17,18 28:10 42:6,9 60:10 72:22 79:3 100:8 155:4 192:4 198:23 213:10

sensitivity 37:10 38:21 45:19

sentence 86:24 87:2 267:17

separate 18:15 20:5 44:25 81:18 89:1,3,5 92:3 94:18 107:2 189:25 196:9,11 242:18 255:10 256:15 273:11

separated 256:15

separately 10:7 273:5

separating 131:11

September 13:11,19 128:1 244:19

seq 206:11

sequence 10:3,7

sequences 10:6

sequential 269:21 270:15 271:3

series 141:23 165:5

servant 210:18

serve 181:12 268:17

served 7:10 139:24 140:13,18 143:5,10

serves 115:24

service 67:6 106:15 186:21 215:5

services 27:7 32:19,23 104:6,11 109:13 123:6,23 127:6 156:11,24 160:5 187:15 196:9 203:6 204:1,3 215:1 232:11 241:22,23 251:12 252:13,16,17,25

servicing 67:15 68:4,9,17 154:10

session 156:18

sessions 142:22 161:15

set 63:4,25 70:6,9 239:20

sets 26:4 243:24

setting 39:13

settled 149:5

settlement 9:6 198:10

severity 66:1

Shady 90:18

sham 56:7,9,14

share 5:10 8:15 123:15 175:8 250:10,11 263:1,15 264:18 265:5

sharing 30:18 45:2 90:18

she'd 269:11

sheet 9:1 27:15 35:16 57:11 120:23

Shield 112:16

ship 158:22

short 58:16 97:13 210:5

shortfall 37:17

shoulder 221:21

show 42:22 61:16 82:24 83:10 128:15 130:3 137:7 185:12 220:24

showed 38:22 56:23 153:20,21

showing 33:10 45:8 120:23 122:14 123:14 134:9 137:8 193:19 242:9 247:15 250:25

shown 23:8 37:12 134:12 243:5

shows 42:14 61:18 77:11 81:19 87:18 225:10

side 46:13 111:4 158:13 187:7,8 194:3 220:25 241:20 263:8

sides 142:3,5,7,11 150:10 266:25 274:21

sides' 174:9

sign 219:23 224:19,23 239:15,22 262:23

significant 54:12,23 152:10,16 153:17,20 154:6 164:2 187:9 195:16 208:3,6,9 211:7 212:1,2, 14,17 266:20

significantly 54:3

signing 220:20

signings 249:2

silent 199:21,23

similar 30:13 37:25 38:1 91:22 167:8

simple 14:24 262:24

simplicity 16:5

simply 14:2 17:3 40:13 171:3 188:7 189:11 216:23

simultaneous 43:10 269:23,24 270:16,18,22,23 271:1

single 214:9 235:23 247:13

sir 144:5 173:10 236:4,13

sit 106:25 263:21 264:14

Sixteen 218:16

size 72:3 148:18

skill 274:20

slandered 243:17

slick 209:19

slight 260:9

slightly 50:4 91:16 99:16 137:10 140:23 154:3

slip-and-fall 165:14 198:7,11

slips 165:18

SLO 121:1,16

small 24:17 37:3 53:24 54:8,12 166:6 170:9 239:19

smaller 211:16

snuff 105:2

sold 159:11 230:6,9,16,17

sole 92:10 170:7 267:24

son 109:19

sooner 201:9

sort 19:9,23 21:24 28:2 59:24 61:20 71:16 72:12 83:16 100:4 111:1 129:13 137:12 146:18 148:22 150:15 158:22 165:15 174:24 177:18 199:24 210:4 213:8 257:18 265:21

sorts 206:23

soto 122:9,13

sound 74:13 94:10 248:13

sounds 65:21 130:7 158:25 159:2 248:15

souping 5:20

source 130:23

south 116:4

space 13:11,21 20:21 22:10,19 37:19 86:17 107:2 116:11,18 125:25 129:9 168:7 218:13 222:1 235:2,4 237:25 257:2

spaces 17:22,24 20:19 37:18 46:18,21 48:13 100:2 101:7,8 102:22 104:4 109:10 115:24 129:10 140:21 183:7

speak 31:24 130:15

speaking 71:6 122:9,13 184:22 232:15

speaks 264:3

special 78:14

specific 10:3,5 18:16,24 43:6,7 59:22 64:2 68:8 79:1 94:21 101:3 116:17 128:22 136:19 147:9 150:18,23 168:5 203:10 208:17, 24 236:11 238:15 242:14 256:24 258:2

specifically 18:25 27:19 30:10 36:5 45:13 61:8 78:7,24 88:17 130:15 141:9 147:1,2 150:19 151:19 155:6 156:23 157:4 160:9 162:18 177:2 179:16 180:2,4,18 189:20 193:9 194:19 199:14 200:22 210:19 241:11

specification 164:12

specifies 78:21 246:21

spectrum 166:12

speculating 116:2

spell 6:21 98:5 138:21 218:8 234:21 237:19

spelled 6:22

spend 64:19 67:19 72:3 159:7 205:8 272:9

spending 67:14 72:1

spent 64:18 67:20 68:14 259:8

Spere 270:7 275:1

spirit 265:18

split 120:10

splitting 14:19

spoke 22:12 237:9

spot 125:5

spreadsheet 26:22 32:10 42:19 122:7 153:3 187:6 189:16 191:18 192:12 193:19 250:7 251:1

stabilization 139:21 140:14 141:5,9,21 160:23 161:13 162:2, 19 181:11 182:13 206:2 207:13, 17 209:2,3,6,14 215:3,6

staff 181:11,18 241:24 250:21,24

stamp 118:7

stand 74:1 91:1 151:22 225:14

standard 59:16,17 85:4 147:15 184:11 185:7

standards 52:23 59:24 143:1 160:13 268:3

Stanton 5:4,16,19 8:4,7,12 12:3, 6,8,18,22,25 58:24 59:1,5 62:3, 10,14 64:3 70:24 73:8 77:2 79:16 83:2 87:17 88:5 90:7,17,24,25 92:25 93:4,11 95:6,25 96:17,23 97:17 99:2 103:20 105:19 107:8 112:7 113:12 114:19,21 115:3 117:11,14,17,23 118:2,7,23 125:8,14,18 126:3,9,13,24 129:17,20 130:1,22 131:1,5 133:14 134:19 136:14,16 137:25 138:1,7,18 139:1,9,10 142:14 146:9,17 150:12 153:12,14 156:16 157:6 159:13 162:24 163:5,13,16 169:1 170:18 172:20 173:7 175:12 176:21,23 178:5 186:7 190:2,7,9 192:18,23 196:14,24 210:13 214:14,20 215:8,9,15 216:12,20,22 217:3, 12,13 218:7 225:13,19 228:7 231:12 233:25 234:2,5,6,20 236:14,19,21 237:18 240:8 242:2 244:7,9,16 245:11,12,13 248:16, 20 249:7 251:2,5 255:20 257:5 261:2 262:10,11 264:24 265:23 267:8 268:22 269:22 270:13,17 271:6,8 272:1 273:19,21 274:17

Stanton's 269:20

Staples 72:21

start 48:5 80:25 99:6

started 48:5 66:18 79:7 110:7

starting 18:8 24:1 45:22 48:23 150:17 164:1 179:18 269:15

starts 18:21

state 7:5 91:22 98:4 99:25 105:9, 12 106:3,6 112:23,24 135:4,18,19 138:21 147:20 150:24 158:24 159:3 160:10,11 161:7 184:25 196:6 207:24 243:10

stated 37:22 74:2 131:8 157:2 161:23 208:21 225:23 240:6 256:18,19

statement 9:6 29:12 30:17 69:25 73:2 83:20 145:23 161:23 166:1 267:21

statements 8:23 9:3 23:9,11 25:22 66:16,19 81:16,18,20 151:21 245:3

states 11:10 13:24 38:9 39:12 224:19 264:13

statewide 43:4,9 162:2

stating 155:17 213:22 226:22 239:22

stationary 174:21

statistical 73:5

status 132:14

statute 33:21 174:25 175:1

statutes 200:1

stay 135:2

steps 144:19

Stewart 9:8

stick 126:25

stingy 107:22

stipulate 12:9,25

stipulates 214:2

stipulating 12:18

stipulation 12:4 108:13 145:11

stock 112:11

stole 244:9

stop 17:23 45:1 127:12 137:17 185:11

stopped 121:14

storage 88:4 92:19,20,21

storeroom 158:4

storm 63:6 78:12

story 108:21

straight 22:22 25:21 260:22

straightforward 82:9

strange 210:12

strategies 105:4

stream 165:1

street 168:1

streets 167:25 168:4 183:6

stretch 110:13

strictly 27:13 50:11

strikes 16:18

strong 183:23

stronger 99:19

strongly 266:25

structure 99:23 108:25 109:1 152:13 167:18,22 170:11 172:10 197:18

study 43:2,5 182:2 262:12

stuff 70:13 104:22 111:4,6,10 118:6 123:22 231:5

style 99:12 101:17,18

subaccounts 255:4

subject 17:22 20:19 37:18 38:18 52:14 86:13 125:19 133:1 141:25 177:18 236:3 265:23

subjective 24:22 64:20 69:4 232:17 267:21

subjectively 25:7

submission 73:12 77:25 117:24 269:5

submissions 143:23

submit 215:25 245:2,14 246:16

submits 242:11

submitted 117:25 139:14 143:14 170:19 273:8,10

subscribe 93:15

subscription 162:23 195:9

Subscriptions 73:10 113:16 114:11 159:15 212:21 253:7

subsection 61:7,10,22 66:9 88:20 145:22

subsections 61:14 145:9,11

subsequent 29:4 130:11 141:16

subsidiary 89:2

substantially 24:12

subtract 20:23

subtracted 21:2 84:19 85:9

subtracting 20:13 84:3 252:3

subtraction 252:13

successfully 21:14

sudden 148:19 183:22

Sue 217:16 218:1,9 238:9 243:9, 19 247:3,18,19

sufficient 270:10

suggest 25:2 58:18 166:17

suggesting 41:24 93:21 94:7 125:8 174:4

sum 78:4

summarize 245:15 247:3 255:3

summed 251:14

super 103:14

Superior 268:9

supervisors 161:5 226:21

supervisory 241:15

supplementary 216:14

supplies 28:4,21 35:5 54:19,20 55:14 68:21 70:17,19 71:1,2 72:2 110:17 130:8 131:4,18 157:7,25 158:5,21 159:8 212:21 250:24 251:16,18,20,22,25 252:1,4,8,22 255:6 256:2,4 265:20

support 9:21 75:19 82:2 83:16 135:8,16 195:19,20,22

supported 57:22 232:12

supporting 158:18 196:15

suppose 86:9 148:15 167:3

supposed 232:3

surely 19:12,20 39:22 259:18

surgery 5:24

surplus 52:12 113:2

swear 97:21

switches 44:23

SWORN 6:15 97:24 138:13 218:2 234:15 237:13 241:5 246:11 249:22

system 272:17

T

T-U-N-D-I-S 87:13

table 38:21 45:19 128:13 172:17 245:15

Tahiti 25:5,11

takeover 113:20 114:10 124:12 127:15 128:7

takes 13:23 108:9 122:16 153:25 165:16

taking 14:12 21:25 43:17 125:11 176:17 225:15 239:5 254:15

talk 45:12,16 51:12,15 53:17,18 78:23 83:9 144:2 180:9 182:23 191:15 205:16,18 207:9 208:8 216:19 223:9 250:4 254:9 262:25 268:14 273:17

talked 12:22 30:17 44:15,17,18 53:6,14,21,22 55:13 62:20 71:6 87:23 101:21 123:7 163:2 190:14 257:16

talking 28:13,21 30:14 39:3 43:10 54:15,16 62:8 69:6,7 71:2 87:15 91:10 101:14 102:4 103:16, 23 104:10 105:19,22 130:2 131:4, 12,14 166:20 171:1 173:2 179:6,7 184:9,24 185:21,22 186:7 188:19, 20 191:24 192:24 194:15 195:9, 10 198:13 199:15 205:20 219:5 226:25 227:6 231:12 242:6 244:6 246:16 256:6,19 258:3

talks 16:19,23 29:10 104:25 141:14 200:9

Tanya 99:17 100:6,10,19 110:24 111:5,7 115:7 116:22 119:4,10,23 123:2,15 124:5,13,21 126:1 127:5 129:5 155:9 219:1,7,16,17 220:11,15 222:19,20 223:7,8,13 232:22 235:23 236:1 238:22 239:1 242:11,23 243:15,16 244:21 246:9

Task 141:22

taught 75:1

tax 9:3 20:25 21:15 22:13 26:8 27:2 71:24 81:8,16,20 84:10,17 91:6,18 142:24 172:2,7 241:22

taxes 21:4,9,10,12,20 26:15 29:18 48:7 49:9 51:23 53:22 57:8 62:16 81:11 123:21 172:12 254:21

teaching 74:21

team 246:20

technical 141:4,8 180:22

technically 24:24 35:14 100:7

telephone 55:5

Telephone/internet 252:24

temporarily 256:9

temporary 168:21 257:14 261:19

ten 58:19,20 97:16 166:12 168:1 270:7

tenant 79:19 134:3 247:1

tenant-dispute 96:7

tenants 134:6 243:6 265:16

tenants-in-common 109:1

tend 25:2 40:7 41:22 161:22 202:11

tender 188:6

tendering 176:16 193:25

tens 165:21

tentative 263:3,5,6,15 264:18,21

term 63:3 64:20 132:13 161:10 169:18 180:12 269:3

termination 197:18

terms 5:11 42:4 71:2 111:25 113:19 153:6 154:9 189:2 191:9 216:20 265:2 269:8

Terrace 121:6 122:8 242:17,18

terre 162:15 163:7,9

terrible 112:24

testified 6:16 60:13,15,16 77:19 82:3 84:7 87:4 90:13 97:25 113:13 115:25 129:13 138:14 156:19 171:18 218:3 232:22 234:16 237:14 241:5,21 246:11 247:4 249:22 257:15

testify 88:11 212:25 235:22 241:16

testifying 129:5 139:11 140:10 235:12 261:2

testimony 59:10 82:10 93:6 97:1 102:14 128:11 134:15 137:13 139:2 143:19 144:12 154:8 155:8, 18 156:2,14 162:21 164:20 170:5 175:4 176:25 178:22 183:13 188:9,12 196:8,10,22 201:4 216:24 217:8 219:13 235:14,16, 18,20 236:5,7,9,12 238:9,12,14 239:12 240:2 241:11,17 247:2

254:23 255:25 260:12 261:6 265:24 266:10,19,22 267:10

text 119:16

textbook 59:19 264:11

theme 160:25 161:7

theories 182:7

theory 106:3 181:24 182:1,5 263:20

thing 5:18 17:4 36:9 46:14 49:21 78:14 85:19 89:24 108:23 111:3 112:4 113:6 126:16 131:17 135:18 136:21 158:22 162:14 163:3,4 164:24 167:4 178:3 182:11 199:25 210:8 214:23 239:3 242:6 245:13 250:4 256:17 257:20 265:18 273:13 274:2

things 14:24 16:25 17:2 26:6 27:4 29:11 30:1 38:17 57:9 71:19 94:20 99:3 104:5,23 107:18 108:5 110:24 111:15,16 114:12 127:16 131:23 136:6,7 146:22 147:24 148:4 165:3 185:23 192:2,8 197:4 206:4,23 207:4 210:4 211:4 212:13 232:19 241:18,25 243:19 255:9 256:3,13 268:10 269:13 272:21 274:6

thirdly 5:23 198:21

thirty 270:9,11

thought 35:8 49:24 50:6 83:8 93:1 121:13 131:16 132:2 136:24 155:14 163:13 178:13 179:5 196:10 200:2 211:11 212:1 223:24 237:5

thoughts 175:16

thousand 28:13 54:23 72:2 141:11 191:5,8,12 192:19,25 204:13 257:10

thousands 165:21 257:8 265:15

three-quarters 120:9 136:8

threshold 14:5 85:16

throw 6:1

thunder 244:10

Thursdays 233:18

tight 270:10

time 18:11 21:7,13 34:19 45:23 52:8 67:14,19,20 68:14 99:10 101:20 112:2 116:24 117:3 120:7 121:13,15 122:13 131:13 136:10 137:17 138:4 139:4 167:23 171:7 172:21 178:16 201:10 209:9 210:5 215:3 219:12,18 223:16,17 224:12 225:3 229:11 233:6 235:7, 11 238:4,23 239:4 243:13 245:4 251:10 259:5 260:7 261:21 263:12 269:4,13,18 272:20,24

time-invested 156:5

times 5:21 48:13 60:22,24 108:5 113:5 120:16,17 123:11,20 128:4, 5 140:2 148:11 182:24 219:18 220:13 221:1,3,9 222:19 232:22, 23,25 233:2,3,4 235:22,25 238:25 243:11,15 247:6,21

timing 262:21 268:14,24 270:2,3, 5 271:9

tips 105:4

title 9:8 57:9 215:2 232:18

titled 71:1

today 15:15 23:21 45:11,14 59:10 60:14 62:9 64:15 65:6 80:23 83:19 87:4 128:9 139:11 143:25 164:20 171:6,7,18 172:19 190:3 215:17 216:4 217:14 218:23 219:13,14 227:5 235:24 245:9 251:1 254:23 263:2,8,21 264:14 270:5,11 271:19 273:7,9

today's 143:19 275:2

told 131:16

tomorrow 271:20

toner 111:19

top 74:3 82:17 84:8 87:3 100:12 119:3 137:5 157:22 191:11

topic 34:8 129:24 135:24 136:14 265:20

topics 161:14

total 11:5 15:12 17:16,18 22:16, 19 26:2 27:14 31:4,12 34:11 36:21,24 37:4 53:21 55:6,7 62:24 68:22,25 72:13 78:4 101:1 112:1 115:22 116:12 119:5 122:8,9,12, 14,16 123:2,20 124:21 125:2 127:4 140:23 173:24 203:9 204:8, 13 211:17 242:23 245:16 248:23 251:14,24 254:20 255:5,8,10

totaled 211:22

totaling 154:25 169:10

totally 18:24 115:13

totals 203:15 251:17

touch 103:13

touched 55:20 99:3 185:10

touching 29:5

town 155:10

track 202:11 223:5

tracking 128:6

tracks 271:3

trade 73:19,20,24 93:25 95:19 241:22

traded 42:10

training 75:4,9,14,21,25 95:17 105:18,23,24,25 106:1,2,5,6,10, 11,13,16,19,22 107:2 142:16,22

transaction 28:18 42:10 73:3 194:8

transactional 194:7,9

transcript 269:14,15 270:9

transfer 57:8

transparency 109:16 245:6

travel 155:1,6,12,25 186:8,11,23 202:19,25 203:19 204:3,11 205:5 242:9,10 253:2 254:22 266:15,18

traveling 119:8,9,13 203:6

Treasury 38:5,9,12,20

treat 64:24 157:19

treated 188:20,24

tree 63:7,10,17,18 78:12

trees 63:6 78:12

tremendous 186:4

trend 149:5

trials 7:14

trick 135:5

tricky 210:25 264:21

trier 143:15 151:17 166:10

trigger 269:6

triggered 21:4,10 26:15
trip 25:11 246:25
trip-and-falls 134:4
tripartite 141:23 182:13
triple 183:22
troubled 18:9
truck 221:16 233:19 249:1
true 26:18 30:6,8 68:18 75:7 85:1 180:8 184:12 224:17 252:5
Tundis 87:12,20,24
turn 66:15 68:20 246:23
turned 243:9
turning 36:12
turnover 239:18
turns 17:1
Twenty 238:3
Twenty-two 140:20
two-fold 35:1
two-year 167:5
type 16:12 53:8 57:1 60:12 79:14 89:1 114:16 141:1 164:13 177:6 199:18,25 252:25 256:10 259:22 266:6 267:21
types 23:23 80:3 112:15 165:8 172:8 198:5 200:20,22 259:13 269:2
typical 23:16 24:9 26:21 35:25 46:15,25 85:15 88:12 123:19 144:10 206:1
typically 23:13 27:11 29:23 36:19 57:4,5 64:24 65:1 78:20 85:2,6 92:24 133:18,25 153:18 165:13 185:14 188:10 209:17 224:10 256:15 270:18

U

U.S. 38:5,12,19
Ubaldi 109:16 110:1 116:23 220:24
ultimately 142:4 268:6
umbrella 161:10
unanswered 171:3,5
unaware 200:25
unbiased 171:17
unclear 146:5
uncollected 46:11 47:3,7,19 48:19 83:18 84:1,18 172:5
uncommon 150:24
understand 8:1 33:22 39:18 40:6,8 77:3 105:15 109:8 137:6 144:15 145:14 149:13 176:20 180:1 193:5 195:20 210:25 245:19 262:5
understanding 14:8 27:7 39:1 41:11 83:10 120:19 121:18 188:1 202:21 206:10 208:11,16,21 225:1,5 227:4,20 229:12,16 232:17 244:20
understood 40:14 47:18 83:2 109:25 121:23 134:8 143:12 185:21 197:20 205:21 213:6 216:12
undivided 130:4
unexplained 252:9
unfair 92:11
unfortunate 239:18
unhappy 134:23,25 135:16
unheard 72:3
unique 16:15 164:23
unit 33:6 191:10
United 38:9
units 88:4
universe 170:25 273:9
University 7:7
unlawful 259:19
unlevered 43:15,17
unlocked 222:5
unpack 83:24
unreasonable 70:21 252:21
unrelated 19:25
unsettling 243:21
unsubstantiated 158:10
unusual 35:20 177:20 184:5,6
up-down 167:4
upbeat 167:5
update 160:7
updated 30:21,23 33:15 34:23 35:21 36:10 121:10 173:3 189:19 190:21 253:12
utilities 160:15,17 207:20 210:20,21
utility 143:2
utilized 206:1
UYOC 43:16

V

vacancies 48:10 84:21,23 85:4,8
vacancy 46:12,23 48:1 83:18 84:1 85:11,23
vacant 46:19 183:7
vagaries 128:3
vague 94:10
validity 39:20 40:11,12
valuation 7:8 38:6 63:22 176:14
variation 151:6
variations 198:22
varies 209:23
variety 160:5
veering 137:13
vehicle 119:12
Ventura 141:10,13,16
verbally 45:11,14
verified 243:13
Verify 230:13
versa 154:1
version 173:16,17 189:19
versions 35:9
versus 129:15 134:22 259:22
vice 154:1
Victor 99:11,14,21 137:2,11

video 103:1,3

view 34:2 93:18 125:11 148:2 160:19 187:6 199:22 200:1 245:3 261:5 263:3,15,21 270:14 273:17

views 137:22 161:6 175:7 263:5, 6 266:21 267:21 269:20

violate 105:2

violating 108:11 135:20

violation 132:22 135:12,17

violations 221:18

virtually 38:7

visible 170:14

Vista 121:7 122:8,18

visual 126:6

VMA 99:11

voce 122:9,14

voluntarily 186:21 203:13,21,23 204:17

voluntary 155:24 165:23 169:22 170:10 204:20

vote 142:11

vowel 237:8

VP 7:11

W

waffling 116:9

wage 68:12 115:7 119:13,20 124:7,9,18 155:15 201:20,22 202:6,8,10 204:7,13

wages 24:1 48:23 51:18,23 67:3, 12,20,24 68:8 99:3 100:17,18 101:4,13 102:5 115:20 119:2 121:19 125:3,9 127:1,7 153:5,12, 17,18,24 154:2,15,19,24 155:3,5 185:21,24 186:9,24 187:1,10,24 202:9,10,12,14,20,21 203:1,8 211:10 212:4,8 242:22 254:14,15, 19,21 266:15,16

walk 8:22 10:12

walked 235:24 238:22

walking 247:24

walks 247:25

wanted 5:7 93:7 94:13 95:25 115:6 129:21 170:17 191:22 214:5 226:14 241:15 255:24 256:14 263:15 264:18 268:15

warrant 72:10

warranted 57:19 68:10 77:19

wash 84:6 212:10

watch 158:23

wave 82:15

ways 161:11 170:8

wealthy 110:13

website 74:4,6,9 231:9,11,23

websites 161:24

Wednesday 271:14

Wednesdays 233:17

weeds 109:22

week 25:5 120:16 220:13 221:9 235:22,23 238:20 243:16 271:11, 16

weekends 247:14,15

weeks 5:24 106:11 269:11 270:7, 8 271:6,19,20

weight 120:7

weird 103:14 137:9

well-argued 274:18

Western 150:5

white 221:17

wide 160:5

widely 38:6

wider 268:11

wife 110:7,8,9,10,12

window 45:1 213:17

Windsor 184:19 199:3 200:7

wire 57:9

wished 148:21

wishes 170:11

wishing 129:11

withdraw 209:19

witnesses 77:9 137:15 138:3 240:16 274:21

WMA 73:14,16,18,24 74:2,17,19 75:5,17,25 76:5,25 93:14 94:17 95:6 102:13,18,20,23 103:12,23, 25 105:4,21 106:5,9,13,18,25 113:13,14,18,24 114:12 150:6 159:21,23,25 160:2,5,8,22 161:1, 7,9,20,22,24 162:11,15 195:9,17 196:5 207:10,11 208:7,15 209:10, 17 210:21,24 211:2 241:12,15,16, 18 266:4,13

WMA's 162:22 196:1

woman 99:17 182:21

word 69:11 74:14 148:7,10 159:4 208:5

wording 192:13

words 14:5 34:2 58:1 60:12 61:16 76:8 85:3 89:2 102:5 146:11 151:4 158:11 167:10,21 168:9 177:11 179:19 183:4 191:7 192:2 199:9,24 200:3 242:8

work 5:15 11:22 45:2 65:5 72:11 79:15,17,19 120:5 122:22 129:21 142:16 178:22 210:11,15 222:17 223:7

worked 96:5 124:12 129:21 156:21 191:4

workers' 51:24 53:20 123:21 212:16 254:21

working 5:16 125:9 156:4 222:8 223:1 248:5

works 9:14 116:13 144:4 220:9 272:7

workshops 104:25 160:22

worse 108:18

worth 168:6

wrestled 165:8

write 113:1

writing 112:18,19 220:1 262:21 273:8

written 16:19,21 33:24 139:14 155:19 216:15 244:4 264:4,17 268:2 269:4,5,16,19,23

wrong 83:11 137:10 148:8 173:16 243:18 247:15 268:10

wrote 264:25

X

XS 78:3

Y

year 8:25 10:24 17:17,18 18:7,21 22:16 23:10 24:2,3,14 26:25 28:19 37:2,14,15 43:23 44:2,6,9 46:19,21 51:17,22 52:4 54:7 63:8, 11,17 65:10,11 66:2 69:10 70:17 79:11 81:24 96:5,6 105:25 106:1, 9 107:1,2 112:12 113:4 114:4,8 120:17 122:10,20 123:11,22 124:11,25 126:12,19 137:7 144:21 148:18,19 150:21 151:3,4, 5,22 164:1 165:2,12 166:1,2,14 167:4,17 172:3 183:23 185:16 187:10 206:13,16 257:19 259:6

years 7:13 18:18 19:9 36:23 43:22 78:19 98:12 99:18 106:16 109:18,22 112:13 136:7 140:6,18 141:1 152:12 166:2,7,11,12,19 168:2,6,14,19 182:22 196:3,6 204:6 209:8,11 218:16 235:5 238:3 242:24 256:9 257:15

years' 25:20

yell 220:8

yesterday 30:17 54:5

yield 38:20 43:16,18 83:1

yielded 45:23

yielding 38:10 43:18

younger 239:23

Z

zone 227:2

zones 227:1

zoning 227:1 260:4

Zoom 5:3

Analysis of Application by Del Cielo MHC, LLC for Rent Increase to take Effect on January 1, 2026
By: Karl Lawson, January 13, 2026

TABLE OF CONTENTS

SECTION	DESCRIPTION	PAGE
I.	Introduction	2
II.	Overview of the Maintenance of Net Operating Income (MNOI) Approach	2
III.	The Four Essential Numbers Required to Calculate MNOI	3
IV.	County of Santa Barbara Mobilehome Rent Stabilization Ordinance	3
V.	Required Findings for Any MNOI Calculation	4
VI.	Overview of the Park's MNOI Application	6
VII.	Notable Missing Information Relation to Application	7
VIII.	Evidence Needed to Substantiate a Profit and Loss Statement	7
IX.	Conclusion and Recommendations	8
Appendix: Attachment "A": About the Author		9

Analysis of Application for Rent Increase Submitted by Del Cielo MHC, LLC, for Increase to Take Effect January 1, 2026

Karl Lawson, January 13, 2026

I. INTRODUCTION

This Report analyzes of the application for a rent adjustment submitted by Del Cielo MHC, LLC (hereinafter the "Park Owner"), which owns the mobile home park located in Santa Barbara, California (hereinafter "the Park"). The application, which seeks a monthly rent increase of $39.16 effective January 1, 2026, is being processed in accordance with the Santa Barbara County Mobilehome Rent Control Ordinance which is codified at Chapter 11A.

This author has over thirty-five years of direct experience in the field of mobile home park rent stabilization in California, participating in dozens of hearings before Rent Review Boards, arbitrators, and Hearing Officers, evaluating fair return applications based on Maintenance of Net Operating Income, market rent comparability analyses, and other fair return approaches. In addition, the author has produced analyses and reports on fair return applications and passthrough applications for tribunals, arbitrators, legal counsels, and parties, and served as an expert witness at hearings.

II. OVERVIEW OF THE MAINTENANCE OF NET OPERATING INCOME APPROACH

With respect to MNOI applications, while the precise wording of the provisions of local rent stabilization ordinances relating to fair return rent increase applications based on MNOI vary from one jurisdiction to another, the basic MNOI concept does not.

That concept upon which the MNOI approach is based is straightforward. A Base Year is selected (or defined by ordinance), and an Application Year is selected by the applicant Park, usually the prior calendar year. Evidence of the income and expenses from that Base Year are examined to yield Base Year Net Operating Income (NOI). Adjustments to various elements of the income and expenses are made pursuant to ordinance requirements, yielding an Adjusted Base Year NOI. The dollar amount of that Adjusted Base Year NOI is then subject to an inflation factor (tied to the Consumer Price Index), to yield the required NOI that the Park is entitled to in the Application Year.

If the NOI that the Park is actually earning in the Application Year is less than the Adjusted Base Year NOI multiplied by the required inflation factor, then the Park is entitled to a rent adjustment in an amount sufficient to bring the current NOI up to the inflated Base Year NOI.

Local ordinances typically set forth specific provisions to define the parameters and elements of income and expenses (which form the bases for any adjustments to income and expenses), and those provisions vary from jurisdiction to jurisdiction. But the essential first steps – and the essential last step -- in the MNOI mathematical formula do not vary.

III. THE FOUR ESSENTIAL NUMBERS REQUIRED TO CALCULATE M.N.O.I.

There are four dollar amounts without which it is not possible to determine whether a park owner is entitled to an M.N.O.I. rent adjustment. Those four numerical inputs are:

Base Year Income Application Year Income

Base Year Expenses Application Year Expenses

Once the trier of fact has verified these four numbers, the MNOI calculation formula can be applied.

First, as indicated above, any ordinance-required adjustments to the above four dollar amounts must be made. For example, an ordinance may explicitly call for rental income to be imputed to spaces that were vacant due to no fault of the park owner, or to exclude mortgage interest as an expense. The ability to make adjustments in many cases will depend on detailed information adduced from the source financial records which substantiate the income and expenses. Upon completion of the adjustments made to the four dollar figures, the MNOI calculation can then be performed, as expressed in the following equations:

(Adjusted Base Year Income) minus (Adjusted Base Year Expenses) = **Base Year NOI**

(Adjusted Application Year Income) minus (Adjusted Application Year Expenses) = **Application Year NOI**

(**Base Year NOI**) times (Ordinance Inflation Factor) = MNOI amount which the Park is entitled to earn in the Application Year

This final product – the MNOI amount to which the Park is entitled – is then compared to the actual Application Year NOI. If the Application Year NOI is less than the MNOI amount to which the park is entitled, then the Park should be granted a rent adjustment in an amount sufficient to bring the current Application Year NOI up to that MNOI amount. If the Application Year NOI exceeds that MNOI amount, then no rent increase is awarded.

IV. SANTA BARBARA COUNTY'S MOBILE HOME RENT CONTROL ORDINANCE

The Santa Barbara County ordinance, at Chapter 11.A, sets forth provisions governing the evaluation of park owners' applications for rent increases. The ordinance states that the purpose is "to protect the owners and occupiers of mobilehomes from unreasonable rents while at the same time recognizing the need for mobilehome park owners to receive a fair return on their investment and rent increases sufficient to cover their increased costs" (Section 11A-1). Park's are guaranteed an annual rent increase equal to 75% of the increase in the Consumer Price Index (CPI).

Chapter 11A.5, which refers specifically to petitions for rent increases in excess of the 75% of CPI standard, states in 11A.5(h) that the Arbitrator "may allow an increase in excess of the automatic increase for increased costs where increases in expenses and expenditures of management justify such increase Sub-section 11A.5(f)(1) states that the relevant factors to be considered by the Arbitrator:

> "...may include, but are not limited to, increases in management's ordinary and necessary maintenance and operating expenses, insurance and repairs; increases in property taxes and fees and expenses in connection with operating the park; capital improvements; capital expenses; increases in services, furnishings, living space, equipment or other amenities; and expenses incidental to the purchase of the park except that evidence as to the amounts of principal and interest on loans and depreciation shall not be considered."

Sub-section 11A.5(k) states that "Evidence as to the costs incurred prior to the next rent increase may be considered only where such evidence shows that these costs are definite and certain."

Increases for "fair return" are traditionally based on the Maintenance of Net Operating Income approach. The Park's application presents calculations purporting to show how its Net Operating Income declined from 2023 (the "Base Year") to 2024 (the "Application Year"); see Exhibit 1 of the "Management's Response to Homeowners' Petition", lead to its petition for a space rent increase of $39.16 per space per month.

Logically, one must have empirical income data and empirical expense data from both the Base Year and the Application Year in order to calculate NOI. If there are no verifiable dollar amounts for any one of the four required numerical inputs, then the mathematical calculations needed to derive an MNOI adjustment cannot be performed. A mathematical equation with four numerical inputs cannot be performed if the trier of fact only has two or three of those numerical inputs.

V. REQUIRED FINDINGS IN ANY M.N.O.I. ANALYSIS

As explained in the foregoing sections, it is necessary for the trier of fact to make certain specific findings in order to complete the mathematical equation that will lead to a determination as to how much of a rent increase, if any that, that a park is entitled to receive under the MNOI approach. Factual findings of specific dollar amounts must be made in order to plug those numbers into the MNOI equation; ideally, those findings will cite to specific documents and exhibits in the evidentiary record. This can be illustrated by showing the necessary foundational factual findings for the 2023 Base Year that the trier of fact *must* make, as follows:

> ***FINDING #1: The Unadjusted 2023 Base Year Income of the Park is $_____.*** *The evidence substantiating this finding is set forth in Exhibit(s)___, at Page(s) _____ of the application materials/evidence packet.*
>
> ***FINDING #2: The Adjusted 2023 Base Year Income of the Park is $_____.*** *This figure was arrived at by making the following subtractions/additions to the Unadjusted 1999 Base Year Income of $_____from the prior Finding: [list all adjustments here]. The evidence substantiating these adjustments is set forth in Exhibit(s) _____, at page(s) _____ of the application materials/evidence packet.*
>
> ***FINDING #3: The Unadjusted 2023 Base Year Expenses of the Park are $_____.*** *The evidence substantiating this finding is set forth in Exhibit(s) ___. at Page(s) _____ of the application materials/evidence packet.*
>
> ***FINDING #4: The Adjusted 2023 Base Year Expenses of the Park are $_____.***
> *This figure was arrived at by making the following subtractions/additions to the Unadjusted 1999 Base Year Expenses of $_____from the prior Finding: [list all adjustments here]. The evidence substantiating these adjustments is set forth in Exhibit(s) _____, at page(s) _____ of the application materials/evidence packet.*

FINDING #5: The Park's 2023 Base Year Net Operating Income (NOI) is $_____.
This figure was calculated by subtracting the Adjusted Base Year Expense of the Park (set forth in Finding #4 above) from the Adjusted 2023 Base Year Income (set forth in Finding #2 above).

The precise wording of findings is may of course differ, but the elements included in the sample findings above should be expressed in some manner in any set of findings. Likewise, for the Application Year, a similar set of Findings to those set forth above must be made with respect to the Park's Income and Expenses for that 2024 Application Year: income, adjusted income, expenses, and adjusted expenses.

The "Finding #5" dollar amount of the 2023 Base Year NOI would then be multiplied by the required inflationary factor to account for increases in the CPI from 2023 forward to the 2024 Application Year.

The two final numbers – the inflated Base Year NOI and the actual Adjusted Application Year NOI – are then compared, in order to calculate the amount of any MNOI rent increase that is warranted.

VI. OVERVIEW OF THE PARK'S M.N.O.I. APPLICATION

The Park's application asserts that there is a "Net Operating Income shortfall" of $336,027, based on a comparison of NOI for 2023 and NOI for 2024. The application seeks a monthly per-space rent increase of $39.16, effective January 1, 2026.

The key document upon which the Park's calculations are based is the spreadsheet found at the second page of the Park's Exhibit 1, entitled "Net Operating Income Calculation, 2023-2024". That Spreadsheet has two blocks of columns, with the 2023 Income and Expenses on the left-hand side, and the 2024 Income and Expenses on the right-hand side.

A comparison of those two columns reveals several notable changes from 2023 to 2024. The "Total Expenses" show an increase of $174,473 from one year to the next (from $511,916 in 2023 to $686,389 in 2024). This represents a percentage increase in expenses of 34% in a twelve-month period. The notable decreases in income and increases in expenses include the following significant changes:

Income	2023	2024	Change
Gross Rental Income	1,263,229	1,260,832	(2,397)
Uncollected Rents Due to Vacancy	0	(35,174)	(35,174)
Uncollected Rents Due to Bad Debt	(667)	0	667
Net Total of Rental Income	1,262,562	1,225,658	(36,824)
Expenses			
Insurance – Property	19,270	29,552	+ 10,282 (+53.4%)
Insurance – Workers Comp	6,726	10,889	+ 4,163 (+61.9%)
Legal – General	2,696	25,412	+ 22,716 (+842.6%)
Office Supplies	1,451	11,972	+ 10,521 (+725.1%)
Dues and Subscriptions	3,829	5,707	+ 2,878 (+75.2%)
Property Taxes	218,691	351,232	+ 132,541 (+60.1%)

Rental Income: With respect to the decrease in rental income from 2023 to 2024, the Park submitted a "Profit and Loss 12 Month Recap" as Exhibit 2, which shows on "Page 1 of 4" a month-by-month listing of Rental Income for calendar year 2023. The Space Rent collected ranges from $103,176.19 January to a high of $105,894.94 in November, and averages $104,600.50 per month for each of the 12 months in 2023. The month-by-month figures appear to reflect a rent increase in early 2023, possibly in the month of April of 2023.

The Park's Exhibit 2 also includes a month-by-month rental income listing for the year 2022, but there is nothing for the year 2024. Given that the Park was eligible for a CPI increase every year, it is essential to have this documentation for 2024 in order to ascertain the amount of the 2024 increase, when it was implemented, and why there was a net decrease in rental income from 2023 to 2024. A decrease is simply counterintuitive and must be explained.

Legal Expenses – General: With respect to expenses, the more than eight-fold increase in legal expenses appears to be almost entirely due to non-recurring costs of in-house counsel, rather than an on-going operational expense. Such costs, if associated with a one-time purchase or with the preparation of an application, are typically discounted and not considered an eligible expense under the MNOI formula; in those instances when they are considered an eligible expense, such costs are typically amortized over a five-year period and recovered as a passthrough with a termination date, rather than permanently built into the rent structure. To do otherwise in essence incentivizes incurring such expenses in as high amount as possible. The trier of fact should look closely at this item to ascertain its reasonableness and appropriate method for cost recovery, if any.

Dues and Subscriptions: This category indicates that $5706.50 was paid to the Western Manufactured Housing Communities Association (WMA), a lobbying organization that is dedicated primarily to opposing mobile home rent stabilization. Requiring homeowners to cover this expense through rent represents subsidizing lobbying efforts that are inimical to the interests of the homeowners, and does not pass the test of reasonableness.

Office Supplies: Of the claimed amount of $11,972.00, only $608.59 can be accounted for (all of which were recorded from May to December. Detail on what these expenses were and when incurred is necessary in order to ascertain their reasonableness and whether it is appropriate for homeowners to bear the cost of these expenses. It is necessary to determine whether these office supplies were for just this Park's office, or whether they were expenses for the central office of the management firm (Harmony) that were used for the benefit of the dozens of mobilehome parks managed/owned by that firm throughout the state.

The financial information provided with the Park's application does not provide sufficient detail or supporting documentation which could substantiate or justify these increases. *There may very well be documentation of both the existence of justification for these increases, but there is no way to know without having the opportunity to review such documentation.* It is necessary for this information to be provided and analyzed before the trier of fact can make any findings regarding either the 2023 or 2024 income and expenses.

VII. NOTABLE MISSING INFORMATION RELATED TO APPLICATION

The starting point of any evaluation of a rent increase application based on the MNOI approach is with the evidence. Facts must be established before any analysis based on those facts can be performed.

As noted above, the Park's application utilizes calendar year 2023 as the Base Year, and 2024 as the Application year. A significant piece of information that is not included in the materials submitted by the Park is a "Notice of Rent Increase" letter that was sent to homeowners on September 27, 2024. That Notice shows that on January 1, 2025, the Park increased rents by $65.21 per space per month. Of that amount, $8.81 was the annual CPI increase, based on 75% of the increase in the CPI. The other $57.40 was a passthrough increase to cover an increase in property taxes.

However, that increased income – which began to be collected in January 2025 – does not appear on the Spreadsheet, which only shows income through December of 2024. The Park has already received an increase of $57.40 per space per month, above and beyond its 2024 income. Yet it bases its request for a rent increase on 2024 income, as if the 2025 increase did not exist.

The dollar amount of increased income that the Park received in 2025 resulting from this passthrough alone is at least $127,428 – which is remarkably close to the $132,541 property tax increase that the Park shows from 2023 to 2024. It thus appears that the Park has already received a rent increase that reimburses the Park for 96% of the property tax expense increase. Further, the increase of $57.40 far exceeds the $39.16 rent increase that the Park seeks via the instant rent increase application.

VIII. EVIDENCE NEEDED TO SUBSTANTIATE INCOME AND EXPENSE STATEMENTS

Over the past four-plus decades, decisions on cases involving applications based on MNOI formula have produced a clear and settled trend with respect to the type of financial records that triers of fact look for in order to substantiate income and expenses. Not surprisingly, those are the same types of records that are relied upon by professionals in the course of everyday business, including accountants, tax preparers, chief financial officers, controllers, lenders, investors, and others who seek verifiable numbers when evaluating the operations of a business entity.

For rental income, those records include such documents as rent ledgers, space-by-space rent rosters, deposit receipts, copies of monthly rental statements, and any other document that serves to memorialize the receipt of funds in exchange for rental of land or buildings. The types of records that can substantiate expenses include expense ledgers, copies of checks, bank statements verifying transfers and payments, invoices, contracts for services, correspondence between management and vendors, contractors, and service providers, payroll records, W-2 statements, and tax returns and schedules, among others. In summation, a considerable amount of financial records are necessary in order to substantiate both income and expenses.

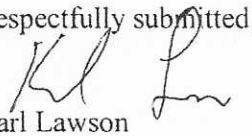
It is likely that the Park's CPA had access to these types of records. In order to make defensible Findings of Fact, the homeowners and the Arbitrator must also be permitted to review any and all records related to the decrease in rental income from 2023 to 2024, and the afore-mentioned significant increases in expenses from 2023 to 2024.

IX. CONCLUSIONS AND RECOMMENDATIONS

Based on the foregoing, the fact that the Park has already received a rent increase of $57.40 – which is more than it seeks via the instant application -- it appears that the Park has already received a rent increase greater than the one which it seeks this application. Using 2024 as the application year in essence makes it appear that the Park is receiving less rental income than it actually is.

Further, my conclusion is that the Park has not met the burden of proof to support its application for a rent adjustment given the absence of crucial financial records from the 2024 Application Year. The absence of this documentation from 2024 prevents the trier of fact from making defensible findings regarding the income and expenses from 2024. Unless and until such documentation is produced and reviewed, the application should not be approved.

Respectfully submitted,



Karl Lawson
January 13, 2026

APPENDIX, ATTACHMENT "A"

About the Author

Karl Lawson has over thirty-five years of direct experience in the field of mobile home park rent stabilization in California. Mr. Lawson served as the City of Oxnard's rent stabilization program manager beginning in 1991. During his tenure, Mr. Lawson analyzed and evaluated applications for rent increases, utility passthroughs, and resident protests regarding maintenance of service levels; participated in dozens of hearings before Rent Review Boards, arbitrators, and Hearing Officers; evaluated fair return applications based on Maintenance of Net Operating Income, market rent comparability analyses, and other fair return approaches; produced analyses and reports on fair return applications and passthrough applications for Hearing Officers and legal counsel; drafted findings and decisions; advised park managements and park resident associations on the preparation of rent increase and passthrough applications; served as expert witness; provided technical assistance and advice to other jurisdictions on matters related to mobile home rent stabilization; prepared reports and analyses for executive management, legal counsel; and elected officials; and participated in litigation defense evaluation, review and preparation. In 1998, Mr. Lawson guided a tri-partite Rent Stabilization Ordinance Review Commission through a nine-month public dispute resolution process which resulted in a negotiated agreement between park owners and homeowners on amendments to an ordinance which were adopted by City Council, and subsequently provided technical assistance to the County of Ventura on its ordinance amendments.

Mr. Lawson has received training and completed professional education coursework from the National Association of Housing and Redevelopment Officials, with certification as a Senior Public Housing Manager; Pepperdine University, Mediator and Dispute Resolution Certification; the Western Manufactured Housing Association; Real Estate Management and Accounting, Loyola Marymount University; State of California Housing and Community Development, Codes and Standards; U. S. Department of Housing and Urban Developments. Mr. Lawson has also received professional training in the specific field of mobilehome rent stabilization from leading practitioners in the field, including David Hart, James Rupp and Steve Zimmer; Certified Public Accountants Thomas Petrovich and Ivan Sotomayor; and has had the privilege of participating in numerous hearings with (and learning from) expert advocates for both park owners and homeowners, including Hart, King and Coldren; Michael Cirillo; Anthony Rodriguez; Barbara Macri-Ortiz; James Murdoch; David Evans; and Marco Abarca; among others.

Mr. Lawson has served as an arbitrator, Hearing Officer, and member of appeal panels on a wide variety of matters, for multiple jurisdictions, including rent calculations, utility calculations, contract compliance, and Code Compliance. Mr. Lawson, who is fluent in English and Spanish, represents the University of California-Davis Global Studies Program in courses on Housing and Community Development taught in Spain.

Bruce Stanton, SBN 104925
Law Offices of Bruce Stanton
[redacted]
Attorney for Homeowners

COUNTY OF SANTA BARBARA

MOBILEHOME RENT CONTROL ORDINANCE (CHAPTER 11A)

ARBITRATION

In the matter of: DEL CIELO MOBILE HOME PARK Applicant and AFFECTED TENANTS	**HOMEOWNERS' EXHIBITS** Hearing Date: January 21, 2026 Time: 9:00 AM Place: Via Zoom Only Arbitrator: John Derrick, Esq.

Homeowners hereby submit the attached hearing Exhibits "A"-"E".

Respectfully Submitted,

Dated: January 14, 2026

BRUCE E. STANTON, Esq.
Attorney for Homeowners

EXHIBIT 'A'

6653 Embarcadero Drive, Ste C
Stockton, CA 95219
Phone (209) 932-8747 Fax (209) 451-1297 Email info@HarmonyCom.com

NOTICE OF RENT INCREASE
Del Cielo MHC, LLC
3210 Santa Maria Way
Santa Maria, CA 93455

9/27/2024

SUE DEWEESE
[redacted]

Dear SUE DEWEESE

Please take note that your rent will be increased to **$518.08** effective **January 1, 2025**. Late fees are a flat rate of **$50.00**.

This rent increase is comprised of the following:

1. The allowable CPI increase pursuant to the Santa Barbara County Mobilehome Rent Control Ordinance in the amount of **$8.81 .**

2. An additional rent increase in the amount of **$57.40** for increased operating costs for increased property taxes resulting from the reassessment following the park's sale. The property taxes prior to the sale totaled $220,307.92 and the new property taxes total $347,727.32, resulting in an increase of $127,419.40. Taking the $127,419.40 increase and dividing it by 185 spaces equals $688.75 per space annually, which equals a monthly increase of $57.40 per space.

In accordance with provisions of the County Mobilehome Rent Control Ordinance and Rules for Hearing, we are providing you with the following information:

The increase in this notice is greater than 75% of the increase in the Consumer Price Index. A meet and confer session is scheduled for 2:00 p.m. on 10/21/2024 at the Park clubhouse to discuss the basis for this increase. You must send representatives to this session. If you fail to send representatives to this session, you may be forfeiting your right to a hearing to contest this increase. Your representative may obtain information upon which this increase is based at the Park office beginning 10/6/2024. If the date for meet and confer is not convenient for your representatives, it may be possible to change that date by consulting with Tanya Beagles.

You are hereby notified in accordance with the California Civil Code Provision 798.30 that ninety days (90) after you have been served this rent increase notice or **January 1, 2025**, whichever is later, your rent increase will be effective.

6653 Embarcadero Drive, Ste C
Stockton, CA 95219
Phone (209) 932-8747 Fax (209) 451-1297 Email info@HarmonyCom.com

Owner reserves the right to decrease and modify this rent increase if further adjustment is necessitated, as a rent reduction does not require a 90 day notice per Civil Code 798.30.

Regards,



Sherrie Johnston

[redacted]

EXHIBIT 'B'

6653 Embarcadero Drive, Suite C,
Stockton, CA 95219
Phone (209) 932-8747 Fax (209) 451-1297 Email info@HarmonyCom.com

NOTICE OF RENT INCREASE
Del Cielo MHC, LLC
3210 Santa Maria Way
Santa Maria, CA 93455

8/29/2025

SUE DEWEESE
[redacted]

Dear SUE DEWEESE

Please take note that your rent will be increased by **$39.16** to **$557.24** effective **January 1, 2026**. Late fees are a flat rate of **$50.00**.

Based on the average rent in the Park, the monthly rent increase using 75% of the annual CPI increase would be **$15.96** per space.

The costs to run the Park were $430,726 in 2023 and jumped to $677,474 in 2024. That's an increase of $246,748, which would mean a monthly rent increase of **$111.15** per space.

The **$39.16** rent increase sought by the Park is for only $86,930.03 in increased operating costs – instead of the full $246,748. This is 35.2% of the increase from last year to this year, and only $23.20 (based on average rent) above the automatic increase permitted under the County's Ordinance. Dividing the $86,930.03 increase by 185 spaces equals $688.75 per space annually, which equals a monthly increase of $39.16 per space.

In accordance with provisions of the County Mobilehome Rent Control Ordinance and Rules for Hearing, we are providing you with the following information:

The increase in this notice is greater than 75% of the increase in the Consumer Price Index. A meet and confer session is scheduled for 2:00 p.m. on 9/17/2025 at the Park clubhouse to discuss the basis for this increase. You must send representatives to this session. If you fail to send representatives to this session, you may be forfeiting your right to a hearing to contest this increase. Your representative may obtain information upon which this increase is based at the Park office beginning September 7, 2025. If the

date for meet and confer is not convenient for your representatives, it may be possible to change that date by consulting with Tanya Beagles.

You are hereby notified in accordance with the California Civil Code Provision 798.30 that ninety days (90) after you have been served this rent increase notice or **January 1, 2026**, whichever is later, your rent increase will be effective.

Owner reserves the right to decrease and modify this rent increase if further adjustment is necessitated, as a rent reduction does not require a 90 day notice per Civil Code 798.30.

Regards,



Sherrie Johnston

[redacted]

EXHIBIT 'C'

Date	Type	Reference	Description	Debit	Credit	Balance
40064 Pass Through Income (Income)						0.00
12/31/24	JOURNL	J13324	TIC Equity		377,740.40	377,740.40
40064 Pass Through Income			**Beg Bal: 0.00** **Activity: 377,740.40**	**0.00**	**377,740.40**	**377,740.40**
70001 Gains on Sale of Assets (Other Income)						0.00
11/01/24	JOURNL	J11491	RECLASS 14003 TO GAIN ON SALES 70001	284,545.90		-284,545.90
11/19/24	CHPAID	CC	Barrie/Justin Gree 37 Alloc to 'SALES' Ch date: 11/1		103.17	-284,442.73
11/19/24	CHPAID	WIRE	Barrie/Justin Gree 37 Alloc to 'SALES' Ch date: 11/1		175,733.02	-108,709.71
11/26/24	CRALOC	10499	KENT/Josefina LL 42 Credit allocation		455.00	-108,254.71
11/26/24	CHPAID	CC	KENT/Josefina LL 42 Alloc to 'SALES' Ch date: 11/2		1,070.93	-107,183.78
11/26/24	CHPAID	WIRE	KENT/Josefina LL 42 Alloc to 'SALES' Ch date: 11/2		107,283.78	100.00
12/02/24	CHPAID	209	Barrie/Justin Gree 37 Alloc to 'SALES' Ch date: 11/1		110.64	210.64
12/17/24	CHPAID	WIRE	Barrie/Justin Gree 37 Alloc to 'SALES' Ch date: 11/1		220.06	430.70
12/17/24	CHPAID	WIRE	Barrie/Justin Gree 37 Alloc to 'SALES' Ch date: 11/1		2,000.00	2,430.70
12/31/24	JOURNL	J11492	RECLASS 14003 TO GAIN ON SALES 70001	2,230.70		200.00
70001 Gains on Sale of Assets			**Beg Bal: 0.00** **Activity: 200.00**	**286,776.60**	**286,976.60**	**200.00**
60013 Business Licenses and Permits (Expense)						0.00
05/21/24	CHKITM	1109	Environmental Health Services: Pool/SPA Permit	1,001.00		1,001.00
05/30/24	CHKITM	1109	Environmental Health Services: Pool/SPA Permit		1,001.00	0.00
05/30/24	CHKITM	1111	Environmental Health Services: Pool/SPA Permit	746.00		746.00
08/20/24	CHKITM	1111	Environmental Health Services: Pool/SPA Permit		746.00	0.00
08/20/24	CHKITM	1113	Environmental Health Services: Pool / Spa Permit	746.00		746.00
60013 Business Licenses and Permits			**Beg Bal: 0.00** **Activity: 746.00**	**2,493.00**	**1,747.00**	**746.00**
60022 Commission Expense (Expense)						0.00
05/07/24	CHKITM	1101	John Tundis: Del Cielo Commission	20,000.00		20,000.00
60022 Commission Expense			**Beg Bal: 0.00** **Activity: 20,000.00**	**20,000.00**	**0.00**	**20,000.00**
60031 Dues and Subscriptions (Expense)						0.00
05/07/24	CHKITM	1100	WMA: WMA Application 2023/24	2,015.75		2,015.75
11/04/24	CHKITM	1118	WMA: WMA Membership	3,690.75		5,706.50
60031 Dues and Subscriptions			**Beg Bal: 0.00** **Activity: 5,706.50**	**5,706.50**	**0.00**	**5,706.50**
60090 Manager/Office Telephone & Internet (Expense)						0.00
06/21/24	CHKITM	ACH	AT&T: 04/13/24 - current - payment to avoid service interruptic	422.55		422.55
07/11/24	CHKITM	ACH	Verizon: Onsite phone & internet services	124.87		547.42
07/26/24	CHKITM	ACH	COMCAST Xfinity: 07/18/24 - 08/17/24 manager's phone - pa	126.22		673.64
08/27/24	CHKITM	ACH	COMCAST Xfinity: 08/18/24 - 09/17/24 manager's phone - pay	126.22		799.86
09/26/24	CHKITM	ACH	COMCAST Xfinity: Acct# 8155700070467858- 09/17/24- 10/1	126.22		926.08
10/24/24	CHKITM	AV65	Tanya Beagles: Internet	111.24		1,037.32
10/25/24	CHKITM	ACH	COMCAST Xfinity: 10/18/24- 11/17/24 manager's phone Acct#	126.41		1,163.73
12/02/24	CHKITM	AV84	COMCAST Xfinity: 11/18/24 - 12/17/24 manager's phone	126.41		1,290.14
12/27/24	CHKITM	ACH	COMCAST Xfinity: 12/18/24 -01/17/25 manager's phone - pay	149.94		1,440.08
60090 Manager/Office Telephone & Int			**Beg Bal: 0.00** **Activity: 1,440.08**	**1,440.08**	**0.00**	**1,440.08**
60100 Office Supplies (Expense)						0.00
05/23/24	CHKITM	AV6	Tanya Beagles: Office supplies, binders, chairs, pens etc	83.95		83.95
06/17/24	CHKITM	AV15	Tanya Beagles: Office supplie	86.40		170.35
07/02/24	CHKITM	AV19	Tanya Beagles: Office supplie	238.69		409.04
08/15/24	CHKITM	AV39	Tanya Beagles: UPS - copies	59.53		468.57
09/19/24	CHKITM	AV53	Tanya Beagles: Ink for the printer	140.02		608.59
60100 Office Supplies			**Beg Bal: 0.00** **Activity: 608.59**	**608.59**	**0.00**	**608.59**
63016 Legal Fees (Expense)						0.00
06/06/24	CHKITM	ACH	Harmony Communities, Inc.: J. Dilday May, 2024 Billing	1,800.00		1,800.00
06/06/24	CHKITM	ACH	Harmony Communities, Inc.: J. Dilday April, 2024 Billing	2,700.00		4,500.00
07/05/24	CHKITM	ACH	Harmony Communities, Inc.: J. Dilday June, 2024 Billing	2,075.00		6,575.00
08/05/24	CHKITM	ACH	Harmony Communities, Inc.: J. Dilday July, 2024 Billing	612.50		7,187.50
09/10/24	CHKITM	ACH	Harmony Communities, Inc.: J. Dilday Aug, 2024 Billing	2,325.00		9,512.50
10/10/24	CHKITM	ACH	Harmony Communities, Inc.: Sep, 2024 J. Dilday Billing	2,631.25		12,143.75
11/05/24	CHKITM	ACH	Harmony Communities, Inc.: Oct, 2024 J. Dilday Billing	4,325.00		16,468.75
11/06/24	CHKITM	AV70	Pierson Ferdinand LLP 738036: Legal Fees xs. Santa Barbara	660.00		17,128.75
12/09/24	CHKITM	ACH	Harmony Communities, Inc.: Nov, 2024 N. Gomez Billing	250.00		17,378.75

Date	Type	Reference	Description	Debit	Credit	Balance
12/09/24	CHKITM	ACH	Harmony Communities, Inc.: Nov, 2024 J. Dilday Billing	1,200.00		18,578.75
12/09/24	CHKITM	AV86	Pierson Ferdinand LLP 738036: Legal Fees xs. Santa Barbar	6,832.98		25,411.73
63016 Legal Fees			**Beg Bal: 0.00** **Activity: 25,411.73**	**25,411.73**	**0.00**	**25,411.73**
60007 Postage Fees (Expense)						0.00
06/17/24	CHKITM	AV15	Tanya Beagles: Postage	9.85		9.85
07/02/24	CHKITM	AV19	Tanya Beagles: Postage	9.85		19.70
07/25/24	CHKITM	AV27	Tanya Beagles: Postage	9.85		29.55
10/24/24	CHKITM	AV65	Tanya Beagles: Postage	9.85		39.40
11/22/24	CHKITM	AV77	Tanya Beagles: Postage	40.22		79.62
60007 Postage Fees			**Beg Bal: 0.00** **Activity: 79.62**	**79.62**	**0.00**	**79.62**
60084 Commercial Property Ins (Expense)						0.00
04/18/24	CHKITM	ACH	Acrisure Southwest Partners Insurance Services, L: Convenie	3.00		3.00
04/18/24	CHKITM	ACH	Acrisure Southwest Partners Insurance Services, L: INV # 822	1,761.00		1,764.00
04/18/24	CHKITM	ACH	Acrisure Southwest Partners Insurance Services, L: IN# 1009	5,875.37		7,639.37
04/26/24	CHKITM	ACH	Capital Insurance Group: Policy # 6-CMA-1-2143213 04/12/24	12,860.00		20,499.37
06/27/24	CHKITM	ACH	Harmony Communities, Inc.: 2024 Homesite Ins. Allocation	2,782.00		23,281.37
60084 Commercial Property Ins			**Beg Bal: 0.00** **Activity: 23,281.37**	**23,281.37**	**0.00**	**23,281.37**
63011 Supplemental Offsite Mail Fee (Expense)						0.00
05/23/24	CHKITM	AV6	Tanya Beagles: USPS to Hamrony	74.20		74.20
10/11/24	CHKITM	ACH	Harmony Communities, Inc.: Title docs and supplies	91.92		166.12
63011 Supplemental Offsite Mail Fee			**Beg Bal: 0.00** **Activity: 166.12**	**166.12**	**0.00**	**166.12**
60012 Supplemental Offsite Billing Fee (Expense)						0.00
06/14/24	CHKITM	ACH	Harmony Communities, Inc.: Rent Manager Park Fees - Montl	555.00		555.00
07/19/24	CHKITM	ACH	Harmony Communities, Inc.: Rent Manager Park Fees - Montl	555.00		1,110.00
09/06/24	CHKITM	ACH	Harmony Communities, Inc.: Rent Manager Park Fees - Montl	555.00		1,665.00
09/17/24	CHKITM	ACH	Harmony Communities, Inc.: Rent Manager Park Fees - Montl	555.00		2,220.00
11/10/24	CHKITM	ACH	Harmony Communities, Inc.: Rent Manager Park Fees - Montl	555.00		2,775.00
12/06/24	CHKITM	ACH	Harmony Communities, Inc.: Rent Manager Park Fees - Montl	555.00		3,330.00
60012 Supplemental Offsite Billing Fe			**Beg Bal: 0.00** **Activity: 3,330.00**	**3,330.00**	**0.00**	**3,330.00**
61001 Off Site Mgmt Base Fees (Expense)						0.00
06/13/24	CHKITM	ACH	Harmony Communities, Inc.: Monthly Mgmt Fees	6,500.00		6,500.00
07/10/24	CHKITM	ACH	Harmony Communities, Inc.: Monthly Mgmt Fees	6,500.00		13,000.00
08/09/24	CHKITM	ACH	Harmony Communities, Inc.: Monthly Mgmt Fees	6,500.00		19,500.00
09/16/24	CHKITM	ACH	Harmony Communities, Inc.: Monthly Mgmt Fees	6,500.00		26,000.00
09/30/24	CHKITM	ACH	Harmony Communities, Inc.: Monthly Mgmt Fees	6,500.00		32,500.00
11/18/24	CHKITM	ACH	Harmony Communities, Inc.: Monthly Mgmt Fees	6,500.00		39,000.00
12/20/24	CHKITM	ACH	Harmony Communities, Inc.: Monthly Mgmt Fees	6,500.00		45,500.00
61001 Off Site Mgmt Base Fees			**Beg Bal: 0.00** **Activity: 45,500.00**	**45,500.00**	**0.00**	**45,500.00**
61002 Off Site Manager Mileage (Expense)						0.00
08/19/24	CHKITM	1112	Harmony Communities, Inc.: Reimb for Tanya Beagle's mileag	465.71		465.71
09/11/24	CHKITM	1114	Harmony Communities, Inc.: Mileage Reimbursement CK# 68	367.46		833.17
11/01/24	CHKITM	1117	Harmony Communities, Inc.: Reimb for Tanya Beagle mileage	391.28		1,224.45
12/03/24	CHKITM	1123	Harmony Communities, Inc.: Tanya Beagle Sep and Nov mile	724.27		1,948.72
61002 Off Site Manager Mileage			**Beg Bal: 0.00** **Activity: 1,948.72**	**1,948.72**	**0.00**	**1,948.72**
62002 On Site Manager - Wages (Expense)						0.00
04/19/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-04-14 Reimbursemen	859.25		859.25
05/06/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-04-28 Reimbursemen	3,092.22		3,951.47
05/21/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-12 Reimbursemen	3,092.22		7,043.69
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimb P. Beag	947.36		7,991.05
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimb T. Beagl	947.36		8,938.41
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimbursemen	1,197.50		10,135.91
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimb P. Beag	958.16		11,094.07
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimb T. Beagl	958.16		12,052.23
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimbursemen	1,197.50		13,249.73
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimb. P. Beag	947.36		14,197.09
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimb. T. Beag	947.36		15,144.45
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimbursemen	1,197.50		16,341.95

Date	Type	Reference	Description	Debit	Credit	Balance
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimb P. Beag	958.16		17,300.11
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimb T. Beagl	958.16		18,258.27
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimbursemen	1,197.50		19,455.77
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	947.36		20,403.13
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	947.36		21,350.49
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	1,197.50		22,547.99
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimb. P. Beag	962.36		23,510.35
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimb. T. Beag	962.36		24,472.71
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimbursemen	1,197.50		25,670.21
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimb P. Beag	947.36		26,617.57
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimb T. Beagl	947.36		27,564.93
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimbursemen	1,197.50		28,762.43
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimb T. Beagl	958.16		29,720.59
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimb P. Beag	958.16		30,678.75
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimbursemen	1,197.50		31,876.25
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15 P. Beagle	920.00		32,796.25
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15 T. Beagle	920.00		33,716.25
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29 P. Beagle	920.00		34,636.25
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29 T. Beagle	920.00		35,556.25
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13 P. Beagle	920.00		36,476.25
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13 T. Beagle	920.00		37,396.25
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15	1,180.00		38,576.25
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29	1,180.00		39,756.25
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13	1,180.00		40,936.25
10/31/24	JOURNL	J10753	PAYROLL CORRECTIONS 09.20 - 10.18	316.38		41,252.63
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27 P. Beagle	920.00		42,172.63
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27 T. Beagle	920.00		43,092.63
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27	1,180.00		44,272.63
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10 P. Beagle	920.00		45,192.63
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10 T. Beagle	920.00		46,112.63
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24,$87K P. B	920.00		47,032.63
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24,$87K T. B	920.00		47,952.63
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10	1,180.00		49,132.63
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24, $87K	1,180.00		50,312.63
11/30/24	JOURNL	J10833	PAYROLL CORRECTIONS 11.01 - 11.29	352.86		50,665.49
12/31/24	CHKITM	ACH	Harmony Communities, Inc.: Dec, 2024 Payroll Full Month	6,275.24		56,940.73
62002 On Site Manager - Wages			**Beg Bal: 0.00** **Activity: 56,940.73**	**56,940.73**	**0.00**	**56,940.73**
62003 On Site Manager - Payroll Taxes			(Expense)			0.00
04/19/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-04-14 Reimbursemen	79.39		79.39
05/06/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-04-28 Reimbursemen	282.08		361.47
05/21/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-12 Reimbursemen	282.08		643.55
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimb P. Beag	72.48		716.03
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimb T. Beagl	72.48		788.51
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimbursemen	137.12		925.63
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimb P. Beag	72.48		998.11
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimb T. Beagl	72.48		1,070.59
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimbursemen	137.12		1,207.71
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimb. P. Beag	72.48		1,280.19
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimb. T. Beag	72.48		1,352.67
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimbursemen	137.12		1,489.79
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimb P. Beag	72.48		1,562.27
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimb T. Beagl	72.48		1,634.75
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimbursemen	116.43		1,751.18
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	72.48		1,823.66
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	72.48		1,896.14
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	91.61		1,987.75
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimb. P. Beag	72.48		2,060.23
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimb. T. Beag	72.48		2,132.71
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimbursemen	91.61		2,224.32
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimb P. Beag	72.48		2,296.80

Date	Type	Reference	Description	Debit	Credit	Balance
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimb T. Beagl	72.48		2,369.28
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimbursemen	91.61		2,460.89
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimb T. Beagl	72.48		2,533.37
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimb P. Beag	72.48		2,605.85
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimbursemen	91.61		2,697.46
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15 P. Beagle	70.00		2,767.46
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15 T. Beagle	70.00		2,837.46
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29 P. Beagle	70.00		2,907.46
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29 T. Beagle	70.00		2,977.46
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13 P. Beagle	70.00		3,047.46
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13 T. Beagle	70.00		3,117.46
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15	80.00		3,197.46
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29	80.00		3,277.46
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13	80.00		3,357.46
10/31/24	JOURNL	J10753	PAYROLL CORRECTIONS 09.20 - 10.18	45.51		3,402.97
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27 P. Beagle	70.00		3,472.97
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27 T. Beagle	70.00		3,542.97
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27	80.00		3,622.97
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10 P. Beagle	70.00		3,692.97
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10 T. Beagle	70.00		3,762.97
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24,$87K P. B	70.00		3,832.97
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24,$87K T. B	70.00		3,902.97
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10	80.00		3,982.97
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24, $87K	80.00		4,062.97
11/30/24	JOURNL	J10833	PAYROLL CORRECTIONS 11.01 - 11.29	100.95		4,163.92
12/31/24	CHKITM	ACH	Harmony Communities, Inc.: Dec, 2024 Payroll Full Month	473.10		4,637.02
62003 On Site Manager - Payroll Taxes			**Beg Bal: 0.00** **Activity: 4,637.02**	**4,637.02**	**0.00**	**4,637.02**
62005 On Site Manager - Payroll Proce			(Expense)			0.00
04/19/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-04-14 Reimbursemen	5.93		5.93
05/06/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-04-28 Reimbursemen	14.99		20.92
05/21/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-12 Reimbursemen	15.42		36.34
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimb P. Beag	0.25		36.59
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimb T. Beagl	0.25		36.84
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimbursemen	0.35		37.19
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimb P. Beag	0.34		37.53
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimb T. Beagl	0.34		37.87
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimbursemen	0.47		38.34
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimb. P. Beag	3.82		42.16
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimb. T. Beag	3.82		45.98
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimbursemen	5.30		51.28
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimb P. Beag	4.94		56.22
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimb T. Beagl	4.94		61.16
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimbursemen	6.87		68.03
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	4.51		72.54
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	4.52		77.06
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	6.27		83.33
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimbursemen	6.21		89.54
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimb. P. Beag	6.21		95.75
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimb. T. Beag	6.21		101.96
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimb P. Beag	4.50		106.46
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimb T. Beagl	4.50		110.96
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimbursemen	6.25		117.21
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimb T. Beagl	4.48		121.69
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimb P. Beag	4.48		126.17
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimbursemen	6.23		132.40
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15 P. Beagle	3.00		135.40
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15 T. Beagle	3.00		138.40
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29 P. Beagle	3.00		141.40
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29 T. Beagle	3.00		144.40
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13 P. Beagle	3.00		147.40

Date	Type	Reference	Description	Debit	Credit	Balance
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13 T. Beagle	3.00		150.40
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15	5.00		155.40
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29	5.00		160.40
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13	5.00		165.40
10/31/24	JOURNL	J10753	PAYROLL CORRECTIONS 09.20 - 10.18	35.15		200.55
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27 P. Beagle	3.00		203.55
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27 T. Beagle	3.00		206.55
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27	5.00		211.55
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10 P. Beagle	3.00		214.55
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10 T. Beagle	3.00		217.55
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24,$87K P. B	3.00		220.55
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24,$87K T. B	3.00		223.55
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10	5.00		228.55
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24, $87K	5.00		233.55
11/30/24	JOURNL	J10833	PAYROLL CORRECTIONS 11.01 - 11.29	29.49		263.04
12/31/24	CHKITM	ACH	Harmony Communities, Inc.: Dec, 2024 Payroll Full Month	50.75		313.79
62005 On Site Manager - Payroll Proc			**Beg Bal: 0.00** **Activity: 313.79**	**313.79**	**0.00**	**313.79**
62006 On Site Manager - Workers Comp			(Expense)			0.00
04/19/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-04-14 Reimbursemen	129.00		129.00
05/06/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-04-28 Reimbursemen	463.68		592.68
05/21/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-12 Reimbursemen	463.68		1,056.36
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimb P. Beag	141.84		1,198.20
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimb T. Beagl	141.84		1,340.04
06/04/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-05-26 Reimbursemen	180.00		1,520.04
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimb P. Beag	141.84		1,661.88
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimb T. Beagl	141.84		1,803.72
06/18/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-09 Reimbursemen	180.00		1,983.72
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimb. P. Beag	141.84		2,125.56
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimb. T. Beag	141.84		2,267.40
06/28/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-06-23 Reimbursemen	180.00		2,447.40
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimb P. Beag	141.84		2,589.24
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimb T. Beagl	141.84		2,731.08
07/15/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-07 Reimbursemen	180.00		2,911.08
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	141.84		3,052.92
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	141.84		3,194.76
07/26/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-07-21 Reimbursemen	180.00		3,374.76
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimb. P. Beag	141.84		3,516.60
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimb. T. Beag	141.84		3,658.44
08/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-04 Reimbursemen	180.00		3,838.44
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimb P. Beag	141.84		3,980.28
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimb T. Beagl	141.84		4,122.12
08/27/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-08-18 Reimbursemen	180.00		4,302.12
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimb T. Beagl	141.84		4,443.96
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimb P. Beag	141.84		4,585.80
09/13/24	CHKITM	ACH	Harmony Communities, Inc.: PPE 2024-09-01 Reimbursemen	180.00		4,765.80
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15 P. Beagle	130.00		4,895.80
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15 T. Beagle	130.00		5,025.80
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29 P. Beagle	130.00		5,155.80
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29 T. Beagle	130.00		5,285.80
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13 P. Beagle	130.00		5,415.80
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13 T. Beagle	130.00		5,545.80
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-15	170.00		5,715.80
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-09-29	170.00		5,885.80
10/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-13	170.00		6,055.80
10/31/24	JOURNL	J10753	PAYROLL CORRECTIONS 09.20 - 10.18	117.44		6,173.24
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27 P. Beagle	130.00		6,303.24
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27 T. Beagle	130.00		6,433.24
11/15/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-10-27	170.00		6,603.24
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10 P. Beagle	130.00		6,733.24
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10 T. Beagle	130.00		6,863.24

Date	Type	Reference	Description	Debit	Credit	Balance
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24,$87K P. B	130.00		6,993.24
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24,$87K T. B	130.00		7,123.24
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-10	170.00		7,293.24
11/26/24	CHKITM	ACH	Harmony Communities, Inc.: Pro-forma 2024-11-24, $87K	170.00		7,463.24
11/30/24	JOURNL	J10833	PAYROLL CORRECTIONS 11.01 - 11.29	122.64		7,585.88
12/31/24	CHKITM	ACH	Harmony Communities, Inc.: Dec, 2024 Payroll Full Month	941.76		8,527.64
62006 On Site Manager - Workers Con			**Beg Bal: 0.00** **Activity: 8,527.64**	**8,527.64**	**0.00**	**8,527.64**
64005 Pool (Expense)						0.00
06/06/24	CHKITM	AV9	Keene's Pool Maintenance: service visits May	1,025.00		1,025.00
07/10/24	CHKITM	AV21	Keene's Pool Maintenance: service visits June	822.00		1,847.00
08/02/24	CHKITM	AV32	Keene's Pool Maintenance: Pool Heater installed	5,300.00		7,147.00
09/09/24	CHKITM	AV47	Keene's Pool Maintenance: Pool Heater installed	1,049.00		8,196.00
10/07/24	CHKITM	AV60	Keene's Pool Maintenance: service visits September	822.00		9,018.00
10/07/24	CHKITM	AV61	Keene's Pool Maintenance: Replace spa heater	5,000.00		14,018.00
11/07/24	CHKITM	AV71	Keene's Pool Maintenance: service visits October	793.00		14,811.00
64005 Pool			**Beg Bal: 0.00** **Activity: 14,811.00**	**14,811.00**	**0.00**	**14,811.00**
64006 General R&M (Expense)						0.00
05/17/24	CHKITM	1108	Harmony Communities, Inc.: Mileage Reimbursement CK# 67	145.00		145.00
05/23/24	CHKITM	AV6	Tanya Beagles: General maintenance & supplies	130.92		275.92
05/29/24	CHKITM	ACH	Harmony Communities, Inc.: Plumbing	285.00		560.92
06/17/24	CHKITM	AV15	Tanya Beagles: General maintenance & supplies	136.51		697.43
06/19/24	CHKITM	AV17	JB Bostick Company: Cracl Seal JOB# 24-1177	14,106.00		14,803.43
07/02/24	CHKITM	AV19	Tanya Beagles: General maintenance & supplies	22.00		14,825.43
07/22/24	CHKITM	AV26	Mid Coast Fire Protection, Inc.: Fire Extinguisher Annual Inspe	142.86		14,968.29
07/23/24	CHKITM	ACH	Community First, LLC: CF Billing 04/07 & 04/14, Full Correctic	170.00		15,138.29
07/25/24	CHKITM	AV27	Tanya Beagles: General maintenance & supplies	442.16		15,580.45
07/25/24	CHKITM	AV28	Thoma Electric, Inc.: SPC 44 power troubleshoot service call	1,397.01		16,977.46
08/09/24	CHKITM	AV35	Zierman Plumber Inc.: Water line repairs	145.00		17,122.46
08/12/24	CHKITM	AV36	Zierman Plumber Inc.: Water line repairs	1,007.50		18,129.96
08/14/24	CHKITM	AV37	Zierman Plumber Inc.: Water line repairs	295.00		18,424.96
08/14/24	CHKITM	AV38	Zierman Plumber Inc.: Water line repairs	310.73		18,735.69
08/15/24	CHKITM	AV39	Tanya Beagles: General maintenance & supplies	267.39		19,003.08
08/20/24	CHKITM	ACH	Community First, LLC: Park maintenance	170.00		19,173.08
08/23/24	CHKITM	AV41	Zierman Plumber Inc.: Clubhouse repairs	161.16		19,334.24
09/05/24	CHKITM	AV44	JB Bostick Company: Sealcoat JOB# 24-1177	36,120.00		55,454.24
09/17/24	CHKITM	ACH	Community First, LLC: Park maintenance	170.00		55,624.24
09/19/24	CHKITM	AV53	Tanya Beagles: General maintenance & supplies	179.36		55,803.60
09/26/24	CHKITM	AV55	Electricraft, Inc.: Replace Exit Signs	258.00		56,061.60
10/02/24	CHKITM	ACH	Community First, LLC: Park maintenance	170.00		56,231.60
10/24/24	CHKITM	AV65	Tanya Beagles: General maintenance & supplies	259.53		56,491.13
10/31/24	CHKITM	ACH	Community First, LLC: Park maintenance	170.00		56,661.13
11/11/24	CHKITM	AV72	Zierman Plumber Inc.: Clubhouse repairs	2,392.67		59,053.80
11/13/24	CHKITM	ACH	Community First, LLC: Park maintenance	425.00		59,478.80
11/22/24	CHKITM	AV76	Electricraft, Inc.: Service call- No power to Clubhouse	177.38		59,656.18
11/22/24	CHKITM	AV77	Tanya Beagles: General maintenance & supplies- gas, lock ar	218.19		59,874.37
11/25/24	CHKITM	AV82	Coast Mobile Utilities: Repair gas leaks from the 2024 gas lea	450.00		60,324.37
11/26/24	CHKITM	ACH	Community First, LLC: Nitrate filtration system	340.00		60,664.37
12/02/24	CHKITM	AV85	Aftershock Electric, Inc.: Repair streetlight at SPC 170	2,507.26		63,171.63
12/03/24	CHKITM	ACH	Harmony Communities, Inc.: Maintenance	16.97		63,188.60
12/11/24	CHKITM	ACH	Harmony Communities, Inc.: Fire Exit Signs, returns	444.74		63,633.34
12/17/24	CHKITM	AV76	Electricraft, Inc.: Service call- No power to Clubhouse		177.38	63,455.96
12/26/24	CHKITM	AV92	Coast Mobile Utilities: Gas leak survey, cathodic system checl	550.00		64,005.96
64006 General R&M			**Beg Bal: 0.00** **Activity: 64,005.96**	**64,183.34**	**177.38**	**64,005.96**
64007 Sewer/Septic (Expense)						0.00
05/16/24	CHKITM	AV4	Zierman Plumber Inc.: Backflow test	125.00		125.00
06/13/24	CHKITM	AV12	Zierman Plumber Inc.: Backflow test	1,363.45		1,488.45
07/17/24	CHKITM	AV25	Zierman Plumber Inc.: Backflow test	612.79		2,101.24
64007 Sewer/Septic			**Beg Bal: 0.00** **Activity: 2,101.24**	**2,101.24**	**0.00**	**2,101.24**

Date	Type	Reference	Description	Debit	Credit	Balance
65005 Property Tax (Expense)						0.00
04/12/24	JOURNL	J8751	Prorations Property Tax	47,552.80		47,552.80
10/11/24	CHKITM	ACH	Harmony Communities, Inc.: Property taxes	311.48		47,864.28
12/05/24	CHKITM	ACH	County of Santa Barbara Tax Collector: Parcel# 109-200-026	22,208.11		70,072.39
12/05/24	CHKITM	ACH	County of Santa Barbara Tax Collector: Parcel# 109-200-021	32,626.68		102,699.07
12/05/24	CHKITM	ACH	County of Santa Barbara Tax Collector: Parcel# 109-200-023	57,118.96		159,818.03
65005 Property Tax			**Beg Bal: 0.00 Activity: 159,818.03**	**159,818.03**	**0.00**	**159,818.03**
66002 Electric (Expense)						0.00
05/16/24	CHKITM	AV3	Pacific Gas & Electric: 04/16/24 - 04/30/24 Electric	87.48		87.48
05/17/24	CHKITM	AV5	Pacific Gas & Electric: 04/16/24 - 05/01/24 Electric	2,712.48		2,799.96
06/03/24	CHKITM	ACH	Golden State Water Company: 04/11/24 - 05/15/24 electric	968.49		3,768.45
06/03/24	CHKITM	ACH	Golden State Water Company: 04/11/24 - 05/15/24 electric SF	1,451.27		5,219.72
06/13/24	CHKITM	AV11	Pacific Gas & Electric: 05/01/24 - 05/30/24 Electric	170.92		5,390.64
06/14/24	CHKITM	AV13	Pacific Gas & Electric: 05/02/24 - 05/31/24 Electric	5,075.92		10,466.56
07/11/24	CHKITM	AV22	Pacific Gas & Electric: 05/31/24 - 06/30/24 Electric	194.16		10,660.72
07/12/24	CHKITM	AV23	Pacific Gas & Electric: 06/01/24 - 07/01/24 Electric	5,137.93		15,798.65
08/06/24	CHKITM	AV33	Pacific Gas & Electric: 07/01/24 - 07/29/24 Electric	165.71		15,964.36
08/09/24	CHKITM	AV34	Pacific Gas & Electric: 07/02/24 - 07/30/24 Electric	4,689.23		20,653.59
09/09/24	CHKITM	AV45	Pacific Gas & Electric: 07/30/24 - 08/28/24 Electric	183.77		20,837.36
09/13/24	CHKITM	AV48	Pacific Gas & Electric: 07/31/24 - 08/29/24 Electric	4,677.94		25,515.30
10/08/24	CHKITM	AV62	Pacific Gas & Electric: 08/29/24 - 09/29/24 Electric	239.38		25,754.68
10/11/24	CHKITM	AV63	Pacific Gas & Electric: 08/30/24 - 09/30/24 Electric	5,038.64		30,793.32
11/06/24	CHKITM	AV68	Pacific Gas & Electric: 09/30/24 - 10/28/24 Electric	198.98		30,992.30
12/10/24	CHKITM	AV87	Pacific Gas & Electric: 10/29/24 - 11/26/24 Electric	208.41		31,200.71
12/13/24	CHKITM	AV88	Pacific Gas & Electric: 10/30/24 - 11/27/24 Electric	4,567.82		35,768.53
66002 Electric			**Beg Bal: 0.00 Activity: 35,768.53**	**35,768.53**	**0.00**	**35,768.53**
66004 Garbage (Expense)						0.00
05/08/24	CHKITM	AV1	WM Corporate Services, Inc.: 04/01/24 - 04/30/24 garbage	54.28		54.28
05/08/24	CHKITM	AV2	WM Corporate Services, Inc.: 04/01/24 - 04/30/24 garbage	54.28		108.56
06/07/24	CHKITM	AV10	WM Corporate Services, Inc.: 05/01/24 - 05/31/24 garbageG	108.55		217.11
07/08/24	CHKITM	AV20	WM Corporate Services, Inc.: 06/01/24 - 06/30/24 Garbage	108.55		325.66
07/30/24	CHKITM	AV31	Marborg Industries: Garbage	75.68		401.34
09/16/24	CHKITM	AV49	Marborg Industries: Garbage	75.68		477.02
11/22/24	CHKITM	AV78	Marborg Industries: Garbage	75.68		552.70
66004 Garbage			**Beg Bal: 0.00 Activity: 552.70**	**552.70**	**0.00**	**552.70**
66005 Gas (Expense)						0.00
05/23/24	CHKITM	AV7	SoCalGas: 04/12/24 - 05/06/24 Gas (opening bill)	1,887.69		1,887.69
06/17/24	CHKITM	AV14	SoCalGas: 05/06/24 - 06/05/24 Gas (opening bill)	1,606.88		3,494.57
07/17/24	CHKITM	AV24	SoCalGas: 06/05/24 - 07/05/24 Gas (opening bill)	960.10		4,454.67
08/21/24	CHKITM	AV40	SoCalGas: 07/05/24 - 08/06/24 Gas (opening bill)	730.45		5,185.12
09/19/24	CHKITM	AV52	SoCalGas: 08/06/24 - 09/05/24 Gas	691.85		5,876.97
10/18/24	CHKITM	AV64	SoCalGas: 09/05/24- 10/07/24 Gas	966.99		6,843.96
11/22/24	CHKITM	AV79	SoCalGas: 10/07/24 - 11/06/24 Gas	2,240.90		9,084.86
12/20/24	CHKITM	AV91	SoCalGas: 11/06/24 - 12/09/24 Gas	4,268.20		13,353.06
66005 Gas			**Beg Bal: 0.00 Activity: 13,353.06**	**13,353.06**	**0.00**	**13,353.06**
66010 Water (Expense)						0.00
06/03/24	CHKITM	ACH	Golden State Water Company: 04/11/24 - 05/16/24 water	671.17		671.17
06/03/24	CHKITM	ACH	Golden State Water Company: 04/11/24 - 05/15/24 water SPC	1,241.36		1,912.53
07/25/24	CHKITM	AV29	Golden State Water Company: 06/17/24 - 07/16/24 Electric SF	775.06		2,687.59
08/01/24	CHKITM	ACH	Golden State Water Company: 05/15/24 - 07/16/24 Water	2,053.88		4,741.47
08/01/24	CHKITM	ACH	Golden State Water Company: 05/15/24 - 07/16/24 water serv	2,662.63		7,404.10
08/20/24	CHKITM	ACH	Golden State Water Company: 07/16/24 - 08/15/24 water	2,770.42		10,174.52
08/20/24	CHKITM	ACH	Golden State Water Company: 07/16/24 - 08/15/24 water	2,922.94		13,097.46
08/28/24	CHKITM	AV43	Golden State Water Company: 07/16/24 - 08/15/24 water SP(	1,285.44		14,382.90
09/18/24	CHKITM	ACH	Golden State Water Company: Acct# 05448916857- 07/16/24	621.92		15,004.82
09/18/24	CHKITM	ACH	Golden State Water Company: Acct# 06087303860 Water- 07	1,012.54		16,017.36
09/26/24	CHKITM	AV54	Golden State Water Company: 08/15/24 - 09/17/24 water	824.48		16,841.84
09/27/24	CHKITM	AV56	Golden State Water Company: 08/15/24- 9/17/24 water	664.18		17,506.02

Date	Type	Reference	Description	Debit	Credit	Balance
09/27/24	CHKITM	AV57	Golden State Water Company: 08/15/24 - 09/17/24 Water (SP	965.35		18,471.37
09/27/24	CHKITM	AV58	Golden State Water Company: 08/15/24 - 09/17/24 water SPC	1,483.15		19,954.52
09/27/24	CHKITM	AV59	Golden State Water Company: 08/15/24 - 09/17/24 Electric SF	352.43		20,306.95
10/24/24	CHKITM	AV66	Golden State Water Company: 09/17/24 - 10/15/24 water	518.78		20,825.73
10/24/24	CHKITM	AV67	Golden State Water Company: 09/17/24 - 10/15/24 Electric SF	419.22		21,244.95
11/05/24	CHKITM	ACH	Golden State Water Company: 09/17/24 - 10/15/24 water	518.78		21,763.73
11/05/24	CHKITM	AV66	Golden State Water Company: 09/17/24 - 10/15/24 water		518.78	21,244.95
11/06/24	CHKITM	ACH	Golden State Water Company: 09/17/24 - 10/15/24 Water (SP	906.45		22,151.40
11/25/24	CHKITM	ACH	Golden State Water Company: 10/15/24 - 11/14/24 Electric SF	386.95		22,538.35
11/25/24	CHKITM	AV83	Golden State Water Company: 10/15/24 - 11/14/24 water	595.01		23,133.36
12/06/24	CHKITM	ACH	Golden State Water Company: 09/17/24 - 10/15/24 water SPC	716.38		23,849.74
12/06/24	CHKITM	ACH	Golden State Water Company: 10/15/24 - 11/14/24 Water (SP	843.63		24,693.37
12/06/24	CHKITM	ACH	Golden State Water Company: 09/17/24 - 10/15/24 water SPC	1,121.23		25,814.60
12/10/24	CHKITM	ACH	Golden State Water Company: 10/15/24 - 11/14/24 water SPC	850.13		26,664.73
12/10/24	CHKITM	ACH	Golden State Water Company: 10/15/24 - 11/14/24 water SPC	1,153.18		27,817.91
12/18/24	CHKITM	ACH	Golden State Water Company: 11/14/24 - 12/16/24 water SPC	1,122.71		28,940.62
12/27/24	CHKITM	ACH	Golden State Water Company: 11/14/24 - 12/16/24 Electric SF	366.66		29,307.28
12/27/24	CHKITM	ACH	Golden State Water Company: 11/14/24 - 12/16/24 Water (SP	858.86		30,166.14
12/27/24	CHKITM	ACH	Golden State Water Company: 11/14/24 - 12/16/24 water SPC	922.20		31,088.34
12/27/24	CHKITM	AV93	Golden State Water Company: 11/14/24 - 12/16/24 water	346.36		31,434.70
66010 Water			**Beg Bal: 0.00** **Activity: 31,434.70**	**31,953.48**	**518.78**	**31,434.70**
68150 Travel Expense (Expense)						0.00
07/29/24	CHKITM	ACH	Harmony Communities, Inc.: Hotel	118.50		118.50
68150 Travel Expense			**Beg Bal: 0.00** **Activity: 118.50**	**118.50**	**0.00**	**118.50**
60096 Loan Fees (Other Expense)						0.00
04/12/24	JOURNL	J8751	Exchange Fees	10,310.00		10,310.00
60096 Loan Fees			**Beg Bal: 0.00** **Activity: 10,310.00**	**10,310.00**	**0.00**	**10,310.00**
65001 LLC Taxes & Fees (Other Expense)						0.00
10/11/24	CHKITM	ACH	Harmony Communities, Inc.: Foreign LLC, SOI	745.00		745.00
65001 LLC Taxes & Fees			**Beg Bal: 0.00** **Activity: 745.00**	**745.00**	**0.00**	**745.00**
70110 Depreciation & Amortization (Other Expense)						0.00
12/31/24	JOURNL	J13323	Book depreciation - KMLM	79,875.00		79,875.00
12/31/24	JOURNL	J13323	Book depreciation - Amberwood	186,731.00		266,606.00
12/31/24	JOURNL	J13323	Book depreciation- Shady Lakes	224,274.00		490,880.00
12/31/24	JOURNL	J13323	Book depreciation - Del Cielo	344,434.00		835,314.00
70110 Depreciation & Amortization			**Beg Bal: 0.00** **Activity: 835,314.00**	**835,314.00**	**0.00**	**835,314.00**
70120 Mortgage Interest (Other Expense)						0.00
04/12/24	JOURNL	J8751	Interest Charges	30,393.44		30,393.44
06/10/24	CHKITM	Wire	Napahoe Investment, LLC: Del Cielo Monthly Mortgage Paym	25,750.00		56,143.44
06/10/24	CHKITM	Wire	SCM One LLC: Del Cielo Monthly Mortgage Payment	25,750.00		81,893.44
07/10/24	CHKITM	Wire	SCM One LLC	25,750.00		107,643.44
07/15/24	CHKITM	Wire	Napahoe Investment, LLC	25,750.00		133,393.44
08/19/24	CHKITM	ACH	Napahoe Investment, LLC	25,750.00		159,143.44
08/19/24	CHKITM	ACH	SCM One LLC	25,750.00		184,893.44
09/10/24	CHKITM	ach	Napahoe Investment, LLC	25,750.00		210,643.44
09/10/24	CHKITM	ach	SCM One LLC	25,750.00		236,393.44
10/08/24	CHKITM	ACH	SCM One LLC	25,750.00		262,143.44
10/10/24	CHKITM	ACH	Napahoe Investment, LLC	25,750.00		287,893.44
11/05/24	CHKITM	Wire	Napahoe Investment, LLC: Monthly Mortgage	25,750.00		313,643.44
11/05/24	CHKITM	Wire	SCM One LLC: Monthly Mortgage	25,750.00		339,393.44
12/05/24	CHKITM	Wire	Napahoe Investment, LLC: Monthly Mortgage	25,750.00		365,143.44
12/05/24	CHKITM	Wire	SCM One LLC: Monthly Mortgage	25,750.00		390,893.44
70120 Mortgage Interest			**Beg Bal: 0.00** **Activity: 390,893.44**	**390,893.44**	**0.00**	**390,893.44**
70150 Donations (Other Expense)						0.00
05/07/24	CHKITM	1100	WMA: 2023/24 Candidate PAC Contribution	1,665.00		1,665.00
70150 Donations			**Beg Bal: 0.00** **Activity: 1,665.00**	**1,665.00**	**0.00**	**1,665.00**

EXHIBIT 'D'

Del Cielo 1/1/2025 Rent Increase (Non-CPI)

2023-2024 PROPERTY TAXES

APN	Old Value of Property	Tax Rate	Property Taxes	Fixed Charges	Total Taxes	Note
109-200-026	1,054,843.00	1.11039%	11,712.87	32,043.36	43,756.23	Attachment A
109-200-021	1,425,100.00	1.11039%	15,824.17	48,460.88	64,285.05	Attachment B
109-200-023	2,044,862.00	1.11039%	22,705.94	89,560.68	112,266.62	Attachment C
Totals	**4,524,805.00**		**50,242.98**	**170,064.92**	**220,307.90**	

2024-2025 PROPERTY TAXES

APN	Current Value of Property	Tax Rate	Basic Property Taxes	Fixed Charges	Total Taxes	Note
109-200-026	3,729,992.34	1.11039%	41,417.46	32,043.36	73,460.82	
109-200-021	5,039,244.79	1.11039%	55,955.27	48,460.88	104,416.15	
109-200-023	7,230,762.87	1.11039%	80,289.67	89,560.68	169,850.35	
Totals	**16,000,000.00**		**177,662.40**	**170,064.92**	**347,727.32**	

TAX INCREASE BREAKDOWN

	Basic Property Taxes	Fixed Charges	Total Taxes
Current Value of Propety:	$ 177,662.40	$ 170,064.92	$ 347,727.32
Old Value of Property:	$ 50,242.98	$ 170,064.92	$ 220,307.90
Difference:	$ 127,419.42	$ -	$ 127,419.42

RENT INCREASE CALCULATION

Total Property Tax Increase:	**$ 127,419.42**
Annual Per Space Increase ($127,419.42 / 185 Spaces):	**$ 688.75**
Monthly Per Space Increase ($688.75 / 12 Months):	**$ 57.40**

Attachment A

HARRY E. HAGEN, CPA
TREASURER-TAX COLLECTOR
COUNTY OF SANTA BARBARA
Federal Tax ID #95-6002833

P.O. BOX 579
SANTA BARBARA, CA 93102-0579
(805) 568-2920 SANTA BARBARA
(805) 346-8330 SANTA MARIA

SECURED 2023-2024
PROPERTY TAX STATEMENT

FOR FISCAL YEAR JULY 1, 2023 TO JUNE 30, 2024

PARCEL NUMBER	ASSESSEE ON JANUARY 1, 2023	CORTAC-SUBSCRIBER	BILL NUMBER
109-200-026	SCM, ONE, LLC		20231083084

ADDRESS OF PROPERTY
3210 SANTA MARIA WAY
SANTA MARIA CA 93455-2426

CSC0919B 39936 2 AV 0.498
7000043376 00.0154.0019 39936/1 109-200-026

SCM, ONE, LLC
NAPAHOE INVESTMENTS LLC
L.F.M. & G. - ATTN RON MYERS
2401 PROFESSIONAL PKY
SANTA MARIA CA 93455-1684

ASSESSED VALUE

LAND/MINERAL RIGHTS	368,457
IMPROVEMENTS	686,386
PERSONAL PROPERTY	0
GROSS TOTAL	1,054,843
HOMEOWNER'S EXEMPTION	0
OTHER EXEMPTION	0
NET TOTAL	1,054,843

BASIC PROPERTY TAX	11,712.88
SPECIAL DISTRICTS	0.00
FIXED CHARGES	32,043.36
TOTAL TAX	43,756.24

TAX RATE AREA	TAX RATE PERCENT	DELINQUENT PRIOR YEAR TAXES	FIRST INSTALLMENT	SECOND INSTALLMENT	TOTAL DUE
080006	1.11039	NONE	21,878.12 DUE NOV. 1, 2023 DELINQUENT AFTER DEC. 10, 2023	21,878.12 DUE FEB. 1, 2024 DELINQUENT AFTER APR. 10, 2024	43,756.24

TAX DISTRIBUTION BY AGENCY		AMOUNT
BASIC PROPERTY TAXES		
0000 - Basic 1% (Prop 13/AB8) Taxes	(805)568-2120	10,548.44
7451 - Orcutt Un Elm Bnd 1999 BLO-P	(805)938-8900	144.30
7456 - Orcutt Union Elem Bond 2016-G	(805)938-8900	268.25
8351 - Santa Maria Jt HS Bond 2000-W	(805)922-4573	0.95
8355 - Santa Maria Jt HS Bond 2004-C	(805)922-4573	269.72
8356 - Santa Maria Jt HS Bond 2016-H	(805)922-4573	242.19
9421 - Allan Hancock CC Bond 2006-I	(805)922-6966	239.03
TOTAL BASIC PROPERTY TAXES		11,712.88
FIXED CHARGES		
2511 - Orcutt Flood Zn Ben Assmt	(805)568-3449	153.16
2871 - Laguna County San Swr Chrg	(805)803-8750	31,890.20
TOTAL FIXED CHARGES		32,043.36

TAX DISTRIBUTION BY AGENCY	AMOUNT
TOTAL TAXES	43,756.24

Attachment B

HARRY E. HAGEN, CPA
TREASURER-TAX COLLECTOR
COUNTY OF SANTA BARBARA
Federal Tax ID #95-6002833

P.O. BOX 579
SANTA BARBARA, CA 93102-0579
(805) 568-2920 SANTA BARBARA
(805) 346-8330 SANTA MARIA

SECURED 2023-2024
PROPERTY TAX STATEMENT

FOR FISCAL YEAR JULY 1, 2023 TO JUNE 30, 2024

PARCEL NUMBER	ASSESSEE ON JANUARY 1, 2023	CORTAC-SUBSCRIBER	BILL NUMBER
109-200-021	SCM, ONE, LLC		20231083082

ADDRESS OF PROPERTY
3210 SANTA MARIA WAY
SANTA MARIA CA 93455-2426

Pg 2 of 3

CSC0919B 39936 2 AV 0.498
7000043377 00.0154.0019 39936/2 109-200-021

SCM, ONE, LLC
NAPAHOE INVESTMENTS LLC
L.F.M. & G. - ATTN RON MYERS
2401 PROFESSIONAL PKY
SANTA MARIA CA 93455-1684

ASSESSED VALUE

LAND/MINERAL RIGHTS	502,857
IMPROVEMENTS	922,243
PERSONAL PROPERTY	0
GROSS TOTAL	1,425,100
HOMEOWNER'S EXEMPTION	0
OTHER EXEMPTION	0
NET TOTAL	1,425,100

BASIC PROPERTY TAX	15,824.16
SPECIAL DISTRICTS	0.00
FIXED CHARGES	48,460.88
TOTAL TAX	64,285.04

TAX RATE AREA	TAX RATE PERCENT	DELINQUENT PRIOR YEAR TAXES	FIRST INSTALLMENT	SECOND INSTALLMENT	TOTAL DUE
080006	1.11039	NONE	32,142.52 DUE NOV. 1, 2023 DELINQUENT AFTER DEC. 10, 2023	32,142.52 DUE FEB. 1, 2024 DELINQUENT AFTER APR. 10, 2024	64,285.04

TAX DISTRIBUTION BY AGENCY		AMOUNT
BASIC PROPERTY TAXES		
0000 - Basic 1% (Prop 13/AB8) Taxes	(805)568-2120	14,251.00
7451 - Orcutt Un Elm Bnd 1999 BLO-P	(805)938-8900	194.95
7456 - Orcutt Union Elem Bond 2016-G	(805)938-8900	362.40
8351 - Santa Maria Jt HS Bond 2000-W	(805)922-4573	1.28
8355 - Santa Maria Jt HS Bond 2004-C	(805)922-4573	364.40
8356 - Santa Maria Jt HS Bond 2016-H	(805)922-4573	327.20
9421 - Allan Hancock CC Bond 2006-I	(805)922-6966	322.93
TOTAL BASIC PROPERTY TAXES		15,824.16
FIXED CHARGES		
2511 - Orcutt Flood Zn Ben Assmt	(805)568-3449	170.52
2871 - Laguna County San Swr Chrg	(805)803-8750	48,290.36
TOTAL FIXED CHARGES		48,460.88

TAX DISTRIBUTION BY AGENCY	AMOUNT
TOTAL TAXES	64,285.04

Attachment C

HARRY E. HAGEN, CPA
TREASURER-TAX COLLECTOR
COUNTY OF SANTA BARBARA
Federal Tax ID #95-6002833

P.O. BOX 579
SANTA BARBARA, CA 93102-0579
(805) 568-2920 SANTA BARBARA
(805) 346-8330 SANTA MARIA

SECURED 2023-2024
PROPERTY TAX STATEMENT

FOR FISCAL YEAR JULY 1, 2023 TO JUNE 30, 2024

PARCEL NUMBER	ASSESSEE ON JANUARY 1, 2023	CORTAC-SUBSCRIBER	BILL NUMBER
109-200-023	SCM, ONE, LLC		20231083083

ADDRESS OF PROPERTY
3210 SANTA MARIA WAY
SANTA MARIA CA 93455-2426

Pg 3 of 3

CSC0919B 39936 2 AV 0.498
7000043378 00.0154.0019 39936/3 109-200-023

SCM, ONE, LLC
NAPAHOE INVESTMENTS LLC
L.F.M. & G. - ATTN RON MYERS
2401 PROFESSIONAL PKY
SANTA MARIA CA 93455-1684

ASSESSED VALUE	
LAND/MINERAL RIGHTS	746,620
IMPROVEMENTS	1,298,242
PERSONAL PROPERTY	0
GROSS TOTAL	2,044,862
HOMEOWNER'S EXEMPTION	0
OTHER EXEMPTION	0
NET TOTAL	2,044,862

BASIC PROPERTY TAX	22,705.96
SPECIAL DISTRICTS	0.00
FIXED CHARGES	89,560.68
TOTAL TAX	112,266.64

TAX RATE AREA	TAX RATE PERCENT	DELINQUENT PRIOR YEAR TAXES	FIRST INSTALLMENT	SECOND INSTALLMENT	TOTAL DUE
080006	1.11039	NONE	56,133.32 DUE NOV. 1, 2023 DELINQUENT AFTER DEC. 10, 2023	56,133.32 DUE FEB. 1, 2024 DELINQUENT AFTER APR. 10, 2024	112,266.64

TAX DISTRIBUTION BY AGENCY		AMOUNT
BASIC PROPERTY TAXES		
0000 - Basic 1% (Prop 13/AB8) Taxes	(805)568-2120	20,448.63
7451 - Orcutt Un Elm Bnd 1999 BLO-P	(805)938-8900	279.74
7456 - Orcutt Union Elem Bond 2016-G	(805)938-8900	520.01
8351 - Santa Maria Jt HS Bond 2000-W	(805)922-4573	1.84
8355 - Santa Maria Jt HS Bond 2004-C	(805)922-4573	522.87
8356 - Santa Maria Jt HS Bond 2016-H	(805)922-4573	469.50
9421 - Allan Hancock CC Bond 2006-I	(805)922-6966	463.37
TOTAL BASIC PROPERTY TAXES		22,705.96
FIXED CHARGES		
2511 - Orcutt Flood Zn Ben Assmt	(805)568-3449	241.26
2871 - Laguna County San Swr Chrg	(805)803-8750	89,319.42
TOTAL FIXED CHARGES		89,560.68

TAX DISTRIBUTION BY AGENCY	AMOUNT
TOTAL TAXES	112,266.64

EXHIBIT 'E'

Increase Amou	Last Rent Increase	
$68.50	1/1/2025	SPC 1
$65.51	1/1/2025	SPC 2
$67.63	1/1/2025	SPC 3
$66.64	1/1/2025	SPC 4
$66.21	1/1/2025	SPC 5
$66.91	1/1/2025	SPC 6
$67.29	1/1/2025	SPC 8
$67.12	1/1/2025	SPC 9
$66.89	1/1/2025	SPC 11
$67.31	1/1/2025	SPC 12
$67.04	1/1/2025	SPC 13
$66.45	1/1/2025	SPC 14
$66.72	1/1/2025	SPC 15
$66.51	1/1/2025	SPC 16
$67.19	1/1/2025	SPC 18
$68.10	1/1/2025	SPC 19
$66.44	1/1/2025	SPC 22
$65.83	1/1/2025	SPC 23
$66.66	1/1/2025	SPC 24
$66.04	1/1/2025	SPC 26
$67.93	1/1/2025	SPC 28
$67.14	1/1/2025	SPC 29
$66.55	1/1/2025	SPC 30
$68.65	1/1/2025	SPC 31
$67.82	1/1/2025	SPC 32
$67.14	1/1/2025	SPC 33
$67.06	1/1/2025	SPC 34
$66.57	1/1/2025	SPC 38
$66.91	1/1/2025	SPC 39
$67.65	1/1/2025	SPC 40
$67.99	1/1/2025	SPC 41
$67.82	1/1/2025	SPC 43
$68.82	1/1/2025	SPC 44
$67.39	1/1/2025	SPC 45
$51.69	1/1/2025	SPC 46
$66.66	1/1/2025	SPC 48
$67.50	1/1/2025	SPC 50
$68.07	1/1/2025	SPC 51
$67.59	1/1/2025	SPC 52
$68.63	1/1/2025	SPC 54
$68.01	1/1/2025	SPC 55
$67.46	1/1/2025	SPC 56
$71.02	1/1/2025	SPC 58
$66.89	1/1/2025	SPC 59
$66.61	1/1/2025	SPC 60
$66.93	1/1/2025	SPC 61
$72.63	1/1/2025	SPC 62

$67.48	1/1/2025	SPC 63
$67.99	1/1/2025	SPC 64
$66.47	1/1/2025	SPC 65
$70.07	1/1/2025	SPC 67
$68.08	1/1/2025	SPC 68
$66.55	1/1/2025	SPC 69
$68.43	1/1/2025	SPC 70
$69.64	1/1/2025	SPC 71
$20.21	1/1/2025	SPC 72
$67.93	1/1/2025	SPC 73
$67.06	1/1/2025	SPC 74
$71.09	1/1/2025	SPC 75
$67.63	1/1/2025	SPC 76
$70.29	1/1/2025	SPC 77
$68.12	1/1/2025	SPC 78
$69.09	1/1/2025	SPC 79
$67.04	1/1/2025	SPC 80
$66.95	1/1/2025	SPC 81
$67.97	1/1/2025	SPC 82
$66.15	1/1/2025	SPC 83
$68.75	1/1/2025	SPC 84
$69.33	1/1/2025	SPC 85
$68.01	1/1/2025	SPC 87
$66.57	1/1/2025	SPC 88
$68.31	1/1/2025	SPC 89
$71.32	1/1/2025	SPC 90
$67.80	1/1/2025	SPC 91
$67.63	1/1/2025	SPC 92
$68.92	1/1/2025	SPC 93
$66.57	1/1/2025	SPC 94
$67.50	1/1/2025	SPC 95
$68.99	1/1/2025	SPC 96
$67.36	1/1/2025	SPC 97
$68.94	1/1/2025	SPC 98
$68.31	1/1/2025	SPC 99
$69.25	1/1/2025	SPC 100
$69.11	1/1/2025	SPC 103
$74.47	1/1/2025	SPC 104
$70.62	1/1/2025	SPC 105
$68.82	1/1/2025	SPC 106
$70.62	1/1/2025	SPC 107
$69.90	1/1/2025	SPC 108
$69.47	1/1/2025	SPC 109
$70.70	1/1/2025	SPC 110
$70.89	1/1/2025	SPC 111
$70.45	1/1/2025	SPC 114
$68.90	1/1/2025	SPC 115
$69.60	1/1/2025	SPC 116
$72.16	1/1/2025	SPC 117

$71.99	1/1/2025	SPC 118
$69.33	1/1/2025	SPC 120
$68.73	1/1/2025	SPC 121
$68.54	1/1/2025	SPC 122
$68.24	1/1/2025	SPC 123
$67.84	1/1/2025	SPC 124
$70.24	1/1/2025	SPC 125
$70.19	1/1/2025	SPC 126
$69.94	1/1/2025	SPC 127
$68.52	1/1/2025	SPC 128
$69.75	1/1/2025	SPC 129
$71.50	1/1/2025	SPC 130
$70.57	1/1/2025	SPC 131
$71.40	1/1/2025	SPC 132
$70.24	1/1/2025	SPC 133
$69.83	1/1/2025	SPC 134
$68.99	1/1/2025	SPC 135
$69.73	1/1/2025	SPC 136
$71.13	1/1/2025	SPC 137
$68.75	1/1/2025	SPC 138
$69.43	1/1/2025	SPC 139
$68.75	1/1/2025	SPC 140
$69.16	1/1/2025	SPC 141
$69.84	1/1/2025	SPC 142
$70.09	1/1/2025	SPC 143
$68.86	1/1/2025	SPC 144
$69.75	1/1/2025	SPC 145
$68.18	1/1/2025	SPC 147
$68.71	1/1/2025	SPC 148
$71.36	1/1/2025	SPC 150
$69.64	1/1/2025	SPC 151
$68.80	1/1/2025	SPC 152
$70.72	1/1/2025	SPC 153
$71.17	1/1/2025	SPC 154
$69.07	1/1/2025	SPC 155
$69.90	1/1/2025	SPC 156
$71.31	1/1/2025	SPC 157
$69.33	1/1/2025	SPC 158
$73.43	1/1/2025	SPC 159
$68.82	1/1/2025	SPC 160
$74.73	1/1/2025	SPC 161
$67.93	1/1/2025	SPC 162
$68.10	1/1/2025	SPC 164
$70.09	1/1/2025	SPC 165
$71.15	1/1/2025	SPC 166
$69.58	1/1/2025	SPC 167
$69.92	1/1/2025	SPC 168
$70.09	1/1/2025	SPC 169
$68.71	1/1/2025	SPC 170

$68.77	1/1/2025	SPC 171
$68.41	1/1/2025	SPC 172
$69.16	1/1/2025	SPC 173
$69.22	1/1/2025	SPC 174
$73.86	1/1/2025	SPC 175
$68.44	1/1/2025	SPC 176
$70.89	1/1/2025	SPC 177
$69.31	1/1/2025	SPC 179
$68.94	1/1/2025	SPC 180
$67.84	1/1/2025	SPC 181
$72.25	1/1/2025	SPC 182
$70.66	1/1/2025	SPC 183
$69.60	1/1/2025	SPC 184
$71.77	1/1/2025	SPC 185
$10,876.82	TOTAL FOR ONE MONTH	

$10,876.82 X 12 = $130,521.84
FOR PROPERTY TAX

Bruce Stanton, SBN 104925
Law Offices of Bruce Stanton
[redacted]
Attorney for Homeowners

COUNTY OF SANTA BARBARA

MOBILEHOME RENT CONTROL ORDINANCE (CHAPTER 11A)

ARBITRATION

In the matter of: DEL CIELO MOBILE HOME PARK Applicant and AFFECTED TENANTS	**HOMEOWNERS' WITNESS LIST** Hearing Date: January 21, 2026 Time: 9:00 AM Place: Via Zoom Only Arbitrator: John Derrick, Esq.

Expert Witness
Karl Lawson

Resident Witnesses
Sue DeWeese
Kathy Halter
Sally Fisher

Homeowners reserve the right to call other potential rebuttal witnesses.

Respectfully Submitted,

Dated: January 14, 2026

BRUCE E. STANTON, Esq.
Attorney for Homeowners

Del Cielo MHP
Calculation of Monthly Rent Increase 11A-5(i)
2024

	Reference	Amount	Line
ROI Increase 11A-5(i)(1)			
CPI July 2024	^	950.094	A
CPI July 2025	^	983.714	B
CPI Incresae	(B-A)/A	3.539%	C
75% of CPI Increase	C*75%	2.654%	D
Average Rents at 9/1/25	Per Rent Roll	$ 665.61	E
Automatic Increase	D*E	$ 17.67	F
Half of Automatic Increase	F*50%	**$ 8.83**	G
Operating Cost Increase 11A-5(i)(2)			
Half of Automatic Increase	G	**$ 8.83**	H
Excess Operating Cost Increase 11A-5(i)(3)			
2023 Operating Costs	Exhibit 2	$ 511,916	I
2024 Operating Costs	Exhibit 2	$ 706,389	J
Increase in Operating Costs	J-I	$ 194,472	K
Number of Spaces		184	L
12 Months		12	M
Increase in Operating Costs per Space per Month	K/L/M	$ 88.08	N
Half of Automatic Increase	G	$ 8.83	O
Property Taxes Already Passed Through To Tenants	*	$ 57.40	P
Excess Operating Costs over half of Automatic Increase	N-O-P	**$ 21.84**	Q
New Capital Expenses 11A-5(i)(4)			
New Capital Expenses per Space per Month		**$ -**	R
Old Capital Expenses 11A-5(i)(5)			
None		**$ -**	S
Capital Improvements 11A-5(i)(6)			
None		**$ -**	T
Total Monthly Rent Increase (permanent)	G+H+Q	$ 39.51	U
Total Monthly Rent Increase (Temporary 10 Years)	R+S+T	$ -	V
Total Monthly Rent Increase	U+V	**$ 39.51**	

^ - bls.gov series ID CWURS49AAA0 and Ordinance section 11A-5(a)2
* - Del Cielo MHP Notice of Rent Increase dated 9/27/24

Del Cielo Mobile Home Park
Fair Return Calculation
2023-2024

Rate of Return Related Analysis	Reference				Calculation
Purchase Cost of Park	*		A	$	20,986,398
CPI Index Apr 2024	^	947.050	B		
CPI Index Dec 2024	^	951.596	C		
CPI Increase/(Decrease)	(C-B)/B		D		0.48%
Inflation Adjustment	A*D		E	$	100,738
Inflation-Adjusted Investment In Park	A+E		F	$	21,087,136
Rate of Return	**		G		6.00%
Fair Return	F*G		H	$	1,265,228
Actual 2024 NOI	Exhibit 2		I	$	900,854
NOI Shortfall	H-I		J	$	364,374
NOI Shortfall per Space, per Month	J/184/12			**$**	**165.02**
Percent of existing average rent					*25%*
30 year US Treasury Yield at August 29, 2025 ^^					*4.92%*
NOI Increase from 2023					*-3.78%*
CPI Increase from 2023					*3.39%*
NOI Increase as a Percentage of CPI Increase					*-111.25%*
NOI as a Percent of Non-Utility Income 2023					*72.94%*
NOI as a Percent of Non-Utility Income 2024					*62.42%*
NOI as a Percent of Non-Utility Income 2024-Including this Increase					*69.99%*

Rent Increase at Various Rates of Return		
4.92%	$	61.88
5.50%	$	117.27
6.00%	$	165.02
6.25%	$	188.90
6.50%	$	212.78
7.00%	$	260.53
7.25%	$	284.40
7.50%	$	308.28
7.75%	$	332.16
8.00%	$	356.03
8.25%	$	379.91

* - *Buyer's Settlement Statement dated April 12, 2024*
** - *Reasonable rate based on risk-free US Treasury plus margin for MHP risk*
^ - bls.gov series ID CWURS49AAA0 and Ordinance section 11A-5(a)2
^^ - *https://fred.stlouisfed.org/series/DGS30*

Del Cielo Mobile Home Park
Net Operating Income Calculation
2023-2024

	2023				2024			
Income	Books and Records	Adjustments^	NOI	% Rev^^	Books and Records	Adjustments^	NOI	% Rev^^
Gross Rental Income	1,263,229	$ -	$ 1,263,229	*98.4%*	1,260,832	$ 189,154	$ 1,449,986	*100.5%*
Uncollected Rents Due To Vacancy	-		-	*0.0%*	-	(35,174)	(35,174)	*-2.4%*
Uncollected Rents due to Bad Debt	(667)		(667)	*-0.1%*	-	-	-	*0.0%*
Gas Income	55,947	(55,947)	-	*0.0%*	34,527	(34,527)	-	*0.0%*
Electric Income	51,548	(51,548)	-	*0.0%*	63,151	(63,151)	-	*0.0%*
Sewer Income	164,661		164,661	*12.8%*	163,957		163,957	*11.4%*
Water Income	30,921	(30,921)	-	*0.0%*	42,698	(42,698)	-	*0.0%*
Trash Income	26,290	(26,290)	-	*0.0%*	-	-	-	*0.0%*
Laundry Income	2,009		2,009	*0.2%*	1,069		1,069	*0.1%*
Storage Income	-		-	*0.0%*	14,500		14,500	*1.0%*
Passthrough Income	21	(21)	-	*0.0%*	-	-	-	*0.0%*
Other Income	18,886		18,886	*1.5%*	390,646	(377,740)	12,906	*0.9%*
Net Rental Income	1,612,844	(164,727)	1,448,117	*112.8%*	1,971,379	(364,136)	1,607,243	*111.4%*
Wages	(89,601)		(89,601)	*-7.0%*	(117,495)		(117,495)	*-8.1%*
Employer PR Taxes	(8,688)		(8,688)	*-0.7%*	(8,118)		(8,118)	*-0.6%*
Insurance - Workers Comp	(6,276)		(6,276)	*-0.5%*	(10,989)		(10,989)	*-0.8%*
Insurance - Health	(4,529)		(4,529)	*-0.4%*	-		-	*0.0%*
Retirement Benefits			-	*0.0%*	-		-	*0.0%*
Insurance - Property	(19,270)		(19,270)	*-1.5%*	(29,552)		(29,552)	*-2.0%*
Insurance - Other			-	*0.0%*	-		-	*0.0%*
Gas	(55,601)	55,601	-	*0.0%*	(31,918)	31,918	-	*0.0%*
Electric	(42,594)	42,594	-	*0.0%*	(57,413)	57,413	-	*0.0%*
Water	(34,254)	30,921	(3,333)	*-0.3%*	(45,026)	42,698	(2,328)	*-0.2%*
Trash	(27,579)	26,290	(1,289)	*-0.1%*	(918)	-	(918)	*-0.1%*
Repairs and Maintenance	(61,213)		(61,213)	*-4.8%*	(91,727)	30,151	(61,577)	*-4.3%*
Legal - General	(2,696)		(2,696)	*-0.2%*	(25,412)		(25,412)	*-1.8%*
Outside Services	(6,003)		(6,003)	*-0.5%*	(23,496)		(23,496)	*-1.6%*
Payroll Service	(1,564)		(1,564)	*-0.1%*	(1,232)		(1,232)	*-0.1%*
Advertising	(203)		(203)	*0.0%*	-		-	*0.0%*
Bank Charges	(1,333)		(1,333)	*-0.1%*	-		-	*0.0%*
Office Supplies	(1,183)		(1,183)	*-0.1%*	(11,972)		(11,972)	*-0.8%*
Supplies	(1,451)		(1,451)	*-0.1%*	-		-	*0.0%*
Postage	(394)		(394)	*0.0%*	(80)		(80)	*0.0%*
Telephone/Internet	(2,397)		(2,397)	*-0.2%*	(1,440)		(1,440)	*-0.1%*
Security			-	*0.0%*	-		-	*0.0%*
Travel	(1,520)		(1,520)	*-0.1%*	(119)		(119)	*0.0%*
Auto Expense	(442)		(442)	*0.0%*	-		-	*0.0%*
Management Fees	(69,062)		(69,062)	*-5.4%*	(47,449)		(47,449)	*-3.3%*
Meals - Entertainment	(571)		(571)	*0.0%*	-		-	*0.0%*
Licenses/Permits/Fees	(6,382)		(6,382)	*-0.5%*	(6,510)		(6,510)	*-0.5%*
Dues and Subscriptions	(3,829)		(3,829)	*-0.3%*	(5,707)		(5,707)	*-0.4%*
Tenant Services			-	*0.0%*	-		-	*0.0%*
Property Taxes		(218,691)	(218,691)	*-17.0%*	(159,818)	(191,435)	(351,253)	*-24.3%*
Mortgage Interest		-	-	*0.0%*	(401,203)	401,203	-	*0.0%*
LLC Fees			-	*0.0%*	(745)		(745)	*-0.1%*
Charity			-	*0.0%*	(1,665)	1,665	-	*0.0%*
Other expense			-	*0.0%*	-		-	*0.0%*
Owner Distribution	(1,175,553)	1,175,553	-	*0.0%*			-	
Gain/(Loss) on Sale of Assets		-	-	*0.0%*	200	(200)	-	*0.0%*
TOTAL EXPENSES	(1,624,185)	1,112,269	(511,916)	*-39.9%*	(1,079,802)	373,414	(706,389)	*-48.9%*
Net Income	(11,341)	947,542	$ 936,201	*72.9%*	891,577	9,277	$ 900,854	*62.4%*
Depreciation	-	(24,001)	(24,001)	*-1.9%*	(835,314)	811,358	(23,956)	*-1.7%*
Amortization	-	(1,263)	(1,263)	*-0.1%*	-	0	-	*0.0%*
Net Income with Depreciation and amortization	$ (11,341)	$ 922,277	$ 910,936	*71.0%*	$ 56,263	$ 820,636	$ 876,898	*60.8%*

DEL CIELO-424

Del Cielo Mobile Home Park
Net Operating Income Calculation
2023-2024

	2023	2024

^ - See Exhibit 2A
^^ - Non-utility revenue
~ - Depreciation for 2023 are calculated at 2.1% of non-utility revenue. This was obtained from *IBISWorld Report on Land Leasing in the US, December 2024* for businesses with <$500k in assets for 3year

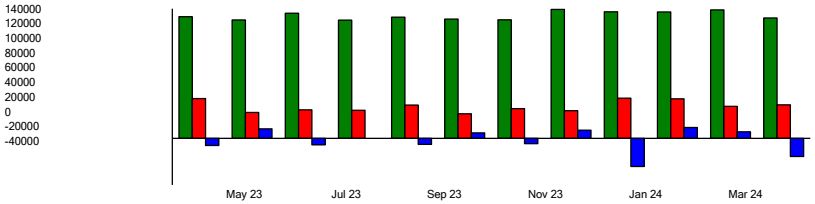
Profit & Loss 12 Month Recap

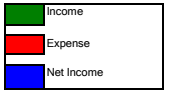
	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	APR 24	TOTAL
INCOME													
Rental Income (Non-Posti													
Space Rent	104,236.46	105,316.96	105,012.75	104,321.78	105,749.69	104,665.32	105,831.94	105,050.88	107,658.82	106,831.26	107,261.30	107,260.63	1,269,197.79
Unallocated Prepays	-260.13	-3,388.84	-153.61	-1,415.51	73.41	-1,079.88	150.37	8,164.42	163.16	-1,477.35	-254.20	-7,884.92	-7,363.08
Total Rental Income (N	103,976.33	101,928.12	104,859.14	102,906.27	105,823.10	103,585.44	105,982.31	113,215.30	107,821.98	105,353.91	107,007.10	99,375.71	1,261,834.71
Utility Income (Non-Postin													
Water	1,980.59	2,440.32	2,422.97	2,710.97	2,761.75	3,139.89	3,192.66	2,987.79	3,040.04	2,792.68	2,952.28	3,242.27	33,664.21
Trash	0.00	0.00	5,156.84	61.26	31.05	-9.33	-15.41	0.00	0.00	0.00	0.00	0.00	5,224.41
Sewer	13,535.78	13,690.23	13,820.38	13,728.34	13,767.39	13,757.34	14,022.56	13,819.26	13,811.43	13,717.03	13,929.17	13,919.16	165,518.07
Gas	4,558.60	3,505.57	2,938.46	2,586.14	2,268.81	2,091.66	2,363.61	2,797.29	4,591.25	4,411.89	5,340.36	5,063.50	42,517.14
Electric	4,958.02	4,598.02	3,987.99	4,123.51	4,636.89	4,474.45	886.97	4,868.32	5,522.82	6,165.14	7,269.38	6,850.90	58,342.41
Total Utility Income (No	25,032.99	24,234.14	28,326.64	23,210.22	23,465.89	23,454.01	20,450.39	24,472.66	26,965.54	27,086.74	29,491.19	29,075.83	305,266.24
Other Income (Non-Postin													
NSF Fee	25.00	0.00	0.00	0.00	0.00	25.00	0.00	2.41	22.59	0.00	25.00	0.00	100.00
Late Fee	35.00	85.00	70.00	85.00	60.00	85.00	35.00	35.00	35.00	95.00	110.00	60.00	790.00
Tenant Screening	46.00	138.00	0.00	92.00	138.00	184.00	0.00	92.00	0.00	276.00	138.00	0.00	1,104.00
Laundry	649.20	0.00	475.59	0.00	57.07	306.94	43.00	0.00	361.18	13.92	332.34	0.00	2,239.24
Storage	1,650.00	1,500.00	1,438.71	1,400.00	1,340.00	1,210.00	1,701.61	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	17,490.32
HCD/W&M Annu Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,194.88	13.12	0.00	2,208.00
Bad Debts	0.00	0.00	0.00	0.00	0.00	0.00	-133.32	0.00	0.00	0.00	-38.04	0.00	-171.36
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.00	44.70	215.70	44.70	380.10
Total Other Income (No	2,405.20	1,723.00	1,984.30	1,577.00	1,595.07	1,810.94	1,646.29	1,579.41	1,943.77	4,074.50	2,246.12	1,554.70	24,140.30
TOTAL INCOME	**131,414.52**	**127,885.26**	**135,170.08**	**127,693.49**	**130,884.06**	**128,850.39**	**128,078.99**	**139,267.37**	**136,731.29**	**136,515.15**	**138,744.41**	**130,006.24**	**1,591,241.25**
EXPENSE													
Repairs & Maintenance (N													
General Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	608.00	760.00	0.00	1,368.00
Supplies/Materials	65.94	295.28	214.75	159.93	240.98	166.04	176.36	229.37	473.71	10.62	419.57	333.90	2,786.45
Landscaping, Supplies/	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52.73	52.73
Pool, Service	600.00	675.00	600.00	600.00	675.00	600.00	675.00	600.00	525.00	450.00	675.00	600.00	7,275.00
Pool, Repair/Addl Main	110.00	150.00	150.00	206.00	258.00	504.80	162.00	124.00	81.00	96.00	99.00	552.00	2,492.80
Electrical, Supplies	0.00	0.00	8.27	0.00	0.00	70.36	0.00	0.00	28.65	169.08	0.00	0.00	276.36
Electrical, Repair/Maint	0.00	444.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	444.53
Electrical, Lighting	0.00	0.00	0.00	0.00	0.00	0.00	203.97	0.00	0.00	1,603.83	106.52	0.00	1,914.32
Signage	0.00	9.16	0.00	0.00	0.00	46.59	0.00	0.00	0.00	0.00	0.00	0.00	55.75
Fencing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	487.84	0.00	0.00	0.00	0.00	487.84
Gate Install/Repair	0.00	0.00	0.00	0.00	0.00	349.74	0.00	0.00	0.00	0.00	0.00	0.00	349.74
Plumbing	1,759.84	654.42	0.00	1,114.91	1,831.71	0.00	0.00	690.01	0.00	0.00	1,248.48	326.72	7,626.09

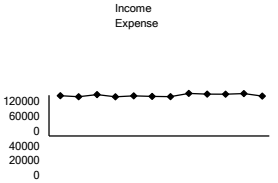
	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	APR 24	TOTAL
Painting/Paint Supplies	0.00	0.00	54.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54.84
Backflow Test/Maint	673.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	673.09
Equipment/Equip Srvc.	215.04	343.68	0.00	0.00	4,708.96	0.00	0.00	160.55	0.00	693.83	0.00	0.00	6,122.06
Patio/Pool Furniture	0.00	0.00	705.85	0.00	654.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,360.72
Locksmith	33.50	0.00	54.37	102.62	144.56	72.28	23.04	0.00	0.00	0.00	0.00	24.76	455.13
Pest Control, Fumigatio	0.00	0.00	0.00	0.00	28.00	56.00	0.00	0.00	0.00	0.00	0.00	0.00	84.00
Garage Repair	0.00	0.00	0.00	0.00	0.00	0.00	61.95	0.00	0.00	0.00	0.00	0.00	61.95
Roof Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83.04	0.00	83.04
Disposal/Dumping Fee	886.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	1,386.24
Mailbox, repairs/renova	200.15	143.86	72.28	0.00	0.00	0.00	72.28	0.00	69.28	0.00	218.37	0.00	776.22
Total Repairs & Mainte	4,543.80	2,715.93	1,860.36	2,183.46	8,542.08	1,865.81	1,374.60	2,291.77	1,177.64	3,631.36	3,609.98	2,390.11	36,186.90
License & Permits (Non-P HCD, Permit to Operat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,425.00	0.00	0.00	4,425.00
County, Weights & Mea	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,338.50	0.00	0.00	0.00	1,338.50
Public Pool/Spa Permit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	746.00	0.00	0.00	0.00	0.00	746.00
Registration/Titling	25.00	0.00	0.00	-200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-175.00
FBN Filing	0.00	0.00	0.00	0.00	47.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.00
Total License & Permits	25.00	0.00	0.00	-200.00	47.00	0.00	0.00	746.00	1,338.50	4,425.00	0.00	0.00	6,381.50
Management Fees (Non-On-Site Management	3,872.96	3,974.62	4,570.70	3,912.57	4,040.55	4,363.20	3,846.15	4,452.98	4,855.56	3,980.61	4,105.89	7,167.42	53,143.21
On-Site Admin Assistan	979.14	727.31	600.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,307.05
On-Site Maintenance	2,397.78	2,405.34	3,384.36	3,378.60	3,494.70	3,347.46	3,179.34	3,260.88	3,385.26	2,836.62	2,983.41	7,774.20	41,827.95
Off-Site Management (	5,289.74	5,292.39	5,295.30	5,298.55	5,298.55	5,303.82	5,308.83	5,311.91	5,438.19	6,930.88	3,945.50	5,441.27	64,154.93
Bonuses Paid	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	200.00	0.00	0.00	0.00	300.00
Group Insurance	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	377.40	4,528.80
Payroll Taxes	589.85	589.85	698.94	591.67	611.16	617.54	569.93	616.77	626.28	766.93	758.44	1,328.84	8,366.20
Workers Comp Ins	463.99	463.99	547.56	466.63	482.26	493.48	449.63	493.69	527.41	475.21	502.36	956.26	6,322.47
Payroll Processing Fee	204.00	204.00	272.00	204.00	68.00	204.00	204.00	204.00	204.00	204.00	204.00	306.00	2,482.00

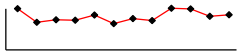
Total Management Fee	14,174.86	14,034.90	15,846.86	14,229.42	14,372.62	14,706.90	13,935.28	14,717.63	15,614.10	15,571.65	12,877.00	23,351.39	183,432.61
Utilities (Non-Posting)													
Water Expense	2,674.70	2,477.72	2,890.62	3,110.34	3,106.33	3,588.71	3,481.29	3,488.50	3,405.55	3,689.41	3,159.34	3,337.26	38,409.77
Trash Expense	5,371.80	244.87	73.43	73.43	77.54	83.72	83.72	83.72	85.68	85.68	85.68	108.55	6,457.82
Electric Expense	3,902.22	3,261.99	3,067.77	3,833.48	3,673.34	91.78	4,154.30	4,723.43	5,683.70	6,356.22	6,373.79	3,230.98	48,353.00
Gas Expense	7,547.37	2,240.23	0.00	3,254.59	1,160.46	1,625.50	2,459.44	0.00	9,432.90	4,773.78	4,358.21	0.00	36,852.48
Total Utilities (Non-Pos	19,496.09	8,224.81	6,031.82	10,271.84	8,017.67	5,389.71	10,178.75	8,295.65	18,607.83	14,905.09	13,977.02	6,676.79	130,073.07
Professional Services													
(No Insurance	2,833.80	1,005.23	4,979.73	2,090.23	2,090.23	2,090.23	2,090.23	2,090.23	2,090.23	2,090.23	2,090.23	1,085.00	26,625.60
Legal Fees	0.00	162.96	95.00	0.00	247.00	179.14	1,541.25	228.00	152.00	0.00	0.00	149.81	2,755.16
WMA Membership	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.07	0.00	0.00	75.07
Bank Fees	40.00	40.00	40.00	40.00	355.00	87.00	80.00	89.50	89.50	89.50	82.50	181.50	1,214.50
Merchant Account	32.00	33.00	32.00	35.00	33.00	33.00	39.00	45.00	36.00	56.00	47.00	47.00	468.00
Gas Leak Survey	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
Answering Service	112.25	127.25	127.25	112.25	129.50	114.50	114.50	144.45	174.40	144.45	114.50	114.50	1,529.80
Tenant Screening	70.00	35.00	105.00	0.00	0.00	175.00	140.00	70.00	0.00	0.00	210.00	105.00	910.00
Education/Seminars	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	129.00	0.00	129.00
Tech/IT Services	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	233.10	2,797.20
Total Professional Serv	3,321.15	1,636.54	5,612.08	2,510.58	3,587.83	2,911.97	4,238.08	2,900.28	2,775.23	2,688.35	2,906.33	1,915.91	37,004.33
Office Expense (Non-Post													
Auto, Fuel	60.01	0.00	0.00	0.00	0.00	0.00	0.00	65.00	0.00	57.00	0.00	0.00	182.01
Telephone Expense	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	780.00
Gas and Propane	0.00	0.00	0.00	0.00	70.03	0.00	82.97	0.00	0.00	66.74	0.00	0.00	219.74
Lodging	142.69	162.17	0.00	0.00	0.00	0.00	0.00	270.07	155.83	0.00	0.00	0.00	730.76
Postage & Mailing	0.00	24.39	63.00	0.00	19.95	132.00	0.00	0.00	0.00	0.00	0.00	68.00	307.34
Membership/Subscripti	0.00	0.00	0.00	0.00	0.00	149.77	0.00	19.00	2,025.75	14.95	-14.95	0.00	2,194.52
Office Supplies	0.00	0.00	159.00	63.79	121.28	178.46	36.41	0.00	209.89	60.10	0.00	119.86	948.79
Meals & Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.27	30.61	33.17	0.00	0.00	97.05
Promo/Gifts	0.00	0.00	0.00	10.00	0.00	0.00	106.95	0.00	183.18	0.00	0.00	0.00	300.13
Tenant Billing	687.06	687.06	687.06	692.73	692.73	692.73	1,457.10	48.96	741.69	741.69	736.43	1,201.68	9,066.92
Auto, Maint	0.00	0.00	0.00	0.00	0.00	0.00	172.00	11.96	20.60	0.00	0.00	0.00	204.56
RentManager Software	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	660.00
Phone/Internet/Cable B	121.55	121.55	121.55	122.08	122.08	122.08	122.69	122.69	122.69	126.07	126.07	126.07	1,477.17
Tenant Associations/Cl	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Total Office Expense (N	1,381.31	1,365.17	1,400.61	1,258.60	1,396.07	1,645.04	2,348.12	940.95	3,860.24	1,469.72	1,217.55	1,885.61	20,168.99
TOTAL EXPENSE	**42,942.21**	**27,977.35**	**30,751.73**	**30,253.90**	**35,963.27**	**26,519.43**	**32,074.83**	**29,892.28**	**43,373.54**	**42,691.17**	**34,587.88**	**36,219.81**	**413,247.40**
NOI	**88,472.31**	**99,907.91**	**104,418.35**	**97,439.59**	**94,920.79**	**102,330.96**	**96,004.16**	**109,375.09**	**93,357.75**	**93,823.98**	**104,156.53**	**93,786.43**	**1,177,993.85**
N/O EXPENSE													
Owner Distribution													
Gallion Investment Cor	96,214.04	86,513.60	104,107.71	97,459.72	101,436.75	96,450.83	101,675.02	100,568.31	97,869.14	82,105.61	97,080.88	113,398.31	1,174,879.92
Total Owner Distributio	96,214.04	86,513.60	104,107.71	97,459.72	101,436.75	96,450.83	101,675.02	100,568.31	97,869.14	82,105.61	97,080.88	113,398.31	1,174,879.92
Rehab Expenses (Non-Po													
Rehab, Clubhouse	0.00	3,177.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,177.00
Rehab, Unit 10	0.00	0.00	0.00	0.00	0.00	0.00	129.41	0.00	0.00	0.00	0.00	0.00	129.41
Rehab, Unit 42	0.00	0.00	7,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,400.00
Total Rehab Expenses	0.00	3,177.00	7,400.00	0.00	0.00	0.00	129.41	0.00	0.00	0.00	0.00	0.00	10,706.41
CapEx (Non-Posting)													
Landscaping, Tree Mai	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,900.00	0.00	0.00	0.00	25,900.00
Total CapEx (Non-Post	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,900.00	0.00	0.00	0.00	25,900.00
TOTAL N/O EXPENSE	**96,214.04**	**89,690.60**	**111,507.71**	**97,459.72**	**101,436.75**	**96,450.83**	**101,804.43**	**100,568.31**	**123,769.14**	**82,105.61**	**97,080.88**	**113,398.31**	**1,211,486.33**
NET INCOME	**-7,741.73**	**10,217.31**	**-7,089.36**	**-20.13**	**-6,515.96**	**5,880.13**	**-5,800.27**	**8,806.78**	**-30,411.39**	**11,718.37**	**7,075.65**	**-19,611.88**	**-33,492.48**

	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	OCT 23	NOV 23	DEC 23	JAN 24	FEB 24	MAR 24	APR 24	TOTAL
NET INCOME SUMMARY													
Income	131,414.52	127,885.26	135,170.08	127,693.49	130,884.06	128,850.39	128,078.99	139,267.37	136,731.29	136,515.15	138,744.41	130,006.24	1,591,241.25
Expense	-42,942.21	-27,977.35	-30,751.73	-30,253.90	-35,963.27	-26,519.43	-32,074.83	-29,892.28	-43,373.54	-42,691.17	-34,587.88	-36,219.81	-413,247.40
Net Operating Income	88,472.31	99,907.91	104,418.35	97,439.59	94,920.79	102,330.96	96,004.16	109,375.09	93,357.75	93,823.98	104,156.53	93,786.43	1,177,993.85
Non Operating Expense	-96,214.04	-89,690.60	-111,507.71	-97,459.72	-101,436.75	-96,450.83	-101,804.43	-100,568.31	-123,769.14	-82,105.61	-97,080.88	-113,398.31	1,211,486.33
NET INCOME	**-7,741.73**	**10,217.31**	**-7,089.36**	**-20.13**	**-6,515.96**	**5,880.13**	**-5,800.27**	**8,806.78**	**-30,411.39**	**11,718.37**	**7,075.65**	**-19,611.88**	**-33,492.48**


140000
120000
100000
80000
60000
40000
20000
0
-20000
-40000
May 23
Jul 23
Sep 23
Nov 23
Jan 24
Mar 24


Income
Expense
Net Income


Income
Expense
120000
60000
0
40000
20000
0



21,755.84	Reduce wages, increase off-site management

All Items below removed from Office Supplies and posted to:	Category
301.81	Legal
75.07	Dues and Subscriptions
443.00	Bank Fees
186.00	Bank Fees
0.00	NA
547.85	Outside services
315.00	Outside services
129.00	Outside services
932.40	Telephone/Internet
2,930.13	
57.00	Auto
260.00	Telephone/Internet
66.74	Auto
155.83	Travel
68.00	Postage
2,025.75	Dues and Subscriptions
389.85	Office Supplies
63.78	Meals
183.18	Office Supplies
3,421.49	Outside Services
20.60	Auto
220.00	Telephone/Internet
500.90	Telephone/Internet
1,000.00	Dues and Subscriptions
8,433.12	

Row Labels	Sum of All Items below removed from Office Supplies and posted to:
Auto	144.34
Bank Fees	629.00
Dues and Subscriptions	3,100.82
Legal	301.81
Meals	63.78
Outside services	4,413.34
Postage	68.00
Telephone/Internet	1.913.30
Travel	155.83
Grand Total	**10.790.22**

Del Cielo Mobile Home Park
Net Operating Income Calculation
2023-2024

	2023				2024			
Income	Books and Records	Adjustments^	NOI	% Rev^^	Books and Records	Adjustments^	NOI	% Rev^^
Gross Rental Income	1,263,229	$ -	$ 1,263,229	*98.4%*	1,260,832	$ 189,154	$ 1,449,986	*100.5%*
Uncollected Rents Due To Vacancy	-		-	*0.0%*	-	(35,174)	(35,174)	*-2.4%*
Uncollected Rents due to Bad Debt	(667)		(667)	*-0.1%*	-	-	-	*0.0%*
Gas Income	55,947	(55,947)	-	*0.0%*	34,527	(34,527)	-	*0.0%*
Electric Income	51,548	(51,548)	-	*0.0%*	63,151	(63,151)	-	*0.0%*
Sewer Income	164,661		164,661	*12.8%*	163,957		163,957	*11.4%*
Water Income	30,921	(30,921)	-	*0.0%*	42,698	(42,698)	-	*0.0%*
Trash Income	26,290	(26,290)	-	*0.0%*	-	-	-	*0.0%*
Laundry Income	2,009		2,009	*0.2%*	1,069		1,069	*0.1%*
Storage Income	-		-	*0.0%*	14,500		14,500	*1.0%*
Passthrough Income	21	(21)	-	*0.0%*	-	-	-	*0.0%*
Other Income	18,886		18,886	*1.5%*	390,646	(377,740)	12,906	*0.9%*
Net Rental Income	1,612,844	(164,727)	1,448,117	*112.8%*	1,971,379	(364,136)	1,607,243	*111.4%*
Wages	(89,601)		(89,601)	*-7.0%*	(117,495)	21,756	(95,739)	*-6.6%*
Employer PR Taxes	(8,688)		(8,688)	*-0.7%*	(8,118)		(8,118)	*-0.6%*
Insurance - Workers Comp	(6,276)		(6,276)	*-0.5%*	(10,989)		(10,989)	*-0.8%*
Insurance - Health	(4,529)		(4,529)	*-0.4%*	-		-	*0.0%*
Retirement Benefits			-	*0.0%*	-		-	*0.0%*
Insurance - Property	(19,270)		(19,270)	*-1.5%*	(29,552)		(29,552)	*-2.0%*
Insurance - Other			-	*0.0%*	-		-	*0.0%*
Gas	(55,601)	55,601	-	*0.0%*	(31,918)	31,918	-	*0.0%*
Electric	(42,594)	42,594	-	*0.0%*	(57,413)	57,413	-	*0.0%*
Water	(34,254)	30,921	(3,333)	*-0.3%*	(45,026)	42,698	(2,328)	*-0.2%*
Trash	(27,579)	26,290	(1,289)	*-0.1%*	(918)	-	(918)	*-0.1%*
Repairs and Maintenance	(61,213)		(61,213)	*-4.8%*	(91,727)	30,151	(61,577)	*-4.3%*
Legal - General	(2,696)		(2,696)	*-0.2%*	(25,412)	(302)	(25,714)	*-1.8%*
Outside Services	(6,003)		(6,003)	*-0.5%*	(23,496)	15,587	(7,909)	*-0.5%*
Payroll Service	(1,564)		(1,564)	*-0.1%*	(1,232)		(1,232)	*-0.1%*
Advertising	(203)		(203)	*0.0%*	-		-	*0.0%*
Bank Charges	(1,333)		(1,333)	*-0.1%*	-	(629)	(629)	*0.0%*
Office Supplies	(1,183)		(1,183)	*-0.1%*	(11,972)	10,790	(1,182)	*-0.1%*
Supplies	(1,451)		(1,451)	*-0.1%*	-		-	*0.0%*
Postage	(394)		(394)	*0.0%*	(80)	(68)	(148)	*0.0%*
Telephone/Internet	(2,397)		(2,397)	*-0.2%*	(1,440)	(1,913)	(3,353)	*-0.2%*
Security			-	*0.0%*	-		-	*0.0%*
Travel	(1,520)		(1,520)	*-0.1%*	(119)	(156)	(274)	*0.0%*
Auto Expense	(442)		(442)	*0.0%*	-	(144)	(144)	*0.0%*
Management Fees	(69,062)		(69,062)	*-5.4%*	(47,449)	(21,756)	(69,205)	*-4.8%*
Meals - Entertainment	(571)		(571)	*0.0%*	-	(64)	(64)	*0.0%*
Licenses/Permits/Fees	(6,382)		(6,382)	*-0.5%*	(6,510)		(6,510)	*-0.5%*
Dues and Subscriptions	(3,829)		(3,829)	*-0.3%*	(5,707)	(3,101)	(8,807)	*-0.6%*
Tenant Services			-	*0.0%*	-		-	*0.0%*
Property Taxes		(218,691)	(218,691)	*-17.0%*	(159,818)	(191,435)	(351,253)	*-24.3%*
Mortgage Interest		-	-	*0.0%*	(401,203)	401,203	-	*0.0%*
LLC Fees			-	*0.0%*	(745)		(745)	*-0.1%*
Charity			-	*0.0%*	(1,665)	1,665	-	*0.0%*
Other expense			-	*0.0%*	-		-	*0.0%*
Owner Distribution	(1,175,553)	1,175,553	-	*0.0%*			-	
Gain/(Loss) on Sale of Assets		-	-	*0.0%*	200	(200)	-	*0.0%*
TOTAL EXPENSES	(1,624,185)	1,112,269	(511,916)	*-39.9%*	(1,079,802)	393,414	(686,389)	*-47.6%*
Net Income	(11,341)	947,542	$ 936,201	*72.9%*	891,577	29,277	$ 920,854	*63.8%*
Depreciation	-	(24,001)	(24,001)	*-1.9%*	(835,314)	811,358	(23,956)	*-1.7%*
Amortization	-	(1,263)	(1,263)	*-0.1%*	-	0	-	*0.0%*
Net Income with Depreciation and amortization	$ (11,341)	$ 922,277	$ 910,936	*71.0%*	$ 56,263	$ 840,636	$ 896,898	*62.1%*

Del Cielo Mobile Home Park
Net Operating Income Calculation
2023-2024

	2023	2024

^ - See Exhibit 2A
^^ - Non-utility revenue
~ - Depreciation for 2023 are calculated at 2.1% of non-utility revenue. This was obtained from *IBISWorld Report on Land Leasing in the US, December 2024* for businesses with <$500k in assets for 3year

DEL CIELO MHC, LLC'S WITNESS LIST

Witnesses
Brian Eid – Expert Witness **Matt Davies** – Park Management **Nick Ubaldi** – Park Management **Melissa Lawley** – Park Management **Lew Mow** – Financial and Accounting **Ruben Osuna** – Financial and Accounting