

Thunderbird Oaks Mobile Home Park

Administrative Record

**Rent Adjustment Application
RA-2010-01**

Part E

**Thunderbird Oaks Mobile Home Park
Administrative Record
Rent Adjustment Application
RA-2011-01**

Table of Contents	Book	Tab
Certification of the Administrative Record	A	1
Rent Adjustment Application	A	2
Part A	A	2.1
Part B	B	2.2
Part C	C	2.3
Rent Adjustment Commission Meeting – January 10, 2011	D	3
Agenda	D	4
Case 7A – Staff Report	D	5
Attachment 1: Location Map	D	5.1
Attachment 2: City’s Mobile Home Rent Stabilization Ordinance	D	5.2
Attachment 3: Rent Adjustment Application (See Book A, B, C)	D	5.3
Attachment 4: Public correspondence received	D	5.4
Attachment 5: Corres. Jackson/DeMarco/Tidus/Peckenpaugh	D	5.5
Attachment 6: Consultant Analysis dated January 3, 2011	D	5.6
Attachment 7: City Appraisal dated December 23, 2010	D	5.7
Attachment 8: Rent Data Provided by the tenants	D	5.8
Attachment 9: Merged RAC-2 and RAC-5 (not adopted)	D	5.9
PowerPoint	D	5.10
Supplemental Material	D	6
Applicant’s PowerPoint presentation	D	6.1
Letter to Thunderbird Oaks tenant dated October 1, 2008	D	6.2
Declaration of Marilyn Aurant, tenant	D	6.3
Letter by Dan Goldstein	D	6.4
Public Speaker Cards and Written Statement Cards	D	6.5
Minutes	D	7

**Thunderbird Oaks Mobile Home Park
Administrative Record
Rent Adjustment Application
RA-2011-01**

Table of Contents

Book Tab

Notice of Continuance of Public Hearing to January 18, 2011	D	8
Rent Adjustment Commission Meeting – January 18, 2011	D	9
Agenda	D	10
Supplemental Material	D	11
Draft RAC Resolution	D	11.1
Alternative Rent Adjustment Calculation Charts	D	11.2
Minutes	D	12
Adopted RAC Resolution 08-2011	D	13
City Letter to tenants, dated January 19, 2011	E	14
Transcripts of meeting dated January 10, 2011	E	15
Transcripts of meeting dated January 18, 2011	E	16

City Letter to tenants, dated
January 19, 2011



City of Thousand Oaks

COMMUNITY DEVELOPMENT DEPARTMENT
JOHN C. PRESCOTT, DIRECTOR

BUILDING DIVISION (805) 449-2500
PLANNING DIVISION (805) 449-2323
HOUSING/REDEVELOPMENT DIV. (805) 449-2393

January 19, 2011

Tenant
Thunderbird Oaks Mobile Home Park

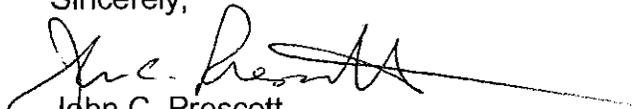
Dear Thunderbird Oaks Mobile Home Park Tenant:

Pursuant to Sec. 5-25.06(c)(5) of the Thousand Oaks Municipal Code, I am providing a copy of the decision of the Thousand Oaks Rent Adjustment Commission (RAC) approving a rent increase as set forth in the attached resolution for the Thunderbird Oaks Mobile Home Park.

As set forth in Section 2 of the Resolution, commencing on page 7, the RAC has determined that the Park Owner is entitled to a rent increase of \$62 per month per space in order to receive a just and reasonable return. The Commission further specified that the increase be phased over 2 years, at \$31 per month per space each year, with the first increase no sooner than 90 days after the Owner provides a formal notice of the increase to the tenants. The second increase of \$31 per month per space shall not occur sooner than 365 days after the first increase.

The RAC decision may be appealed to City Council within 19 days from the date of this transmittal letter. This includes the 14-day appeal period and a five-day period from date of mailing, so the appeal period will end at close of business, 5:00 p.m., on Monday February 7, 2011. Appeal forms are available at the Community Development Department public counter.

Sincerely,



John C. Prescott
Community Development Director

CDD:430-45/jp/h:/common/housing & redevelopment/rent control/rent adjustment applications/ 2010 Thunderbird Oaks MHP/correspondence/applicant correspondence/letter to tenants.doc

Transcripts of meeting dated January 10, 2011

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

IN THE STATE OF CALIFORNIA
CITY OF THOUSAND OAKS

ORIGINAL

)
)
In re:)
)
)
THUNDERBIRD OAKS MOBILE HOME) (RA-2010-01)
PARK RENT ADJUSTMENT)
APPLICATION)
)

RENT ADJUSTMENT COMMISSION PUBLIC HEARING,
taken at 2100 Thousand Oaks Boulevard,
Thousand Oaks, California, commencing at
6:00 p.m., Monday, January 10, 2011,
before WINDY PICARD, CSR No. 12879.

PAGES 1 - 227

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES FOR THE CITY:

LLOYD WERTHEIMER, CHAIR

MAXWELL SHELDON, VICE-CHAIR

BRENDA MOHR FELDMAN

BEATRICE FERRUZZA

MIKE SILACCI

JOHN PRESCOTT, AICP, COMMUNITY DEVELOPEMENT DIRECTOR

PATRICK HEHIR, ASSISTANT CITY ATTORNEY

RUSS WATSON, HOUSING AND REDEVELOPMENT MANAGER

CHRIS NORMAN, ASSISTANT CITY ATTORNEY

JAMES BRABANT, APPRAISER

KEN BAAR, EXPERT FOR THE CITY

LILIA VAUDREVIL, RECORDING SECRETARY

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES OF COUNSEL:

FOR THE APPLICANT:

HART, KING & COLDREN

BY: ROBERT S. COLDREN

BOYD HILL

200 East Sandpointe

Fourth Floor

Santa Ana, California 92707

(714) 432-8700

E-mail: rcolren@hkclaw.com

FOR THE TENANTS:

JACKSON, DEMARCO, TIDUS & PECKENPAUGH

BY: MARK SELLERS

2030 Main Street

12th Floor

Irvine, California 92614

(949) 752-8585

ALSO PRESENT:

JOHN NEET

MICHAEL E. MCCARTHY

1 MRS. VAUDREVIL: -- is hereby opened to
2 consider agenda item 7A regarding Case: Thunderbird
3 Oaks Mobile Home Park Rent Adjustment Application
4 (RA-2010-01).

5 Location: 200 South Conejo School Road.

6 Applicant: A.V.M.G.H., Limited.

7 Request: Rent increase in the amount of
8 \$322.52 per month, per space, to achieve a Just and
9 Reasonable Return.

10 Recommendation: That the Commission grant a
11 "Just and Reasonable Return" rent increase for
12 Thunderbird Oaks Mobile Home Park in an amount not to
13 exceed \$65.00 per space, per month, and that the
14 increase be phased over a two-year period in an amount
15 not to exceed \$32.50 per month, per space, each year,
16 with the date of the initial increase to be 90 days
17 from the date formal notice of such increase is
18 provided to the tenants, and the date of each
19 subsequent increase shall be not sooner than 365 days
20 from the date of the prior increase. Total cumulative
21 amount is \$125,580.

22 MR. WERTHEIMER: For the staff presentation,
23 Mr. Norman.

1 STAFF PRESENTATION

2
3 MR. NORMAN: Thank you, Mr. Chair,
4 Commissioners, and members of the public. The staff
5 has a power point presentation of the Thunderbird Oaks
6 Mobile Home Park Rent Adjustment Application.

7 The first two slides will give a quick preview
8 of the presentation. We'll start with a discussion on
9 mobile home parks in the City of Thousand Oaks, a
10 description of the City's rent stabilization program, a
11 review of Thunderbird Oaks Mobile Home Park's legal
12 background, the applicant's specific request, the
13 maintenance of net operating income standards, an
14 analysis of MNOI and the steps that need to be
15 followed, specific rent adjustment calculations, and
16 finally, conclusion and recommendation of staff.

17 There are nine mobile home parks in the
18 City of Thousand Oaks. There are over 1,000 spaces,
19 over 800 of which are dedicated to seniors.

20 One mobile home park is closing, that's
21 Canejo. One mobile home park is converting to for-sale
22 lots, that's Vallecito. And two other parks have filed
23 rent adjustment requests, that would be Ranch. And
24 Vallecito has just submitted an application for a
25 capital improvement adjustment.

1 The City's Rent Stabilization Program was
2 initiated in 1980. There have been various extensions
3 and amendments to those provisions through the past
4 several years. In 1996 the provisions were permanently
5 codified in the City's Municipal Code.

6 The purpose of the program is to safeguard the
7 tenants from excessive rent increases, but at the same
8 time provide landlords with a just and reasonable
9 rate of return. It's a balancing test.

10 The Rent Stabilization Program authorizes
11 three types of increases. The first is an automatic
12 annual rent increase. Currently, it allows a 75
13 percent of CPI multiplied by the 1986 rent level for an
14 increase.

15 There's a Just and Reasonable Return
16 Application, which is before you tonight, and there is
17 a Capital Improvement and Rehabilitation Adjustment.

18 There were guidelines that were adopted to
19 implement the program. Two resolutions were adopted in
20 the early 80s, RAC-2 and RAC-5.

21 Attachment 9 to your packet actually has a
22 restated version of those two resolutions for ease of
23 reading.

24 The guidelines provide for a maintenance of
25 net operating income standard, and this will be

1 described later. However, the commission may consider
2 other methodologies.

3 Thunderbird Oaks is located at 200 South
4 Canejo School Road. The park was approved for
5 operations in 1974 for 161 spaces. In 1976, the park
6 was initially occupied. And again, rent control came
7 into being in 1980, four years later.

8 The legal basis for a just and reasonable
9 return is based on the 5th amendment of the
10 United States Constitution, which provides park owners
11 protection from regulations that constitute a "taking."

12 Rent control regulations must provide for a
13 just and reasonable rate of return. However, there is
14 no constitutional prescribed method for
15 determining fair return.

16 The application for this increase was filed in
17 June of last year, initially requesting the increase of
18 \$322 per space, per month.

19 In July, the application was found to be
20 incomplete by City staff. In August, the applicant did
21 provide the additional information, and the application
22 was accepted as complete.

23 After that date, the City did receive some
24 data from various tenants in the park that seemed to
25 indicate that rent levels were substantially lower than

1 that stated in the application by the owner.

2 Based on that information, we believe that the
3 owner resubmitted an application last October. This
4 application was materially different in that it
5 requested a Vega adjustment, which will be explained
6 later in the presentation.

7 It modified it's rent increase down from 322
8 to \$260 per space, per month. City staff deemed this
9 amendment as a new submittal, and all processing
10 timelines have been based on the October submittal.

11 The applicant's request, again an increase of
12 \$260 per space, per month. Current average rents are
13 just under \$400. So the increase would result in
14 monthly rents on average of \$654 per space, per month.

15 In order to evaluate the application, the City
16 retained two experts. And the first expert is
17 Dr. Kenneth Baar, who is an expert in the field of
18 mobile home park, rent stabilization, and fair return
19 analyses. And the City also hired James Brabant, who
20 is a mobile home park appraiser.

21 Mr. Baar has a Ph.D in urban planning from
22 UCLA. He has lectured and written numerous articles
23 for professional journals and books regarding rent
24 control and just and reasonable return applications.
25 He has been retained as a consultant for dozens of

1 citizens in California.

2 His articles and testimony have been cited in
3 many of the seminal California court cases regarding
4 rent control. He has prepared over 50 fair return
5 reports for over 16 jurisdictions.

6 Mr. James Brabant has been an appraiser for
7 over 40 years. He's prepared appraisals for mobile
8 home parks, including for litigation purposes,
9 conversions, subdivisions, rent increases for dozen of
10 cities in the State of California.

11 Mr. Baar prepared a report that analyzes the
12 application and provides a basis in methodology
13 for determining what constitutes just and reasonable
14 return within the confines of the City's regulations.

15 Mr. Brabant provided two appraisals. One for
16 fair market value in 1979, and one for comparable rent
17 in 1986. Both of which are referenced in Mr. Baar's
18 report.

19 There are two types of methodologies provided
20 in Mr. Baar's report. The majority of Mr. Baar's
21 report focuses on the MNOI methodology as suggested by
22 the City's guidelines and requested by the applicant.

23 Based on the legal representation of some of
24 the tenants, a different type of methodology was
25 mentioned called the rate of return methodology, and

1 that's also analyzed in Mr. Baar's report. That
2 methodology, however, is not recommended.

3 There's some key terms that Mr. Baar will be
4 discussing. I'm going to outline a few of those now.
5 Net operating income is simply gross operating income
6 from the park minus operating expenses.

7 There's maintenance of net operating income,
8 also known as MNOI, which is an adjustment to NOI by an
9 inflation factor in order to provide a fair net
10 operating income in the current year. Again, these
11 will be explained in more detail later.

12 The base year is the year used to compare the
13 net operating income to the current year net operating
14 income.

15 And it's important to remember in the base
16 year, there's the presumption that the NOI received
17 provides a just and reasonable return and reflects the
18 market conditions.

19 A Vega adjustment, based on an important
20 California case called Vega vs. City of West Hollywood,
21 that's where the applicant can request an adjustment to
22 the base year rent to provide a fair return reflecting
23 market conditions if those rents don't provide for
24 market condition -- fair market condition.

25 Consumer Price Index is a measure of

1 inflation provided by the Bureau of Labor Statistics,
2 measured by the cost of a purchase of a basket of
3 goods.

4 Fair market rents are non-restricted rents.
5 And the price level adjustments is something provided
6 for in the City's guidelines which allow an adjustment
7 to the rent to allow for all authorized automatic rent
8 increases that could have been taken but weren't. And
9 again, that will be discussed in more detail by
10 Mr. Baar.

11 There are four significant steps in analyzing
12 an MNOI formula. First is determining the appropriate
13 base year.

14 Second, determining the appropriate base year
15 rent and whether there needs to be some type of
16 adjustment to those rents.

17 A determination of base year operating
18 expenses and whether adjustments are necessary. And
19 finally, an indexing percentage of base year net
20 operating income to take into account for inflation.

21 Now I'll be handing off the presentation to
22 Dr. Kenneth Baar to go into those details.

23 DR. BAAR: Okay. I'm going to focus on the
24 maintenance of net operating income analysis and
25 describe some of the critical issues in this case. And

1 it is a complex case.

2 Basically, I think you understand under the
3 maintenance of net operating income standard, there's a
4 base net operating income, and it's presumed that that
5 provides a fair return.

6 And then a fair net operating income in the
7 current year is the base net operating income adjusted
8 by an inflation factor.

9 So in effect, that type of standard provides a
10 rent -- for a rent increase -- ensures that a rent
11 increase is adequate to cover operating cost increases
12 and to provide a designated rate of growth in the net
13 operating income.

14 In this case, in each step, there's -- a
15 number of issues come up. One is -- first issue is
16 what should be the base year in this particular case.

17 Your regulations provide that the base year
18 shall be 1979, when if financial information for that
19 year is available, and it provides that otherwise, the
20 park owner can use an alternate base year. And the
21 regulations indicate that the base -- you have to use
22 the base year for which financial information is
23 available.

24 In this case, the park owner did not have
25 actual income and expense information for 1979. And

1 the first year that the park owner had income and
2 expense information, actual information, was 1986.

3 But the park owner contended that still that
4 in fact that they had base year information because
5 they can take the 1986 data and adjust it downward by
6 the inflation between '79 and '86 in order to come up
7 with 1979 estimates of the expenses.

8 And I guess my -- my reaction to that was that
9 some ordinances and regulations specifically allow for
10 that type of an adjustment.

11 But your regulations provide something
12 different, that the information actually has to be
13 available for the base year.

14 And the reality is if someone can use an
15 inflation adjustment to measure the base year based on
16 expenses in a later year, they can always say that they
17 have base year data. So it would undercut the
18 requirement of actually having to have actual base year
19 data in that interpretation.

20 And the park owner, as I understand, also
21 contends that 1979 must be used as a base year because
22 it's a year that precedes the adoption of rent
23 control and therefore it's a rent that reflects market
24 conditions.

25 So I'd say under, you know, specific terms of

1 your regulation, that 1986 would be the base year. But
2 on the other hand, I think there are some rational
3 against using 1986 and some policy issues raised.

4 First of all, under the base year, you know,
5 maintenance of net operating income theory, an owner
6 has a right to base rents that reflect market
7 conditions.

8 And what happens is if you use 1986 as the
9 base year and you adjust 1986 rents based on what the
10 rent levels were in the other parks -- actually what
11 happened was between 1979 and 1986, the rents in the
12 other parks increased by more than the amount required
13 to give a fair return.

14 So basically, what happens is, if you use '86
15 as a base year, you start with a base that's -- is --
16 has a higher rent than is necessary to give a fair
17 return relative to the 1979 rents.

18 The other problem -- and this is a practical
19 problem -- when somebody does not have -- on one hand,
20 if you -- if somebody has to prove operating expense --
21 that's something they can verify. They have the proof
22 or they don't.

23 But on the other hand, when you're talking
24 about the absence of information -- you know, I don't
25 have 1970 or they don't have 1982 income and expense

1 information -- there's no way of verifying whether
2 that's true or not.

3 So what can happen is, as a practical matter,
4 an applicant can, you know -- in a sense you can say --
5 shop for a base year that's favorable in one way or
6 another because in some years income is more favorable
7 than others.

8 And I'd also say in this particular case, the
9 fact that, you know, 1979 is -- you know, is not
10 clearly the base year in this situation is because the
11 park owner failed to retain the 1979 income and expense
12 data.

13 And the regulations which were adopted in 1981
14 indicated that that data was necessary under the
15 maintenance of net operating income standard.

16 It wasn't called that, but it basically
17 indicates that 1979 is the base year and you're
18 required to have income and expense for that year,
19 which an owner certainly would have had to have two
20 years later.

21 But I'm pointing out the problems of the 1986
22 base year and the fact that, you know, someone could
23 shop for a base year.

24 To put this in perspective, this is not a case
25 where the park owner is advocating 1986 be used as the

1 base year. But I -- and so I'm not saying that this is
2 a plot on the park owner's part.

3 But the policy issue is, when you use 1986, I
4 say should the park owner intentionally or
5 unintentional will benefit from the fact that they
6 don't have base year data.

7 But as I say, the words of your regulation, if
8 you follow those strictly, then you have to say 1986 is
9 the base year because also -- I think there's also the
10 issue of the intent of the regulations.

11 So the next issue is -- you know, discussed
12 two different alternate base years -- is what is the
13 base year rent for the purposes of a maintenance and
14 net operating income analysis? What is the actual
15 rent?

16 And first I'll talk about if you use 1979 as
17 the base year. Originally, the park owner's
18 application indicated that the base year average
19 rent -- looks like the average was \$246 as base. I'm
20 basing that on the total rent that they supplied for
21 the park that year.

22 And that was based on the park owner's belief
23 that the 1979 rents were the same as the 1983 rents.

24 Well, then the tenants submitted data which
25 indicated that this -- or the park owner said that he

1 had records for 1979, but the park owner made this
2 assumption.

3 Then the tenants submitted data that indicated
4 that this assumption was clearly incorrect. There was,
5 you know, some rent data from prior years, prior to
6 1983, which showed the rents were lower than 1983.
7 There was a rent increase notice, et cetera.

8 So on one hand, this evidence indicated that
9 this base year projection of the park owner was clearly
10 wrong. But on the other hand, it was very minimal data
11 in order to project what the average rent was for 1979.

12 And I projected an average of \$198 based on
13 looking at the -- and as I said, that was based on
14 minimal data.

15 So then the issue is the park owner, after
16 receiving that information, amended the rent increase
17 petition, and they asked for a Vega adjustment based on
18 the claim that the base rents did not reflect market
19 conditions.

20 The park owner submitted an appraisal
21 indicating that the market condition rent in 1979 would
22 have been 225. And the appraisal retained by the
23 City -- did an appraisal which indicated that the
24 comparable fair market rent for 1979 would have been
25 \$275.

1 Well, there's also a second prong to the Vega
2 adjustment test, is that they have to have unique or
3 extraordinary circumstances.

4 And usually unique and extraordinary
5 circumstances have meant that in the years preceding
6 the rent control, the base year, there were abnormally
7 low rent increases or no rent increases.

8 And here I don't see that. In this case,
9 there were significant rent increases from the time the
10 park was owned -- from the time it was completed until
11 1979. And it doesn't appear that -- so there wasn't a
12 situation, I don't think, of any unique or
13 extraordinary circumstances.

14 And also I'd say -- depending on which
15 appraisal you think is most accurate, I'd say the
16 difference between the rent that Mr. Brabant projected,
17 \$205, and the estimate that I -- the base rent that I
18 estimate -- I made -- and I'd say it's not such a
19 precise estimate -- \$198, it's not a significant
20 difference. It wouldn't reflect that rent -- that
21 small a difference wouldn't reflect that rents didn't
22 reflect market conditions.

23 Okay. On the other hand, your regulations
24 provide -- and the park owner didn't request the base
25 rent adjustment on this basis.

1 But your regulations provide for an adjustment
2 to base -- to market -- to rents which are not based on
3 a Vega claim.

4 And it says, "Adjusted income for below market
5 rent is an amount representing the difference between
6 the actual rent collected and what the landlord could
7 have collected if the units had been rented at their
8 full market value."

9 And this is actually the same provision that's
10 in the Ventura Mobile Home Rent Control Ordinance and
11 Regulations.

12 And the courts have interpreted that the law
13 says that for that type of adjustment, you don't have
14 to show special and unique circumstances. So it
15 doesn't matter what happened before the base year.

16 So if you believe that the rents in 1979 don't
17 reflect market conditions, then the park owner would be
18 entitled to a rent adjustment on that basis, even if
19 they're not entitled to a Vega adjustment, which has
20 the more stringent standards for getting an
21 adjustment.

22 Okay. And in the spreadsheets I provide with
23 my analysis, I provide all three alternatives. One, no
24 adjustment to the 1979 rents. One -- another
25 adjustment based on Mr. Brabant's projections. And

1 another adjustment based on the projections of
2 Mr. Neet, the appraiser on behalf of the park owner.

3 If 1986 is used as the base year, we have a
4 known rent of \$277 average based on the registration
5 records.

6 And Mr. Brabant did an appraisal which
7 indicated at that point that rents in the City for
8 comparable parks were 320.

9 So if a claim were made based on Vega that the
10 park owner was entitled to adjust the rents up to that
11 comparable rent, they'd be entitled to a base rent
12 adjustment to 1986 rent for that amount.

13 But however, I've indicated that type of
14 adjustment would provide more than a fair return. It
15 was more than necessary to provide a fair return.

16 And also your regulations in regards to
17 post-rent control increases provide for a different
18 type of adjustment. It's something called a price
19 level adjustment, where an owner can take increases
20 that were authorized in prior years that they didn't
21 take.

22 And in my analysis for using 1986 as a base
23 year, I calculated the difference between the rents
24 that the park -- increases the park owner could have
25 taken from '83 to '86 but didn't take, and adjusted the

1 1986 rents upward by that amount, you know, based on
2 that type of provision.

3 Okay. The next issue is whether or not the
4 base year operating expenses -- just a minute -- okay.
5 The next issue is whether the base year operating
6 expenses should be adjusted.

7 And what you have in this particular case is
8 that the current management and administration expenses
9 are disproportionately high relative to the base year.
10 Or conversely stated, the base year management and
11 administration expenses were disproportionately low.

12 And the consequence of that is that you
13 have -- that type of situation justifies a bigger rent
14 increase because, one, you have a bigger cost increase.

15 And also, if you have low --
16 disproportionately low expenses in the base year, you
17 have a higher net operating income in the base year.

18 And then therefore, entitlement to a higher
19 net operating income in the current year because the
20 current year net operating income that you're entitled
21 to is the function of the base year net operating
22 income.

23 But in this case, the management and
24 administration expenses have been increased by 8 times
25 between the 1979 level and the 2009 level.

1 And what a review of the information and
2 response data and the responses provided by the park
3 owner indicates is that in 1979 and '86, the management
4 and administration expenses were largely performed by
5 the park owner, while by 2009, they were performed by
6 third parties for compensation.

7 So what I see here is that this might have
8 been an increase in cost for bookkeeping purposes, but
9 for the purposes of having a fair comparative expense
10 analysis, the increase wasn't as great because the
11 services were performed in 1979 or '86 by the park
12 owner, but they weren't recorded as an expense.

13 But you can say they were a real cost because
14 they did take up the park owner's time. And so
15 therefore, you know, for example if you have zero --
16 hypothetically, zero management expenses because they
17 were all done by the owner of the base year, and
18 they're, you know, \$50,000 today because they are
19 contracted out to a third party, I wouldn't say for
20 purposes of a fair profit analysis that the management
21 expenses went from 0 to 50,000, rather the accounting
22 methodology change.

23 And so what I did for the purposes of this
24 analysis is I assumed that the management and
25 administration expenses went up by the rate of the

1 consumer products index.

2 Because I believed that that would be a fair
3 projection of how they would normally increase unless
4 there was a bigger increase in the actual services or
5 there was a decrease in the management services.

6 And that adjustment had a significant impact
7 on the analysis because the -- the net -- the base year
8 management and administration expenses in the analysis
9 are considerably higher than what it projected in the
10 park owner's application.

11 Then the next issue, which has been discussed
12 and debated and argued over for 25 or 30 years or
13 whatever, is how much net operating income should be
14 indexed over the base year.

15 And under the rent -- mobile home rent control
16 ordinances in California, there are various standards.
17 Some cities index net operating income by 40 percent of
18 the rate of increase in the CPI, some cities by 100
19 percent, and a lot of cities have indexing ratios in
20 between that, 50, 75 percent.

21 And park owners have consistently contended
22 that anything less than 100 percent indexing is not
23 reasonable. But the courts have unequivocally stated
24 that 100 percent net indexing is not constitutionally
25 required, and they even stated that 100 percent net

1 indexing is not constitutionally required.

2 And they've even upheld ordinances that index
3 net operating income by 40 percent of the rate of
4 increase in the CPI.

5 The rationale for increasing net operating
6 income by less than 100 percent of the increase in the
7 CPI is, one, you have a leveraged investment, two, you
8 have -- besides growth in income, you have
9 appreciation, and therefore, you can get a fair -- a
10 good return on your investment if your income is going
11 up by less than the CPI.

12 And now, of course, if you look in today's
13 economy, I think businesses are happy if their income
14 doesn't go down, and they're happy if it maintains
15 level.

16 So it's not a situation necessarily where to
17 get a fair profit, your profit has to go up at the same
18 rate as the inflation rate.

19 And I -- but I indicate also there are
20 rationales for 100 percent indexing. And I'd say that
21 this part -- what indexing ratio you pick between the
22 ratios that have been upheld by the courts and 100
23 percent, that's a policy decision.

24 And so anyway, I hope I've -- there are a lot
25 of -- these are somewhat complex issues. And I hope

1 I've explained them somewhat clearly to you.

2 And anyway, those are, I see, the critical
3 initial issues in this analysis and the steps that you
4 need to take in the analysis.

5 MR. NORMAN: Thank you, Dr. Baar. Just to
6 refocus the Commission's attention, the four main areas
7 we see in doing the analysis is understanding the MNOI
8 standard, finding the appropriate base year, whether
9 it's '79 or '86 -- and there's rationals for both --
10 whether there should be an adjustment to the base year
11 income and expenses -- in particular, Dr. Baar
12 mentioned the equalization of management expenses --
13 the rate of indexing, which again is a policy decision,
14 and depending on the amount of an authorized increase,
15 whether that increase should be phased in over a series
16 of years.

17 This first chart gives a range of options that
18 the Commission can consider in staffs' opinion if 1979
19 is the base year.

20 And you can see, depending on the inflation
21 factor, whether expenses are adjusted or not, whether
22 income is adjusted or not.

23 You can see the ranges are from a low of \$24
24 per space, per month, to a high of 261, which is what
25 the applicant is requesting.

Page 25

1 Likewise, if the Commission would choose 1986
2 as the appropriate base year, depending on whether
3 there are expense adjustments and other factors as to
4 what you consider to be the appropriate appraisal for
5 this, you get various ranges from \$65 up to, it looks
6 like, 253, depending.

7 So again, these are just to emphasize there's
8 a big range of options here, depending on what you find
9 is persuasive on those issues that Dr. Baar mentioned.

10 In terms of staffs' conclusions, staff
11 believes that 1986 is the appropriate base year. And
12 the rationale for that is the City is following some
13 principles on this.

14 We believe it's important to follow the
15 guidelines when it makes sense to, unless there's some
16 weird result that would either inappropriately benefit
17 the park owner or seriously disadvantage the tenants.

18 In this case, we believe following the
19 guidelines, we should use '86 because that's the first
20 year there is data available.

21 We believe 1986 -- there should be a price
22 level adjustment. Again, as Dr. Baar explained, City's
23 guidelines require a price level adjustment if you're
24 using a base year other than 1979 to capture those
25 forgone automatic increases.

1 We believe that management and administrative
2 expenses should be adjusted because it makes logical
3 sense to be comparing apples to apples when it comes to
4 the expenses in the base year and the current year.

5 Staff believes that an indexing percentage of
6 50 percent will provide a fair return and meet the
7 Constitutional criteria.

8 And if the Commission were to choose 1979 as
9 the base year, that staff would recommend that there be
10 no Vega adjustment because staff believes that the
11 rents in 1979 reflected market conditions.

12 So based on those staff recommendations, the
13 City would recommend -- I'm going to go back here.
14 Excuse me.

15 Staff is going to be recommending 86-2 here --
16 which hopefully you can see -- at the 50 percent
17 indexing level, which indicates an increase of \$65 per
18 space, per month.

19 So staff also recommends that that rent
20 increase, because it's substantial, be phased in over a
21 two-year period, each phase not to exceed \$32.50 per
22 space, per month, initial increase to be 90 days from
23 the date the formal notice is served.

24 And that's a requirement of State mobile home
25 regulations. And that the subsequent increase not

1 occur for a minimum of 12 months.

2 That concludes staff presentation. And staff
3 and consultants -- Mr. Brabant didn't give testimony as
4 the appraiser, but he is available for questions, as is
5 Dr. Baar and myself. Thank you.

6 MR. WERTHEIMER: Does the Commission have any
7 questions?

8 MR. SILACCI: Yeah. I have a couple of
9 questions, Dr. Baar, in listening to your expert
10 testimony.

11 Could you please at least tell me or maybe
12 help the Commission understand from your standpoint
13 what could rationally justify using 1979 as the base
14 year?

15 I read your report. I'm just trying to
16 understand what reasonable rational could be used to
17 use that instead of '86.

18 DR. BAAR: Okay. Your regulation is different
19 than most in the sense that it requires that you have
20 to have the actual data.

21 Generally, under rent regulations, or
22 commonly, a pre-rent control year has to be used on
23 the -- based on the theory that that rent reflects
24 market conditions. And that's a fair starting point.
25 And you can't say that that's less than a fair starting

1 point.

2 I'm not saying every -- that's true under
3 every ordinance. But that's the rational, that that's
4 a fair starting point because it perceives regulation.

5 Okay. You're saying, Why would it be okay? I
6 think it would be okay to use '79 in this case in one
7 sense because I think it would be consistent with the
8 purpose. And your regulations do have as a purpose,
9 you know, to preserve -- it has a presumption that the
10 1979 net operating income provided a fair return.

11 So I see that as the overriding purpose. And
12 it's more like this alternate base year, which you base
13 on the availability of data, was more that you didn't
14 want to put the park owner in a position that it was
15 impossible to have any base year, and you didn't want
16 to have a base year for which there wasn't actually
17 data available.

18 MR. SILACCI: Thank you. That answers the
19 question. I kind of have a related question to that.
20 Is in the owner's application, the applicant's
21 application makes the assertion that if you use '79 --
22 or basically start with '86 and impute back to '79
23 because operating expenses were relatively stable over
24 that period of seven years.

25 Do you have a comment on that with your

1 experience or any of the data that you may have seen in
2 rendering your analysis as to whether that would be
3 true during that time frame?

4 DR. BAAR: Yes. Well, I'd say -- often I've
5 done -- made those kind of projections where there
6 wasn't base year expense data. I've, you know,
7 adjusted them backwards based on the increase in the
8 CPI.

9 And as I've said, you know, because you had a
10 specific rule about this, that's why the issue is here.
11 But I said that -- otherwise, I would have done it that
12 way. And actually, I did do it in management and
13 maintenance -- management and administration expenses.

14 MR. SILACCI: Thank you. I appreciate -- I
15 understand the rule. I'm just trying to find out if
16 there's another, I guess, rational that could support
17 the 1979 as the base year versus 1986. Thank you.

18 MR. WERTHEIMER: We are going to go to
19 cross-examination -- do you have a question?

20 MRS. FELDMAN: I do.

21 MR. WERTHEIMER: My apologies.

22 MRS. FELDMAN: Dr. Baar, you have repeatedly
23 stated that the MNOI method of the -- discerning the
24 return -- just return on investment is appropriate.

25 And I know the City also agrees because

1 they're signing RAC-2 and 5, which none of us have
2 heard of until recently. We just had the ordinance to
3 go by.

4 Okay. The MNOI -- and do you folks understand
5 what that is? Do you mind if we talk about that with
6 them for a while and just explain it to them?

7 Okay. I think that there are alternative
8 methods for determining a just and reasonable return.
9 There is the return on investment and return on equity.

10 And until we got the RAC-2 and the application
11 that requested MNOI, we had assumed that it would be
12 based on the original investment.

13 So with that in mind, I had e-mailed
14 Mr. Watson and requested information that would give
15 what the investor had paid for their original
16 investment.

17 And what you're telling me is -- and what
18 utilities were granted in the beginning that were lost
19 as time went on.

20 And Mr. Watson returned my e-mail. That it
21 would be responded to by the staff report. The staff
22 report does not address it, except for Mr. Sellers, who
23 states he thinks that it was 525,000.

24 But be that as it may, as a Commissioner, I
25 feel that I cannot make a reasonable decision on any of

1 this if I don't have all the information. And all the
2 information would include the original investment.

3 I think to choose MNOI may be appropriate.
4 But your reason for choosing MNOI in the end is because
5 we're setting precedence here as I read through
6 everything.

7 And the cases -- the law cases that you have
8 cited, particularly Park Avenue Towers vs. The City of
9 New York, that doesn't pertain to mobile homes. It
10 pertains to some kind of an agreement between a city
11 and the regulation of land for investors.

12 But I think we need to know all the
13 information possible here. And it might be something
14 that, in the end, the Commission will agree with you
15 that MNOI is appropriate. But I feel I can't choose
16 that until I know what else is available.

17 MR. WERTHEIMER: Is there a question?

18 MRS. FELDMAN: Are you going to provide that
19 information, please?

20 DR. BAAR: Okay. Let me respond. First of
21 all, I do discuss in the report -- I do have a brief
22 return on investment analysis, and it's on page 598.

23 And then earlier in the report, I discuss some
24 of the rationale of why the return on investment
25 approach is not a good approach under rent regulation.

1 And basically, I mean, this is -- you know,
2 I've written a lot about this in the articles I've
3 written about fair return.

4 Because basically, what I seen is that when
5 you have a return on -- in the context of a price
6 regulation, when you have a return on investment
7 standard, the investor can regulate what return they
8 get by regulate -- determining the investment. So it
9 becomes a circular type of process. And therefore,
10 it's just -- I don't think it makes, you know, sense in
11 a rent regulation.

12 Now, here you do have a little bit different
13 situation in the sense that this is a very, you know,
14 old investment, and it wasn't determined based on the
15 rent, and it wasn't set to manipulate the allowable
16 rent.

17 But it's -- you know, the other problem is
18 there's no agreement on what rate of return would be
19 fair. You know, there's all sorts of different
20 answers. The percentage rate of return and what
21 percentage rate you pick, you know, results in a big
22 difference.

23 But the other thing is if you go to a return
24 on investment type of methodology, someone can come in
25 tomorrow, pay a very, very high price for a park, and

1 say I want a fair percentage on that high investment.
2 And it's just not workable.

3 It makes sense for investors to look and see
4 what their rate of return on investment is, but I
5 believe it doesn't make sense to use in a price
6 regulation. That it's basically circular.

7 MRS. FELDMAN: May I ask a follow-up question
8 to that? I don't think anyone anticipates that there
9 will be anymore mobile home parks built in
10 Thousand Oaks. So are you then discussing this from a
11 resale of the park?

12 DR. BAAR: Yes, yes, absolutely.

13 MRS. FELDMAN: Okay. Thank you. That answers
14 my question.

15 MR. WERTHEIMER: Any other questions? Next
16 we're gonna have the City expert witnesses talk with --
17 by the applicant's representative.

18 And a little force of hindsight, Counselors,
19 this will be about just the exchange of information.
20 And the court venue, we'd like to stay away from at
21 this time.

22 MR. COLDREN: Dr. Baar, good evening.

23 DR. BAAR: Good evening.

24 MR. COLDREN: By the way, I call you Dr. Baar.
25 Some people call you Mr. Baar.

1 MR. WERTHEIMER: Excuse me. Name and city of
2 residence, please.

3 MR. COLDREN: My name is Rob Coldren. I'm
4 with Hart, King & Coldren. I live in Newport Beach.

5 What are you a doctor of?

6 DR. BAAR: I'm a doctor in urban planning.

7 MR. COLDREN: Urban planning. Okay. Are you
8 an appraiser?

9 DR. BAAR: No.

10 MR. COLDREN: Are you a CPA?

11 DR. BAAR: No.

12 MR. COLDREN: Are you a lawyer?

13 DR. BAAR: Yes.

14 MR. COLDREN: Oh, okay. Are you an active
15 member of the tribe?

16 DR. BAAR: I am a member of the Bar.

17 MR. COLDREN: Great. Wonderful. Have you
18 ever been -- tried to give expert testimony in court on
19 a rent control matter and had the judge say you're not
20 qualified to give testimony?

21 DR. BAAR: In one case, yes.

22 MR. COLDREN: Okay. And that was a Federal
23 Court case up in Northern California; right?

24 DR. BAAR: That's correct.

25 MR. COLDREN: That was -- Judge Walker was the

1 judge; is that right?

2 DR. BAAR: Right. And then also to point
3 out there have been numerous cases -- I think I can
4 answer this question. There have been numerous cases
5 where I have been qualified as an expert.

6 MR. COLDREN: Right. By the way, when was
7 this case -- I know over the last 30 years you've
8 testified a lot. When was the case in which the judge
9 said you weren't qualified to testify? When was that?
10 It was a couple years ago; right?

11 DR. BAAR: 2007.

12 MR. COLDREN: That's right. One of the
13 Commissioners seemed to be indicating that MNOI
14 wasn't a good -- asked you a question that MNOI wasn't
15 a good formula or a good approach to use.

16 Isn't it true, Dr. Baar, in your experience
17 over 25 or 30 years, it's usually the tenant advocates
18 that like the MNOI formula because it simply maintains
19 one's net operating income over time, and it's not as
20 subjective as return on investment and can't be
21 manipulated like return on investment?

22 DR. BAAR: You're asking if it's usually the
23 tenants that likes that formula?

24 MR. COLDREN: Right.

25 DR. BAAR: Well, I'd say -- you know, if I was

1 guessing, I'd say yes. But I'd also say that at times
2 that the park owner likes that formula because they
3 bought the park a long time ago.

4 MR. COLDREN: But if you had to pick one way
5 or the other, you'd say, yeah, it's usually the tenants
6 that are advocating for the maintenance of net
7 operating income formula; right?

8 DR. BAAR: Well, I guess my reaction is more
9 that this is what cities use. I don't know if the
10 tenants are so much advocating. It's what cities use.

11 MR. COLDREN: Now, let's take the management
12 expense issue. You said that you just thought it was a
13 good -- a fair thing to do to impute some sort of
14 expense to the sweat -- the sweat equity or the sweat
15 management, if you will, of the manager back in '79.
16 You thought that was a good idea; right?

17 DR. BAAR: Well, I felt the expenses should be
18 proportioned between the base year and the current year
19 for a fair comparison.

20 MR. COLDREN: Isn't it true that there's
21 absolutely nothing in this rent control ordinance or
22 regulations that allow for such an adjustment?

23 DR. BAAR: I don't think so. I think first of
24 all --

25 MR. COLDREN: I'm sorry. You don't think that

1 it's true, or you don't think --

2 DR. BAAR: No. I don't think it's true that
3 there's nothing in the regulations that --

4 MR. COLDREN: I don't want to get into a big
5 debate because we're supposed to be exchanging
6 information here.

7 Just give us the section number that you think
8 authorizes the -- you to impute some sort of additional
9 expense to drive down my client's rent increase because
10 of management.

11 DR. BAAR: Well, I think -- and I don't know
12 the section number. There's one section authorizing
13 consideration of other methods. And I think the
14 general purpose of this is to provide a fair return.

15 And if you didn't -- you know, if you didn't
16 consider the expenses in a manner that was -- if you
17 didn't consider the expenses in a manner that was
18 providing for comparability, you would be providing
19 much more than a just and reasonable return.

20 MR. COLDREN: I'm sorry. I don't have a lot
21 of time to question you. I'm just trying to gain
22 information.

23 DR. BAAR: Right.

24 MR. COLDREN: You say that the ordinance and
25 the guidelines -- very specifically, one of the key

1 issues in this thing has to do with whether or not you
2 can impute sweat management dollars. That's one of the
3 key issues.

4 And I've asked you the code section for -- the
5 section of the regulation and ordinance. And all I've
6 heard from you is to keep in mind of the purposes of
7 the ordinance. Do you or do you not know the code
8 section?

9 DR. BAAR: I don't remember the code section
10 by heart of the regulation. But there is a section --
11 and I have to go through it for a minute -- that
12 authorizes consideration of other methodologies.

13 MR. COLDREN: Perhaps the Commission will find
14 the section you're thinking about. We'll just move on.
15 Mr. Baar, I'll draw your attention to 2.12 under
16 operating expenses and 2.11 of the ordinance, which
17 specifically preclude and prohibit precisely what
18 you're trying to do.

19 So let's move on. You also say that in your
20 judgment, we ought to use a 1986 base year on balance
21 rather than a '79 base year.

22 DR. BAAR: Well, I didn't say that.

23 MR. COLDREN: I thought -- I was listening. I
24 thought at one point you finally did say you want '86.

25 DR. BAAR: No. I said there were pros and

1 cons of both.

2 MR. COLDREN: Okay. So you're forced now --
3 you're the expert hired by the City to figure this out.
4 We've got people who are not necessarily trained in
5 this area trying to decide this case.

6 You're forced as an expert witness on the
7 record to select between '79 and '86 in this case
8 tonight. What do you select?

9 DR. BAAR: Okay. I would select 1979. But I
10 would say either one. I'd say that the City is not --
11 wouldn't be wrong selecting either one because there's
12 rational for both.

13 MR. COLDREN: Okay. Perhaps that addresses
14 this Commissioner -- I'm sorry, sir. Is it Salicci?

15 MR. SALICCI: Salicci.

16 MR. COLDREN: Salicci. Perhaps I've answered
17 his question because he was asking you what possible
18 rational is there for '79.

19 And now we're hearing that the City's own
20 retained expert says, you can pick '86 if you wanted
21 to, but as an expert, I recommend that you pick '79.

22 DR. BAAR: Right. But as I say, there are
23 also rational for using both of them.

24 MR. COLDREN: I understand. You're giving
25 them flexibility. I would submit that our position is

1 they don't have that flexibility.

2 But it really doesn't matter because their
3 chosen expert -- they'd have to disregard their own
4 expert to choose '86 as the base year.

5 So now I want to move on to a quote from your
6 own report. On page 14 of your own report, it says "In
7 this case, use of the 1986 as a base year could
8 undermine the purpose of the regulations to use a
9 pre-rent control base period." I'm quoting that.
10 Closed quote.

11 Is that an accurate statement? Is that one of
12 the reasons why you think that the base year should be
13 '79?

14 DR. BAAR: Yes. But to put this, you know, in
15 a balanced picture, you also have very specific
16 provisions in the regulations.

17 So that's why you -- it's not a black and
18 white issue because you specifically have regulations
19 that say that you have to have some income and expense
20 information for the base year.

21 MR. COLDREN: You're the expert. You've taken
22 this all into consideration. So why -- you just said
23 you were a lawyer.

24 I'm not trying to argue with you, but we need
25 to bite the bullet here. We need to decide whether --

1 as an expert, you're telling this rent review board
2 they can use either '79 or '86, keeping in mind that
3 they can pick either one, but you're supposed to make a
4 recommendation.

5 I thought at first it was '86. You just told
6 everyone it was '79. Do you now want to change your
7 recommending and make it '86?

8 DR. BAAR: No. I'm not changing my
9 recommendation. I'm just saying that this is not a
10 black and white issue.

11 And, you know, for example, you can go to a
12 city, and they can say, well, what should the minimum
13 lot size -- I can say -- for a house? I can say 20,000
14 feet, or I can say 10,000, and there's no absolute
15 right or wrong.

16 MR. COLDREN: And if there's no standard, if
17 there's no basis for your position -- any better than
18 anybody else's, why do we need an expert in this at
19 all?

20 DR. BAAR: Well, I think I provided a fair
21 amount of analysis and information --

22 MR. COLDREN: Good. Thank you. Thank you. I
23 want to also explore this business about the -- one of
24 the other four basic things that Mr. Norman said were
25 really important, that's the CPI inflationary

1 adjustment issue.

2 And you're saying, look, you can pick 40
3 percent, you can pick 70 percent, 80 percent, 82.3
4 percent, or 100 percent. It's up to you. That's
5 basically your position; is that right?

6 DR. BAAR: Right. That's a policy decision.

7 MR. COLDREN: Okay. What factors should this
8 Commission consider in determining the policy? Keeping
9 in mind what we're trying to do now is maintain
10 someone's net operating income as it stood in 1979,
11 what policy considerations?

12 DR. BAAR: I would say the overall purposes of
13 the ordinance is not to have excessive rent increases.

14 MR. COLDREN: Oh, just a second. Let me stop
15 you there. So in other words, if the result in
16 calculation would lead to what you consider to be an
17 excessive rent increase, then they should pick a lower
18 CPI? Is that what you're telling us?

19 DR. BAAR: I'm saying that's one of the things
20 that should be considered.

21 MR. COLDREN: I see. Okay. Anything else?
22 Other than -- other than we're going to figure out what
23 result we want, and then we're going to select the CPI
24 factor to meet it, any other policy considerations?

25 DR. BAAR: Well, I think -- put it this way.

1 They can give the 40 percent. You know, 40 percent
2 meets the Constitutional minimum. And certainly the
3 Commission has the right to give more than that.

4 MR. COLDREN: I'm just asking for policy
5 consideration. I have one from you, and that is: If
6 it looks and smells like a rent increase is going to be
7 too high, that it's going to be excessive, then cut it
8 down to a lower CPI.

9 I understand what you've said. I don't agree
10 with it, but I understand it. So I'm asking you now
11 for the next policy consideration.

12 DR. BAAR: Well, you know, in some cases, the
13 issues have been looked at at the maintenance level,
14 you know, how the maintenance and services have been,
15 of the quality of the park.

16 MR. COLDREN: Let me help you. When you
17 started, you said that this has been hotly debated for
18 25 to 30 years, this issue of which one to use.

19 Can you point me to a single case, one case,
20 in which the court opined on the legitimacy of using
21 something less than 100 percent inflator on base period
22 net operating income where that was not contained in
23 the ordinance?

24 In other words, where the ordinance didn't say
25 or the regulations didn't say you adjust based upon 40.

1 percent or 60 percent? One case.

2 DR. BAAR: I'm pretty sure the Berger{sic}
3 case --

4 MR. COLDREN: I want to know which case you're
5 talking -- Berger?

6 DR. BAAR: Vs. Escondido. I think there --
7 that -- I don't think the regulation specified an
8 indexing rate.

9 MR. COLDREN: And how sure are you? Just so
10 that when we check, you can either proclaim what a
11 great expert you are, or I can point you up to be
12 fallible.

13 DR. BAAR: I would go back and check.

14 MR. COLDREN: So you can't tell this
15 Commission for sure one way or the other, but you think
16 the Berger case; right?

17 MR. BAAR: Right.

18 MR. COLDREN: Any other cases? Any of the
19 hundred or more cases that have been decided by the
20 Appellate Courts of this State?

21 Isn't it true that all of them address the
22 situation where the ordinance itself says, and now
23 we're going to use a 75 percent inflator or something
24 like that on base period MNOI?

25 DR. BAAR: I think most of the cases, there

1 has been a specific provision. But the issue has been
2 whether you have to -- you can have less than 100
3 percent. But I understand the point you're making.

4 MR. COLDREN: Okay. Good. So -- all right.
5 So getting back to the CPI issue then. If I have a
6 dollar to buy a loaf of bread with in 1979 -- okay?

7 DR. BAAR: All right.

8 MR. COLDREN: That's my net operating income;
9 right? That's what I get in the end. I get to put it
10 in my pocket. From this investment, a buck. With me
11 so far.

12 DR. BAAR: Yes.

13 MR. COLDREN: Okay. And now it's 19 -- it's
14 now 2010. And now a loaf of bread cost \$3 because the
15 CPI has gone up 2.91 percent in 30 years. You with me
16 so far?

17 DR. BAAR: Yes.

18 MR. COLDREN: Okay. Explain the policy and
19 justification for telling me I can't have the same
20 purchasing power. I can't put my kids through college.
21 I can't buy a car. I can't buy a loaf of bread. I
22 can't --

23 Explain to me the policy and consideration
24 that warrants telling somebody that you're going
25 to erode their purchasing power over time?

1 DR. BAAR: Well, I think you have a situation
2 that's different because basically you're talking about
3 a return on a basically fixed investment. That's what
4 you have.

5 And, you know, you -- you're providing one
6 example about buying bread. If you buy a bond, you get
7 the same return every year. It's not even indexed at
8 all, there's no CPI investment. And at the end, you
9 get the same principle back that you put in.

10 Where if you buy a park, you're getting, you
11 know, a growing income, even if it's not growing by the
12 CPI. From a risk factor, as far as rent risk, there's
13 virtually no rent risk. I'm not saying there's no risk
14 in owning a mobile home park.

15 So it's a historic investment basically that
16 you're getting a return on. It's not like something
17 you have to keep on reproducing every year like the
18 bread.

19 MR. COLDREN: I've ordered a transcript of
20 this. And I'm going to be really interested in
21 rereading it. I think you're now talking about return
22 on investment and not maintenance and net operating
23 income.

24 The words maintenance of net operating income
25 means that -- just that, it means maintain net

1 operating income over time as it stood in a pre-rent
2 controlled environment. Isn't that what it means?

3 DR. BAAR: Well, it means that it -- it's some
4 type of inflation adjustment. It doesn't necessarily
5 mean 100 percent.

6 And as I say, most -- I'd say a majority of
7 the cities that have had an -- MNOI standards, they
8 don't provide for 100 percent indexing.

9 MR. COLDREN: This ordinance gives no
10 direction; isn't that right?

11 DR. BAAR: That's correct.

12 MR. COLDREN: Okay. I saw some red button
13 went off, some light went off. I think this has been
14 pretty informational. I don't have much more. And I
15 know you do have leeway to give me a little more time.

16 MR. WERTHEIMER: I do. Would you like some?

17 MR. COLDREN: I would. Thank you.

18 MR. WERTHEIMER: Do we have a motion for more
19 time?

20 MR. SHELDON: I'll make that motion.

21 MR. WERTHEIMER: Vote.

22 MRS. VAUDREVIL: Motion --

23 MR. COLDREN: Oh, I'm sorry. The reason we
24 were all laughing was because the red ones were on all
25 across the board for some reason.

1 MRS. VAUDREVIL: Okay. Motion passed --

2 MR. COLDREN: Thank you.

3 MRS. VAUDREVIL: -- 3 to 2.

4 Commissioner Feldman opposed, and Commissioner Silacci
5 abstained.

6 MR. COLDREN: And I'll try not to abuse the
7 privilege. Thank you very much.

8 Now, you yourself said that when you're
9 indexing expenses, for example, backwards, you index
10 them at full CPI; right?

11 DR. BAAR: Yeah. That's a different situation
12 because you're dealing with something that's being
13 constantly reproduced.

14 MR. COLDREN: I see. And if you didn't index
15 it back at CPI, then you'd wind up with something
16 that -- you'd wind up with dollar value way back when
17 that would buy more than the given expense item; isn't
18 that right?

19 If you didn't roll it back as you always do
20 it, at full CPI, you'd be enriching the person; right?

21 DR. BAAR: I think that's -- the way you
22 worded it is a little funny. But yeah, it would be
23 higher. Well, it -- it would be disadvantageous to the
24 park owner.

25 MR. COLDREN: Okay. Oh, there was one other

1 thing I wanted to get at. And that was what percentage
2 difference in rent -- I can short circuit this whole
3 line of argument.

4 I heard you talk about the Vega adjustments
5 and how it requires a significant disparity between
6 market rent -- in your view, not in our view.

7 But you interpret that case as requiring a big
8 difference between market rent and the base period and
9 the actual rent; okay. As you called it, a significant
10 difference.

11 DR. BAAR: Right.

12 MR. COLDREN: Okay. So I don't have to get
13 into significant versus insignificant and all that with
14 you.

15 In the end, you agree that we don't need to
16 use that aspect of the Vega because the ordinance
17 itself says make these adjustments; isn't that right?

18 DR. BAAR: Right. The regulations.

19 MR. COLDREN: The regulations say make these
20 adjustment whether it's significant or insignificant or
21 what; right?

22 DR. BAAR: Well, they say you don't need --
23 they say you don't need -- I interpret them that you
24 don't need the unique and extraordinary circumstances.

25 And as far as whether the difference has to be

1 significant or not, I'd say if it was diminimous, then
2 it wouldn't be a basis.

3 MR. COLDREN: Okay. Well, the mere fact that
4 we are here arguing over it seems to indicate that it's
5 not diminuous. So thank you for that concession, if
6 you will.

7 But under this particular ordinance here
8 tonight, we don't have to figure out whether we should
9 make a Vega adjustment or not.

10 Because we have basically a statutory Vega
11 adjustment that doesn't even require the kinds of
12 showings that Vega might require. Do you agree with
13 that?

14 DR. BAAR: I wouldn't call it a statutory Vega
15 adjustment. I'd say it's a regulation adjustment.

16 MR. COLDREN: Got it. Let me just see if I've
17 covered everything. You talked about people can shop
18 for a base year. Do you have any information at all
19 that my client was shopping for a base year when he did
20 the '79?

21 DR. BAAR: No. I don't have any information.
22 But I'd said that, you know, here you have a policy
23 issue. Because someone can shop, and there's no way I
24 can possibly know. I'm not saying I have any
25 information.

1 MR. COLDREN: I just didn't want there to be
2 an implication.

3 DR. BAAR: No. I think I tried to make that
4 clear, you know. I didn't know. And I also pointed
5 out that you were advocating 1979.

6 MR. COLDREN: Okay. The final thing I wanted
7 to get into was -- oh, equity. You said something
8 about how you have to keep in mind that a park owner's
9 mobile home park is appreciating in value, and that
10 that has to factor into the return somehow, and that
11 that's a justification for giving more -- for giving
12 less than a full return on base period NOI.

13 DR. BAAR: Or less than 100 percent indexing.

14 MR. COLDREN: Is that right?

15 DR. BAAR: Yes.

16 MR. COLDREN: Okay. Isn't it true that
17 housing values have plummeted 50 percent in the past
18 two years?

19 DR. BAAR: I can certainly say mobile home
20 parks values haven't plummeted during that period.

21 MR. COLDREN: Why would you say such a thing,
22 Dr. Baar? Are you an appraiser?

23 DR. BAAR: No. But I've looked at the cap
24 rates, and I've gotten information from appraisers.

25 MR. COLDREN: We have an appraiser here

1 tonight. If anybody wants to know what the markets
2 like for mobile home parks today, you can inquire of
3 somebody who is in the know.

4 So in any event, you don't know one way or
5 the -- with this particular park, you don't know one
6 way or the other whether this park is worth a lot more
7 than last year or a lot less than last year?

8 DR. BAAR: No. I haven't gotten any appraisal
9 information for this park.

10 MR. COLDREN: Thank you. And you certainly
11 don't know what it's going to be in two or three years;
12 right?

13 DR. BAAR: Well, no. But what I do know is --
14 I mean, in looking at the capitalization rates, they
15 haven't changed significantly.

16 And if the capitalization rates haven't
17 changed significantly, the value would only go down if
18 the rents go down, and the rents haven't gone down.

19 MR. COLDREN: Okay. And we do know -- and we
20 do know that the beauty of the maintenance of net
21 operating income approach is that it doesn't take into
22 account such vagaries and such speculation as what's
23 this piece of property going to be worth in 5 or 10
24 years; does it?

25 DR. BAAR: That's correct.

1 MR. COLDREN: Thank you. Nothing further.

2 MR. WERTHEIMER: Thank you.

3 MR. COLDREN: Can I ask my staff a question
4 quickly? No? Okay.

5 MR. WERTHEIMER: Next will be the tenant rep
6 -- the tenant's representative.

7 MR. SELLERS: Good evening, Mr. Chairman.
8 Mark Sellers from Jackson DeMarco Law Firm,
9 representing the tenants.

10 The most important question I have for
11 Dr. Baar: Do you happen to know what the Oregon score
12 is right now before we go into this? Anybody?

13 DR. BAAR: No, I don't.

14 MR. SELLERS: Okay. Well, I'm missing a very
15 important game tonight. This is a very important
16 issue. But if I don't have that information, I would
17 like to please ask a little bit about the management
18 and administration fee issue.

19 DR. BAAR: Okay.

20 MR. SELLERS: I've heard that management and
21 administration fees are somewhat called discretionary
22 fees. They're not like getting a fixed bill from a
23 utility company. They're not like getting a premium
24 from insurance carrier.

25 Would you agree with that sort of analogy,

1 that it depends on what the owner -- the level of
2 management and administration the owner wants in the
3 park, so he has some discretion in that area?

4 DR. BAAR: Well, yeah. I'll say there's some
5 discretion. Of course the park owner has to have
6 maintenance and management. So it's not something that
7 can be just eliminated. But there is discretion in the
8 variations on all parks.

9 MR. SELLERS: And you're aware of the
10 8 percent cap in the local regulations?

11 DR. BAAR: Yes, I am.

12 MR. SELLERS: Do you know why that's there?
13 What would be a reason for that being there?

14 DR. BAAR: Well, I guess when this was drafted
15 was, you know, seen as -- you know, seen as a
16 reasonable ceiling. And I guess I didn't use that
17 ceiling in my analysis.

18 But what happened is, you know, I took the
19 higher -- much higher ratio that the park owner had in
20 the current year.

21 But because I adjusted the expenses back by
22 the CPI, it also resulted in a much higher ratio in the
23 base year. And therefore, you had, you know, lower
24 base year net operating income because of this high
25 ratio.

1 So under the maintenance of net operating
2 income factor, it was sort of like because you maintain
3 the ratio of constant -- they sort of become offsetting
4 factors even though the ratio was higher.

5 MR. SELLERS: Yes. I understand the process.
6 Is that -- what I'm trying to get to is right now in
7 the 2009 records before the City in this application,
8 the management and administration is at 21 percent --
9 21.9 percent.

10 DR. BAAR: Right.

11 MR. SELLERS: In your experience, is that
12 high? Normal?

13 DR. BAAR: I would say that is high.

14 MR. SELLERS: Therefore, you might have a cap
15 of 8 percent just to try to get an apples-and-apples
16 analysis so that you're not coming in in the last year
17 before you seek an adjustment for your rent, and then
18 suddenly you have a maintenance -- or a management and
19 administration expense that's so high that you're
20 taking 2 points in your maintenance of operation
21 income that jerrymanders{sic} that last year.

22 DR. BAAR: No. That's correct. But I'd also
23 say because of this correction factor in the base year,
24 that --

25 MR. SELLERS: That's the only questions I

1 have. So I just want to make sure that's a clear point
2 here. It's important to us.

3 MR. WERTHEIMER: Anymore questions?

4 MR. NORMAN: Mr. Chair, I would like to ask
5 Dr. Baar a couple of clarification questions.

6 MR. WERTHEIMER: Certainly.

7 MR. NORMAN: Dr. Baar, can you tell the
8 Commission why you were hired?

9 DR. BAAR: I was hired to provide an analysis
10 of this rent increase application.

11 MR. NORMAN: Were you hired to provide a range
12 of alternatives?

13 DR. BAAR: Yes, I was.

14 MR. NORMAN: Were you hired to give policy
15 direction to the Commission?

16 DR. BAAR: I see that I was hired to give --
17 provide analysis and explain alternatives based on the
18 background I have and to discuss the issues based on
19 the background that I have.

20 MR. NORMAN: Was part of -- were you hired to
21 do the analysis within the constraints of the
22 constitutional standards as you understood it?

23 DR. BAAR: Yes.

24 MR. NORMAN: No further questions. Thank you.

25 MR. WERTHEIMER: Anymore from the

1 Commissioners? Now is the time for the applicant's
2 presentation. And if you'd come to the podium, please.
3 Okay.

4
5 APPLICANT PRESENTATION BY MR. COLDREN
6

7 MR. COLDREN: As part of the applicant's
8 presentation, is Mr. Brabant going to be testifying at
9 some point?

10 MR. WERTHEIMER: As indicated, he is not.

11 MR. COLDREN: Oh, okay. Robert Coldren, Hart,
12 King & Coldren. My office is in Santa Ana. I live in
13 Newport beach. I represent the owners of Thunderbird
14 Mobile Home Park.

15 I'm proud and pleased to introduce this
16 evening and let you know that my client Bruce Hohn is
17 present, as is Gretchen Carter, who is the, I guess,
18 lavishly paid management of the outfit that we've been
19 talking about earlier. Gretchin, I'm sure you're happy
20 to hear that.

21 We also have Boyd Hill, who you're familiar
22 with from the Ranch hearing I think, from my office.
23 Mr. McCarthy and Mr. Neet. First, a few very
24 preliminary matters, and then I'll dive right into it.

25 We're here to get a \$260 rent increase.

1 You've heard a lot about range of options and
2 alternatives and various ranges.

3 And your staff even put together some ranges,
4 using 20 percent of CPI, using '86 base year versus the
5 '79 base year, using -- mixing and matching, saying so
6 this is the range.

7 I need you to understand my client's position.
8 My client's position is very clear. There is a range
9 of reasonable rents.

10 And that range, the absolute floor of that
11 range -- and that's what you're going to hear from both
12 Mr. McCarthy, who is an expert and is a CPA, and from
13 Mr. Neet, who is an expert recognized by the courts and
14 who is an appraiser.

15 You're going to hear them both say that \$260
16 per space, per month is the absolute bottom of that
17 range.

18 That \$300 may be a reasonable rent, or 350
19 might be a reasonable rent, or 450 might be a
20 reasonable increase.

21 But if we receive a penny less than that \$260
22 requested rent increase, my client will not be
23 receiving a just and reasonable return on his property.

24 I need you to keep that in mind as we go
25 through our presentation. And I know that's tough to

1 swallow, but that's our position.

2 And we're all here to do the right thing.
3 We're all here to try and figure out what the rent is.
4 So I wanted you to know when you consider these range
5 issues, that you consider my client's position, that
6 that represents the floor.

7 We object to the composition of the
8 Commission. By the way, the only reason I'm running
9 through this real quick, I need to do it just to
10 preserve the record.

11 One of you is a park owner -- quote, "park
12 owner representative." One of you is a quote, "tenant
13 representative," closed quote.

14 Our position is that that violates our
15 client's due process rights. Since while it's true and
16 clear that a tenant would normally be biased in favor
17 of finding no rent increase. The competitive park
18 owner in this City may well not be similarly motivated.

19 With regard to a second point, I just want to
20 observe that -- that we feel that there might have been
21 some either serial e-mails going back and forth or some
22 centralized e-mails or correspondence or discussions
23 that may have violated the Brown Act.

24 And we want to know that we're preserving our
25 rights with respect to any Brown Act violations. And

1 we certainly hope that you'll not confer off the
2 record.

3 There's also -- we have what's called a Night
4 Life objection. And I think that your City is
5 well-versed in that, that the whole reason you have two
6 lawyers at these is to try to get around that. I just
7 want it noted that I don't believe you've succeeded in
8 what we call the Night Life issue.

9 Deliberations in public, I would urge you to
10 understand that all deliberations and remember all
11 deliberations must be in public.

12 No draft resolutions or anything like that
13 done privately. We need to have this be an open and
14 transparent process where we can hear your decision
15 making process, figure out what you decide and why
16 you're deciding it.

17 And in that regard of course, we also, under
18 Topanga -- and lawyers know what I mean by Topanga --
19 we request the specific findings of fact and
20 conclusions of law on each point of contention and each
21 disputed point.

22 By the way, I think your staff is doing a good
23 job in identifying the core central issues that need to
24 be decided, and we need findings on that. Things like
25 that amount of the CPI adjustment, '79 versus '86,

1 management expenses. We need findings and conclusions
2 on each of those.

3 An England Reservation -- again, just a formal
4 objection -- not objection really. We are preserving
5 our right to adjudicate our Federal Constitutional
6 claims in Federal Court.

7 And to the extent you might be inclined to
8 consider anything we say or to decide anything as being
9 somehow asked, inviting you to make a decision on the
10 Takings, claims under the United States Constitution,
11 deciding whether our rent levels are confiscatory or
12 not within the meanings of the Takings Clause of the
13 U.S. Constitution, we are preserving and reserving
14 those issues and are asking that you not decide those.
15 Because we want to be able to take those to court based
16 upon what happens in this City, what happens to this
17 decision.

18 I wouldn't want to raise that except that if
19 we don't raise this England Reservation, it might be
20 that we are found to have waived it.

21 Okay. So with that, do we have a power point
22 that you can help me with, Chris? Let's run through
23 this real quick.

24 Okay. Isn't that great, that first page?

25 Okay. Next page. Real simple. Current average rent

1 is 396.72. Requested increase, \$260.62. We need a new
2 average rent of 656.34.

3 You'll note I put in there effective May 1 of
4 2011. That's because if we make our decision by the
5 end of January, we can get our rent increase notices
6 out. And that means that we have February, March, and
7 April, which is the 60 days required under the mobile
8 home residency law, which doesn't even get us our rent
9 increase until May, 2011.

10 Next page. Probably the most important page
11 from a sympathies and human issue of the entire night.
12 I commend you all to read this very carefully. I'm
13 going to read along with you.

14 "As long as the park owner is treated fairly
15 and can implement it's rent increase without further
16 delay, the park owner commits that no existing, long
17 term tenant in good standing will be forced from the
18 mobile home park by reason of the rent increase and an
19 inability to pay all or any portion of the rent
20 increase."

21 I ask you to keep that in mind when you're
22 deliberating, how to do the right thing by these
23 residents.

24 During public comment, undoubtedly you're
25 going to hear a lot of these people stand up and talk

1 about how they're on fixed income and other issues
2 concerning their personal financial and economic issues
3 and the impact of this rent increase upon them.

4 And I just want you to understand that to some
5 large extent, you folks have in your charge the ability
6 to force that -- that -- to implement, if you will,
7 that commitment that my client has made.

8 And he made that commitment by way of two
9 reasons. One is he's a human being and cares about
10 other people.

11 And number two is because I insisted on that.
12 And the reason I insisted on that is precisely so that
13 I have response and reactions to people who stand up
14 and say this horrible, greedy park owner is going to
15 throw me out of my home.

16 As long as they're treated fairly in
17 accordance with what the park owner has committed, that
18 won't happen. If you want more information on that,
19 let me know because you might be curious as to how we
20 accomplish that.

21 Next slide. Constitutional requirement of
22 just and reasonable return. Point number one, the only
23 significance of point number one is that we're not here
24 telling you rent control is, per se, unlawful.

25 In other words, as much as I'd like to say

1 this kind of price fixing scheme is illegal
2 and unconstitutional, no matter what, the courts
3 disagree with me.

4 But what we're saying is you have to have a
5 constitutional type of rent control, and it has to be
6 applied in a constitutional fashion.

7 What we're doing tonight is what's call an "as
8 applied." We're applying the ordinance. I would note
9 that your ordinance has what's call no vacancy
10 decontrol, which means not only is our client's return
11 on maintaining his net operating income frozen in
12 time -- in fact, Mr. McCarthy will show you that it's
13 going to erode the net operating income over time --
14 but he can't even raise his rents when there's a
15 turnover in the park. So there's no catch-up
16 opportunity.

17 Rate of return on property must be high enough
18 to encourage good management, adequate maintenance,
19 reward efficiency, discourage flight of capital from
20 rental mobile home parks, and enable operators to
21 maintain and support their credit.

22 I would submit that if you don't give somebody
23 an opportunity to maintain their net operating income
24 over time, you most certainly are not encouraging good
25 management, adequate maintenance, nor are you rewarding

1 efficiency.

2 Imagine punishing someone because they managed
3 their own mobile home park in 1979. That's just
4 beyond the pail as far as I'm concerned.

5 Both due process and just and reasonable
6 return constitutional principals may require higher
7 rents.

8 Next slide. Maintenance of net operating
9 income formula. This just points you to the areas of
10 your ordinance that -- and the cases that support it.

11 I just want to note that Kavanaw{sic}
12 case noted in the third power point there. It says
13 that we're also entitled to receive and recover every
14 penny that we spend in trying to get our rents to a
15 fair and reasonable level.

16 What can be a more legitimate business expense
17 than money spent to enhance the revenue of the mobile
18 home park, ie., the money we have to spend going
19 through this process.

20 I'm representing to you that this park owner
21 has paid more than 100,000 bucks just this far towards
22 that endeavor. And not a penny of that is included in
23 that application.

24 So if any of you are inclined to take up --
25 any of the tenants would like to nickel and dime my

1 client on expenses and things like that, understand
2 that there's all kinds of things here that my client
3 should and could have asked for and is entitled to that
4 he didn't ask for. This is a very vanilla, very
5 straight MNOI analysis.

6 Next, MNOI is the presumed standard. We
7 talked about that. In fact, I don't even think there's
8 any serious contest.

9 Your own expert said you should use the MNOI
10 standard. I know that Mrs. Feldman has stated publicly
11 that she can't make a decision until she knows how much
12 my client paid for the mobile home park.

13 Well, she might have to abstain here because
14 how much my client paid for the mobile home park is, A,
15 not relevant to a maintenance of net operating income
16 application such as this, B, not called for on your
17 application, and C, according to your own experts, not
18 significant in this particular analysis.

19 Next slide. No other methodology is requested
20 by the owner or the tenants. Dr. Baar mentioned very
21 briefly a return on investment -- he mentioned very
22 briefly in his report a return on investment theory.
23 He's told you again tonight that he doesn't think
24 that's a good theory to use.

25 The other ones that have been thrown about

1 tonight, return on equity, return on historic
2 investment, I guess, and probably others, none of those
3 are tried and true. And more importantly, none of
4 those are authorized to be implemented by your
5 ordinance unless MNOI doesn't work.

6 I would submit that Commissioner Feldman might
7 have asked the question differently. Because your
8 ordinance presumes that maintenance of net operating
9 income is the appropriate standard.

10 And unless someone affirmatively comes forward
11 with evidence to demonstrate that it's not the correct
12 methodology, you're bound to use it.

13 Next slide. Step one, determine base year.
14 Seems like we're getting towards an agreement on base
15 year.

16 We think you ought to use '79. The courts and
17 MHC Limited Partnership vs. San Jose, as we have here,
18 tells you to use the year prior to rent control. Your
19 own expert is telling you to use 1979.

20 So I think it's pretty clear that it's '79,
21 and not '86, that needs to be obtained -- that needs to
22 be utilized.

23 Next slide. Only the owner can substitute a
24 different base year, but the owner is not required to
25 do so.

1 This argument would be relevant -- this slide
2 would be relevant if there were any serious contest
3 over whether '79 or '86 is the appropriate base year.

4 Since apparently there is very little
5 controversy over that issue now, I would -- I note that
6 this is not even necessary for us to go this far.

7 But your ordinance very clearly says that it's
8 up to the landlord to use a different year if he wants
9 to. And the landlord wanted to use '79 -- or '79, '80,
10 I guess, in this case.

11 Next slide. And thank you very much, Chris,
12 for watching when I flip the page, 'cause otherwise you
13 wouldn't know to flip the thing.

14 In general, maintenance of net operating
15 income formula is based on pre-rent control. Again, we
16 went through that, but I gave you a case slide. We
17 have the Rent Review Boards -- your own guidelines
18 which also support that.

19 The Commission cannot substitute a post-rent
20 controlled base year not specified in the ordinance.
21 Again, just quoting from this appellate court case.

22 And you know the great irony about this case?
23 I didn't get into it with Dr. Baar. But in this case,
24 this rent control case, Dr. Baar was the expert that
25 was hired. And in this case, we wanted to use a year

1 different than the year prior to the adoption of rent
2 control.

3 In other words, we said, we don't have records
4 from the year prior to the adoption of rent control.
5 We want to use -- to use the analogy -- '86; okay, as
6 the year. And we were told no.

7 Dr. Baar said "No, you have to use" -- "you
8 have to invent, in effect, the base year because you
9 can make these estimates."

10 He testified in great length in that case that
11 you could estimate base years 'cause you can go get
12 records, everything like that. The court finally
13 agreed with him.

14 So the City ordinance clearly identifies
15 maximum rent as the starting point -- (inaudible).
16 Skip that.

17 Next slide. I'm going to skip that as well
18 because we get the maximum rent. That demonstrates
19 that Mr. Brabant's analysis is wrong.

20 Mr. Brabant uses some sort of an average rent
21 or something, where the ordinance clearly requires you
22 use the highest rent.

23 And then the conclusions regarding the base
24 year -- and that was the point where I was going to
25 call Mr. Neet to testify about. Am I out of -- you're

1 saying no, Patrick.

2 MR. HEHIR: Just to be clear -- for Staff as
3 well -- this is your presentation. There is not a
4 15-minute time limit for your presentation. So you can
5 continue, please.

6 MR. COLDREN: Oh, gosh. Thank goodness.
7 Well, then let's back up -- no. I'm just kidding. At
8 this point, what I'd like to do is ask Mr. Neet to come
9 down here and rather than do a question and answer kind
10 of thing --

11 I know that Commissioner Wertheimer has made
12 it clear that what he wants is information. And I
13 think if Mr. Neet -- if we just let him do his thing --
14 feel free to ask him any questions.

15 At the conclusion of this presentation, I may
16 have a couple of clean-up questions. Then we're going
17 to call Mr. McCarthy. And then we're done, unless you
18 want to hear from somebody else.

19 Take it away, Mr. Neet.

20 MR. WERTHEIMER: I'm sorry. Your name and
21 city of residency, please.

22
23 APPLICANT PRESENTATION MY MR. NEET

24
25 MR. NEET: My name is John Neet. I live in

Page 71

1 Fallbrook, California. I am an MAI real estate
2 appraiser. I'm also a State certified real estate
3 appraiser in five States. I've been appraising for 32
4 years, not quite as long as Mr. Brabant, but I'm
5 younger than him.

6 The past 20 years I have specialized in the
7 appraisal of mobile home parks. I've appraised over
8 3,000 mobile home parks.

9 Most of my appraisals are done for lending
10 purposes. Very little of the appraisal work that I do
11 is within the rent control context. I have been
12 admitted as an expert in court on occasion for rent
13 control matters.

14 Most of my clients are financial institutions.
15 I've also been employed by park owners, by residents,
16 by attorneys representing both park owners and
17 residents, by cities, by redevelopment agencies.

18 And usually if a city decides to assist a
19 resident in purchasing their mobile home park, I'm the
20 person who does the appraisal for the bond issue, so
21 I've been an expert on that. I also do appraisals for
22 the internal revenue service, although we usually don't
23 brag about that.

24 Base year rents must be adjusted to market
25 rent. It's important to understand what market rent

1 is. Market rent is not average rent. Market rent is
2 not the rent that -- we might think it would be a fair
3 rent if we got to choose what somebody wanted to pay.

4 Market rent is established by negotiation
5 between landlord and tenant. When Sears decides they
6 want to rent a store in a city, they contact the
7 developer and they negotiate and determine what the
8 market rent is.

9 They usually sign a long term lease. That
10 long term lease is sometimes analogous to a rent
11 control ordinance because in both cases a long term
12 lease or the rent control ordinance controls the rent
13 increases over time.

14 To come back 20 years later and say that the
15 rent that Sears is now paying for that space is market
16 rent is completely incorrect and unsupported.

17 What would establish market rent is what is
18 being paid now, in terms of what would Sears pay now
19 for that space, or what has that -- has occurred
20 recently.

21 In this case, there is a definite lack of
22 knowledge to exactly what rents were in 1979. We are
23 extrapolated. Both Mr. Brabant and I are extrapolating
24 using the maximum increases allowed by your ordinance
25 from data that came from either 1986 or 1983, depending

1 on the source.

2 What that means is that we're making an
3 assumption. We're making an assumption that rents went
4 up by the maximum amount that was permitted by the
5 ordinance.

6 If the rents in any one of these parks did not
7 increase by the maximum stated in your ordinance, then
8 the number that we're putting on, the market rental
9 value that we are concluding, both Mr. Brabant and I,
10 would be conservative.

11 Market rent could be higher than the 2005 --
12 or \$205 that Mr. Brabant has estimated and the \$225
13 that I have projected.

14 One of the things -- but the important thing
15 is that we both agree that the rents were below market
16 in 1979.

17 Now, you've heard a third opinion tonight from
18 staff. Okay. Not staff's experts, but staff. Who
19 says that the rents were not below market in 1979.

20 Just a quick submission on that, I would
21 comment that I haven't heard staff demonstrate or
22 present any expertise in the area of appraising, so I
23 would think that you probably should reject that.

24 Because you have two experts here who have
25 been doing this for many, many years telling you that

1 rents were below market.

2 If staff is telling you that they were not, I
3 think you have to waive the expertise of the people
4 that are making that statement.

5 Now, getting back to the basis for both
6 Mr. Brabant's and my opinion. We both used an average
7 rent analysis.

8 In other words, we took the rents that we
9 found in the parks in the later years, the average
10 rent, and adjusted that downward by the amount of
11 increases allowed under the ordinance.

12 That is likely to provide us with a
13 conservative estimate of market rent. 'Cause we've
14 already said we've got one instance that we're using
15 that this could be conservative, because if any of
16 those parks did not impose the full increase allowed
17 under the ordinance, then the market rent indication
18 would be higher.

19 By using the average rent increase, we also --
20 or the average rent in the comparison year, we do the
21 same thing. The reason for that is simple.

22 I'll point you to one of the things in your
23 ordinance and Mr. Coldren brought up earlier, and that
24 is that your ordinance does not allow vacancy or
25 transfer decontrol. So in other words, if a tenant

1 sells their home, the park owner cannot then raise
2 rents to market.

3 Generally, when cities have put those in, it's
4 usually in response to something that -- that is kind
5 of a normal operating practice in many parks.

6 And that is when you have your existing
7 residents, your existing customers, in a time of high
8 inflation, which is what we had in the 1970s, you raise
9 your rents to your existing tenants at a little bit
10 slower rate, or you try to, just because you understand
11 what their financial situation is and you want to keep
12 them as good customers.

13 However, when new tenants come into the park,
14 you would bring their rents up to market. And the
15 reason you would do that is because those tenants then
16 coming in, you would know that they could afford to pay
17 the higher market rent. Whereas it might put a stress
18 on some of your existing tenants, and so you raise them
19 a little bit slower.

20 That's the reason why we see in, you know,
21 virtually all of these parks, a range of rental values.
22 It isn't because the site on the corner or site next to
23 the clubhouse or the site near the street is worth more
24 or less from a rental standpoint.

25 Most of the time, park owners pretty much

1 equalize rents to the best extent that they can. But
2 in most cases, they tend to raise rents faster or raise
3 rents to market when a new tenant comes in.

4 That's a practice that existed then, and
5 that's a practice that continues to this day, where --
6 where it's -- it's allowed.

7 That why your ordinance addresses it and
8 doesn't allow it. I'm not going to get into whether or
9 not that's a good thing or not. But suffice to say,
10 your ordinance recognizes that.

11 So actually, if we want to know what true
12 market rents were in 1979, what we should be looking at
13 is not the average rents in the park, which is the
14 basis for both Mr. Brabant's and my analysis, but the
15 rents that are the highest rents in the park simply
16 because those were more likely to have been the most
17 recently negotiated rents.

18 If we go back to my example of Sears, we're
19 saying we might be looking at this average rent, might
20 include a large number of tenants who are paying rent
21 that was established in 1968 for that -- for all
22 intensive purposes -- or 1973 or some period of time
23 before that, they had been given rent increases over
24 time, but those rent increases may or may not have
25 reflected market rent.

1 So the best way to do that is to look at that.
2 Now, had Mr. Brabant or I used the highest rents in our
3 analysis, we would have come to conclusions that were
4 probably about 20 to \$30 higher than the 205 and \$225
5 that we both estimated.

6 And I don't want to put anything in
7 Mr. Brabant's mouth. He can stand on his own analysis.
8 But in terms of my analysis, had I used that, which is
9 a better indication of market rent, we would have been
10 a little bit higher, probably 20 to \$30.

11 Now, having said that, the reason I wanted to
12 make that point, is that much has been made, especially
13 by staff, that they didn't think rents were above --
14 were below market at that time.

15 And I want to demonstrate that both
16 Mr. Brabant and I used very, very conservative methods
17 of establishing what market rent was in 1979.

18 And then staff just took it two steps further
19 and said, well, if it's close enough, we'll say that
20 it's -- that rent was at market. And of course staff
21 is not a real estate appraiser. And I don't believe
22 you have a real estate appraiser on staff.

23 Can you give me number 18, please? One of the
24 things that -- one of the issues that come up in this
25 is the extent to which the adjustments made depend on

1 inflation. And we did have high inflation at that
2 time.

3 In my analysis, I go back from the 1983 and
4 1986 rents to 1980. And then I concluded, because we
5 were looking at rents in the early part -- we are
6 looking at rents in the 1980s, the early part of the
7 year, that there probably wasn't a significant
8 difference between 19 -- late 1979, and 1980.

9 Now, Mr. Brabant -- there was a little bit of
10 a misquote in his analysis of my work because he used
11 the full year of inflation to talk about the difference
12 between 1979 and 1980.

13 Well, I was really only talking about a couple
14 of months, so I wasn't talking about the full year.
15 Because the difference between the rents in December of
16 1979 and February or March of 1980, when the rent
17 increase doesn't go into effect until September,
18 probably was not reflective of a full year of
19 inflation.

20 But if you took Mr. Brabant's analysis, which
21 is his \$205, is based on going all the way back to
22 1979, not 1980, there's just a subtle difference there.

23 I say in 1980, the rents probably weren't that
24 much different than in late 1979. Mr. Brabant says
25 he's going all the way back to 1979, which might

1 explain part of our difference in opinion.

2 If you took that inflation rate that he was to
3 apply and added that to his \$205 rent, you would get to
4 \$237 in rent. I'm on page 19. Sorry.

5 So as you can see, what I think is clear here
6 and I think needs to be understood, is that in 1979,
7 the rents were clearly under market.

8 They could have been under market by as little
9 as 10 to \$15. They could be under market by as much as
10 40 to \$50. It's difficult to say.

11 However, both Mr. Brabant's and my analysis
12 take a look at that from a standpoint of -- we're on
13 the conservative side of that -- of that range of
14 indications.

15 We're not -- neither one of us is pushing the
16 envelope to what probably true market rents were. And
17 true market rents were probably somewhat higher than
18 the 225 that I projected, based on the inflation
19 adjustment that Mr. Brabant didn't apply and based upon
20 my, you know, the use of the rents that actually
21 probably reflect market rents, which would be the
22 higher rents in the park.

23 So we just conclude with this and say that
24 based on what my analysis is and the numbers that I
25 have come up with, I think that the minimum that you

1 should -- the minimum rent that could be considered
2 market in 1979 is \$225.

3 It could be significantly more, which would
4 indicate that unless the park owner gets the \$261
5 increase, then he would be being denied the
6 constitutional fair rate of return on his investment
7 under the MNOI theory in the ordinance.

8 Anybody have any questions?

9 MR. WERTHEIMER: Anybody on the panel have
10 questions? None? Do you have questions for the
11 witness? Do you?

12 Are you an appraiser?

13 MR. NEET: Yes.

14 MR. WERTHEIMER: And you have done mobile
15 homes. Have you done other commercial?

16 MR. NEET: Yes. I've done everything. In my
17 career, I've done everything from 3,000,000 dollar
18 office buildings down to swamps.

19 MR. WERTHEIMER: Okay.

20 MR. NEET: I did a pig farm once.

21 MR. WERTHEIMER: How did that turn out?

22 MR. NEET: I switched to mobile home parks.

23 MR. WERTHEIMER: Your sources for getting
24 comps from -- for the park, where did they come from?

25 MR. NEET: The data that -- the data that I

1 used as comparable data for the rents came from a
2 combination of City records and a survey that was done
3 for -- I think it was the City of Oxnard, by a
4 consultant by the name of Castenada in 1986.

5 MR. WERTHEIMER: And in your commercial, you
6 use people like CoStar -- (unintelligible) -- brokers
7 as sources for getting your comps in that area of the
8 arena?

9 MR. NEET: You would use those sources for
10 sale data, but -- you know, I guess you would use
11 CoStar today for rental data. We don't use -- I don't
12 use CoStar very often. The reason is because --
13 or Leudnet{sic} for that matter -- is that I prefer to
14 go to the source.

15 MR. WERTHEIMER: Do you go to brokers in the
16 community that you're doing the appraisal in? Do you
17 consider them a source?

18 MR. NEET: Yes. Often times, yes.

19 MR. WERTHEIMER: You used an example of Sears,
20 or for how the market is created with a tenant and a
21 landlord and Sears negotiating with the landlord to
22 create a value. Is that really a fair comparison for
23 mobile home parks?

24 MR. NEET: I think it's a fair comparison if
25 you are talking about market rental transactions. Let

1 me -- if I could explain my -- because there's a lot of
2 people that seem to think that if a landlord says
3 you've been in my park for 20 years, your rent is now
4 this amount, your rent is now -- let's pick a number --
5 \$320, that that's an indication of market rent. It's
6 not.

7 That's not a negotiation. That's no more of a
8 negotiation than telling a park owner that he can only
9 raise his rent by 75 percent of the CPI, and you can't
10 tell the tenant -- excuse me -- what that is. Let me
11 get some water here.

12 There is market rent just like a market sale.
13 It is a transaction that's based on anybody being able
14 to walk -- either party being able to walk away.

15 So if you're looking at a mobile home park in
16 a non-rent controlled situation, and somebody comes in
17 and says, I'd like to buy that home, and I'd like to
18 rent that space, they negotiate the price with the
19 seller, and then negotiate the rent with the landlord.

20 That -- the rent that comes from that
21 transaction, that's the kind of evidence that you would
22 want to use as an indication of market rent.

23 Hence, that's why I'm saying that the average
24 rents would probably provide a conservative indication
25 because, generally, park owners will ask for a rent

1 that is closer to market when they're negotiating with
2 a new tenant than they would with a tenant that is
3 already --

4 MR. WERTHEIMER: And I don't disagree with
5 what you just said. The question is the comparison of
6 the two. The parks is comparison to a Sears
7 negotiating with a landlord of Sears.

8 If they're equal, then let me ask you what
9 tenant improvements are given for the mobile home park
10 for their tenant?

11 MR. NEET: Well, that's all negotiable. But
12 normally, if a tenant is bringing in a new home, then
13 many times the landlord will prepare the space pad or
14 agree to upgrade the electrical service. They may
15 charge for that. That's all a matter of negotiation.

16 I mean it's not a -- that's the point. My
17 point isn't necessarily what the complexity of the
18 negotiation. My point is that in this type of
19 transaction, either party can walk away.

20 The tenant can say -- or the prospective
21 tenant can say, I don't want to pay that much for the
22 mobile home, I don't want to pay that much for the
23 space, I'm leaving, I'm going to go somewhere else.

24 MR. WERTHEIMER: Understood that's free
25 choice. But we're not talking free choice here. My

1 question is just going to the comparison of the two.

2 A landlord and Sears negotiate things like
3 abated rent, tenant improvements, and such. I've never
4 heard of tenant improvements negotiated for mobile
5 homes, nor abated rent. I don't think that's part of
6 that market.

7 MR. NEET: I have. I -- I've been involved in
8 any number of these transactions, and I have seen over
9 time, if -- if someone is coming in to buy an existing
10 home, then generally the negotiation is only what the
11 rents going to be and what the deposit is going to be.
12 Can you hear me?

13 MR. WERTHEIMER: I can hear you fine.

14 MR. NEET: But when a -- if a tenant were
15 coming in to bring a home into a new space, yes, I've
16 heard many times where the tenant has come in and say,
17 you know, I want to bring in a new home, but if you
18 only have 15 amp electrical service, can you provide me
19 with 100 amp electrical service?

20 And the landlord will say, yeah, but it will
21 cost you, or sure, we'll throw that in, or whatever.
22 That's how negotiations are made. I have seen those
23 kind of negotiations take place.

24 Okay. But what my point is is not so much the
25 detailed level of the negotiations. My point is is

1 that a market transaction is one where the tenant can
2 walk away or the landlord can walk away. The tenant
3 says --

4 MR. WERTHEIMER: My question is -- when you
5 said a market transaction is created by these
6 negotiations, walking away is just an option for all
7 parties, both sides.

8 But you had said that it was a -- it's what
9 creates the comps, it's what creates the market value
10 of that particular time.

11 And I say it is created by the computation of
12 all those together in that market by more than just one
13 single either park or deal or transaction.

14 MR. NEET: Well, I don't think we disagree. I
15 think, you know, if we're looking at -- if this were a
16 current day -- what I was doing was a current day --
17 where we have access to data that's not 30 years old,
18 then those are the kinds of questions we ask.

19 When we do a rent survey today to determine
20 what market rent is, what we do as our practice is to
21 go to the park management and say, What were the last
22 deals you negotiated? What were the rents on those?
23 Not what your --

24 I mean, I do want to know when I do a rent
25 survey what your rental range is in the park. But I

1 also want to know what people have agreed to pay.
2 That's what establishes market rent.

3 So if I go out and may find five or six
4 comparable parks, when I go in and I find out what the
5 range of rents are and what people have paid in the
6 most recent transaction, then that's what gives me the
7 idea of what market rent is.

8 MR. WERTHEIMER: And you ask about the
9 particular term and conditions on these deals as well?

10 MR. NEET: Yes. Normally, we ask if there's
11 anything that was unusual or anything that was included
12 in that.

13 It's normally a part -- it's -- actually, it's
14 part of the appraisal standards that you need to
15 determine what concessions might have been involved in
16 any transactions to the extent that you can determine
17 that.

18 MR. WERTHEIMER: Thank you very much. Does
19 the City have any questions for him?

20 MR. NORMAN: Staff has no questions.

21 MR. WERTHEIMER: I think now will be
22 Mr. Coldren.

23 MR. NORMAN: I'm not sure if tenant
24 representative might have a question.

25 MR. WERTHEIMER: Mr. Sellers, do you have any

1 questions for the gentleman? Okay. Next presentation
2 will be by the applicant's -- Mr. McCarthy.

3 MR. COLDREN: The next witness is
4 Mike McCarthy, who is the CPA who did the reports
5 that's in the package of the \$260 rent increase.

6 And by the way, the way we're doing this --
7 there's 31 slides. I went through, I think, 1 through
8 15, Mr. Neet went through 16 through 20, I think. And
9 now Mr. McCarthy is going to go through 21 through 31.
10 And then I'll conclude the presentation.

11 MR. WERTHEIMER: Thank you.

12
13 APPLICANT PRESENTATION BY MR. MCCARTHY
14

15 MR. MCCARTHY: Good evening. My name is
16 Mike McCarthy. I am a certificate public accountant in
17 the State of California. I have testified before about
18 20 or so rent control boards over the last 10 years.

19 As part of my practice in Orange County, I
20 also take -- as a CPA, I have to take continuing
21 education. So my continuing education is involved with
22 real estate issues and related.

23 I'm a graduate of California State University
24 Fullerton in my Masters, and I have a Bachelors
25 Degree from Michigan State University. That's my CV in

1 a nutshell.

2 As Mr. Coldren stated, and I 100 percent
3 agree, the \$260.62 increase that the owner is seeking
4 is a floor. The owner should not get a penny less.

5 And this is why: First of all, it's
6 consistent with your ordinance. The ordinance
7 specifies that the owner get a just and reasonable
8 return.

9 Now, to give you an idea of why I believe
10 \$260.62 is a floor, is because there's a lot of items
11 that are not covered in the MNOI that will probably
12 never be addressed.

13 First of all, over the years, the owner has
14 been given 75 percent CPI increase based on the change.
15 Now, that has resulted, between the base year of 1979
16 and the end of 2010 -- pardon me -- the end of 2009, a
17 disparity of \$260.62.

18 Now, that disparity grew over time. You know,
19 the first year it might have been 5 or \$6, the next
20 year might have been \$8, then \$11, and 13 and 14 and so
21 on, rolling forward over 30 years.

22 Let's just say for arguments sake we take that
23 \$260 and say the effect of that over time is really
24 about \$130. Because you didn't get -- you weren't \$260
25 off in year one, and you are \$260 off in year 30, so

1 that's really not a fair comparison.

2 So let's just say we say \$130 has been lost to
3 the owner over the last 30 years. Well, that
4 extrapolates out over -- 12 months in a year, 161
5 spaces, over 30 years -- that extrapolates out to over
6 \$7,500,000 that this owner has lost because of the rent
7 control ordinance.

8 All right. That he has not been getting a
9 fair return. Now, the 7,400,000 or 7,500,000, this
10 owner will probably never see regardless of the
11 decision that you make tonight.

12 Consider this: If we look at \$7,500,000 just
13 on simple interest, not compounded interest, just look
14 at it as simple interest, a conservative number, that's
15 over \$301,000 in interest on that money that's lost.
16 That's just on simple interest.

17 Once again, if that was to be -- let's say we
18 wanted to recover that over 161 spaces over the next
19 year, that's about \$156 a space. Okay. That also in
20 the MNOI analysis is not on the table here. Okay.

21 The second point is that there's expenses
22 related to the rent control process itself. And up to
23 this point, there's been \$100,000 at least that's been
24 spent by the owner on this process. It can grow if
25 there's an appeal or other action, but we're looking

1 at at least a \$100,000 has been spent.

2 Now, that's good money for the owner. Because
3 if that's an investment he's making in trying to get
4 the maximum revenue in his business, that's a good
5 advisable business expense to make. And I'll say that
6 as a certified public accountant.

7 Now, the owner could come back every year and
8 ask for this increase. Okay. But in this case, let's
9 just say that he doesn't come back next year, doesn't
10 come back the year after that. Let's say that he
11 doesn't come back for five years.

12 That if he wanted to recover that \$100,000 in
13 five years, just the principal of that \$100,000,
14 that's -- over five years, over the number of spaces,
15 and so forth, that's about \$10.35 a month. That's not
16 part of the MNOI, \$260. That's not included in that
17 either.

18 Another issue is the timing. Our application
19 is based on the 2009 financial results. We're already
20 into 2011. So we're not even considering the latest
21 year where the costs were probably higher. Okay.

22 So so far, since the end of 2009, 13 months
23 have elapsed. And if a decision is come -- if you come
24 to a decision tonight or by the end of this month, it's
25 going to be another three months before that rent

1 increase is authorized, before the park owner can
2 actually collect that rent.

3 Now, if there's some kind of an appeal to the
4 City Council and so forth, we're looking at a further
5 delay, so let's say another three months.

6 Well, if you're look at \$260.62, over 19
7 months -- let's say over the 13 months -- it's actually
8 in two pieces we have to look at it. The 13 months
9 that have elapsed so far, that's \$545,400 that this
10 owner is not going to get.

11 If we have another six month delay because of
12 the ordinance and because of regulation or because of
13 an appeal, if that's going to happen, that's another
14 \$250,000 that's lost. So that \$797,000, that's not
15 included in the MNOI calculation.

16 So if you add them all up, loss due to timing
17 of about 797,000, \$7,500,000 of lost increases, and
18 \$100,000, at least, in rent control related expenses,
19 that's \$8,400,000 that this owner is out in total.
20 That's not in the MNOI analysis. We're only looking at
21 revenue and expenses, 1979 versus 2009. Please
22 consider that.

23 I'd like to jump over the power point
24 presentation at this point. And what I'm going to do
25 is very quickly run through how the calculation was

1 done and make a couple points about the calculation.

2 And I believe it's attachment 10, if I'm not
3 mistaken. It's an Excel spreadsheet. It's not in the
4 power point, no. I was just referring to the
5 application.

6 Basically, we have to base your gross total
7 income -- we've discussed it's the \$225 as the market
8 rents in February of 1980, times number of spaces,
9 times 12 months, gives us a base year income of
10 \$434,700.

11 The next thing we did is we took the expenses
12 from 1986 and we rolled them back for inflation. The
13 expenses subject to inflation were about \$127,000.
14 They rolled back to around 87,000

15 Then we have the property taxes. Now,
16 property taxes aren't adjusted according to inflation.
17 They are basically a 2 percent increase each year. And
18 so the property taxes rolled back to about 22,700. And
19 then of course we have the State tax of the \$800.

20 So the total estimated 1979 expenses are
21 110,448, which subtracted from the \$434,000 market rent
22 gives us a base year net operating income of 324,252.

23 Slide 21, please. It's Bates 170. The
24 calculations are on Bates 170. Okay. Now, so we
25 followed the ordinance in determining the 1979 net

1 operating income.

2 And so if we can go to slide 22. I want to
3 discuss the management expenses. And the expenses
4 we're talking about are on the second page of the
5 analysis.

6 And one thing I want to point out is if you
7 notice on the -- on page 2 of the analysis, there's a
8 column called "Adjustments."

9 And we make adjustments to these expenses
10 because we not only have 2009 information, we also have
11 some previous information. And we make some
12 normalization adjustments there. If the expenses are
13 subject to fluctuations, we tried to even them up.

14 In this case, we have -- if -- we're looking
15 at some of the management expenses. And one of the
16 expenses that we're looking at is something called
17 management fee. All of that goes to a third party, to
18 the third party management company.

19 Same thing with the salaries and so forth that
20 are in the labor costs. Once again, third party
21 management companies.

22 Legal and accounting, that is -- goes to
23 another CPA that prepares a monthly financial
24 statements and annual compilations. I mean, none of
25 this is enriching the park owner at all. These

1 expenses are going to third parties.

2 Now, Section 2.11 of RAC-2 applies only if the
3 owner seeks a current year adjustment for management
4 and administration expenses to account for
5 uncompensated owner management and administration.
6 We're not doing that.

7 Section 2.11 of RAC-2 contains no mandatory
8 language requiring the owner make an adjustment for
9 uncompensated management and administrative expenses
10 either for the current year or the base year and
11 contains no mandatory language requiring an 8 percent
12 cap if the owner does not seek such an adjustment.
13 Quote, "The landlord may calculate an expense
14 statement."

15 Thirdly, the requirement for a mandatory
16 adjustment of an 8 percent management and
17 administrative cap would be contrary to the express
18 purpose of the MNOI formula for just and reasonable
19 return to recoup increases in ongoing operating
20 expenses, including those caused by inflation.

21 Dr. Baar made a statement that expense
22 adjustments weren't valid for the -- that expense
23 adjustments are valid for the base year somehow because
24 expenses have changed.

25 If we -- well, of course expenses have

1 changed. I mean, it doesn't make any sense because
2 things have changed over the last 30 years.

3 One of the issues is that owner management 30
4 years ago was common. And after the -- let's see the
5 -- as regulations have changed and so forth, over the
6 last 30 years, we've seen a big change in this industry
7 where third party management is now common.

8 So these expenses are not extraordinary or
9 unusual for management. These expenses are typical in
10 the mobile home park environment in 2009, 2010, and
11 2011.

12 Next slide, please. Once again, I'll go over
13 this quick. Our base year market rent is 434,700 minus
14 the base year expenses of 110,448. There's an 8
15 missing off that 4 there. Gives you a base year net
16 operating income of 324,252.

17 Now, according to RAC-2 Section 3.04, the base
18 year must be adjusted to present value to account for
19 inflation, which we have done.

20 And that calculation is on the first page.
21 And there's been about 192 percent inflation, which you
22 have to add 100 percent in order to account for the
23 base year net operating income.

24 So the base year net operation income,
25 adjusted for inflation, actual inflation, between 1978

1 and March, 2010, when I did this analysis, is \$947,064.

2 Slide 25, please. Once again, the City
3 ordinance does not specify CPI adjustment to base year
4 NOI of less than 100 percent.

5 Now, as far as I know, all the California
6 cases in which the CPI adjustment for the base year of
7 less than 100 percent was applied were cases where the
8 ordinance specified that amount.

9 City Ordinance Section 5-25-02(g) already
10 provides for 75 percent of CPI increase of rent, so a
11 lessor CPI adjustment under the MNOI formula to account
12 for increased costs and inflation under the
13 constitutional just and reasonable return requirement
14 would be meaningless.

15 So if you go below -- my argument, you can't
16 really go below 100 percent. If you go below what your
17 ordinance specifies, which is 75, that's even more
18 untenable as an argument.

19 Now, a 50 percent CPI adjustment to the base
20 year NOI would provide a significantly diminished
21 return. And I'd like to go to slide 26, which I
22 think --

23 Okay. What I want to point out, when you
24 index for 50 percent of CPI -- I don't have a mic, do
25 I? Can you give me a mic? Thank you.

1 This is a pretty basic chart. And what I've
2 done is I made -- we start out in year one with a \$100
3 of rent revenue and \$40 in expenses.

4 If you subtract \$100 from \$40, of course you
5 get the first part of this rent line here. It's \$60 in
6 net operating income.

7 Now, what I've assumed here is a 5 percent
8 inflation rate, but the rental income is indexed by
9 only by 50 percent of CPI.

10 And this is what happens: If you look at the
11 blue line, the revenue, of course your revenue is going
12 to go up 5 percent a year.

13 The problem is, is your expenses -- actually,
14 I stand corrected. You don't go up by 5 percent a
15 year. You're going up by 2 1/2 percent a year.
16 Because you're indexing inflation by 50 percent. 50
17 percent of 5 percent is 2 1/2 percent.

18 Of course you get an increase, and you're
19 going to have a curve upward. So far so good.
20 However, if you look at the expenses, the expenses are
21 going up by the rate of inflation, which is 5 percent.

22 And what happens is, is over time, the
23 expenses begin to overtake the revenue. You notice
24 that the area between the blue line and the green line,
25 that area in between gets smaller and smaller and

1 smaller. Okay.

2 That's less -- that's less operating income
3 for the park owner. The purpose of the exercise is to
4 maintain net operating income.

5 The red line is your net operating income in
6 nominal dollars. In other words, not adjusted for
7 inflation. And that's -- as you can see there's a
8 curve that eventually goes below zero and ends up below
9 zero. And you end up losing money at the same point
10 that expenses exceed revenue. This is sort of a
11 vanishing point here.

12 The black line is the actual dollars that the
13 park owner is going to collect, but the red line is
14 adjusted for inflation.

15 This breaking point, what I call a vanishing
16 point, out here, after a number of years -- now, this
17 chart is based on 40 years. We're well into 30 years
18 now.

19 So at 50 percent of CPI, you're going to reach
20 a point where this park is no longer going to make a
21 profit. It's not going to be tenable for this park
22 owner to continue operating this park.

23 Now, at this point, this park owner or whoever
24 is owning this park would have to make some type of a
25 business decision about the park. You sell it. You

1 convert it to another use. You go condominium.

2 A lot of these alternatives basically are not
3 good for the residents. This could potentially mean
4 that for the residents will not be able to stay there
5 anymore because the park owner cannot make money.

6 On the other hand, if you index rental income
7 by 100 percent, you achieve the goal of the exercise.
8 Revenue goes up by 5 percent a year, expenses will go
9 up by 5 percent a year, you're going to have a steady,
10 upward maintenance of net operating income at 5 percent
11 a year.

12 The black line representing the actual NOI in
13 constant dollars is even. You've accomplished the
14 goal. You've maintained net operating income. But you
15 can only do that at 75 percent. I can show you a
16 chart. Excuse me -- you can only do that at 100
17 percent.

18 I can show you a chart at 75 percent, and it's
19 similar to the 50 percent chart. You get to a point
20 where you have that vanishing point where the expenses
21 will outstrip the revenue.

22 Once again, Dr. Baar uses a return -- this is
23 slide 27. Dr. Baar uses a return on investment
24 approach to apply 50 percent CPI adjustment to base
25 year NOI. Now, the City regulations require the use of

1 alternative requirements for the use of an alternative
2 non-MNOI approach -- have not been met.

3 Baar admits in his Ranch report, which is
4 another current application, that neither the ordinance
5 nor the regulations authorized the return on investment
6 approach. And I think we've discussed that earlier
7 this evening.

8 Also in the Ranch report, Dr. Baar admits that
9 return on investment favors longer term owners with low
10 investments such as this owner here, which his park has
11 been in the family for decades.

12 Slide 28. Our base year NOI is \$324,252.
13 Now, if we adjust that by the CPI increase, that gets
14 us to our target of \$947,064.

15 Next slide. The actual income in 2009 after
16 we've made our adjustments, which were conservative, is
17 864,596. The expenses are \$421,046. The current year
18 NOI is 443,550.

19 So the shortfall -- slide 30, please. The
20 shortfall is the difference. In other words, our
21 inflation adjusted base year net operating income is
22 947,000.

23 Our current net operating income -- and
24 current is really not true. It's actually 2009 -- is
25 we have a shortfall we have to deal with of \$503,000.

1 Next slide. And the mathematics there, 164
2 spaces, divided by 12 months, gives you the increase of
3 \$260.62.

4 Couple other points I'd like to make about 100
5 percent CPI adjustment and why it's important to use
6 this. I assume what I see on my screen, you see on
7 your screen.

8 I'd like to point out in the general
9 U.S. economy, 100 percent of CPI is standard. That
10 applies to 47,800,000 social security recipients -- I
11 believe some of them are here today -- over 4,000,000
12 retired military and civil service retirees, 22,400,000
13 food stamp recipients, 26,700,000 children in the
14 school lunch program, real estate leases in the private
15 sector that use CPI accelerators. Many of my clients
16 have these. Royalty payments for patents, intellectual
17 property, etc., alimony, child support, and adjustments
18 to metrics used for Federal, state, and local taxes.
19 CPI is -- the 100 percent CPI standard is well
20 established in the general economy.

21 On page 30 of Dr. Baar's report -- and I
22 apologize for not knowing the Bates number to be able
23 to help you find this -- Dr. Baar makes the argument
24 that somehow property values go up, and if you give 50
25 percent of CPI increase, that somehow doesn't damage

1 the park owner. And I argue that it does.

2 And this is why I believe so. First of all,
3 Dr. Baar's model, in his report, is mathematically
4 correct. It's the type of thing that you might see in
5 financial book or accounting book.

6 But it's not really a real world example. And
7 what I osculate is what happens when the value of
8 property goes down.

9 Dr. Baar assumes that the value of property
10 goes up because the NOI goes up because you've given
11 the park owner a 50 percent CPI increase.

12 But that's not really how the property values
13 are determined. Property values are determined by
14 appraisals, property values are determined by
15 activities between willing buyers and willing sellers,
16 not necessarily this capped rate formula that Dr. Baar
17 uses.

18 So if we have a -- if we hold a property value
19 of \$6,000,000, and it goes down 10 percent to
20 5,400,000, property value goes down 10 percent,
21 assuming the debt of the property is the same, there's
22 not going to be any difference but the equity of the
23 property.

24 In other words, the property value minus the
25 mortgage equals the equity. The property value

1 actually goes down 33 percent.

2 It does not protect the owner, only if the
3 property value goes up, and only if the property value
4 goes up between willing buyers and willing sellers
5 and/or fair appraisals.

6 Also I'd like to point out that the 50 percent
7 indexing, in my opinion, is arbitrary. If you look at
8 Dr. Baar's chart -- I forget which page it's on -- he
9 cites a number of jurisdictions that have anywhere
10 from 40 to 100 percent.

11 I'd like to point out that five of those 21
12 ordinances -- or five of the 21 jurisdictions that he
13 cites in his report, about 24 percent use 100 percent.
14 And about 2/3 of them use 60 percent or higher, not 50
15 percent.

16 So that is the end of my presentation. If
17 anyone has any questions, I -- it would be my pleasure
18 to answer them.

19 MR. WERTHEIMER: We're going to take a break.
20 Okay. And can you be here for questions after for all
21 parties.

22 MR. MCCARTHY: Sure.

23 MR. WERTHEIMER: Okay. We're going to take a
24 break. We will be back at 9:10.

25 (Recess taken.)

1 MR. WERTHEIMER: Mr. McCarthy. Does the
2 Commissioners have any questions of Mr. McCarthy?

3 MR. SHELDON: Sir, you presented the 2009
4 expenses and revenue, and I'm just wondering if your
5 firm audited those.

6 MR. MCCARTHY: I'm sorry. I'm having trouble
7 hearing you.

8 MR. SHELDON: I'll repeat the question. In
9 your presentation, you went over the 2009 expenses and
10 revenues. There were some financials that you've
11 presented.

12 MR. MCCARTHY: Yes, sir

13 MR. SHELDON: Are those audited?

14 MR. MCCARTHY: No, sir.

15 MR. SHELDON: Okay. Is there -- how do we
16 know that they're accurate?

17 MR. MCCARTHY: Well, they're based on compiled
18 financial statements by the park owner's independent
19 certified public accountants. So I went off something
20 that another CPA had done in terms of revenue and
21 expenses.

22 MR. SHELDON: So you guys actually have no
23 opinion on whether they're accurate or not?

24 MR. MCCARTHY: Not an audited opinion in the
25 sense of the standards of the AICPA.

1 MR. SHELDON: Thank you.

2 MR. WERTHEIMER: Are you the applicant's CPA?

3 MR. MCCARTHY: For this matter, yes. And for
4 the Ranch matter.

5 MR. WERTHEIMER: But you're not his ongoing
6 CPA?

7 MR. MCCARTHY: No, sir.

8 MR. WERTHEIMER: Okay. One other question.
9 When you were relaying management expenses -- property
10 management expenses, is there a percentage of the gross
11 revenue that that equates to?

12 MR. MCCARTHY: I believe I have that figure.
13 The issue on the property management expenses that I'd
14 like to explain -- what Dr. Baar did is that he took
15 several lines out of my analysis and combined them into
16 one to come up with the figure that he had.

17 My analysis breaks it out into several lines.
18 In other words, it was more granular. Let me take a
19 look at my analysis and see --

20 MR. WERTHEIMER: My question goes to the third
21 party property management company.

22 MR. MCCARTHY: That would be the expenses on
23 my report. That's the expenses on the line entitled
24 management fee.

25 And the adjusted amount is \$39,032 that was

1 paid to the -- I can't remember the name of the
2 property management company.

3 MR. WERTHEIMER: That's fine. I was just
4 curious about a percentage. That's all. Is there a
5 percentage?

6 MR. MCCARTHY: I can compute one.

7 MR. WERTHEIMER: Could you?

8 MR. MCCARTHY: Sure.

9 MR. WERTHEIMER: Thank you.

10 MR. MCCARTHY: You want this as a percentage
11 of rent revenue or total revenue?

12 MR. WERTHEIMER: Total.

13 MR. MCCARTHY: 4.5 percent.

14 MR. WERTHEIMER: Thank you very much. Does
15 the staff have any questions for the --

16 MR. NORMAN: The staff has no questions.

17 MR. WERTHEIMER: How about the tenant rep, do
18 you have any questions?

19 MR. SELLERS: Yes, I do.

20 MR. WERTHEIMER: There's two there. You can
21 use the shorter one.

22 MR. SELLERS: One of the questions I'm a
23 little confuse at -- we've heard earlier that the City
24 regulations -- and you've read the City regulations
25 concerning rent control or are familiar with them?

1 MR. MCCARTHY: I'm familiar with them, yes.

2 MR. SELLERS: Does anywhere in the City
3 regulations allow for the reverse entry of the CPI back
4 into expenses in an earlier year base year?

5 MR. MCCARTHY: That technique is not covered
6 in the ordinance.

7 MR. SELLERS: So it's not mentioned or
8 authorized in the ordinance as far as you know?

9 MR. MCCARTHY: It's not mentioned in the
10 ordinance.

11 MR. SELLERS: So it's your feeling that it is
12 authorized, but you can't describe the section. Is
13 there a section that says --

14 MR. MCCARTHY: I'm not aware of a section
15 that says I can do so.

16 MR. SELLERS: Now, in the real world of
17 financial statements and income tax, does anybody do
18 reverse CPI calculations in those kind of documents?

19 MR. MCCARTHY: Compared to tax returns?

20 MR. SELLERS: Or a financial statement.

21 MR. MCCARTHY: I'm thinking about this. In
22 the case of the tax returns, it would be inappropriate
23 because the IRS requires -- or taxing authorities
24 requires that the amounts used be as accurate as
25 possible.

1 As far as a financial statement is concerned,
2 you are allowed in certain cases to make estimates.
3 And your estimates have to be based on some sound
4 technique.

5 So I've indicated financial statements and
6 sometimes -- sometimes -- actually, often you're
7 allowed to make estimates of various kinds.

8 MR. SELLERS: But this is something that's
9 unique. You would go to -- the actual data would be
10 the preference?

11 MR. MCCARTHY: Absolutely.

12 MR. SELLERS: Thank you.

13 MR. WERTHEIMER: Thank you very much,
14 Mr. McCarthy.

15 MR. MCCARTHY: Thank you.

16 MR. WERTHEIMER: Next on the agenda will be
17 the presentation of the tenant's rep -- I'm sorry.
18 Mr. Coldren, do you have a wrap-up?

19 MR. COLDREN: Oh, thank you. Yeah. It's
20 funny 'cause I stood up just to let Mr. McCarthy in,
21 but like he said during the break, you know, if he's a
22 lawyer, he's probably going to say something.

23 Real quick. \$260. You've heard now from two
24 unimpeached experts that 260 bucks isn't the fair
25 amount, it's not an average amount, it's not within the

1 range of reasonableness, it's the floor, it's the
2 minimum amount, it's the minimum amount.

3 And Mr. McCarthy described to you all the
4 myriad of reasons why he, in so many cases, made every
5 indulgence and every inference favoring a conservative
6 approach.

7 And you heard Mr. Neet tell you the same
8 thing, that they weren't out to get the highest rent
9 number they could.

10 They both described to you with
11 particularity -- what they did was they often times
12 indulged in inferences that favored the residents'
13 position. I won't go back over all that.

14 Commissioner Sheldon, you asked a question
15 respecting audited versus non-audited. I want to
16 address that very clearly and carefully.

17 Mr. McCarthy testified that he's got some
18 forensic auditing degree or something like forensic CPA
19 degree or something like that.

20 An audit is a very specific -- when someone
21 says I'm giving an audited opinion, that requires you
22 comply with generally accepted accounting principals --
23 (inaudible).

24 In effect, it will be -- and I will tell
25 you that it would be impossible to say that

1 Mr. McCarthy can stand here as a certified public
2 accountant and tell you that he audited these numbers.

3 No accountant, no CPA could, because this
4 isn't the sort of report or the sort of analysis or the
5 sort of inquiry that -- Mr. McCarthy just nod. Do you
6 agree with that? You couldn't?

7 Yeah. He could never in a million years have
8 done that. And no CPA can do that. If you asked him
9 other questions --

10 If you say did you make inquiry of the park
11 owner where you had a question about an expense? Did
12 you make inquiry for the normal accountant for the
13 park? Did you ask for spot verifications for things
14 that seemed like they might be out of the ordinary?

15 All of those things, he did. Because he's a
16 certified public account. And when we higher him to
17 stand before you and tell you that a minimum of \$260 is
18 necessary in order to provide this person with a just
19 and reasonable return, he's not going to risk his
20 professional reputation on that.

21 So simply saying, this isn't audited isn't
22 really saying anything. Because it's really -- the
23 question really is whether there are trustworthy and
24 credible numbers for the comparison period.

25 And I certainly have heard nothing and I would

1 submit you've heard nothing to indicate they're not.
2 And Mr. McCarthy has indicated that they are
3 trustworthy.

4 Both of our experts say it's a \$260 minimum.
5 Someone asked a question about what are the
6 percentages. Oh, you did, Chairman Wertheimer. You
7 asked what percent of the rent is the management
8 expense or something.

9 MR. WERTHEIMER: No. I asked what percent of
10 the income was management fees?

11 MR. COLDREN: That's right. I think you need
12 to look at that from two perspectives. Recall that
13 we're here -- what the variable that you're selecting
14 for tonight is what the income should be, what the
15 revenue of this park should be.

16 And I would submit to you that with an
17 adjusted target MNOI of -- I think it's 950,000, give
18 or take a few dollars -- if you use that and you
19 calculate it as a percentage of that number, you come
20 to a small, far lower percentage.

21 I mean, obviously, if the income of this park
22 had been held down to \$100,000 a year and the
23 management expenses were \$39,000, management expenses
24 would be nearly 50 percent of that income.

25 Would that mean that those are not appropriate

1 management expenses? No, because the income should be
2 higher. So I think you need to keep that in mind.

3 Finally, keep in mind the slide that we gave
4 you earlier, where my client has made assurances to you
5 that so long as he's treated fairly in this process --
6 and the slide speaks for itself -- but keep in mind
7 that you guys really are an important part of this
8 process.

9 He needs to be treated fairly for the good of
10 the residents, for the good of the community and for
11 the good of the park. Wouldn't we all be better off.

12 Spending -- \$100,000 that my client has spent
13 on lawyers and accountants, and I don't know how many
14 hundreds of thousand this City has spent on lawyers.

15 Wouldn't we all be better off making a fair
16 rent adjustment in this case to make up for some 30
17 years of inequity?

18 Thanks.

19 MR. WERTHEIMER: Will you remain --

20 MR. COLDREN: Oh, I'll move into evidence
21 those various charts. We'll provide you with copies of
22 the charts that we put up so you'll have those in
23 evidence. Thanks.

24 MR. WERTHEIMER: Are you finished with the
25 applicant's presentation?

1 MR. COLDREN: We are finished with the
2 applicant's presentation, subject to rebuttal which
3 is -- Mr. Norman indicated that we might be provided an
4 opportunity for rebuttal.

5 MR. WERTHEIMER: We have questions.

6 MR. COLDREN: Okay.

7 MR. WERTHEIMER: Commissioner.

8 MRS. FELDMAN: I have a question for you. You
9 say if you are treated fairly, I assume that means that
10 if you get the rent adjustment you are requesting.

11 That long term tenants in good standing will
12 not be forced from the park. Can you tell me what
13 constitutes a long term tenant? Who is a long term
14 tenant?

15 MR. COLDREN: If you bought a home in our
16 community after we filed this application for rent
17 increase, for example, you're not a long term tenant.

18 MRS. FELDMAN: I can't hear you.

19 MR. COLDREN: If, for example, you bought a
20 mobile home in our community or moved into our
21 community after we filed this application, you're not
22 considered to be a long term tenant.

23 My client's commitment is designed to allay
24 the fears of these poor folks who are out here facing
25 this uncertain process that we have going on. That's

1 why we said that.

2 We're not here to benefit somebody who came in
3 hoping that the City would continue down it's course of
4 not providing a reasonable return.

5 MRS. FELDMAN: Okay. So am I to understanding
6 then that any tenant who purchased prior to the filing
7 of your application is considered -- will not be forced
8 from the park for any -- due to any rent increase?

9 MR. COLDREN: My client very carefully
10 considered the language that he used in coming up with
11 the slide that we presented. And that slide is an
12 accurate representation of my client's commitment.

13 MRS. FELDMAN: Sounds like a --

14 MR. COLDREN: I know what you're thinking.
15 You're thinking to yourself that you want to be able to
16 say, well, the clients going to weasel out of all this
17 stuff.

18 Guess what? Other businesses can pick up
19 their business and leave if they're treated unfairly.
20 If a baker has his bread price fixed by you folks, he
21 can say, you know what, I'm going to move to a
22 friendlier place to do business.

23 My client doesn't have that luxury. He's here
24 for the long term. He's got to live with you folks.
25 Whether it's next year, five years, or 10 years from

1 now, he's going to have to answer to his commitments to
2 you.

3 So I think it's unfair of you,
4 Chairperson Feldman, to suggest somehow that my client
5 is trying to make some sort of an empty gesture.

6 MRS. FELDMAN: I didn't make any statement to
7 that effect. I'm trying to clarify your statement.
8 And what you told me is that a long term tenant is
9 anyone who purchased prior to the application that
10 you've made; is that correct?

11 MR. COLDREN: That would be an example of a --
12 someone we would consider to be a long term tenant,
13 yes.

14 MRS. FELDMAN: Okay. Thank you.

15 MR. COLDREN: Thank you.

16 MR. WERTHEIMER: Do we have some more?

17 MR. SHELDON: I guess I was confused by your
18 response.

19 MR. WERTHEIMER: Turn on your mic, please.

20 MR. SHELDON: Sorry. By your response to my
21 questioning of your expert. Were the expenses and
22 revenue figures, were those audited by Sub CPA?

23 MR. COLDREN: No.

24 MR. SHELDON: No. So nobody has actually
25 signed off on these?

1 MR. COLDREN: Yes. Mr. McCarthy has signed
2 off on them. No one has --

3 MR. SHELDON: Can you explain the process he
4 went through to sign off on them?

5 MR. COLDREN: You know what? Since I know the
6 Chair is much more interested in information than
7 argument, I would suggest that we ask Mr. McCarthy that
8 question. Is that okay, Mr. Chair? Thank you.

9 MR. SHELDON: I apologize.

10 MR. MCCARTHY: That's all right. I thought I
11 had answered the question adequately. Okay. The owner
12 uses the services of a certified public accountant, the
13 firm of Dunlap, Dunlap & Peck.

14 And each year -- actually on a monthly basis,
15 they perform accounting services for the park owner,
16 and they produce on an annual basis a compilation
17 report.

18 And this is a copy of the compilation report
19 for the year ended December 31st, 2009. Now, what I'd
20 like to do is I'd like to read to you the language in
21 the compilation report that explains exactly what it
22 is.

23 "A compilation is" -- and this is the second
24 paragraph of the report. And this is standard
25 boilerplate AICPA language.

1 "A compilation is limited to presenting in the
2 form of financial statements information that is the
3 representation of management. We have not audited or
4 reviewed the accompanying financial statements and
5 supplementary schedule, and accordingly, we do not
6 express the opinion or any other form of assurance on
7 them."

8 Now, as a CPA, it sounds like you just take
9 their numbers and throw them in the computer and get a
10 financial statement out. That's not really quite the
11 process.

12 On a compilation, you are also required to
13 read the financial statements after they're produced
14 and question the client if you have issues about any of
15 the figures you have, the relationships of different
16 numbers, the account classifications, and so forth.

17 Okay. Now, I submit to you that this company,
18 this firm, has audited -- has not audited this, of
19 course -- but they've done this compilation now for at
20 least three years, and they have -- and they have
21 produced detailed general ledger. So what I submit to
22 you is that this firm is very familiar with this
23 client.

24 Okay. I looked at these numbers. I looked at
25 the compilations, I read the compilations for three

1 years, read the underlying general ledgers that support
2 them, and I am satisfied that the numbers presented are
3 reasonable.

4 MR. SHELDON: Thank you.

5 MR. WERTHEIMER: Excuse me. Are you aware of
6 any questions that were asked by the firm that had been
7 working with them for three years?

8 MR. MCCARTHY: I don't know the specific
9 questions, but I spoke to some of their accountants,
10 and I had just got a, you know, feel for how they feel
11 about the client, if they had any issues.

12 MR. WERTHEIMER: They did contact them for
13 those types of things?

14 MR. MCCARTHY: I contacted -- yes. I
15 contacted this firm about these compilations as part of
16 my process to be satisfied.

17 MR. WERTHEIMER: My question is: Did the firm
18 contact the owner to get any feedback or any input, any
19 verification of the data that they received?

20 MR. MCCARTHY: I am not aware of any specific
21 questions.

22 MR. WERTHEIMER: Great. Thank you.

23 MR. SHELDON: I have one further questions.

24 MR. WERTHEIMER: Go ahead, Council.

25 MR. SHELDON: And it's not for you. I'm

1 sorry. In the park owner's statement, I wanted to
2 understand what you mean by "good standing"?

3 MR. COLDREN: Paying their rent, not abusing
4 -- for example, let's say somebody has a domestic
5 dispute with another tenant. And under the Mobile Home
6 Residency Law, that would be a substantial annoyance
7 giving rise to eviction.

8 In good standing doesn't mean that the park
9 owner likes the tenant, if that was the drift of your
10 question.

11 MR. SHELDON: What you stated in the
12 beginning, which is if they pay the rent on time, so if
13 the rent increases passed, they don't pay the rent on
14 time because they don't afford it --

15 MR. COLDREN: No. I'm talking about when they
16 apply. See -- remember, if you read that statement, it
17 says we'll make sure no one gets thrown out of the park
18 or forced out of the park by virtue of an inability --
19 the idea is this --

20 Let me put a little flesh on it for you.
21 There are all kinds of program available. There's
22 grant programs. There are subsidy programs. There
23 are --

24 MR. SHELDON: If somebody was -- let's say
25 they were struggling to pay the rent right now until

1 they were behind --

2 MR. COLDREN: We have not offered any -- as
3 part of this process -- now, the park owner might be
4 inclined if the tenants -- if the park owner is so
5 inclined, he might be able to subsidize that tenant
6 simply for other reasons. But that's not part of this
7 agreement.

8 If there's a tenant in the park today who's
9 not paying their rent, that's not a candidate for a
10 rent subsidy. It has to do with the rent adjustment
11 that's going to be granted and it has to be abatement
12 or deferral of all or some of that rent increase.

13 MR. SHELDON: Thank you for clarifying.

14 MR. COLDREN: Thank you. Are you subsidizing
15 anybody in the park now? Gretchin says there's nobody
16 in the park right now that's being subsidized.

17 MR. WERTHEIMER: I have a couple questions for
18 you, if I may. Define "fairly."

19 MR. COLDREN: \$260.62.

20 MR. WERTHEIMER: And nothing less?

21 MR. COLDREN: Not \$259.99.

22 MR. WERTHEIMER: Thank you. Define "long
23 term."

24 MR. COLDREN: I think I did.

25 MR. WERTHEIMER: It's -- it would stand as

1 prior to filing of application, anybody there?

2 MR. COLDREN: Yes.

3 MR. WERTHEIMER: Okay. If you get this
4 increase you're asking for and you are treated fairly,
5 and there are people who have those problems who
6 struggle with paying rent for the reasons they have,
7 will you -- will the owner take responsibility to get
8 the grants you just described, to go out and find the
9 income that's needed to help support the increase that
10 he was given?

11 MR. COLDREN: Will the City join the park
12 owner in that?

13 MR. WERTHEIMER: I'm not sure a question
14 answering a question is going to accomplish anything
15 here.

16 MR. COLDREN: I'm sorry. Maybe I didn't
17 understand your question. You want to know whether
18 we'll go out and find the income. No. We're
19 offering --

20 One the centerpieces of this -- in addition to
21 outreach to charities and things like that, one of the
22 centerpieces of this is when the park owner is reaching
23 into his own pocket and saying, you know what I'm going
24 to do, I'm entitled to \$650 in rent, this tenant can
25 only afford \$550 in rent, can't afford the other \$100,

Page 122

1 I'm going to abate it, I'm going to defer it, I'm going
2 to grant -- I'm going to credit it back to the tenant.
3 I'm going to do something to make sure that tenant
4 isn't forced from the mobile home park because an
5 inability to pay all or part of our rent increase.

6 MR. WERTHEIMER: That's appreciated and that's
7 understood and that's certainly an amicable position on
8 the owner's part.

9 You had mentioned grants and such. Will the
10 owner assist in finding those and attaining those --

11 MR. COLDREN: Yeah.

12 MR. WERTHEIMER: -- in conjunction with the
13 tenants?

14 MR. COLDREN: Yeah. In fact, I suspect if I
15 were an owner, I would want that to be the line of
16 first -- you know, tenant comes and says I've got a
17 problem paying this rent increase, the first thing I
18 would suggest is, well, have you done those kinds of
19 things you can do to resolve -- to help resolve the
20 issue yourself? Have you signed up for the care
21 program?

22 Perhaps you're familiar with the care program
23 affecting utility rates. Have you gone to the various
24 agencies that are available to provide assistance.

25 Have you ever considered -- not that it's

1 being mandated -- but have you ever considered a
2 roommate if you're living alone to share in the rent
3 expense?

4 MR. WERTHEIMER: Quiet please. Not you.

5 MR. COLDREN: In fact, there are park owners
6 who have retained -- there are people who have a social
7 services designation. I'm not sure the name of it.
8 There might be someone in the audience who knows.

9 But there are people who their whole job is
10 basically to match individuals that have a need with
11 Government NGOs that can assist them in that need. And
12 I would think that would be an important part of the
13 process

14 MR. WERTHEIMER: This statement indicates that
15 the owner is -- at least as I read into it -- generally
16 interested in helping his tenants and doing the right
17 thing as you stated earlier.

18 Would doing the right thing if you got your
19 increase also include putting it in writing?

20 MR. COLDREN: It is in writing.

21 MR. WERTHEIMER: More detailed. This is
22 ambiguous in my --

23 MR. COLDREN: Well, if you want to talk
24 about it, what more detail do you want?

25 MR. WERTHEIMER: To contract with each

1 individual tenant explaining what you've done, and even
2 if it's an addendum to an existing lease.

3 MR. COLDREN: Sure. We'll put that statement
4 in the existing leases of long term tenants in good
5 standing.

6 MR. WERTHEIMER: That's all I have. Thank
7 you.

8 MR. COLDREN: Thank you.

9 MR. WERTHEIMER: Anymore questions? One other
10 thing before we start. My apologies. Do the
11 Commissioners have any questions for the tenant's
12 representative Mr. Sellers?

13 MR. SELLERS: I thought I was going to have a
14 presentation.

15 MR. WERTHEIMER: Do you have one now?

16

17 TENANT REPRESENTATIVE PRESENTATION

18

19 MR. SELLERS: Yes. Thank you. Mark Sellers,
20 Jackson DeMarco Law Firm, here on behalf of the
21 tenants.

22 I need to start with I think we are in
23 somewhat of unique financial times. I think we've --
24 as far as I'm experience, this is the most difficult
25 financial time that I've ever seen in California.

1 I have -- know that my own 401K pension plan
2 has undertaken a severe hit. And I'm sure you're going
3 to hear about my clients tonight talking about the same
4 issue, who suddenly are suffering from their own
5 retirement plans in finding an owner that's seeking a
6 \$260 per space application. The timing just doesn't
7 seem to be right.

8 Just to get an idea why so many people are
9 here tonight, one of the tenants went out and did a
10 survey to find out what's invested in this park by the
11 tenants.

12 We hear a lot of about the park owner, what
13 he's invested. I have here that survey that shows over
14 \$14,000,000 is invested by the tenants in their homes,
15 improving their spaces, interior improvements to their
16 coaches. They have a substantial investment and more
17 than the owner even has in this particular park.

18 That's why the issue of balancing, not just
19 giving the owner what he requested, but looking
20 at what's a fair and reasonable return, not what's a
21 maximum return is so important to this Board.

22 I know that I'm on a non-profit board,
23 financial committee for non-profit board who invest a
24 rather sizeable foundation.

25 I know when our experts come now before us,

1 they sort of shake their heads, and they say, I never
2 thought I'd see the day when a 2 percent return on an
3 invest -- fixed-returned on an investment is desired
4 and greatly sought after. And that's the environment
5 we're living in right now.

6 We then go to Mr. Baar's report. And at page
7 568 of your book, he notes that this project -- if you
8 take the investment into this particular project and
9 you increase that historic investment by an inflation
10 factor, you get to a figure of a \$6,800,000 value today
11 or investment into the project.

12 That is generating based on what they're
13 currently getting back, a 6.5 return. Our
14 investigation, our discussions with other people in the
15 industry indicate that that is a very good return.

16 We indicated a more realistic return would be
17 a 5 percent return. I think Mr. Baar has even
18 indicated a 6.5 is normal in the industry.

19 So what the tendency is somebody's getting a
20 very reasonable and fair return on their investment
21 today. So they find it very difficult to understand a
22 justification for increasing the rent on every space by
23 \$260.

24 Frankly, as I think they'll go on and explain
25 tonight, this -- they may feel like we're in a very

1 captured market.

2 Obviously, they can't move these homes. No
3 new parks have been built around this area in a long
4 time. There are very few vacancies in which they can
5 move the home. And being on fixed income with the cost
6 of moving a home, that's really not a viable option.

7 They are captured by this situation. That's
8 why we're looking at balancing here, rather than just
9 giving the maximum amount that the owner requests.

10 We have taken a look at -- and even though we
11 feel there's no justification for an increase, that
12 they're getting a reasonable return based on the 6.5
13 percent return.

14 We looked at Mr. Baar's analysis, we agree
15 that there should be no Vega adjustment to the rents.
16 We've gone around and gotten declarations that we've
17 put into the file that indicate that this is a new
18 park.

19 There were vacant spaces in the mid 1970s.
20 When those spaces were rented up, they were arms length
21 transactions. There was no rent control in effect at
22 the time.

23 And I've been told by appraisers time and
24 again that the best indication of market value is what
25 that particular piece of property is sold for or

1 rendered for.

2 In this case, back in 1979 -- '65 through
3 1979, we got you what was the going rent without being
4 subject to rent control. That was \$198.

5 Mr. Baar indicated that their appraisal is at
6 205. And it's such a small amount. That taking a look
7 backwards, 30 years after the fact, and coming up with
8 205, to me, is basically saying they were right on
9 market back in 1979.

10 So therefore, we agree there's no reason for a
11 Vega adjustment. We also agree that there's no
12 indication or facts that would indicate that somebody
13 who just recently opened a new park and had vacant
14 spaces wouldn't set it at the maximum he could get for
15 those spaces rather than somehow below market.

16 We agree that the base year of 1986 is
17 appropriate. To me, it's amazing that a park owner of
18 five different mobile home parks who knew that they
19 were subject to regulation, who understood the
20 importance of base year data in going for any special
21 rent increase would somehow lose those documents, would
22 not have extra copies of those documents.

23 And it's just amazing to me that today that
24 information isn't available. And I think that Mr. Baar
25 indicated that if we start using other periods and just

1 using the CPI index to reverse -- get at figures by
2 revere CPI applications, there's no reason to keep
3 records anymore, and the base year really becomes
4 subject to whatever the owner wants to try to argue and
5 make it to be.

6 The CPI 50 percent, we feel is justified
7 because you already have a park owner that's getting a
8 6.5 percent return.

9 Now, I know there's not a real preference for
10 the -- that application or that look or methodology to
11 determine what a fair and reasonable return is. But
12 the facts are that this park hasn't changed hands.
13 It's the same owner.

14 We may have some people here tonight that knew
15 the park and how it was created and can talk about that
16 investment. And that, to me, justifies a 50 percent
17 return.

18 If he's already getting what the property --
19 what the tenants feel is a fair and reasonable return,
20 using the 50 percent CPI adjustment on that seems very
21 logical.

22 In addition, he has been getting 75 percent of
23 the CPI increases in annual income automatically for 30
24 years. So it's not just like, well, we need 100
25 percent because we're so far behind. They have been

1 getting automatic increase for a good period of time.

2 And that leads me to what I think is a key
3 issue that we'd like to make, and that's the problem
4 with the management and administration expense and
5 Mr. Baar's calculation.

6 In the rules and in his report, he says the
7 management and administration expenses must be
8 calculated for both the base year and the current year
9 at the same percentage of actual income. That's on
10 page 578 of your booklet.

11 We have an analysis here from Dan Goldstein,
12 which I'll submit for the record. In that analysis, we
13 basically --

14 There's also -- another aspect of this is
15 there's an 8 percent cap. And I talked about this a
16 little earlier.

17 The reason there's an 8 percent cap is because
18 we're dealing with something that's fairly left to the
19 discretion of the owner. They can over managed the
20 park one year, under managed it the next, and then have
21 a normal management level the third year. That's
22 something that's completely within his discretion.
23 Therefore, the City imposed an 8 percent cap on that
24 more nebulous figure and expense.

25 However, Mr. Baar does not implement the cap

1 in the current year, which we were already informed is
2 at 21.9 percent of the total income.

3 He indicates that he speculates that -- for
4 some reason -- and I don't understand what the reason
5 is -- that some maintenance work may be included in
6 that 2009 figure and also that there was a lack of time
7 to conduct the detailed analysis.

8 Well, our position is that the City has
9 accepted the owner's categorization of other numbers,
10 they should also apply -- if he says it's the cost for
11 maintenance or management and administration, that's
12 what should be utilized, and it should be subject to
13 the 8 percent cap.

14 He also -- he also indicated there was a lack
15 of time to analyze it. It's our feeling that it's
16 really the owner's -- park owner's responsibility to
17 provide details in support for those figures and why
18 they're so high.

19 So Mr. Baar did not use the same percentage
20 for the base year of 1986 and the 2009 year. He used a
21 maintenance and expense ratio or percentage of 14.6 of
22 the rental income for the base year 1986 and then
23 used -- the current year was the 21.9.

24 We feel that there are only two correct
25 methods and approaches to looking at expenses in these

1 two years.

2 One is either you compute them both using the
3 21.9 percent. If that's what it costs to manage and
4 administrate this park, that should be used in both the
5 base year and current year. You shouldn't be comparing
6 apples and oranges. It should be apples with apples in
7 this somewhat discretionary aspect of expenses.

8 Also the other approach could be cap them both
9 at 8 percent. The ordinance and regulations clearly
10 say that the management and administration expenses
11 should not exceed 8 percent, so use 8 percent in both
12 those calculations.

13 If we apply that approach under -- using the
14 29.9 management and administration expense for both
15 years, we come with the proposed recommendation to a
16 \$30 per month increase, rather than \$62 or \$65 -- we'll
17 talk about that in a minute -- increase.

18 And with the 8 percent cap, the resulting
19 recommended rent increase would be \$37 per month. So
20 it drastically impacts what's happening here. And
21 Mr. Goldstein is here. He can answer any questions if
22 there are concerning that aspect.

23 Finally, we noted that there's some
24 discrepancy between the City's summary of the
25 recommended \$65, and it appears that Mr. Baar is

1 recommending \$62. Mr. Baar, I assume, was the expert,
2 and his figure should be utilized rather than the 65.

3 And then I'd like to talk a little bit about
4 the kindness policy. And I'll let the tenants really
5 respond to that mostly.

6 I would have a concern if I was a tenant.
7 That gives the park owner a tremendous amount of
8 leverage over a tenant as to what is good faith, what
9 is operating and living consistent with the rules and
10 regulations of a park.

11 I'm not sure that that is something I would
12 want to live under, with that kind of power and ability
13 to double or triple rent on certain residents. That's
14 a tremendous amount of power.

15 In addition, it's certainly going to impact
16 the value of the coaches. And I hope they understand
17 that.

18 That what he's saying in essence is, well, I'm
19 not going to raise the rent on you, but the person that
20 comes along in five to 10 years, that rent may go up
21 300 percent.

22 So that's another aspect we're going to have
23 to address, and it's something that I think I wouldn't
24 want to live under myself if I was a tenant.

25 With that, I think to conclude, we feel that

1 the park owner is getting a reasonable return on his
2 investment, as I indicated, even if you adjusted for
3 inflation.

4 And if there is an increase that's needed and
5 that you feel is necessary, we feel you should utilize
6 a consistent approach to the management and
7 administration expenses.

8 And with that, I can answer any questions.

9 MR. HEHIR: Excuse me. Commissioners, if I
10 may, before we get to the Commissioners' questions --

11 Mr. Sellers, you provided the Commission two
12 different documents. Do you know if those documents
13 are part of the packet we've already received?

14 MR. SELLERS: No. They were prepared today.

15 MR. HEHIR: Okay.

16 MR. SELLERS: They were prepared, basically,
17 in response to this lengthy book that we got Friday.

18 MR. HEHIR: I understand. Did you provide
19 copies of these two documents to the owner's attorney?

20 MR. SELLERS: There are a number of them
21 there.

22 MR. HEHIR: Instruct that additional copies be
23 made in order to provide them to the owners right now.

24 MR. WERTHEIMER: Commissioners, any questions
25 for Mr. Sellers? I have one point. One of these

1 documents in your presentation indicated that you --
2 the tenants have invested 14 million plus and change in
3 the park and -- is that correct?

4 MR. SELLERS: Yes.

5 MR. WERTHEIMER: Okay. So an investment
6 indicates that this is something that when the tenants
7 leave for whatever reason, that they'll stay -- that
8 that will stay the property -- the ownership of the
9 applicant?

10 MR. SELLERS: Yeah. And I think mobile home
11 rent control is a unique aspect. It's not like
12 apartments because you have such tremendous investment
13 on both sides.

14 If it wasn't subject to regulation, then the
15 landlord could in essence render that almost invaluable
16 increasing the rent way up.

17 And I agree that there is and always will be
18 the fact that Governmental regulations do change the
19 value of a person's property and benefit.

20 MR. WERTHEIMER: I understand that. I'm
21 looking to understand how the \$14,000,000 that the
22 tenants have invested in this property has -- gives the
23 applicant value to his land or to his project or his
24 park? That means that he owns part of that
25 \$14,000,000 improvement?

1 MR. SELLERS: If they left it as it is, yes.

2 MR. WERTHEIMER: Do they leave it? Are your
3 tenants going to leave their coaches when they move?

4 MR. SELLERS: They would love to take it with
5 them. But where do they move them to? And that's why
6 we have this regulation.

7 MR. WERTHEIMER: No. Not if they move because
8 of rent increases or anything like that. But just if
9 they chose to live in another state, would they leave
10 the coach there and it now becomes the property of the
11 park owner?

12 MR. SELLERS: Do they sell it? They sell it.
13 Because I doubt anyone is taking --

14 MR. WERTHEIMER: They sell it?

15 MR. SELLERS: If you can sell the coach and
16 then a new tenant comes in, that's the --

17 MR. WERTHEIMER: But if they invested in that,
18 then it creates value to the park and to the owner of
19 the park. They can't sell it because it's owned by the
20 park based on an investment?

21 MR. SELLERS: The coaches are owned by the
22 tenants.

23 MR. WERTHEIMER: Then it's not an investment
24 in the applicant's --

25 MR. SELLERS: The yard improvements are owned,

1 in essence, by the park owner --

2 MR. WERTHEIMER: Okay.

3 MR. SELLERS: -- because it is part of the
4 land. But the coaches are owned by the tenants. And
5 they sell them. And sometimes they can't find a buyer.

6 And there might be situations where there's an
7 abandonment. And if there's an abandonment, then they
8 become the park owner's, and he can claim that as an
9 asset.

10 MR. WERTHEIMER: I'm just trying to see how
11 the \$14,000,000 is truly an investment in the park
12 owner's property.

13 MR. SELLERS: No. I'm not saying that. I'm
14 saying that this is what the tenants -- their life
15 savings and their income and their money -- has
16 invested into this particular site.

17 So that's why you have this room full of
18 people, is because they have a very substantial
19 investment in that park.

20 It's not like an apartment situation where you
21 have a tenant that -- it might even be a furnished
22 apartment. They can leave like that. This is an
23 entirely different situation.

24 MR. WERTHEIMER: Understood. Any other
25 questions? Thank you. Does the applicant have any

1 questions for Mr. Sellers?

2 MR. COLDREN: A couple, yes. I'll take the
3 short one. Mr. Sellers, you are a lawyer for some of
4 the residents; is that right?

5 MR. SELLERS: Yes.

6 MR. COLDREN: Okay. What firm are you with?

7 MR. SELLERS: Jackson DeMarco.

8 MR. COLDREN: Okay. In Orange County?

9 MR. SELLERS: Well, their office is in
10 Orange County. They also have an office in
11 Westlake Village.

12 MR. COLDREN: Okay. Usually in these kinds of
13 proceedings, individuals testify as witnesses. Are you
14 making your appearance tonight as an advocate on behalf
15 of your clients, or are you providing testimony as a
16 witness?

17 MR. SELLERS: I'm an advocate for my clients.
18 There is testimony that we have submitted in written
19 format. Mr. Goldstein is here tonight.

20 MR. COLDREN: Okay. But we are going to hear
21 testimony from people that the Board should consider;
22 is that right?

23 MR. SELLERS: Yes.

24 MR. COLDREN: But what you have said to the
25 Board is not evidence; is that correct?

1 MR. SELLERS: No. That's basically my
2 argument on the evidence that's in the record.

3 MR. COLDREN: But it's true that your
4 statements here tonight are not evidence; is that
5 right?

6 MR. SELLERS: That's correct.

7 MR. COLDREN: Okay. So when you say residents
8 have \$14,000,000 invested in the park, and when you say
9 I serve on a Board where I get -- where I'm told by
10 experts that a 2 percent fixed return is wonderful, all
11 of those kinds of things, those are arguments in
12 advocacy, not evidence; is that correct?

13 MR. SELLERS: Yes. Except for the declaration
14 that was submitted, and that's evidence.

15 MR. COLDREN: Okay. Thank you. Nothing
16 further.

17 MR. WERTHEIMER: Does the City have anything
18 for Mr. Sellers?

19 MR. NORMAN: No questions.

20

21 PUBLIC COMMENTS

22

23 MR. WERTHEIMER: All right. We're going to
24 move on to public testimony on the Thunderbird
25 Application. And we're going to call three people at a

Page 140

1 time, not to come up, just to know that you're in line
2 to speak. And we'll go from there.

3 All speakers will get the opportunity to
4 speak. We received over 30 cards. So due to the
5 number, each speaker will have two minutes. Please
6 respect each other during this time and respect the
7 need to give everyone the opportunity to speak.

8 If your name is called, please come down to
9 one of the seats up front. It will be over here to the
10 right. I'll call the first three right now.

11 Marilyn Aurant -- Arlue. Mark, are you going
12 to speak again? Beverly Potter, and Joy Freck.

13 MRS. AURANT: Good evening. I'm
14 Marilyn Aurant. I'm the chairperson of Thunderbird
15 Oaks SOS, Save our Seniors.

16 Would everybody that's attending from
17 Thunderbird please raise your hands? Those are my
18 neighbors and friends.

19 I'm 66 years old, a breast cancer survivor,
20 and I thought that was the biggest hurdle of my life.
21 But the rent increase comes very close to that
22 situation.

23 What other industrialized democracy can you
24 think of that puts seniors in the position of fighting,
25 demonstrating on the street, begging and pleading to be

1 able to afford to just live. Doesn't happen in any
2 other industrialized democracy.

3 We were invited to live on Mr. Hohn's
4 property. And in order to do that, we had to purchase
5 a mobile home, either an existing one or a new one.

6 He had the pad designated for mobile homes,
7 and we acquired a mobile home to place on that land.
8 We paid him rent each month while his land continues to
9 increase in value.

10 His investment of 525,000 has increased in
11 value to millions in today's market while he collected
12 money from us each month.

13 What everyone should really remember is that
14 for every \$10 the land rent goes up, our homes go down
15 \$1,000. That's statistics. That's true.

16 This is a tremendous amount of money to little
17 people, especially retired people on fixed incomes.
18 And that's their nest egg. They put it in their home.

19 I'm moved in a little over a year ago. And my
20 space rent was increased supposedly to the fair market
21 value at the time.

22 And when looking for a pad for my home,
23 management and my real estate agent assured me that the
24 park owners had honored rent control for the past 30
25 years and had every intention of continuing.

1 That was in July of 2009. And this plan for
2 an increase was already in effect. If I had been told
3 about the plan, I would have never bought there. I
4 would have known that I didn't qualify for that kind of
5 rent. And they didn't bother to mention it or to
6 qualify me to live there knowing the rent increase was
7 going to go in.

8 This a very dishonest management to allow new
9 tenants to acquire a home when management knew that
10 they would not qualify for the proposed rent.

11 Such unethical business practice should not be
12 rewarded. Mr. Hohn could have done anything he wanted
13 with his property in 1975. He chose mobile homes for
14 people over 55.

15 He must have realized we would be on fixed
16 income, that we would be on social security, and
17 couldn't go up like that -- our rent couldn't go up
18 like this.

19 He's a businessman. That's what I keep
20 hearing. And if this park is not lucrative enough for
21 him, then he should sell it. That's what he's asking
22 me to do when I can no longer afford my rent. Sell my
23 home, move, do whatever I have to do when I can't pay
24 him each month. It just isn't fair. Thank you.

25 MR. WERTHEIMER: Will you hold the applause,

1 please? Beverly Potter.

2 MRS. POTTER: I'm Beverly Potter, space 125.
3 And I'm going to start with some numbers. First
4 number, 185,000. According to Caltrans data for 2009,
5 that's how many cars and trucks pass by Thunderbird
6 Oaks property line everyday.

7 Studies reported this last year by Science
8 Daily and American Heart Association and others say
9 that air pollution is leading to heart problems,
10 pneumonia, high blood pressure, diabetes, asthma, high
11 blood pressure, emphysema, and sudden cardiac arrest,
12 especially in the elderly.

13 It has also been shown that chronic noise
14 exposure is associated with high blood pressure and
15 diseases of the heart.

16 Did I know this before moving into Thunderbird
17 Oaks after I found that I couldn't afford Vallecitos,
18 which is well away from the freeway noise and
19 pollution?

20 No, I did not know that I would have many
21 sleepless nights due to loud semitruck noise permeating
22 though my closed, double paned window. No, I did not
23 know about the black soot that covers my driveway, the
24 exterior of my home, and even finds its way down my
25 roof to the inside where I can't avoid breathing it.

1 After spending 23 years as a realtor in three
2 states, I find it very wrong that neither of the
3 appraisers acknowledged the fact that our park, being
4 adjacent to the freeway, should definitely reflect a
5 rent below the, quote, "market rent value" for any and
6 all here.

7 It has been my experience in residential real
8 estate that bordering a freeway always reduces value of
9 both sales and rents.

10 The home appraiser Mr. Neet even noted in bold
11 black print in his appraisal the following statement:
12 "It is the appraiser's recommendation that phase one
13 environmental assessment be obtained on this and any
14 other property prior to making a monetary decision
15 involving the property to determine the potential for
16 environmental hazards."

17 MR. WERTHEIMER: Thank you very much.
18 Joy Freck is next. Marge Hagy, Karen King, and
19 Janet Day.

20 MRS. FRECK: I live in Thunderbird Mobile Home
21 Park. My name is Joy. And I've been there 15 years.

22 I live on social security only. And if we get
23 a rent increase raise, it will be more than a hardship.
24 It will be a disaster.

25 Social security has not had a raise in two

1 years. And I spoke to them just before Christmas and
2 was told no more raises in the near future.

3 Therefore, it is imperative for this rental
4 raise not to go through. I only get \$887 per month.
5 And I do not go anywhere because I can't afford it.

6 It's a shame that in 15 years no improvements
7 have been made, and the cracks are in the streets. My
8 parents lived in this park for 12 years.

9 And my mom moved when dad died. Then she and
10 I moved in. And she -- for twelve years. And she
11 died. And I've been there 15 years so far.

12 That makes 27 years so far because we like it
13 here, especially because it has rent control. What
14 happened?

15 MR. WERTHEIMER: Thank you. Marge Hagy. Is
16 there any questions by the Commissioners?

17 MRS. Hagy: I'm an 83 year-old retired RN. My
18 husband and I purchased here less than a year ago. We
19 raised our children in this area, and we wanted to
20 return.

21 We came back from a mobile home the last 15
22 years. And I would just like to show a little
23 comparison.

24 When we investigated here, we found that we
25 could have a comparable rent for the one we were in for

1 the last 15 years.

2 We were under rent control. It was guided by
3 the consumer index. And our rent never went up more
4 than \$10 a month in the 15 years we lived there.

5 When we had our rent quoted to us here, which
6 was an increase when we decided to move here, we asked
7 about rent control because we were so used to having
8 that control in Riverside County where we came from.

9 I've been listening to all the management talk
10 tonight, and I have to admit I can't understand all of
11 your figures.

12 But I can tell you -- in case you're not all
13 familiar with mobile homes in comparison -- from the
14 park I just moved from, it was essentially the same
15 rent.

16 In Thunderbird, we have one swimming pool and
17 one spa operated seasonally and one pool table room.
18 Where I came from, we had two pools, five hot spas,
19 mineral pools operated year round and cleaned daily.

20 We had horseshoe pits, maintained shuffle
21 board courts, two tennis courts, and weight room with
22 equipment, two mini lakes with swans, ducks, egret,
23 heron, and fish. And there is a special -- paid by the
24 owner of the park, an activity director year round for
25 all of us.

1 I wanted to present this to you from a lay
2 person just so that you know a little bit of what goes
3 on with mobile home parks and the differences between
4 them.

5 MR. WERTHEIMER: Thank you very much. Any
6 questions from the Commissioners? Janet Day.

7 MRS. DAY: Good evening. My name is
8 Janet Day. My husband and I moved to Thunderbird Oaks
9 Park and lived there together from 1995 to 2005, when
10 he passed away.

11 We believed that this City provided rent
12 control out of respect for it's aging citizens. I
13 can't stress enough how much pride we've held in being
14 blessed to live in this active vibrant community. Our
15 pride was reflected by the thousands of dollars we put
16 into improving our property.

17 Now, I moved after my husband's death. I
18 moved to the Ranch. But then I got a part-time job and
19 found I could afford to move back to Thunderbird.

20 So this year, I bought my third home property
21 in Hohn's park. One week after I moved in, I received
22 the infamous letter concerning the proposed rent
23 increase.

24 How dare the property owner and suburban
25 management neglect to disclose their plans so that I

1 can make a wise decision on what to do.

2 I didn't have to -- to pay all the realtor's
3 costs. I could have stayed where I -- I'm sorry. I am
4 so angry that the property owner and -- (inaudible) --
5 have so little integrity that they show no respect for
6 their tenants or for the laws that govern business
7 practices.

8 I'm now facing a raising rent and an inability
9 to repair my home, which is -- has a lot of damage.

10 MR. WERTHEIMER: Thank you. Karen King,
11 please. And would Robert Russell and Dorothy -- is it
12 Lot -- Fox. My apologies. I can't read the writing.
13 And Pat Heckathorr. Please be ready.

14 MRS. HASKIN: I'm not sure you called my name.
15 You called Karen, but the last name is not clear.

16 MR. WERTHEIMER: King.

17 MR. PRESCOTT: Karen King.

18 UNIDENTIFIED SPEAKER: She's not here.

19 MR. WERTHEIMER: She's not here? Okay. Then
20 would Robert Russell please step up?

21 MR. RUSSELL: Yes. Could I relinquish my two
22 minutes to Flavio to give him more time to present some
23 facts? Give him four minutes instead of two?

24 MR. WERTHEIMER: Sure. Go ahead.

25 MR. FIUMERODO: Good evening. My name is

1 Flavio Fiumerodo. And I'll give you a little bit of my
2 background. I have a Bachelors of Science in business
3 administration. I own a local real estate brokerage
4 here in Thousand Oaks. I also own a manufactured
5 housing dealership that's located here within the City.

6 I've brokered many of the manufactured homes
7 in the Thunderbird Mobile Home Park, as well as the
8 surrounding parks as well.

9 And in fact, I've been involved in eight of
10 the last 11 new home transactions within the
11 Thunderbird Mobile Home Park.

12 So I'm intimately familiar with the cost
13 associated with manufactured home set-ups and
14 breakdowns within Thunderbird.

15 I am also called by appraisers for market
16 based information on sales that take place within the
17 Thunderbird Park. So I am relied upon for information
18 that is specific to that park.

19 I just want to touch on a couple points real
20 quick. Just and reasonable return versus just and
21 reasonable rent.

22 I think that the focus really ought to be on
23 trying to ascertain what the fair market rents are
24 within the park because, you know, really it's the
25 business owner and the park owner would know what

1 the -- what is a reasonable -- or what is, you know, a
2 normal expense for their -- for operating their park.
3 So I think that's a very difficult task to dive into
4 all the expenses.

5 One point I want to make is that in June of
6 2010, the park applied for the rent increase of -- that
7 I believe is now \$260, and that was based on 30 years
8 of inflation and expense increases that had occurred
9 since the last time those rents were set by the City.

10 Yet eight months earlier, when I built
11 Beverly's home in the park back in October of 2009, the
12 park was content to add only \$100 worth of rent on new
13 homes coming into the park.

14 The basis for there full \$260 increase existed
15 at that time. Also I would like to read my notes for a
16 moment. The appraiser made a good point earlier today,
17 the one that was brought forth by the park owner, that
18 market rents are established by negotiations between
19 the landlord and a tenant.

20 And I have witnessed what the market has
21 accepted as a market rate when a tenant -- potential
22 tenant has the option to walk away when they're not a
23 captured tenant, like many of the folks in the audience
24 are. And the point I want to make there is that -- I'm
25 out of time.

1 MR. WERTHEIMER: Thank you. Any questions by
2 the -- any questions?

3 MRS. FELDMAN: I have a question. Is it
4 possible to hear -- we didn't get the point of what
5 your whole discussion was. Is it possible to just give
6 us the point of what your discussion was?

7 MR. FIUMERODO: Well, there are a few points
8 that I was going to make just based on some of the
9 things that I've heard here tonight.

10 Basically, I did hear that the appraiser had
11 said that the park -- you had asked about the Sears
12 example. And he said that the parks will pay for
13 upgrades to the pads and upgrades to the utility pads.

14 But the practice has been that Thunderbird is
15 -- and I know this because I do the improvements in the
16 park -- has been that the tenant pays for those
17 expenses, not the park owner.

18 And also you had asked about whether or not
19 some of the improvements became the property of park
20 owner or the residents here. And it's a mixture of
21 both in reality.

22 Because while the home will belong to the
23 tenant, things like the grading, landscaping, and as
24 well as a lot of times we put in new driveways, and so
25 those become the property of the park owner.

1 So these are expenses that are just lost if
2 the tenant were to decide that the rent was too high
3 and move out.

4 In fact, in the Thunderbird Park, a typical
5 investment to put in a home in that park would run
6 around \$35,000. 80 to 90 percent of that figure would
7 be lost in the process of tearing the home down,
8 getting it ready for transport, and moving it to
9 another location. Much of that would just be destroyed
10 in the process of doing that.

11 And I would also make another point, that is
12 that many parks throughout the State of California do
13 not allow pre-owned homes.

14 So in other words, even if they decided that
15 they did want to go through that expense of tearing
16 down their home and relocated them, they would have a
17 very hard time to find a place to relocate it to
18 because of the policy these parks have where they won't
19 take in anything other than a brand new home.

20 So these are the couple of points I wanted to
21 make there. And that was basically it.

22 MRS. FELDMAN: Excuse me. I have one more
23 question. Did I understand you to say that recently
24 there was a vacancy decontrolled spot and the park
25 owner on this vacancy decontrolled spot only raised the

1 rent \$100; is that correct?

2 MR. FIUMERODO: Well, that has been the
3 practice for all of the new homes that have gone in up
4 until the last one that went in, which was in October
5 of 2009, that was the last one that went in. I did
6 that home.

7 And during that time, they had only increased
8 the rents by a \$100, so whatever the space rent was at
9 that time, they increased it \$100, and they left it at
10 that. I've done numerous homes in that park in the
11 last five, six years.

12 MRS. FELDMAN: Was this a decontrolled space?
13 In other words, did it have a new tenant, and the
14 tenant didn't own it when they brought in the new
15 coach?

16 MR. FIUMERODO: Yeah, it was a decontrolled
17 space.

18 MRS. FELDMAN: And was it put in by a
19 manufactured home company?

20 MR. FIUMERODO: Yeah. I own the manufactured
21 home company.

22 MR. FELDMAN: Okay. So it was a decontrolled
23 space, and they charged a \$100 more?

24 MR. FIUMERODO: It was a decontrolled space
25 and they did --

1 MRS. FELDMAN: Thank you.

2 MR. WERTHEIMER: Mr. Coldren, do you have any
3 questions for this witness?

4 MR. COLDREN: Thank you very much. Hi,
5 Flavio. So on the last transaction of 2009 -- this is
6 the one I'm focusing on -- there was a vacant space,
7 and you got control of the space somehow, and then you
8 got a home on it; is that true?

9 MR. FIUMERODO: More or less.

10 MR. COLDREN: Okay. When you put the home on
11 the space, how much was the invoice for the home?

12 MR. FIUMERODO: I don't recall what the actual
13 invoice for the house was.

14 MR. COLDREN: Okay. Ballpark?

15 MR. FIUMERODO: Do you want me to reveal my
16 cost to this entire audience?

17 MR. COLDREN: Mr. Hohn has revealed all of his
18 operating expenses for many, many years.

19 MR. FIUMERODO: Mr. Hohn is going to benefit
20 from the rent increase. I won't benefit from revealing
21 my cost.

22 MR. COLDREN: Mr. Chair, I really do have a
23 point here. He's saying that, heck, Mr. Hohn's happy
24 to receive 100 bucks rent increase, why isn't he happy
25 today?

1 Let me just follow up on something else; okay?
2 So in the past, when the rents were really low on
3 turnover, you liked the park; right? Because -- and
4 the park owner; right?

5 But now you're upset with your business
6 because you can't put new homes in that park today;
7 isn't that true?

8 MR. FIUMERODO: No. That's not true at all.
9 The homeowners have had opportunities to put a new home
10 in that park, and in each case the rent that they were
11 asking for those new homes resulted in the tenants
12 opting not to put a new home in the park.

13 MR. COLDREN: So when you put this new home in
14 the park, would you then sell the home to some tenant?

15 MR. FIUMERODO: It doesn't always occur in
16 that order.

17 MR. COLDREN: I'm asking 2009, this one
18 transaction that you were talking about, 2009, \$100
19 rent increase, the one that Commissioner Feldman asked
20 you about.

21 MR. FIUMERODO: In that particular case, I was
22 approached by a prospective tenant, Beverly Johnson.
23 And she designed a home.

24 And at that point, we went to the park. She
25 was approved. They gave her the new space rent, which

1 was an increase of \$100. And then we proceeded to
2 build her the home and close escrow.

3 MR. COLDREN: Okay. Did you tell her how much
4 over NADA Blue Book value she was paying for the home
5 that you were so happy to sell her?

6 MR. FIUMERODO: I don't recall.

7 MR. COLDREN: You don't recall? This is the
8 very last transaction, talking about it in great
9 detail, and you don't recall whether you told her what
10 the Blue Book value of that home was?

11 MR. FIUMERODO: No, I don't.

12 MR. COLDREN: Do you recall whether you told
13 her what your invoice was or what profit you were
14 making on the resale?

15 MR. FIUMERODO: Why would I tell her what my
16 invoice is?

17 MR. COLDREN: 'Cause you don't want her to
18 know how much money you made off of the sale by virtue
19 of the below market rent; isn't that right?

20 MR. FIUMERODO: No, that is not correct.

21 MR. COLDREN: No further questions.

22 MR. WERTHEIMER: Thank you. Dorothy Fox.

23 MRS. FOX: My name is Dorothy Fox. My husband
24 John and I have lived in a mobile home for over 30
25 years. I'm 86. He's 89.

1 In the 30 years, I have never asked the owner
2 for anything extra. Recently, I did request the park
3 allow Verizon to run a line into the park so we could
4 watch the channel 10 and also the news on the coast.
5 But unfortunately I was denied this by the park manager
6 three times to allow Verizon to do this.

7 The park has not changed or improved anything
8 new in 30 years. The only thing that has changed in
9 the park was we got a big sweeper for the road.

10 The management has added nothing to our park,
11 and I mean nothing. Just to let you know that no one
12 in the park asked for things. The clubhouse restrooms
13 have never been upgraded to allow access for
14 wheelchairs in the toilet area and is deficient in
15 handicapped parking.

16 People with disabilities could not come to --
17 clubhouse because of these things. This has gone on
18 for over 30 years.

19 After our Chairperson started taking pictures
20 of all these things, low and behold, they started
21 fixing the restrooms.

22 This is a quiet park with good people. All
23 are on fixed income. If this was not what the owner
24 wanted in 1976, they should not have made the park 55
25 and older. We're all going to retire. After all,

1 fixed income is what it says, fixed.

2 If this increase is approved, the impact on
3 the lives of my friends and neighbors would be
4 devastating. And it will rest on the conscious of the
5 property holder and his firm.

6 I hope we never lose the right to live and
7 be quiet and not be badgered with constantly giving us
8 more rent

9 MR. WERTHEIMER: Thank you. Any questions
10 from the panel? Pat Heckathorr.

11 MRS. HECKENTHORN: Good evening. My name is
12 Pat Heckenthorn. I have lived at Thunderbird Oaks for
13 13 years.

14 I moved to the Thousand Oaks area because it
15 is a safe and secure city. My husband was ill, and I
16 knew I would be living on my income alone.

17 I was drawn to the park because of rent
18 control. I chose a mobile home because I felt it was a
19 joint venture, the owners land, and I provided the home
20 to put on that land. It was a perfect unit until now.

21 Now the owners claim they need more operating
22 money, and they need it from me. I feel they should
23 cut expenses just like I have to do in my home when I
24 can't make ends meet.

25 For instance, how many managers does it take

1 to manage 160 seniors who have managed their whole
2 life. We don't need managers. We need one onsite
3 manager and a perfect accountant.

4 We take care of our homes and yards at no
5 expense to the owner. The tenants pay their rent
6 faithfully, some for over 30 years. And he even gets
7 paid when they die or go to a nursing home. What a cash
8 cow. This is much better than the stock market was to
9 me.

10 I have one last point I would like to leave
11 with you. On January 1st, 2011, the first of
12 78,000,000 baby boomers will turn 65, only to be
13 followed by another boomer every eight seconds, more
14 than 10,000 a day over the next 18 years.

15 By the time the last one reaches 65 on
16 December 31, 2029, the size of the 65 population will
17 have doubled from what it is today.

18 Add to this fact, the people turning 65 today
19 will expect to live another 18, 20 years. That
20 implication is staggering. The goal in the State of
21 California must be to prepare for this. You can start
22 today by saving my seniors and saving our affordable
23 homes. Thank you.

24 MR. WERTHEIMER: Merle Pitman and then
25 Chris Lev and Carol Fredericks, be ready. And also

1 June Leman.

2 MR. PITMAN: My name is Merle Pitman. I'm an
3 officer in the Mobile Home Owners Coalition. It's a
4 non-profit group that was formed to assist mobile home
5 owners with various matters involving the residency of
6 mobile home parks.

7 I live in a mobile home in Ojai, California.
8 It's a gated community with 178 spaces. At no time did
9 our park ever want \$260 to help with the expenses. And
10 our monthly rent is not that much either.

11 Many times the coalition has been successful
12 in resolving matters including disputes between park
13 owners and residents.

14 We are here tonight at the request of a
15 resident in your park who has indicated that there's a
16 proposed rent increase of over \$260, and that comes up
17 to a lot of money if you figure it out.

18 But one of the things -- one of the things
19 that I wanted to bring to a point is just this: I've
20 listened to all the attorneys go back and forth and all
21 the expert witnesses and all of that.

22 Not one time have I heard anybody say anything
23 about the people who live in the park that are making
24 less than the minimum wage on social security, who
25 hasn't had a raise in their social security in two

Page 161

1 years.

2 All they can think about is more money, more
3 money for the park owner. When is it all going to end?
4 We can't get any increase in our social security, why
5 should the park owner have an increase. Thank you.

6 MR. WERTHEIMER: Thank you. No applause,
7 please. Any questions? Chris Lev.

8 MR. LEV: The disadvantages of old age. I had
9 a whole speech prepared, and I'm just tempted to throw
10 it all out.

11 I'm here on behalf of my mother who owns a
12 home in Thunderbird Oaks. I've been a real estate
13 licensee since 1984 in this state. I'm a licensed real
14 estate broker. I own my own business. I manage real
15 estate companies for other companies.

16 I've been the President of Simi Valley Moore
17 Park Association of Realtors and their MLS. I'm a
18 member of the California Association of Realtor and the
19 National Association.

20 I've heard many things tonight. Many
21 distortions. I heard Mr. McCarthy tell you -- and I
22 know you heard me say this in the hallway, because I
23 said it loud enough for him to hear, and he just
24 stopped -- that value is set by an appraiser and the
25 seller and the buyer. Wrong.

1 Value is never set by an appraiser. Value is
2 only set by the buyer and the seller. The appraiser
3 just verifies that the value is there for somebody,
4 whether it's the buyer or the bank who may be financing
5 it. But the appraiser never sets the value.

6 If you hire an appraiser to value -- to do an
7 evaluation of your home, he's going to ask you, "What
8 is it for? Is it to refinance your house?" The answer
9 is yes. "Is it to sell your house?" He will try to
10 bring it in with whatever you want.

11 And that's basically what I've heard here
12 tonight. Thank you.

13 MR. WERTHEIMER: Thank you. Carol Fredericks

14 MRS. FREDERICKS: My name is Carol Fredericks.
15 I've lived in Thunderbird Mobile Home Park for over 10
16 years.

17 A very large majority of the residents of
18 Thunderbird -- and yes, Mr. Coldren, you're going to
19 hear it one more time. Our senior citizens are living
20 on little more than their social security.

21 When they moved into the park, they, as well
22 as all us, felt secure in the knowledge that we
23 purchased our homes.

24 You'll notice I did not say rent our home, but
25 said purchased our home. That we purchased our home

1 believing we were settling into an affordable place
2 where we could come to spend our retirement years.

3 Imagine the shock we all experienced when we
4 received an outrageous notice indicating that the rent,
5 that the land, the dirt underneath our homes that we
6 paid for and took out mortgages on was going to be
7 increased by \$322 a month.

8 No warning, no consideration, no thought at
9 all to what this would mean for particularly the
10 elderly residents of the park.

11 How many sleepless nights, churning stomachs,
12 and tears have been shed in the past several months
13 over this unjust and completely unwarranted proposal.

14 Management states they need this exorbitant
15 raise to maintain the park. And yes, we notice the new
16 street signs, and we noticed the flower beds at the
17 entrance at the park. These small improvements just
18 made since the notice of the increase came out by the
19 way.

20 Where was management when my husband and I had
21 the fire department out to assess the danger of the
22 groups of cypress trees that have grown to over two
23 stories high in several areas of the park.

24 After verbally asking management on several
25 occasions to address this issue and getting no

1 response, we sent out a petition that was signed by
2 residents to have the trees at least trimmed down to a
3 reasonable height that we the home owners could
4 maintain, since the fire department confirmed the
5 cypress trees were in fact torches just waiting to be
6 lit due to the dry needles which embed themselves at
7 the trunks of the trees and the highly flammable sap
8 which permeates the branches, there was never a
9 response from management to this petition either.

10 When the new property management team came on
11 board in 2009, I sent an e-mail welcoming the property
12 manager to the park.

13 I introduced myself. I shared my positive
14 thoughts on living in Thunderbird. In that letter, I
15 also included a paragraph about the danger of trees.
16 And once again, I was ignored.

17 We're not renting apartments here. We are
18 homeowners. And we are totally responsible for the
19 upkeep of our home.

20 Thank you for considering my comments. And I
21 ask that you will not honor this unjust and
22 inappropriate increase that will affect the lives of so
23 many people in the park who contributed so very much to
24 the community.

25 MR. WERTHEIMER: Thank you. Any questions

1 from the Board? June Leman. And will Daryl Lafferty,
2 Karen Haskin -- I can't read the handwriting -- and
3 Gloria Prehmus please be ready? Please be ready.

4 MRS. LEMAN: My name is June Leman. I am 79,
5 and my husband John is 82. We have lived in the
6 Thunderbird Mobile Home Park for almost five years.

7 We live on a fixed income. We gave up the
8 two-story house with a large lawn to move somewhere we
9 could afford to live and enjoy the rest of our lives.

10 To find that our rent might be raised to an
11 amount that is \$322, now a little less, was quite a
12 shock.

13 We have just received notice from our hospital
14 insurance that our rates were going up \$200 a month
15 because we are older. Maybe the owner of the park does
16 not remember that this is a park for seniors on fixed
17 incomes.

18 When we looked at parks, we wanted to stay in
19 Thousand Oaks, and Thunderbird was our choice. At that
20 time, we paid top dollar, \$199,000 for our mobile home.

21 We were under the impression the park was
22 under rent control and would only have slight increases
23 on a yearly basis.

24 Had we known the park owner would someday
25 decide he wanted to collect the alleged lost income

1 from the past, I doubt we would have bought here.

2 Due to the economy, the price of selling
3 mobile homes has gone down. Our particular model could
4 not be moved.

5 If we cannot afford to live here, we, like
6 many, many others in this park and elsewhere, could not
7 afford to start over somewhere else.

8 Many people here in the mobile home park live
9 on fixed income. A lot of widowers have only one
10 social security check. These people could not stay.

11 This is very sad. This is like pulling the
12 rug out from underneath active and not-so-active senior
13 citizens. We are still alive and pay taxes and spend
14 our money in Thousand Oaks.

15 We have not seen any big improvement in this
16 park since we moved here. In fact, the request of the
17 two tall cypress trees -- when we were told they were
18 bushes -- and then the park would not trim them down.
19 A cypress tree is a tree. It's not a bush.

20 We hope the City of Thousand Oaks will hear
21 our voices. And remember, you too could live to be old
22 someday and live on a fixed income, and someone could
23 make a difference in your quality of living.

24 MR. WERTHEIMER: Thank you. Commissioner, do
25 we have a question here? Can you come back to the

1 podium?

2 MRS. FERRUZZA: I just want to know, did you
3 buy your home -- was it brand new? It was used?

4 MRS. LEMAN: Yes, it was a used home.

5 MR. WERTHEIMER: Okay. Daryl Lafferty.

6 MR. LAFFERTY: Good evening. My name is
7 Daryl Lafferty. I am retired from Aerospace. And I'm
8 on social security and a small pension.

9 My wife and I have lived in Thunderbird Oaks
10 for over 10 years now, and most all of my neighbors are
11 seniors on social security also.

12 The timing of this application, as has been
13 said, couldn't have been worse since there was no cost
14 of living allowance in 2010 and 2011. That's pretty
15 old news.

16 Now, I purchased my home in place and have
17 added approximately \$30,000 in improvements and
18 repairs. And because of it's age, like most others,
19 cannot be moved to another park. We are all truly
20 captives of Thunderbird Oaks.

21 Mr. Hohn's silence about profit over a 30-year
22 period more or less tells me that the annual rent
23 increases were adequate.

24 Otherwise, why wouldn't he have done something
25 after 10 or 15 years in a smaller scale. He surely

1 would have applied for some rental adjustment I would
2 have thought.

3 I just -- you know, with all of the charts
4 that we've seen tonight, they were scientifically
5 constructed. I don't think most of the people
6 understood what they said. I know I didn't.

7 I did see that cost line with the total
8 revenues were adjoined at the end. Why wasn't
9 something done back in the middle of that line to ease
10 the burden of what's happening now?

11 So that's my view. And I just think that we
12 should -- we should have no rent increase.

13 MR. WERTHEIMER: Thank you. Any questions of
14 the Commission? Karen --

15 MRS. FELDMAN: Karen Haskin.

16 MRS. HASKIN: My name is Karen Haskin. And
17 actually, I'm reading this for my mother who lives in
18 the park. She's in the audience here, and she asked me
19 to read this letter for her.

20 Dear Commission Members, I am an 88-year-old
21 widow living solely on social security. In 1986 after
22 my husband suffered an incapacitating stroke, we
23 purchased our mobile home believing this was a
24 protected senior housing project with the assurance
25 that there would be no unexpected large rent increases.

1 This property is developed with approximately
2 161 miniature, postage stamp lots designated
3 specifically to provide affordable housing for the
4 elderly. I assumed that was an exchange for such a
5 high density project.

6 I estimate that currently the owner of the
7 park receives over \$800,000 a year in rent. To request
8 double that amount is an insult.

9 There have been reasonable rent increases over
10 the years, as well as a steady decline in care of the
11 common area.

12 Interestingly, since the filing of this
13 increase, there has suddenly been a flurry of cosmetics
14 and repairs to the park.

15 Mobile homes are not an apartment. As has
16 been said, we pay a lot of money for where we live.
17 Where is my fair and equitable compensation and return
18 on my 25-year investment.

19 My current rent is already over 30 percent of
20 my income. After utilities, meds, insurance, et
21 cetera, I barely have enough for food.

22 It does not take a genius to know that any
23 rent increase will be a financial hardship. There is
24 no where else to go. I might as well die.

25 I know I am not alone in this crisis, as many

1 of my neighbors have the same limitations. It is a
2 nightmare that at 90, instead of being honored and
3 respected as an elder of the community -- or almost
4 90 -- I am being threatened with homelessness.

5 MR. WERTHEIMER: Thank you.

6 MRS. HASKIN: Thank you.

7 MR. WERTHEIMER: Gloria. And would Cody
8 Anderson, Dan Goldstein, and Wilma Conner please be
9 ready? Gloria Prehmus --

10 MRS. ANDERSON: How is everybody enjoying the
11 party? First off, before I start, my name is
12 Cody Anderson.

13 And I've lived in Thunderbird for six years.
14 However, I've lived in the community for 48 years,
15 raised my family, my kids, and I love it here. I love
16 this City. I love the people in the park. I have made
17 many upgrades to my coach also.

18 And by the way, just as an added note, just a
19 short period of time ago, we already did get a raise.
20 We were raised approximately \$50. Because up until
21 just a short time ago, we did not have to pay for our
22 garbage and sewer. Now we do.

23 Now, let's get down to some nitty gritty.
24 I've had my home for sale for a few years. I would
25 like to tell you that it's not always the home that

1 stops a sale, but the park itself.

2 This park was a four star park. Now, because
3 of lack of upkeep, it's probably a two and a half star
4 park.

5 The clubhouse is in serious need of updating.
6 The -- it needs a good deep cleaning. Tenants in the
7 park are too old to do this kind of cleaning, and they
8 keep telling us it's up to us to clean it.

9 After all, the park owners state that they
10 provide a clubhouse, and I am assuming that means a
11 clean clubhouse.

12 How would you like to go down there for an
13 evening of cards, dance, dinners, activities in the
14 park and have it very dark so you can hardly play
15 cards?

16 The lighting is atrocious. And it's never
17 been updated. We have to look at a water stained mural
18 that was placed in the clubhouse in 1976. No paint, no
19 upgrades, and certainly a dirty clubhouse.

20 Most items like comfortable chairs are not
21 there. Especially when you're older, they're hard to
22 sit in. Pool table and all kitchen pots and pans,
23 dishes, utensils were donated by the tenants --

24 MR. WERTHEIMER: Thank you very much.

25 MRS. ANDERSON: -- including.

1 MR. WERTHEIMER: Cody, thank you very much.

2 MRS. ANDERSON: I do have one more thing I
3 want to say. The owner demands that I comply to their
4 rules, and I am willing. However, they, in turn, offer
5 nothing to the tenants. I am not willing to pay
6 suburban park management one extra cent because they
7 offer nothing in the way of a benefit to tenants.

8 As I understand, none of this increase will be
9 used for the park itself, just for big bonuses for
10 management. Thank you.

11 MR. WERTHEIMER: Thank you. Could you stay up
12 there for a moment, Cody?

13 MRS. ANDERSON: I'm sorry?

14 MR. WERTHEIMER: I have a question for you.

15 MRS. ANDERSON: Oh, okay.

16 MR. WERTHEIMER: When did you start paying
17 utilities?

18 MRS. ANDERSON: When what?

19 MRS. WERTHEIMER: You said you were charged
20 for trash, et cetera.

21 MRS. ANDERSON: That was about a year --

22 MR. WERTHEIMER: 2007. Thank you.

23 Mr. Coldren, do you have any questions?

24 MR. COLDREN: (Inaudible). Is it trash?

25 MRS. ANDERSON: Uh-huh. Trash and sewer.

1 MR. COLDREN: Okay. When you began doing
2 that, did your base rent go down?

3 MRS. ANDERSON: No.

4 MR. COLDREN: Nobody reduced your rent?

5 MRS. ANDERSON: No. I'm still paying the same
6 rent.

7 MR. COLDREN: Okay. Let me ask you a
8 question, Cody. Are you aware that under the Mobile
9 Home Residency Law, if a park owner in a rent
10 controlled jurisdiction breaks out a utility out of the
11 rent, they're required to reduce the rent commensurate
12 with the cost of that particular utility? Are you
13 aware of that?

14 MRS. ANDERSON: No, because mine did not get
15 reduced. I'm still paying what they charged me every
16 year.

17 MR. COLDREN: Okay. And what's the ballpark
18 amount for trash that you're paying every month?

19 MRS. ANDERSON: Approximately \$50, give or
20 take a little bit.

21 MR. COLDREN: I'm asking Cody --

22 MR. WERTHEIMER: Just -- audience, please.

23 MR. COLDREN: Is it \$20 or \$50?

24 MRS. ANDERSON: Approximately -- between the
25 two, between the sewer and the garbage, it's

1 approximately \$40, give or take -- I mean \$50, give or
2 take.

3 MR. COLDREN: I'm sorry. Is it 21, 40, or 50?
4 Last chance.

5 MRS. ANDERSON: I said in the beginning,
6 approximately \$50.

7 MR. COLDREN: Okay.

8 MRS. ANDERSON: -- give or take.

9 MRS. COLDREN: I'm getting --

10 MR. WERTHEIMER: Can the audience please be
11 quiet?

12 MR. COLDREN: No further questions. Thank
13 you.

14 MR. WERTHEIMER: Thank you. Dan Goldstein.

15 MR. GOLDSTEIN: Good evening. I'm
16 Dan Goldstein. I've been a resident of Thousand Oaks
17 for over 16 years. My mother-in-law is a resident of
18 Thunderbird.

19 I'm a CPA. I have an MBA from UCLA. I worked
20 at Ernst & Young. I worked at Amgen for about 10
21 years. I'm the CFO -- been the CFO of several local
22 businesses. I sat on the City of Thousand Oaks
23 Investment Review Committee and the County of Ventura
24 -- (inaudible).

25 There's a number of things that just don't

1 make sense about the owner's proposed rent increase.
2 Here's just a few.

3 In an August 23rd article in the
4 Ventura County Star, Hohn's attorney Mr. Boyd Hill was
5 quoted, "If we keep going the way we are, we won't be
6 long before the park is operating at a negative."

7 How is that possible? Hohn submitted a rent
8 increase that showed his net operating income in 2009
9 was \$443,550, his net profit.

10 There's no evidence that Hohn has ever lost a
11 penny on this low risk investment in the 30 years he's
12 owned it.

13 Rent increases have been assessed almost the
14 entire 30 years. \$443,550 in net profit last year,
15 almost a half million dollars.

16 Hohn reported management and administrative
17 expenses of \$167,000 last year, or nearly 22 percent of
18 rental income. 22 percent, how was this possible?

19 Property managers that I've spoken with tell
20 me they charge 4 percent to manage properties, 4
21 percent. Hohn is charging -- is reporting 22 percent.

22 Let's double that 4 percent to the 8 percent
23 maximum allowed by the resolution that Dr. Baar
24 referenced in his report.

25 If the owner -- at 8 percent, the owner should

1 be paying no more than \$60,000 a year to manage this
2 property, not \$167,000.

3 If he chooses to pay a ridiculous amount of
4 money to manage the property, it should not be the
5 burden or responsibility of his tenants. It should be
6 his own.

7 Effectively, Hohn could be making over
8 \$550,000 a year on this property by hiring a
9 professional manager.

10 For over 30 years, the owner has not raised an
11 issue with operating profits from this park. Why now?
12 What has changed?

13 MR. WERTHEIMER: Thank you. Does the
14 Commission have any questions? I have one.

15 You quoted property management as 22 percent.
16 Is that from net income or gross income?

17 MR. GOLDSTEIN: That's from rental income.
18 That does not include monies received for trash and
19 sewer.

20 That's just gross rental income right off of
21 the application. And that's total management and
22 administrative expenses, not just management fees to
23 suburban park. It's everything, salary, benefits, et
24 cetera, right out of the application.

25 MR. WERTHEIMER: Benefits for what?

1 MR. GOLDSTEIN: Well, I can --

2 MR. WERTHEIMER: No. That's okay. The
3 property management is property management, and it's a
4 third party expense.

5 MR. GOLDSTEIN: Right. But I'm talking about
6 total management and administrative expense of roughly
7 167,000. And the original application shows 167,000 of
8 management and administrative expenses, which includes
9 in that as a component the money that was paid to
10 suburban park management.

11 MR. WERTHEIMER: So your comparison of 22
12 percent then, was -- you said you talked to people, and
13 it said property management in the norm is 4 to 5
14 percent?

15 MR. GOLDSTEIN: Yeah. I've talked to --

16 MR. WERTHEIMER: But that's for third party --
17 or is that again all the wrap-up that you just
18 described previously of management and fees and
19 benefits, et cetera?

20 MR. GOLDSTEIN: Yeah. Total cost of managing
21 the property. Now, I'm not saying I can go out there
22 and get 4 percent, but maybe 8 percent.

23 I don't understand how it can become
24 22 percent, when at the beginning of the 1979 time
25 frame, it was roughly 4 percent.

1 MR. WERTHEIMER: And I don't know any third
2 party property management companies that will work for
3 less than 4 percent just in their expense.

4 MR. GOLDSTEIN: What would be a reasonable
5 amount of money for M and A expense to incur on a
6 mobile home park is the question?

7 MR. WERTHEIMER: They're separate. Well,
8 never mind. No more questions.

9 MR. GOLDSTEIN: All right.

10 MR. WERTHEIMER: Mr. Coldren, Do you have any
11 questions -- never mind. Okay. Yes.

12 MRS. FERRUZZA: If I recall correctly in the
13 paperwork, Mr. Hohn was managing the park for a number
14 of years. Wasn't that correct? And so comparing --
15 his managing his property compared to him having to pay
16 out for management would be very different.

17 MR. WERTHEIMER: Thank you. Is that a
18 question or a statement or what?

19 MRS. FERRUZZA: It's more an observation of
20 what this gentleman is saying.

21 MR. WERTHEIMER: Okay. Thank you.

22 MR. SILACCI: Mr. Goldstein.

23 MR. GOLDSTEIN: Yes.

24 MR. SILACCI: I just want -- my question is
25 the point you just made in your summary. Your comments

1 are summarized in the documents that Mr. Sellers handed
2 out earlier?

3 MR. GOLDSTEIN: Right.

4 MR. SILACCI: Thank you. Mr. Chair, I don't
5 know what the procedure is. I don't know given the
6 amount of time that we've had this before us whether or
7 not the staff or anyone else has had an opportunity to
8 look at this.

9 MR. WERTHEIMER: Okay. Do you have a
10 question?

11 MR. SILACCI: I already had a question of
12 Mr. Goldstein. I guess my question is one of procedure
13 on how we address the document that was handed to us
14 earlier.

15 MR. WERTHEIMER: We'll review it and bring it
16 up to talk about it later. Or you can ask --

17 MR. GOLDSTEIN: Are you asking me?

18 MR. SILACCI: Excuse me. I don't necessarily
19 have questions of Mr. Goldstein. I really have more
20 questions of staff and our expert witness as to how
21 this relates to our recommendations and the report.

22 MR. NORMAN: You will have one more
23 opportunity to talk to staff, and then the owner will
24 have a final rebuttal session.

25 MR. SILACCI: That answers my question. I

1 just wanted to verify that indeed this summarized your
2 comments. Thank you.

3 MR. GOLDSTEIN: Okay.

4 MR. WERTHEIMER: Mr. Coldren, you're up.

5 MR. COLDREN: Mr. Goldstein, when were you
6 retained in this matter?

7 MR. GOLDSTEIN: I wasn't retained. I
8 volunteered.

9 MR. COLDREN: Okay. Whether you're pro bono
10 or whether you were being paid, when were you requested
11 to provide services, and when did you commence
12 providing services in this matter?

13 MR. GOLDSTEIN: Roughly at the time frame that
14 they received -- the tenants received the application.
15 Roughly, you know, June.

16 MR. COLDREN: June?

17 MR. GOLDSTEIN: Yeah.

18 MR. COLDREN: And -- and --

19 MR. GOLDSTEIN: Whenever that meeting was. I
20 don't know the specific date.

21 MR. COLDREN: Last summer sometime?

22 MR. GOLDSTEIN: Correct.

23 MR. COLDREN: Okay. And this little
24 declaration that you've presented us with, when was
25 this presented for the first time to my office?

1 MR. GOLDSTEIN: I put it together today.
2 Because we received the booklet of Dr. Baar's
3 information on Friday, got a chance to talk to
4 Mr. Sellers yesterday, put it together this morning,
5 and e-mailed it to Mr. Sellers.

6 MR. COLDREN: Okay. Are you -- do you
7 consider yourself an expert in this matter?

8 MR. GOLDSTEIN: I consider myself an expert in
9 financial matters, accounting, auditing, financial
10 analysis of all types of companies.

11 MR. COLDREN: Okay. So you're presenting this
12 then -- I'm just trying to understand this. There is
13 two kinds of evidence. There's expert testimony and
14 there's what we call in the law percipient testimony,
15 in other words where you're an eye witness to an event
16 or something. You're appearing as an expert witness;
17 is that right?

18 MR. GOLDSTEIN: I don't know the answer to
19 that. I consider myself a financial expert, but I
20 don't know specifically what the definition is of
21 expert in a legal setting, not that we're in a legal
22 setting.

23 MR. COLDREN: Have you ever been qualified as
24 an expert witness in a court or a rent review board
25 before?

1 MR. GOLDSTEIN: I've not attempted to become
2 an expert in a court of law.

3 MR. COLDREN: Okay. Do you consider yourself
4 an expert on rent control issues?

5 MR. GOLDSTEIN: No, I do not.

6 MR. COLDREN: Okay. Just a couple of other
7 quick questions. As part of your expert preparation
8 here, you obviously satisfied yourself that you've done
9 everything you should do in order to be able to render
10 the opinions that you've rendered; is that correct?

11 MR. GOLDSTEIN: Correct.

12 MR. COLDREN: Okay. When is the first time
13 that you consulted with the park's accountant or the
14 park's management company to try to obtain explanations
15 for any of the assertions that you make about the
16 excessive management expenses?

17 MR. GOLDSTEIN: There was no need for me to do
18 so because I referenced the information in Dr. Baar's
19 report.

20 MR. COLDREN: Did you ever pick up the phone
21 and call Gretchin or call Mr. Hohn or call
22 Mike McCarthy and call my office and say, hey, I've got
23 this issue and --

24 MR. GOLDSTEIN: Was there a requirement for me
25 to do that? Is there a rule that says I must call your

1 office on Monday morning saying that I must ask you
2 about this particular issue?

3 MR. COLDREN: As the Chair once commented, to
4 answer a question with a question is not the way this
5 works.

6 MR. GOLDSTEIN: Okay.

7 MR. COLDREN: But I'll answer you. I'll go
8 ahead and answer you by telling you that yes, an expert
9 witness, somebody who is going to appear in front of a
10 board and give credible testimony on a matter, is
11 supposed to do whatever investigation that witness
12 deems appropriate, which is whatever an expert in the
13 field would do in order to become familiar and be able
14 to render the opinions, the sorts of things
15 Mr. McCarthy did, the sorts of things Dr. Baar did, the
16 sorts of things John Neet did.

17 In any event, the -- you say in the first
18 paragraph -- and I'm not going to go through your whole
19 report. This is just by way of example.

20 You say, "Mr. Baar correctly states the City
21 regulations provide that management and
22 administration," quote, "must be calculated for both
23 the base year and the current year at the same
24 percentage of actual income," period, closed quote.
25 You see -- you recall writing that?

1 MR. GOLDSTEIN: That came right out of
2 Dr. Baar's report.

3 MR. COLDREN: Okay. But you didn't copy down
4 the whole sentence for the Commission, did you?

5 MR. GOLDSTEIN: I can -- can I pull it out?

6 MR. COLDREN: Sure. While you're looking for
7 that -- 'cause I know that the evening is getting
8 late -- must be calculate -- okay.

9 Dr. Baar, I guess, boldly asserts that at some
10 point in his report, but he no where cites to the rent
11 control ordinance or the regulations to support such a
12 claim; isn't that true?

13 MR. GOLDSTEIN: I'm quoting Dr. Baar's report.
14 "The regulations provide that management and
15 administrative expenses," quote, "must be calculated
16 for both the base year and the current year at the same
17 percentage of actual income. They also provide that
18 their total cannot exceed 8 percent of income."

19 MR. COLDREN: Did you look at the regulation
20 that supposedly provides this?

21 MR. GOLDSTEIN: Yes. I've looked at it a
22 number of times.

23 MR. COLDREN: Did you hear the testimony
24 tonight to the effect that that's inoperable under
25 these circumstances in this case?

1 MR. GOLDSTEIN: I did not gather that.

2 MR. COLDREN: Okay. Finally, if the net
3 operating -- hypothetically, if my client's net
4 operating income should be \$934,000, instead of the
5 430,000 that he's in fact collecting because of the
6 rent control -- you with me so far?

7 MR. GOLDSTEIN: That's a hypothetical, yes.

8 MR. COLDREN: And if expenses in the park are
9 the -- I don't know what is it, about a half million
10 dollars in expenses. You get the drift anyway?

11 So if gross revenue in the park is a million
12 four in 2009, what percentage of a million four is
13 \$39,000?

14 MR. GOLDSTEIN: First of all, I wasn't talking
15 about \$39,000. I was talking about 167,000 of M and A
16 expense. So I'm not sure why you're bringing up
17 39,000.

18 MR. COLDREN: Let's take that --

19 MR. HEHIR: Mr. Coldren, can you pick up the
20 microphone?

21 MR. COLDREN: Okay. So whether it's 161,000,
22 was you're contending, or 39,000, which I heard spoken
23 about earlier in terms of management expense, compared
24 to, say, a million five in gross income, that's like 10
25 percent rather than 30 percent or 50 percent; isn't

1 that right.

2 MR. GOLDSTEIN: I think you're asking a very
3 obvious question. If rent was higher, it would
4 obviously be a lower percentage.

5 MR. COLDREN: Right. So if my client's rents
6 today are at a confiscatory level, would you say that
7 his management fee should be artificially set at a
8 percentage which reflects the confiscatory level of the
9 rents as an expert?

10 MR. GOLDSTEIN: I think the rents today are
11 fair. If you allege them to be confiscatory, then --
12 you know -- what is the question? If they are
13 confiscatory, then the percentage would be lower, is
14 that what you're asking me?

15 MR. COLDREN: No further questions. Thank
16 you.

17 MR. WERTHEIMER: Thank you. No applause from
18 the audience, please. We got another question here for
19 you.

20 MR. GOLDSTEIN: Well, I'm feeling popular
21 tonight.

22 MR. SHELDON: Mr. Goldstein, I want to thank
23 you very much for taking your time to come down here
24 tonight. Would you just please remind us why you have
25 so much interest in this case?

1 MR. GOLDSTEIN: My mother-in-law is a tenant.
2 I know her particular situation. I went to the initial
3 meeting of the homeowners where, you know, everybody
4 was caught off guard by the issue.

5 There are homeowners that purchased mobile
6 homes very recently. It was a complete shock to them
7 getting this type of increase.

8 I went through the application in detail. I
9 thought it had a lot of inaccurate information in terms
10 of -- just confusing.

11 When people looked at the big document, they
12 got confused. I read it in detail. I felt compelled
13 to support the tenants of the park, not only because of
14 my mother-in-law being a tenant, but because I didn't
15 feel that the application was accurate or appropriate.

16 I've never in my life -- in my 23 years of
17 financial experience, have I ever seen a set of
18 financial statements for one year be estimated from a
19 future year based on a reverse CPI factor.

20 I think the testimony earlier from
21 Mr. McCarthy, he was talking about specific items,
22 specific accounts in an accounting ledger being
23 estimated because that's part of accounting, but not
24 entire sets of financial statements.

25 I've never in my life, working at big large

1 accounting firms and working at plenty of other firms,
2 have seen a set of financial statements or a tax return
3 be prepared based on future information and trying to
4 impute a historical number based on that information.
5 I just think it's wrong.

6 I also -- you know, when I read the statement
7 that the applicant is using 1979 financial information
8 over and over again, I just couldn't understand how
9 they could make that statement.

10 They didn't. They had 1986 information. So
11 be it. If -- that's what they should have used.
12 Anyhow --

13 MR. FELDMAN: Thank you again. Really
14 appreciate it.

15 MR. WERTHEIMER: No applause from the
16 audience, please. Wilma Conner. And will Bob Ricker,
17 Edie Brown, and Scott Tufts please be ready?

18 MR. BROWN: Hello. My name is James Brown.
19 I'm a resident of Thousand Oaks. I'm reading this
20 letter on behalf of my mom.

21 She's been living in the area since 1958.
22 She's been living in Thousand Oaks Mobile Home Park
23 since '94.

24 She's on a set income of less than 850 a
25 month. She doesn't know where she'll go. Any repairs

1 done on her property or anything came out of my pocket.
2 I've done for her -- it's been over 14,000 on just the
3 property itself spent.

4 If she were to pass or move tomorrow -- if she
5 were to move her mobile home, anything done to the
6 property would stay because I'm not about to rip up the
7 redwood deck or porch or whatever you want to call it.

8 I sat down and did a little calculation. I'm
9 not a smart man. I don't have degrees. I don't have
10 calculations or anything.

11 If the property owner got 161 tenants and the
12 average rent is \$500, that's about 6, 700,000 a year.
13 Most these people here are living on less than 30 a
14 year, and they're getting by. Don't make sense to me.
15 You all have a good evening.

16 MR. WERTHEIMER: Thank you. Any questions
17 from the Commission? I'd like to poll the Commission
18 for about whether we should continue or return for the
19 18th.

20 MR. HEHIR: If I could make a recommendation,
21 Chairman. Normally, you know, standard practice is to
22 poll the Commission to see how long you want to
23 continue further. You know, at this point, we have a
24 few more -- 10 more public speakers and --

25 Okay. So I don't know if you want to take a

1 break. But we've been going for almost -- actually
2 about two hours since the last one.

3 Again, that's just something for you to think
4 about. If you want to just think about how you want to
5 proceed with the rest of the evening, whether you want
6 to try to finish up public testimony tonight and then
7 move for deliberation at another time.

8 If you guys are exhausted, again, it's at your
9 pleasure. Just think of the option.

10 MR. WERTHEIMER: Great. Thanks. Michael.

11 MR. SILACCI: Well, my opinion is, given the
12 fact that these folks have sat here, I'd like to at
13 least give them the opportunity to finish giving their
14 input. And then we can decide what to do.

15 MR. WERTHEIMER: Mrs. Feldman.

16 MRS. FELDMAN: I concur.

17 MR. WERTHEIMER: All right. Let's finish with
18 the cards. And is there a Wilma Conner still here?
19 Oh, that was -- okay. Then that also was Edie Brown.

20 MRS. BROWN: My name is Edie Brown.

21 MR. WERTHEIMER: Edie Brown. Okay.

22 MRS. BROWN: I'm Edie Brown. I reside in the
23 City of Ventura. I'm here as the representative of the
24 Congress of California Seniors.

25 For those who don't know what

1 the California -- Congress of California Seniors is,
2 it's an umbrella organization representing thousands
3 and thousands of seniors just like these sitting here
4 in this auditorium.

5 I too live in a mobile home park. I spent 30
6 years here in the Conejo Valley. And when I retired in
7 19-whatever, I seriously considered moving into the
8 Thunderbird Oaks Mobile Home Park.

9 But I didn't. I moved to Ventura. And I want
10 to contrast the park where I live with what I've heard
11 tonight about Thunderbird Oaks. I've been there 16
12 years. Every year, we get 5 to \$10 rate increase. It
13 is rent controlled.

14 In the time I've been there, we've refurbished
15 the clubhouse completely, redone the pool, the dressing
16 rooms, the restrooms, and the clubhouse, and put on
17 tile roofs on both the clubhouse and the laundry room.

18 Now, all of that was done fairly recently in
19 the last several years. And I want to tell you that my
20 rent increase for the next year is \$0.96. Now, that's
21 not what I'm hearing from these people about what's
22 going on at the Thunderbird Oaks.

23 And I -- I submit to you that it's a
24 management problem. That the owner of that park needs
25 to take a good look at how he's managing his assets.

1 Because we certainly don't have that same problem down
2 there.

3 Now, our park is slightly larger than this
4 one, but it was actually built before the Thunderbird
5 was. Thank you.

6 MR. WERTHEIMER: Thank you very much.
7 Bob Ricker.

8 MR. RICKER: I'm a fortunate one to be living
9 at Ventu Park Estates, which has a marvelous manager,
10 Commissioner Beatrice Ferruzza. We love her. She's
11 doing a great job. They're doing a great job in the
12 park.

13 One of the greatest things about Thousand Oaks
14 is that you can live in a beautiful community and have
15 a modest cost.

16 The only thing that comes close to that is my
17 grandchildren. My wife and I have given our life to
18 service for people in America and around the world.
19 Our salaries have been modest because of that, and we
20 are really pleased to be in a mobile home.

21 I feel tonight what we're trying to do is
22 break the rent control. And I felt a lot of greed that
23 it makes me feel bad. And I'm very sorry. I don't
24 like greed. I like to help people. I like compassion.

25 And I don't very much -- in that little

1 paragraph that we will not make anybody pay anymore
2 than they can afford is enforceable.

3 And if you send them out to non-profit
4 organizations to get their money, they're not going to
5 get it. I worked for it all my life.

6 But I love Thousand Oaks. And thanks for
7 listening.

8 MR. WERTHEIMER: Thank you. Scott Tufts.
9 Frank Lussier. Betty Pitman. Oh, that's Frank. Okay.
10 My apologies, Frank.

11 MR. LUSSIER: Good evening ladies and
12 gentlemen. My name is Frank Lussier. I've been
13 working out here since 1960. I've done over 3,285
14 projects.

15 One of my first projects in 1974 under my new
16 engineering company was the Thunderbird Mobile Home
17 Park.

18 It was a project that was conceived by a
19 fellow named James Matthews. And he was the fellow
20 that went into the negotiations with Louie Global and
21 had purchased this property for somewhere around
22 \$350,000. For 161 spaces that I was able to develop
23 out of that, that was a pretty Lucrative piece of
24 property.

25 And in the process, the State was doing the

1 freeway, and they ran out of dirt. So someone came to
2 me and they said, "Can you get us two or 300,000 yards
3 of dirt?" I went to Louie Global, I says, "Louie, can
4 we grade this whole site down?" And he said, "Well,
5 sure. Why not?"

6 I went to the City Council that Tuesday night,
7 and within days, we had trucks coming off that freeway
8 picking up that dirt and going under the freeway back
9 onto it heading to finish the freeway that they were
10 trying to complete.

11 So this whole site was graded for free. In
12 fact, they came back after they graded the site with
13 water trucks and sprayed water on all the oak trees to
14 get the dust off of them.

15 So as far as I was concerned, this was
16 probably one of the most lucrative projects that I've
17 ever got involved with in my 50 years of doing this.

18 So I'm really annoyed that this is coming to
19 fruit for you as a rate increase. This probably was
20 incredibly lucrative.

21 It was so -- I was so excited about this
22 project. By the way, I think I got paid \$250 for my
23 services at that time to design this whole park.

24 And in doing this, I asked Louie Global to
25 give me an acre of dirt adjacent to this property. And

1 this is where my friends the Global Senior Center
2 started. And we built that whole center for nothing.

3 It was all done by volunteers and
4 contributions. So from there, you see the Global
5 Center and see what it developed.

6 So this was all Louie Global's, you know,
7 goal, to help people.

8 MR. WERTHEIMER: Thank you very much.

9 MR. LUSSIER: Thank you very much.

10 MR. WERTHEIMER: Do we have any questions by
11 the Commission? Thank you, Mr. Lussier.

12 MR. LUSSIER: Thank you. You're welcome to
13 see this.

14 MR. WERTHEIMER: Betty Pitman.

15 MRS. PITMAN: My name is Betty Pitman. And
16 I'm an Officer in the Mobile Home Owners Coalition.
17 And we take care of mobile home residents as best we
18 can.

19 We try to keep them from getting evicted, and
20 we try to make their lives a little better. We're an
21 all volunteer group, and we spend a lot of time just
22 helping people.

23 So tonight I heard the park owner's
24 representatives saying that they are going to take care
25 of people who do not have enough money to pay the rent

1 after this increase.

2 Well, let me tell you, I own the
3 Brooklyn Bridge, and I'd sell it to you tonight.
4 Because we know better.

5 And there is a gentleman with one leg in this
6 park who cannot sell his mobile home because the rent
7 is high already, and he needs to move with his son so
8 that he can be well taken care of.

9 So he went to the park and he asked them if
10 they would consider buying his mobile home. And they
11 said, yes, we'll give you \$300 for it. That's \$38 more
12 than his first rent is going to be, his first months
13 rent.

14 So if you really believe that he's going to
15 take care of the people, you have another thing coming,
16 and you should really mark that down and make sure that
17 that is put in stone before you ever let him raise the
18 rent. Thank you.

19 MR. WERTHEIMER: Thank you. Is there any
20 questions from the Commission? Joan Edwards. And
21 after that will be -- I can't read it. It's either
22 Robin or Reubin McOwen.

23 MRS. MCOWEN: Hello.

24 MR. WERTHEIMER: Joan? Are you Joan?

25 MRS. MCOWEN: My name is Robin McOwen. And

1 I've lived in Thunderbird since April 15 of 2010. When
2 I purchased my home, I had a difficult time being
3 qualified by some suburban park management.

4 At the time, I had lost my job, June of 2009,
5 but I was waiting for my mother's house to be sold, and
6 I would be the beneficiary of her estate. I showed the
7 park management the closing figures of my mom's house
8 and that I was a beneficiary.

9 I had a job at this time making enough money
10 to qualify for the rent to Thunderbird Oaks. Suburban
11 park management disqualified me because they did not
12 feel I worked long enough at this job.

13 When Gretchin made my sister a co-signer, for
14 me to -- and opened up an account and put \$5,000 in the
15 bank, at this time, my broker went over Gretchin's head
16 and straight to the Hohn family, and they gave
17 Gretchin -- that I was qualified to live in the
18 Thunderbird Oak Park.

19 I am 57 years old and certainly responsible
20 enough to take care of myself. I would never put
21 myself in a situation where I could not pay my bills.

22 All of this ridiculous qualifications, stress,
23 and humiliation, Gretchin had never informed me there
24 was going to be a rent increase. She knew that there
25 was because the application was filed on May 27, 2010.

1 I would have never bought in this park if I
2 had known this. There are many other parks with more
3 amenities and certainly better management.

4 To pay more money for a special management
5 would be a disgrace. Thank you.

6 MR. WERTHEIMER: Thank you. Joan Edwards, are
7 you still here? Okay. That will be it. Do we have
8 any other questions? Is there anybody else that would
9 like to speak? Another question? Go ahead.

10 MRS. FELDMAN: I would like -- may I ask a
11 question? I'd like to ask the woman who said it was
12 not disclosed to her when she purchased her home
13 subsequent to May, I guess -- or I don't recall the
14 date that you purchased your home -- while the park
15 owner was aware that they were filing an application.

16 Whoever that was, very pretty lady with gray
17 hair.

18 UNIDENTIFIED SPEAKER: Could you please come
19 down just so we can have it?

20 MRS. FELDMAN: I'm sorry. I didn't get this
21 question asked. No. She's not it. Someone recently
22 purchased their home, and it was not disclosed to them
23 that the application was being filed.

24 MR. WERTHEIMER: No, Robin, it wasn't you.

25 MRS. MCOWEN: It wasn't me? Because I wasn't

1 disclosed in my contract either.

2 MRS. FELDMAN: When did you purchase your
3 home?

4 MRS. MCOWEN: I purchased my home -- I moved
5 into Thunderbird on April 15 of 2010.

6 MRS. FELDMAN: When did you open escrow?

7 MRS. MCOWEN: It was in March.

8 MRS. FELDMAN: And when did you meet with
9 management?

10 MRS. MCOWEN: Same time.

11 MRS. FELDMAN: March or April?

12 MRS. MCOWEN: Yeah.

13 MRS. FELDMAN: Thank you.

14 MR. SHELDON: Anybody that's providing
15 testimony, please use the microphone and give your name
16 and city of residence for the record.

17 MRS. MCOWEN: Okay. Robin Mcowen,
18 Thousand Oaks.

19 MRS. FELDMAN: Thank you.

20 MRS. MCOWEN: You're welcome.

21 MR. WERTHEIMER: Is there any other questions
22 up here for the Commission?

23 MRS. DAY: Janet Day, Thousand Oaks. And I
24 opened escrows June 1st, closed and moved in July 15th.

25 MRS. FELDMAN: Of this year?

1 MRS. DAY: Yes.

2 MRS. FELDMAN: Well, yeah, this past summer?

3 MRS. DAY: 2010.

4 MRS. FELDMAN: Okay. And that was subsequent
5 to the filing of the application?

6 MRS. DAY: Yeah.

7 MRS. FELDMAN: Thank you.

8 MR. WERTHEIMER: Anyone else? Step up to the
9 podium. Name and residence, please.

10 MRS. AURANT: My name is Marilyn Aurant. I'm
11 the Chairperson. I would like to let you know that
12 there are four people that closed escrow after this
13 application was filed.

14 That's a different thing that's happening now.
15 But there were four people non-disclosure, and there
16 are two at the Ranch. Just so you know.

17 MRS. FELDMAN: Thank you.

18 MR. WERTHEIMER: Mr. Coldren.

19 MR. COLDREN: Yes. Point of order. It
20 appears that we're getting near the end of the evening.
21 First, I'd like to commend the Chair and the entire
22 Commission for overseeing this in a fashion that
23 apparently allowed us to borrow a phrase from
24 Hollywood, to get it in the can in one night.

25 Assuming that's the case, I'm wondering if I

1 can impose upon the Commission to -- no matter what it
2 does tonight -- hopefully, at the end of this evening,
3 perhaps, close public hearing.

4 Okay. Close the public hearing, close
5 comment, and indicate that the reserved date that you
6 now -- that you have will be exclusively for purposes
7 of deliberation.

8 If you do that, then residents won't feel
9 compelled to be here next time to talk. I won't have
10 to have my experts here. I will make you a deal. I
11 won't show up either if all you're going to do
12 is deliberate.

13 Okay. So that would be my thought. Thank you
14 for allowing me to at least give my input.

15 MR. WERTHEIMER: Okay. Before we have a
16 rebuttal by our applicant, is there any further
17 comments or points from staff in summary of position
18 taken tonight? So make the comments, please.

19 MR. NORMAN: Thank you, Mr. Chair. Dr. Baar
20 has a few responses to the testimony you heard tonight.

21 DR. BAAR: Okay. I'll explain this as
22 clearly as I can this late at night. First of all,
23 Section 2.11 of the regulations -- 2.11 -- which I
24 couldn't remember the section before -- says, "Where
25 the landlord has performed substantially similar

1 services in both the base year and the current year,
2 the foregoing adjusted expenses must be calculated for
3 both the base year and the current year at the same
4 percentage of actual rental income."

5 And the heading in that section is "An
6 Adjustment for Management and Administrative Expenses."
7 So besides the 8 percent ceiling, it's very clear in
8 the -- this is another clear statement in the
9 regulations.

10 What I -- and if that had been followed -- I
11 mean, I haven't, you know, verified Mr. Goldstein's
12 numbers. But it appears that in that case, the -- the
13 management and administration would have gone on from a
14 126,000 to 167,000 from 1986 to 2009.

15 And in my analysis, I -- what I did was,
16 instead of tying the increase to the rent increase and
17 saying it was the same percentage of rent, my approach
18 was, well, the rents might increase less than the CPI,
19 but then I shouldn't assume that the management and
20 administration expense less than the CPI.

21 And because hypothetically the rents could not
22 go up at all, you know, for years, which happened in
23 the other park, but we wouldn't assume that the rent --
24 the expenses stayed exactly -- you know, exactly the
25 same.

1 So I used this alternate assumption. But in
2 contrast, what's happened in the application is the
3 management and administrative expenses from '79 and
4 2009 -- I'm using different years -- went from 21,000
5 to 167,000, which I think is about 700 percent
6 increase. And, you know, I didn't think that was
7 reasonable.

8 And Mr. McCarthy made a point, well, I'm
9 penalizing the park owner for self management because
10 they didn't report the expenses in the base year.

11 No. The purpose of that adjustment was to put
12 the park owner in the same position if they had paid a
13 third party in the base year because they're paying a
14 third party now.

15 So it wasn't penalizing him for using self
16 management. It was putting him in the same position as
17 somebody who paid for a third party both in the current
18 year and the base year.

19 And so I think -- this is an adjustment I've
20 commonly used. But, you know, as I've indicated, the
21 terms of the regulations actually call for a stricter
22 adjustment, that the expense can only go up as much as
23 the rents go up. And I assume that the expenses went
24 up as much as the CPI.

25 So the other thing, when Mr. Coldren asked me

1 if I could remember any cases where less than 100
2 percent indexing was upheld where there wasn't an
3 indexing percentage in the ordinance or regulations,
4 and I said, well, I think the Berger case, that was --
5 that happened.

6 And but then he said -- well, I'm sure -- and
7 the trouble is I hate to say I'm sure without going
8 back and reading the opinion again.

9 But I did check it. And in that case, my
10 report -- and the court discusses this -- mentioned
11 different indexing ratios, and the Commission chose
12 40 percent, and the court upheld it. So this was not a
13 case where the regulation specified a particular rate
14 of indexing net operating income.

15 The other comment I would make is there was --
16 there's been comments about the appraiser, you know,
17 about negotiated prices and fair market.

18 I just want to emphasize this is an unusual
19 situation. Because when somebody buys a mobile home
20 park -- I mean a mobile home rather -- a mobile home,
21 and they rent a a space, you can say that these are
22 complimentary goods.

23 So you have this unusual situation where if
24 the rent goes up, one way the purchaser or the entrant
25 into the transaction can compensate is lowering the

1 price that they'll pay for the mobile home.

2 So it's not like buying a house where you
3 buy -- you buy the whole thing in one piece and it's
4 one piece. You have two pieces of the transaction.

5 So yes, it's a negotiated price, but it's a
6 price where you can -- if the price for one thing is
7 higher, you can lower the price you'll pay for the
8 other portion of it.

9 And the other comment I'd make is that
10 Mr. McCarthy said, well, you know, under less than 100
11 percent indexing -- and I think he used 50 percent in
12 his hypothetical -- eventually, the net operating
13 income would go to zero.

14 Well, that's not true. If we were saying the
15 rents increased at 50 percent of the CPI and the
16 expenses went up more than that consistently, yes, then
17 the net operating income can go to zero.

18 But by definition, here fair return is defined
19 as a higher fair net operating income than you had in
20 the past. It's indexed. I mean, it might go up less
21 than the CPI and -- but it's not going down. It's
22 going up by definition under the regulation.

23 So it doesn't go to zero. That's impossible.
24 What it might do is, you know, it's not increasing at
25 the same rate as the CPI.

1 MR. WERTHEIMER: Thank you. Any questions on
2 the Commission? It's now -- we have 15 minutes for the
3 applicant to give his rebuttal and closing comments.

4
5 APPLICANT REBUTTAL

6
7 MR. COLDER: I'm going to, again, make a brief
8 in hopes you'll take me up on my suggestion. That at
9 the end of tonight, close testimony, public comment --
10 well, you can't close public comment. I don't know
11 whether you can or can't. Look to the City Attorney.

12 But anyway, close the taking of the evidence
13 in this matter so that we can then have the next period
14 set aside purely for deliberation on the record.

15 And for my rebuttal, I'd like to ask Mr. Baar
16 a few questions, if I may.

17 Dr. Baar, look, let's just try to get through
18 this. Show me in the ordinance what -- you were at --
19 you very triumphantly just read a phrase from the
20 regulation or the ordinance which you claim supports
21 your position that what you really ought to do is you
22 ought to, in this case, have taken the same percentage
23 in both the base and the comparison year for
24 management. Read that to us again.

25 DR. BAAR: Okay. It says --

1 MR. COLDREN: Read it slowly.

2 DR. BAAR: I'm sorry. I didn't mean to read
3 it too fast. It says, "Where the landlord has
4 performed substantially similar services in both the
5 base year and the current year, the foregoing adjusted
6 expenses must be calculated for both the base year and
7 the current year at the same percentage of the actual
8 rental income."

9 And I'll make one clarifying point. Now, I
10 think we've heard testimony both ways tonight. Some
11 people have said the services have gone down. You say
12 they've gone up.

13 But the point is that I assumed they stayed
14 the same. And this regulation clearly authorizes an
15 adjustment for management and administrative expenses.

16 MR. COLDREN: Well, fortunately, we can all
17 read the ordinance and the regulations. And more on
18 that in a minute.

19 In any event, the very first phrase of that
20 regulation that you just read says, and I quote, "Where
21 the owner provides substantially similar services";
22 right?

23 DR. BAAR: Right.

24 MR. COLDREN: Okay. In both the base and the
25 comparison period. Is there any evidence at all in

1 this case that the owner provided any management
2 services in the comparison period?

3 DR. BAAR: What do you mean provide any -- you
4 mean --

5 MR. COLDREN: Just what I said.

6 MR. BAAR: Well, what --

7 MR. COLDREN: Do we -- we didn't have
8 professional management in the base year; right?
9 Right? And so you impute it to something of the sweat
10 management of the owner; right?

11 DR. BAAR: Well, you certainly didn't -- you
12 presented evidence that the -- or you presented claims
13 that were in the application that the level of services
14 had increased. And I conclude -- you know, I felt that
15 that --

16 Mr. Coldren: I'm not going to -- other than
17 you read the section -- and I'm not -- we're not going
18 to get anywhere if you and I just argue about it.

19 You should ask the City Attorney for an
20 interpretation of what that paragraph has to -- what
21 has to happen for that paragraph to kick in.

22 I propose to you that it's crystal clear that
23 doesn't kick in in this case. It doesn't kick in
24 where -- unless you have a situation where the
25 management is claiming sweat management in both the

1 base and the comparison period or the owner is -- and
2 claiming that they should charge one amount -- one in
3 the base period and another amount in the comparison
4 period.

5 We don't have that situation here. Everything
6 you're referring to, I would submit Dr. Baar, is not
7 supported by the ordinance. As for your
8 interpretation --

9 DR. BAAR: Are you asking me questions or --

10 MR. COLDREN: Well, the problem is that you're
11 going to tell me I'm wrong. And you're going to tell
12 me I'm wrong, and we'll be here all night.

13 MR. BAAR: It's not a question. I just wanted
14 to ask that. Okay.

15 MR. COLDREN: Okay. So now you talked about
16 indexing ratios in the Berger case.

17 DR. BAAR: Right.

18 MR. COLDREN: Okay. I think you're wrong.
19 And again, just so you know, there's a difference among
20 lawyers.

21 I've read the Berger case. He's read the
22 Berger case. You have a City Attorney. And you folks,
23 if you want to, can pull the Berger case.

24 But I submit that the Berger case is not an
25 exception to the general rule that Mr. Baar agrees with

1 me on.

2 And that rule is that the only cases that have
3 ever addressed less than 100 percent indexing for the
4 net operating income with any favoritism at all are
5 those cases in which the ordinance or the guideline
6 specifically tell you that you should use something
7 less.

8 Finally, we have Mr. Baar's comment about
9 vacancy decontrol. Actually, Dr. Baar said something
10 about how -- well, you know, you have to keep in mind
11 that if the rents higher, the home value is going to be
12 lower and vice versa.

13 He's entirely right. And in this case, this
14 is the unfortunate part of your entire rent control
15 scheme if you have full vacancy decontrol.

16 In other words, if you had an opportunity for
17 this park owner to raise rents to new tenants when
18 they're coming into the park, which your ordinance
19 doesn't provide for, but if it did provide for that
20 vacancy decontrol, we wouldn't be here, or we certainly
21 wouldn't be here asking for anything close to this kind
22 of a rent increase. Because we would have been able to
23 increase rents on turnover over the years to incoming
24 purchasers.

25 But because the residents of this City since

1 1982 have -- the mobile home park residents have forced
2 the City to retain full -- forced the City to retain no
3 vacancy decontrol in the rent control law, you have
4 this horrible problem that is now coming home to roost.

5 That's why you have people who are telling you
6 they paid 100,000. That's why you have Flavio up here
7 telling you how much -- how many homes he sold in the
8 park. He has sold homes for 150 grand that are
9 probably worth 30 grand in a Blue Book.

10 In other words, you can buy on a dealer's lot
11 all day long for 30 grand. Why? Simply because
12 he's -- all he's doing is selling the below market
13 rents. That's all he's doing.

14 Okay. Then finally we have the Global Center.
15 There was a fellow who got up and talked about a guy
16 from Canejo Engineering. Is he still here?

17 Oh, good. I can say whatever I want. No.
18 The guy from Canejo Engineering seemed like a great
19 guy.

20 There's two comments I have. The first is it
21 doesn't matter if my client got this park through
22 inheritance or if he got it by overpaying by a million
23 bucks.

24 He's not asking you to get him out of a bad
25 deal. And similarly, you shouldn't ask him to

1 subsidize and pay for a burden that ought to be the
2 burden of the entire City by virtue of the fact that he
3 may or may not have gotten a good deal on the purchase
4 of the park.

5 What you need to do is you need to use the
6 methodology that has been provided. Dr. Baar has
7 provided and Mr. McCarthy and Neet have all provided
8 the same method and that's maintenance of net operating
9 income.

10 And it doesn't matter whether the guy won the
11 mobile home park in the lottery or a poker game or
12 whether he paid a billion dollars for it. That's how
13 the MNOI formula works.

14 Oh, and the other comment I had on the
15 Global Center was it reminded me of something I wanted
16 to say.

17 You know, we've spent so much time focusing on
18 holding this park owner, this businessman, this
19 capitalist's feet to the fire about, well, how are you
20 going to take care of these people? What are you going
21 to do for these people that can't afford the rent?

22 Mr. Global is a great example of a
23 philanthropic charitable individual. But there's a big
24 difference. He donated his money and his resources.

25 Government can't require a property owner such

1 as my client to subsidize and to provide the kinds of
2 charitable benefits that properly belong either to a
3 church to provide or to Government to provide if they
4 think it's part of a safety net.

5 And that is what you're trying to do here by
6 saying, you know, we're going to balance the tenants
7 wealth versus the park owner's wealth, and we're going
8 to figure out how poor the tenants are, and we're going
9 to take that into consideration.

10 Just and reasonable return clearly doesn't say
11 that. Just and reasonable return focuses on what the
12 property owner is entitled to. Thank you.

13 MR. WERTHEIMER: Thank you. Commissioners,
14 any questions you'd like to ask before I close the
15 public hearing?

16 I'm going to close the public hearing, and
17 we're going to continue it until Tuesday, January 18th,
18 at the time to be determined.

19 MR. HEHIR: Excuse me, Chairman. If you go to
20 closed public testimony, then you would move to have a
21 motion to continue this particular matter to another
22 date -- January 18th, I think, was the date that you
23 set and the time of 6:00. That what's it's currently
24 set for.

25 MR. WERTHEIMER: All right. I got it. Yeah.

1 All right. We'll do that. Do I have a motion to close
2 the public hearing until Tuesday, January 18th, and
3 to -- or continue it until then at 6:00 p.m.?

4 MR. HEHIR: So moved.

5 MRS. FELDMAN: I'd like some discussion on
6 this related to the Browning Act. That we're going to
7 be deliberating without the public; is that correct?

8 MR. WERTHEIMER: No. It's a public --

9 MR. HEHIR: Yeah. It will be a public
10 hearing. All the deliberations are going to be in the
11 public.

12 MRS. FELDMAN: Then I have no more questions.

13 MR. WERTHEIMER: Thank you.

14 MR. PRESCOTT: Just if I can augment that,
15 when you close a public hearing, what it means is if
16 you've taken all the testimony you needed from the
17 applicant, you've taken all the testimony you need or
18 has been offered by anybody else that's interested in
19 talking, and you've asked your staff all the questions
20 that you want, so then the hearing is closed, and your
21 next step is to deliberate among yourselves.

22 Patrick and I, as somewhat ex-official
23 members, can sort of help you with that. But if you
24 want to go back to staff for more questions to ask for
25 alternatives for this, that, or the other thing, then,

1 by right, you should reopen the hearing.

2 And that may involve having the applicant have
3 the right to comment on some of the ideas that are
4 brought up.

5 So I think it's -- it's pretty important that,
6 you know, before you close the hearing, you have a good
7 sense, you've got all the information you need to make
8 the decision. You just want to come back on the 18th
9 to talk among yourselves and make your decision as a
10 group.

11 MRS. FELDMAN: I do not feel I have enough
12 information -- and I disclosed this to Mr. Hehir --
13 regarding the \$50 rent increase, which in 2007, the
14 garbage and the sewer, that -- that has not been
15 answered sufficiently.

16 I know Mr. Coldren bantered back and forth
17 with the resident, but I don't feel that a conclusive
18 decision was made on that. And that's extremely
19 important.

20 MR. PRESCOTT: Well, I guess then one option
21 would be to reopen the hearing. And if there's
22 information you want from staff, to ask staff those
23 questions. If you want --

24 You know, Mr. Coldren was the last person to
25 speak under rebuttal. I didn't hear any questions to

1 him.

2 But if you do have questions to him as a
3 follow up to his rebuttal testimony or his direct
4 testimony, then get him back up here and ask them.

5 But the time to ask the questions is when the
6 speakers is up there. And the time to ask the staff
7 questions is after you've heard the speakers, except
8 for the last word is the applicant giving the rebuttal.

9 So, you know, maybe the best thing to do would
10 be to reopen the hearing. And then if you have any
11 questions of Mr. Coldren or staff, maybe to ask those
12 questions.

13 MRS. FELDMAN: I would like to ask the staff,
14 do you have any information regarding the elimination
15 of garbage and sewer, for the transfer of that to the
16 residents? That has been a question that I've asked
17 since August of staff.

18 DR. BAAR: In my fair return analysis --

19 MRS. FELDMAN: I can't hear you. I'm sorry.

20 DR. BAAR: In my fair return analysis, what I
21 did was I compared the beginning and ending rent and
22 then added the cost of those utilities on in order to
23 compute the increase in the rent.

24 But I didn't calculate the intermediate rents,
25 so I don't know if the rents were actually decreased.

1 But in my analysis, I took into account that, you know,
2 the actual rent increase over the period and the
3 utility cost passed through because I was only looking
4 at the end points.

5 MRS. FELDMAN: Well, that isn't really
6 answering my question.

7 DR. BAAR: Now, I understand. But I'm just
8 explaining --

9 MRS. FELDMAN: No. Mr. Coldren -- no
10 conclusion was made by that discussion back and forth
11 with that woman.

12 I think at this point I believe her when she
13 said she has -- and he said that, Are you aware that
14 that would be against the MRLs? Well, it would be.

15 And has that occurred? I heard rippling
16 throughout the audience that that has occurred.

17 MR. HEHIR: Just again, this is about the
18 questions at this point, not deliberations. You're
19 getting to a point where you're starting to deliberate,
20 and this is just asking the questions of staff.

21 MRS. FELDMAN: Well, can staff confirm this
22 one way or another at any time?

23 MR. NORMAN: I believe staff would have to
24 look through the documents provided by the applicant to
25 see when and if that occurred.

1 I think going back to Dr. Baar's comment, I
2 don't think it will have a material impact on the MNOI
3 analysis ultimately.

4 But we can go back and try to track down when
5 that happened. That cannot happen tonight.

6 MR. SILACCI: What would be the relevancy of
7 it?

8 MR. BAAR: Well, I guess I'm saying it
9 wouldn't change the analysis because my analysis is
10 looking at the end point and not how people -- not how
11 they got there.

12 MRS. FELDMAN: Well, we're asked here to
13 support Mr. Coldren's client because he is a reasonable
14 people-loving fellow.

15 And if that did occur, that he did violate the
16 MRLs by not giving rent relief after assigning sewer
17 and garbage, then he isn't such a nice fellow. And I
18 want to know that.

19 DR. BAAR: Well, I'd say two things. The
20 residents might be entitled to some separate relief for
21 that apart from the law.

22 But I guess what I'm saying is my analysis
23 took that, you know, into account. It's incorporated
24 into the result. Whatever they did, it's incorporated
25 into the result. So it's -- it's -- you know, it

1 wouldn't change the outcome.

2 MR. WERTHEIMER: Can I ask you a question?

3 DR. BAAR: Yeah.

4 MR. WERTHEIMER: It doesn't affect the
5 outcome? So if he wasn't such a nice guy and this
6 thing -- they charged them more, \$50, and they didn't
7 lower the rent --

8 DR. BAAR: Then it would be reflected in my
9 analysis that they didn't lower the rent because my
10 analysis looks at the end points. And I incorporated
11 that fact into the analysis.

12 MR. WERTHEIMER: So they essentially were
13 paying \$50 more.

14 DR. BAAR: Right. If in fact that occurred.

15 MR. WERTHEIMER: And nobody can document that?

16 DR. BAAR: No. I think if they went back to
17 the rent registration records, you could because you'd
18 see the rents each year.

19 MR. WERTHEIMER: If they found out that they
20 didn't do that, what kind of effect would that have on
21 your overall assessment?

22 DR. BAAR: Well, I -- I guess I'm saying it
23 wouldn't because I looked at the rents at point A the
24 base year, point B the current year, and then I said,
25 well, that's how much the rent increases were between

1 those two points.

2 And I don't know how they got from point A to
3 B. I didn't look at how they got -- I just said this
4 is how much it went up from A to B.

5 And on top of that, the residents are now
6 paying the utilities, so I said the rent increase
7 included the space rent plus the two new utility costs.
8 That's how I measured the rent increase that they
9 actually got.

10 And that was an offset against, you know,
11 whatever growth in net operating income they're
12 permitted.

13 MR. WERTHEIMER: You look like you might have
14 something to add, Mr. Coldren.

15 MRS. FELDMAN: We don't hear you.

16 MR. COLDREN: I'm just going to make an offer
17 of proof because I'm not testifying, but I will tell
18 you what my understanding is.

19 Number one, I think Dr. Baar is right.
20 Mr. Neet is right. Mr. McCarthy is right. It doesn't
21 matter.

22 Other than the good guy, bad guy issue that
23 you mentioned. And in terms of good guy, bad guy issue
24 that you mentioned, my clients a good guy.

25 I just saw a letter that said -- notifying the

1 residents -- it's from 2000 -- what year -- so
2 January 1st, 2009, my clients -- or before that, he
3 sends a notice, saying my client -- or before that, he
4 sends a notice saying "Effective January 1st, 2009, I'm
5 going to separately charge you for garbage removal, and
6 everybody's rent is being reduced \$19."

7 And I also looked on Mr. McCarthy's
8 year-to-year things that he gave you, and that shows
9 that in the switcharoo in years, that in fact that's
10 reflected too.

11 In other words, the gross rent actually went
12 down in the subsequent year reflective of that. Thank
13 you.

14 MRS. FELDMAN: You have that documentation?

15 MR. COLDREN: This is my only copy. May I
16 approach?

17 MRS. FELDMAN: Yes.

18 MR. HEHIR: You can give it to the recording
19 clerk.

20 MR. COLDREN: Okay. What I'm hopeful of is
21 this allows us actually to do what was suggested by, I
22 think, Community Development Director Prescott, and
23 maybe hopefully reserve the next evening exclusively
24 for deliberation. That's what I'm hopeful of. Thanks.

25 MR. SILACCI: Mr. Chairman.

1 MR. WERTHEIMER: Yes.

2 MR. SILACCI: I have a question I can ask
3 Mr. Prescott. 'Cause technically there's still a
4 motion on the floor to close the hearing.

5 But I want to make sure I understand. If we
6 go -- I'll say continue this. But if we go to the next
7 meeting to deliberate amongst ourselves, unless it's a
8 public hearing, we can't ask questions of staff? We
9 cannot ask questions of staff?

10 MR. WERTHEIMER: Not without reopening the
11 meeting --

12 MR. SILACCI: That's what I thought.

13 MR. PRESCOTT: Let me distinguish between
14 meetings and hearings. The meeting is open to the
15 public. Anybody can -- the hearing, by closing the
16 hearing, it just means that you have finished taking
17 testimony.

18 MR. SILACCI: Right. However, if we do that
19 and then we go to the next meeting to deliberate and we
20 have questions of staff, can we ask those questions?

21 I mean, other than --

22 MR. PRESCOTT: You would have to reopen the
23 hearing --

24 MR. SILACCI: That's what I thought.

25 MR. PRESCOTT: -- ask those questions, and

1 then I think at the very least -- Mr. Hehir can
2 elaborate it -- that the applicant would have a right
3 to provide further testimony on the points raised by
4 the questioning.

5 MR. SILACCI: I'm just wondering -- excuse
6 me -- if I can add to this. Mr. Hehir, would it be
7 more efficient to just keep the hearing open as opposed
8 to closing it, unless my fellow Commissioners are
9 comfortable that they have no further questions of
10 staff? Anyway.

11 MR. WERTHEIMER: Well, if it's a matter of
12 expediency, does anyone have anymore questions? "No"
13 indicates that we're ready to close and that we have
14 the information that we need to deliberate. Okay.
15 That said -- (inaudible). All right. Motions out.

16 MR. HEHIR: With all these question,
17 just either -- you did the motion to close the hearing.
18 Again, to emphasize what Mr. Prescott said, is that you
19 close the public hearing on this -- if you close the
20 public testimony, if you want to reopen it, you have to
21 obviously do that.

22 But also Mr. Coldren and his Client the owner
23 will have a chance to rebut. One of the other
24 concerns, of course, is that we have experts here. I
25 don't know what your questions would be if you have

1 any, they're here right now.

2 I think it would be imperative since we're
3 here, even though it's late hour, to get these
4 questions done. If you have anymore for these experts
5 or for these consultants who are here with the
6 attorneys, to do it now.

7 But, again, you are correct if you close
8 public hearing, you would actually have to reopen if
9 you want to ask anymore questions of staff.

10 MR. WERTHEIMER: So do we have a motion to
11 close the public hearing until Tuesday, January 18, at
12 6:00 p.m., to continue the hearing? Yeah. We're going
13 to close the public hearing; correct?

14 Okay. Continue to January 18th. At that
15 time, to go into deliberations. That's the motion.
16 Okay. Will somebody make that motion?

17 MR. SILACCI: So Moved.

18 MR. WERTHEIMER: Ready to vote?

19 VAUDREUIL: Motion passed, 5-0

20 (Proceedings concluded 12:25 p.m.)
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF CALIFORNIA) ss:
COUNTY OF LOS ANGELES)

I, WINDY PICARD, CSR No. 12879, do hereby
certify:

That the foregoing hearing testimony was
taken before me at the time and place therein set
forth;

That the testimony at the time of the
examination were recorded stenographically by me, and
were thereafter transcribed under my direction and
supervision, and that the foregoing pages contain a
full, true and accurate record of all proceedings and
testimony to the best of my skill and ability.

I further certify that I am neither counsel
for any party in said action, nor am I related to any
party to said action, nor am I in any way interested in
the outcome thereof.

IN WITNESS WHEREOF, I have subscribed my name
this 24th day of January, 2011.


WINDY PICARD, CSR No. 12879

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX

MONDAY, JANUARY 10, 2011

	PAGE
Staff Presentation	5
Applicant Presentation by Mr. Coldren	58
Applicant Presentation by Mr. Neet	71
Applicant Presentation by Mr. McCarthy	88
Tenant Representative Presentation	125
Public Comments	140
Applicant Rebuttal	207

INSTRUCTIONS FOR READING/CORRECTING YOUR DEPOSITION

To assist you in making corrections to your deposition testimony, please follow the directions below. If additional pages are necessary, please furnish them and attach the pages to the back of the errata sheet.

This is the final version of your deposition transcript.

Please read it carefully. If you find any errors or changes you wish to make, insert the corrections on the errata sheet beside the page and line numbers.

If you are in possession of the original transcript, do NOT make any changes directly on the transcript.

Do NOT change any of the questions.

After completing your review, please sign the last page of the errata sheet, above the designated "Signature" line.

ERRATA SHEET

Page	Line	
_____	_____	Change: _____ Reason: _____
_____	_____	Change: _____ Reason: _____
_____	_____	Change: _____ Reason: _____
_____	_____	Change: _____ Reason: _____

Page	Line	Change: _____
_____	_____	Reason: _____
		Change: _____
_____	_____	Reason: _____
		Change: _____
_____	_____	Reason: _____
		Change: _____
_____	_____	Reason: _____
		Change: _____
_____	_____	Reason: _____
		Change: _____
_____	_____	Reason: _____
		Change: _____

_____ Subject to the above changes, I certify that the transcript is true and correct.

_____ No changes have been made. I certify that the transcript is true and correct.

Signature

Date

Word Index

&	126,000 203:14	192 96:21	129:16 132:20,22
& 3:4,14 35:4 58:12 117:13 175:20	127,000 93:13	1958 189:21	169:21 189:10
0	12879 1:20 226:3,24	1960 194:13	203:14
0 22:21	12:25 225:20	1968 77:21	199,000 166:20
0.96. 192:20	12th 3:17	1970 14:25	1995 148:9
1	13 89:20 91:22 92:7 92:8 159:13	1970s 76:8 128:19	1996 6:4
1 1:25 63:3 88:7	130 89:24 90:2	1973 77:22	1st 160:11 200:24 222:2,4
1,000 5:18 142:15	14 41:6 89:20 136:2	1974 7:5 194:15	2
1/2 98:15,17	14,000 190:2	1975 143:13	2 6:20 31:1,10 49:3
10 1:19 53:23 80:9 88:18 93:2 103:19	14,000,000 126:14 136:21,25 138:11 140:8	1976 7:5 158:24 172:18	56:20 93:17 94:7
103:20 115:25	14.6 132:21	1978 96:25	95:2,7 96:17 98:15
134:20 142:14	140 227:13	1979 9:16 12:18,25 13:7,21 14:11,17	98:17 127:2 140:10
147:4 158:4 163:15	15 71:4 80:9 85:18 88:8 145:21 146:6	15:9,11,17 16:16,23	2.11 39:16 95:2,7 202:23,23
168:10,25 175:20	146:11,21 147:1,4	17:1,11,21,24 18:11	2.12 39:15
186:24 190:24	168:25 198:1 200:5 207:2	19:16,24 21:25 22:3	2.91 46:15
192:12 227:4	150 212:8	22:11 25:18 26:24	2/3 104:14
10,000 42:14 160:14	156 90:19	27:8,11 28:13 29:10	20 59:4 72:6 73:14 78:4,10 83:3 88:8
10.35 91:15	15th 200:24	30:17 40:9 43:10	88:18 160:19 174:23
100 23:18,22,24,25 24:6,20,22 43:4	16 9:5 88:8 175:17 192:11	46:6 52:5 66:3	20,000 42:13
44:21 46:2 48:5,8	160 160:1	68:19 73:22 74:16	200 3:7 4:5 7:3 166:14
52:13 85:19 89:2	161 7:5 90:4,18 170:2 190:11 194:22	74:19 77:12 78:17	2000 222:1
96:22 97:4,7,16	161,000 186:21	79:8,12,16,22,24,25	2005 74:11 148:9
98:2,4 100:7,16	164 102:1	80:6 81:2 89:15	2007 36:11 173:22 216:13
102:4,9,19 104:10	167,000 176:17 177:2 178:7,7	92:21 93:20,25	2009 21:25 22:5 56:7 89:16 91:19,22
104:13 122:25	186:15 203:14 204:5	129:2,3,9 178:24 189:7	92:21 94:10 96:10
130:24 151:12	170 93:23,24	198 17:12 18:19 129:4	101:15,24 105:3,9
154:1,8,9,23 155:24	178 161:8	1980 6:2 7:7 79:4,8 79:12,16,22,23 93:8	117:19 132:6,20
156:18 157:1 205:1	18 78:23 160:14,19 225:11	1980s 79:6	143:1 144:4 151:11
206:10 211:3	185,000 144:4	1981 15:13	154:5 155:5 156:17
100,000 66:21 90:23 91:1,12,13 92:18	18th 190:19 214:17 214:22 215:2 216:8 225:14	1982 14:25 212:1	156:18 165:11
112:22 113:12	19 46:13 79:8 80:4 92:6 192:7 222:6	1983 16:23 17:6,6 73:25 79:3	176:8 186:12 198:4
212:6		1984 162:13	203:14 204:4 222:2 222:4
11 89:20 150:10		1986 6:13 9:17 13:2 13:5 14:1,3,8,9,11	2010 46:14 89:16
110,448 93:21 96:14		15:21,25 16:3,8	96:10 97:1 151:6
12 28:1 90:4 93:9 102:2 146:8		20:3,12,22 21:1	168:14 198:1,25
125 144:2 227:12		26:1,11,21 30:17	200:5 201:3
125,580 4:21		39:20 41:7 73:25 79:4 82:4 93:12	

<p>2010-01 1:10 4:4 2011 1:19 63:4,9 91:20 96:11 160:11 168:14 226:20 227:4 2029 160:16 2030 3:16 205 18:17 74:12 78:4 79:21 80:3 129:6,8 207 227:14 21 56:8 88:9 93:23 104:11,12 175:3 21,000 204:4 21.9 56:9 132:2 133:3 21.9. 132:23 2100 1:17 22 94:2 176:17,18 176:21 177:15 178:11,24 22,400,000 102:12 22,700 93:18 225 17:22 74:12 78:4 80:18 81:2 93:7 227 1:25 23 145:1 188:16 237 80:4 23rd 176:3 24 25:23 104:13 246 16:19 24th 226:20 25 23:12 36:17 44:18 97:2 170:18 250 195:22 250,000 92:14 253 26:6 259.99. 121:21 26 97:21 26,700,000 102:13 260 8:8,12 58:25 59:15,21 88:5 89:23 89:24,25 91:16 109:23,24 111:17</p>	<p>112:4 126:6 127:23 151:7,14 161:9,16 260.62 89:3,10 92:6 260.62. 63:1 89:17 102:3 121:19 261 25:24 81:4 27 100:23 146:12 198:25 275 17:25 277 20:4 28 101:12 29.9 133:14</p> <hr/> <p style="text-align: center;">3</p> <hr/> <p>3 46:14 49:3 3,000 72:8 3,000,000 81:17 3,285 194:13 3.04 96:17 30 23:12 36:7,17 44:18 46:15 78:4,10 86:17 89:21,25 90:3 90:5 96:2,3,6 99:17 101:19 102:21 113:16 129:7 130:23 133:16 141:4 142:24 151:7 157:24 158:1,8,18 160:6 168:21 170:19 176:11,14 177:10 186:25 190:13 192:5 212:9 212:11 30,000 168:17 300 59:18 134:21 197:11 300,000 195:2 301,000 90:15 31 88:7,9 160:16 31st 117:19 32 72:3 32.50 4:15 27:21 320 20:8 83:5 322 7:18 8:7 164:7 166:11</p>	<p>322.52 4:8 324,252 93:22 96:16 101:12 33 104:1 35,000 153:6 350 59:18 350,000 194:22 365 4:19 37 133:19 38 197:11 39,000 112:23 186:13,15,17,22 39,032 106:25 396.72. 63:1</p> <hr/> <p style="text-align: center;">4</p> <hr/> <p>4 96:15 176:20,20 176:22 178:13,22 178:25 179:3 4,000,000 102:11 4.5 107:13 40 9:7 23:17 24:3 43:2 44:1,1,25 80:10 98:3,4 99:17 104:10 175:1,3 205:12 400 8:13 401k 126:1 421,046 101:17 430,000 186:5 432-8700 3:10 434,000 93:21 434,700 93:10 96:13 443,550 101:18 176:9,14 450 59:19 47,800,000 102:10 48 171:14</p> <hr/> <p style="text-align: center;">5</p> <hr/> <p>5 6:20 31:1 53:23 89:19 98:7,12,14,17 98:21 100:8,9,10 127:17 178:13 192:12 227:8</p>	<p>5,000 198:14 5,400,000 103:20 5-0 225:19 5-25-02 97:9 50 9:4 23:20 27:6,16 52:17 80:10 97:19 97:24 98:9,16,16 99:19 100:19,24 102:24 103:11 104:6,14 112:24 130:6,16,20 171:20 174:19,23 175:1,3,6 186:25 195:17 206:11,15 216:13 220:6,13 50,000 22:18,21 500 190:12 503,000 101:25 525,000 31:23 142:10 545,400 92:9 55 143:14 158:24 550 122:25 550,000 177:8 568 127:7 57 198:19 578 131:10 58 227:9 598 32:22 5th 7:9</p> <hr/> <p style="text-align: center;">6</p> <hr/> <p>6 89:19 190:12 6,000,000 103:19 6,800,000 127:10 6.5 127:13,18 128:12 130:8 60 45:1 63:7 98:5 104:14 60,000 177:1 62 133:16 134:1 65 26:5 27:17 129:2 133:16,25 134:2 160:12,15,16,18</p>
--	--	--	---

[65.00 - adjudicate]

<p>65.00 4:13 650 122:24 654 8:14 656.34. 63:2 66 141:19 6:00 1:19 214:23 215:3 225:12</p>	<p>82.3 43:3 83 20:25 146:17 850 189:24 86 13:6 14:14 20:25 22:3,11 25:9 26:19 28:17 29:22 39:24 40:7,20 41:4 42:2,5 42:7 59:4 61:25 68:21 69:3 70:5 157:25 86-2 27:15 864,596 101:17 87,000 93:14 88 169:20 227:11 887 146:4 89 157:25</p>	<p>abnormally 18:6 absence 14:24 absolute 42:14 59:10,16 absolutely 34:12 37:21 109:11 abstain 67:13 abstained 49:5 abuse 49:6 abusing 120:3 accelerators 102:15 accepted 7:22 110:22 132:9 151:21 access 86:17 158:13 accompanying 118:4 accomplish 64:20 122:14 accomplished 100:13 account 11:20 53:22 95:4 96:18,22 97:11 111:16 118:16 198:14 218:1 219:23 accountant 88:16 91:6 111:2,3,12 117:12 160:3 183:13 accountants 105:19 113:13 119:9 accounting 22:21 94:22 103:5 110:22 117:15 182:9 188:22,23 189:1 accounts 188:22 accurate 18:15 41:11 105:16,23 108:24 115:12 188:15 226:13 achieve 4:8 100:7 acknowledged 145:3</p>	<p>acquire 143:9 acquired 142:7 acre 195:25 act 60:23,25 215:6 action 90:25 226:16 226:17 active 35:14 148:14 167:12,12 activities 103:15 172:13 activity 147:24 actual 12:25 13:2,18 16:14 19:6 23:4 28:20 50:9 96:25 99:12 100:12 101:15 109:9 131:9 155:12 184:24 185:17 203:4 208:7 218:2 add 92:16 96:22 151:12 160:18 221:14 224:6 added 80:3 158:10 168:17 171:18 217:22 addendum 125:2 addition 122:20 130:22 134:15 additional 7:21 38:8 135:22 address 31:22 45:21 110:16 134:23 164:25 180:13 addressed 89:12 211:3 addresses 40:13 77:7 adequate 12:11 65:18,25 168:23 adequately 117:11 adjacent 145:4 195:25 adjoined 169:8 adjudicate 62:5</p>
<p>7</p>	<p>9</p>		
<p>7,400,000 90:9 7,500,000 90:6,9,12 92:17 70 43:3 700 204:5 700,000 190:12 71 227:10 714 3:10 75 6:12 23:20 45:23 83:9 89:14 97:10,17 100:15,18 130:22 752-8585 3:19 78,000,000 160:12 79 13:6 25:9 29:6,21 29:22 37:15 39:21 40:7,18,21 41:13 42:2,6 51:20 59:5 61:25 68:16,20 69:3 69:9,9 166:4 204:3 797,000 92:14,17 7a 4:2</p>	<p>9 6:21 90 4:16 27:22 153:6 171:2,4 92614 3:18 92707 3:9 934,000 186:4 94 189:23 947,000 101:22 947,064 97:1 101:14 949 3:19 950,000 112:17 9:10 104:24</p>		
<p>8</p>	<p>a</p>		
<p>8 21:24 55:10 56:15 89:20 95:11,16 96:14 131:15,17,23 132:13 133:9,11,11 133:18 176:22,25 178:22 185:18 203:7 8,400,000 92:19 80 43:3 69:9 153:6 800 5:19 93:19 800,000 170:7 80s 6:20 82 166:5</p>	<p>a.v.m.g.h. 4:6 abandonment 138:7 138:7 abate 123:1 abated 85:3,5 abatment 121:11 ability 64:5 134:12 226:14 able 62:15 83:13,14 100:4 102:22 115:15 121:5 142:1 183:9 184:13 194:22 211:22</p>		

adjust 13:5 14:9 20:10 44:25 101:13 adjusted 12:7 19:4 20:25 21:6 25:21,22 27:2 30:7 55:21 72:24 75:10 93:16 96:18,25 99:6,14 101:21 106:25 112:17 135:2 203:2 208:5 adjustment 1:11,16 4:3 5:6,15,23,25 6:17 8:5 10:8,19,21 11:6,16 13:10,15 17:17 18:2,25 19:1 19:13,18,19,21,24 19:25 20:1,12,14,18 20:19 23:6 25:10 26:22,23 27:10 37:22 43:1 48:4 50:20 51:9,11,15,15 56:17 61:25 80:19 95:3,8,12,16 97:3,6 97:11,19 100:24 102:5 113:16 114:10 121:10 128:15 129:11 130:20 169:1 203:6 204:11,19,22 208:15 adjustments 11:5,18 26:3 50:4,17 78:25 94:8,9,12 95:22,23 101:16 102:17 administrate 133:4 administration 21:8 21:11,24 22:4,25 23:8 30:13 54:18,21 55:2 56:8,19 95:4,5 131:4,7 132:11 133:10,14 135:7 150:3 184:22 203:13,20 administrative 27:1 95:9,17 176:16	177:22 178:6,8 185:15 203:6 204:3 208:15 admit 147:10 admits 101:3,8 admitted 72:12 adopted 6:18,19 15:13 adoption 13:22 70:1 70:4 advisable 91:5 advocacy 140:12 advocate 139:14,17 advocates 36:17 advocating 15:25 37:6,10 52:5 aerospace 168:7 affect 165:22 220:4 affirmatively 68:10 afford 76:16 120:14 122:25,25 142:1 143:22 144:17 146:5 148:19 166:9 167:5,7 194:2 213:21 affordable 160:22 164:1 170:3 age 162:8 168:18 agencies 72:17 123:24 agenda 4:2 109:16 agent 142:23 aging 148:12 ago 36:10 37:3 96:4 142:19 146:18 171:19,21 agree 32:14 44:9 50:15 51:12 54:25 74:15 84:14 89:3 111:6 128:14 129:10,11,16 136:17 agreed 70:13 87:1 agreement 32:10 33:18 68:14 121:7	agrees 30:25 210:25 ahead 119:24 149:24 184:8 199:9 aicp 2:8 aicpa 105:25 117:25 air 144:9 alimony 102:17 alive 167:13 allay 114:23 allege 187:11 alleged 166:25 allow 11:6,7 13:9 37:22 75:24 77:8 108:3 143:8 153:13 158:3,6,13 allowable 33:15 allowance 168:14 allowed 73:24 75:11 75:16 77:6 109:2,7 176:23 201:23 allowing 202:14 allows 6:12 222:21 alternate 12:20 16:12 29:12 204:1 alternative 31:7 101:1,1 alternatives 19:23 57:12,17 59:2 100:2 215:25 amazing 129:17,23 ambiguous 124:22 amended 17:16 amendment 7:9 8:9 amendments 6:3 amenities 199:3 america 193:18 american 144:8 amgen 175:20 amicable 123:7 amount 4:7,12,14 4:21 14:12 19:5 20:12 21:1 25:14 42:21 61:25 74:4 75:10 83:4 97:8 106:25 109:25,25	110:2,2 128:9 129:6 134:7,14 142:16 166:11 170:8 174:18 177:3 179:5 180:6 210:2,3 amounts 108:24 amp 85:18,19 ana 3:9 58:12 analogous 73:10 analogy 54:25 70:5 analyses 8:19 analysis 5:14 11:24 16:14 19:23 20:22 22:10,20,24 23:7,8 25:3,4,7 30:2 32:22 42:21 55:17 56:16 57:9,17,21 67:5,18 70:19 75:7 77:14 78:3,7,8 79:3,10,20 80:11,24 90:20 92:20 94:5,7 97:1 106:15,17,19 111:4 128:14 131:11,12 132:7 182:10 203:15 217:18,20 218:1 219:3,9,22 220:9,10,11 analyze 132:15 analyzed 10:1 analyzes 9:11 analyzing 11:11 anderson 171:8,10 171:12 172:25 173:2,13,15,18,21 173:25 174:3,5,14 174:19,24 175:5,8 angeles 226:2 angry 149:4 annoyance 120:6 annoyed 195:18 annual 6:12 94:24 117:16 130:23 168:22 answer 36:4 71:9 104:18 116:1
--	--	---	--

[answer - asking]

133:21 135:8 163:8 182:18 184:4,7,8 answered 40:16 117:11 216:15 answering 122:14 218:6 answers 29:18 33:20 34:13 180:25 anticipates 34:8 anybody 42:18 53:1 54:12 81:8,9 83:13 108:17 121:15 122:1 161:22 194:1 199:8 200:14 215:18 223:15 anymore 34:9 57:3 57:25 100:5 125:9 130:3 194:1 224:12 225:4,9 anyway 24:24 25:2 186:10 207:12 224:10 apart 219:21 apartment 138:20 138:22 170:15 apartments 136:12 165:17 apologies 30:21 125:10 149:12 194:10 apologize 102:22 117:9 apparently 69:4 201:23 appeal 90:25 92:3 92:13 appear 18:11 184:9 appearance 139:14 appearances 2:1 3:1 appearing 182:16 appears 133:25 201:20 203:12 appellate 45:20 69:21	applause 143:25 162:6 187:17 189:15 apples 27:3,3 56:15 56:15 133:6,6,6 applicant 3:3 4:6 7:20 9:22 10:21 15:4 25:25 58:5 71:23 88:13 136:9 136:23 138:25 189:7 202:16 207:3 207:5 215:17 216:2 217:8 218:24 224:2 227:9,10,11,14 applicant's 5:12 8:11 29:20 34:17 58:1,7 88:2 106:2 113:25 114:2 137:24 application 1:12 4:3 5:6,24 6:16 7:16,19 7:21 8:1,3,4,15 9:12 16:18 23:10 29:20 29:21 31:10 56:7 57:10 66:23 67:16 67:17 91:18 93:5 101:4 114:16,21 115:7 116:9 122:1 126:6 130:10 140:25 168:12 177:21,24 178:7 181:14 188:8,15 198:25 199:15,23 201:5,13 204:2 209:13 applications 8:24 130:2 applied 65:6,8 97:7 151:6 169:1 applies 95:2 102:10 apply 80:3,19 100:24 120:16 132:10 133:13 applying 65:8	appraisal 17:20,22 17:23 18:15 20:6 26:4 53:8 72:7,10 72:20 82:16 87:14 129:5 145:11 appraisals 9:7,15 72:9,21 103:14 104:5 appraised 72:7 appraiser 2:14 8:20 9:6 20:2 28:4 35:8 52:22,25 59:14 72:2 72:3 78:21,22 81:12 145:10 151:16 152:10 162:24 163:1,2,5,6 205:16 appraiser's 145:12 appraisers 52:24 128:23 145:3 150:15 appraising 72:3 74:22 appreciate 30:14 189:14 appreciated 123:6 appreciating 52:9 appreciation 24:9 approach 32:25,25 36:15 53:21 100:24 101:2,6 110:6 133:8 133:13 135:6 203:17 222:16 approached 156:22 approaches 132:25 appropriate 11:12 11:14 25:8 26:2,4 26:11 30:24 32:3,15 68:9 69:3 112:25 129:17 184:12 188:15 approved 7:4 156:25 159:2 approximately 168:17 170:1 171:20 174:19,24	175:1,6 april 63:7 198:1 200:5,11 arbitrary 104:7 area 40:5 55:3 74:22 82:7 98:24,25 128:3 146:19 158:14 159:14 170:11 189:21 areas 25:6 66:9 164:23 arena 82:8 argue 41:24 103:1 130:4 209:18 argued 23:12 arguing 51:4 argument 50:3 69:1 97:15,18 102:23 117:7 140:2 arguments 89:22 140:11 arlue 141:11 arms 128:20 arrest 144:11 article 176:3 articles 8:22 9:2 33:2 artificially 187:7 ascertain 150:23 aside 207:14 asked 17:17 36:14 39:4 62:9 67:3 68:7 110:14 111:8 112:5 112:7,9 119:6 147:6 152:11,18 156:19 158:1,12 169:18 195:24 197:9 199:21 204:25 215:19 217:16 219:12 asking 36:22 40:17 44:4,10 62:14 122:4 143:21 156:11,17 164:24 174:21 180:17 187:2,14
---	--	---	---

<p>210:9 211:21 212:24 218:20 aspect 50:16 131:14 133:7,22 134:22 136:11 assertion 29:21 assertions 183:15 asserts 185:9 assess 164:21 assessed 176:13 assessment 145:13 220:21 asset 138:9 assets 192:25 assigning 219:16 assist 72:18 123:10 124:11 161:4 assistance 123:24 assistant 2:11,13 associated 144:14 150:13 association 144:8 162:17,18,19 assume 102:6 114:9 134:1 203:19,23 204:23 assumed 22:24 31:11 98:7 170:4 208:13 assumes 103:9 assuming 103:21 172:10 201:25 assumption 17:2,4 74:3,3 204:1 assurance 118:6 169:24 assurances 113:4 assured 142:23 asthma 144:10 astrigent 19:20 atrocious 172:16 attachment 6:21 93:2 attaining 123:10</p>	<p>attempted 183:1 attending 141:16 attention 25:6 39:15 attorney 2:11,13 135:19 176:4 207:11 209:19 210:22 attorneys 72:16 161:20 225:6 audience 124:8 151:23 155:16 169:18 174:22 175:10 187:18 189:16 218:16 audit 110:20 audited 105:5,13,24 110:15,15,21 111:2 111:21 116:22 118:3,18,18 auditing 110:18 182:9 auditorium 192:4 augment 215:14 august 7:20 176:3 217:17 aurant 141:11,13,14 201:10,10 authorities 108:23 authorized 11:7 20:20 25:14 68:4 92:1 101:5 108:8,12 authorizes 6:10 38:8 39:12 208:14 authorizing 38:12 automatic 6:11 11:7 26:25 131:1 automatically 130:23 availability 29:13 available 12:19,23 13:13 26:20 28:4 29:17 32:16 120:21 123:24 129:24 avenue 32:8</p>	<p>average 8:12,14 16:18,19 17:11,12 20:4 62:25 63:2 70:20 73:1 75:6,9 75:19,20 77:13,19 83:23 109:25 190:12 avoid 144:25 aware 55:9 108:14 119:5,20 174:8,13 199:15 218:13</p> <p style="text-align: center;">b</p> <p>b 67:16 220:24 221:3,4 baar 2:15 8:17,21 9:11 10:3 11:10,22 11:23 25:5,11 26:9 26:22 28:5,9,18 30:4,22 32:20 34:12 34:22,23,24,25 35:6 35:9,11,13,16,21,24 36:2,11,16,22,25 37:8,17,23 38:2,11 38:23 39:9,15,22,25 40:9,22 41:14 42:8 42:20 43:6,12,19,25 44:12 45:2,6,13,17 45:25 46:7,12,17 47:1 48:3,11 49:11 49:21 50:11,18,22 51:14,21 52:3,13,15 52:19,22,23 53:8,13 53:25 54:11,13,19 55:4,11,14 56:10,13 56:22 57:5,7,9,13 57:16,23 67:20 69:23,24 70:7 95:21 100:22,23 101:3,8 102:23 103:9,16 106:14 127:17 129:5,24 131:25 132:19 133:25 134:1 176:23 184:15,20 185:9</p>	<p>202:19,21 207:15 207:17,25 208:2,23 209:3,6,11 210:6,9 210:13,17,25 211:9 213:6 217:18,20 218:7 219:8,19 220:3,8,14,16,22 221:19 baar's 9:17,20,20 10:1 102:21 103:3 104:8 127:6 128:14 131:5 182:2 183:18 185:2,13 211:8 219:1 baby 160:12 bachelors 88:24 150:2 back 27:13 29:22 37:15 45:13 46:5 47:9 49:15,16,19 55:21 60:21 71:7 73:14 75:5 77:18 79:3,21,25 91:7,9 91:10,11 93:12,14 93:18 104:24 108:3 110:13 123:2 127:13 129:2,9 146:21 148:19 151:11 161:20 167:25 169:9 195:8 195:12 205:8 215:24 216:8,16 217:4 218:10 219:1 219:4 220:16 background 5:12 57:18,19 150:2 backwards 30:7 49:9 129:7 bad 193:23 212:24 221:22,23 badgered 159:7 baker 115:20 balance 39:20 214:6 balanced 41:15</p>
--	---	--	---

[balancing - bought]

<p>balancing 6:9 126:18 128:8 ballpark 155:14 174:17 bank 163:4 198:15 bantered 216:16 bar 35:16 barely 170:21 base 10:12,15,22 11:13,14,17,19 12:4 12:7,16,17,20,21,22 13:4,13,15,17,18,21 14:1,4,6,9,15,15 15:5,10,17,22,23 16:1,6,9,12,13,17,18 16:19 17:9,18 18:6 18:17,24 19:2,15 20:3,11,22 21:4,5,9 21:10,16,17,21 22:17 23:7,14 25:8 25:10,19 26:2,11,24 27:4,9 28:13 29:12 29:12,15,16 30:6,17 37:18 39:20,21 41:4 41:7,9,12,20 44:21 45:24 50:8 51:18,19 52:12 55:23,24 56:23 59:4,5 68:13 68:14,24 69:3,20 70:8,11,23 72:24 89:15 93:6,9,22 95:10,23 96:13,14 96:15,17,23,24 97:3 97:6,19 100:24 101:12,21 108:4 129:16,20 130:3 131:8 132:20,22 133:5 174:2 184:23 185:16 203:1,3 204:10,13,18 207:23 208:5,6,24 209:8 210:1,3 220:24 based 7:9 8:2,10 9:23 10:19 13:15</p>	<p>14:9 16:22 17:12,13 17:17 19:2,25 20:1 20:4,9 21:1 27:12 28:23 30:7 31:12 33:14 44:25 57:17 57:18 62:15 69:15 79:21 80:18,19,24 83:13 89:14 91:19 99:17 105:17 109:3 127:12 128:12 137:20 150:16 151:7 152:8 188:19 189:3,4 basic 42:24 98:1 basically 12:2 14:14 15:16 29:22 33:1,4 34:6 43:5 47:2,3,15 51:10 93:6,17 100:2 124:10 129:8 131:13 135:16 140:1 152:10 153:21 163:11 basing 16:20 basis 7:8 9:12 18:25 19:18 42:17 51:2 75:5 77:14 117:14 117:16 151:14 166:23 basket 11:2 bates 93:23,24 102:22 beach 35:4 58:13 beatrice 2:6 193:10 beautiful 193:14 beauty 53:20 beds 164:16 began 174:1 begging 141:25 beginning 31:18 120:12 175:5 178:24 217:21 behalf 20:2 125:20 139:14 162:11 189:20</p>	<p>behold 158:20 belief 16:22 believe 8:2 19:16 26:14,18,21 27:1 34:5 61:7 78:21 89:9 93:2 102:11 103:2 106:12 151:7 197:14 218:12,23 believed 23:2 148:11 believes 26:11 27:5 27:10 believing 164:1 169:23 belong 152:22 214:2 beneficiary 198:6,8 benefit 16:5 26:16 115:2 136:19 155:19,20 173:7 benefits 177:23,25 178:19 214:2 berger 45:2,5,16 205:4 210:16,21,22 210:23,24 best 77:1 78:1 128:24 196:17 217:9 226:14 better 42:17 78:9 113:11,15 160:8 196:20 197:4 199:3 betty 194:9 196:14 196:15 beverly 141:12 144:1,2 156:22 beverly's 151:11 beyond 66:4 biased 60:16 big 26:8 33:21 38:4 50:7 96:6 158:9 167:15 173:9 188:11,25 213:23 bigger 21:13,14 23:4 biggest 141:20 bill 54:22</p>	<p>billion 213:12 bills 198:21 bit 33:12 54:17 76:9 76:19 78:10 79:9 134:3 148:2 150:1 174:20 bite 41:25 black 41:17 42:10 99:12 100:12 144:23 145:11 blessed 148:14 blood 144:10,11,14 blue 98:11,24 157:4 157:10 212:9 board 42:1 48:25 126:21,22,23 139:21,25 140:9 147:21 165:11 166:1 182:24 184:10 boards 69:17 88:18 bob 189:16 193:7 boilerplate 117:25 bold 145:10 boldly 185:9 bond 47:6 72:20 bono 181:9 bonuses 173:9 book 103:5,5 127:7 135:17 157:4,10 212:9 bookkeeping 22:8 booklet 131:10 182:2 books 8:23 boomer 160:13 boomers 160:12 bordering 145:8 borrow 201:23 bother 143:5 bottom 59:16 bought 37:3 114:15 114:19 143:3 148:20 167:1 199:1</p>
---	---	---	---

<p>boulevard 1:17 bound 68:12 boyd 3:6 58:21 176:4 brabant 2:14 8:19 9:6,15 18:16 20:6 28:3 58:8 70:20 72:4 73:23 74:9,12 78:2,16 79:9,24 80:19 brabant's 19:25 70:19 75:6 77:14 78:7 79:20 80:11 brag 72:23 branches 165:8 brand 153:19 168:3 bread 46:6,14,21 47:6,18 115:20 break 104:19,24 109:21 191:1 193:22 breakdowns 150:14 breaking 99:15 breaks 106:17 174:10 breast 141:19 breathing 144:25 brenda 2:5 bridge 197:3 brief 32:21 207:7 briefly 67:21,22 bring 76:14 85:15 85:17 161:19 163:10 180:15 bringing 84:12 186:16 broker 162:14 198:15 brokerage 150:3 brokered 150:6 brokers 82:6,15 brooklyn 197:3 brought 75:23 151:17 154:14 216:4</p>	<p>brown 60:23,25 189:17,18,18 191:19,20,20,21,22 191:22 browning 215:6 bruce 58:16 buck 46:10 bucks 66:21 109:24 155:24 212:23 build 157:2 buildings 81:18 built 34:9 128:3 151:10 193:4 196:2 bullet 41:25 burden 169:10 177:5 213:1,2 bureau 11:1 bush 167:19 bushes 167:18 business 42:23 66:16 91:4,5 99:25 115:19,22 143:11 149:6 150:2,25 156:5 162:14 businesses 24:13 115:18 175:22 businessman 143:19 213:18 button 48:12 buy 46:6,21,21 47:6 47:10 49:17 83:17 85:9 168:3 206:3,3 212:10 buyer 138:5 162:25 163:2,4 buyers 103:15 104:4 buying 47:6 197:10 206:2 buys 205:19</p>	<p>calculated 20:23 131:8 184:22 185:15 203:2 208:6 calculation 43:16 92:15,25 93:1 96:20 131:5 190:8 calculations 5:15 93:24 108:18 133:12 190:10 california 1:1,18 3:9 3:18 9:1,3,10 10:20 23:16 35:23 72:1 88:17,23 97:5 125:25 153:12 160:21 161:7 162:18 191:24 192:1,1 226:1 call 34:24,25 51:14 61:8 65:7,9 70:25 71:17 99:15 140:25 141:10 182:14 183:21,21,21,22,25 190:7 204:21 called 9:25 10:20 15:16 20:18 50:9 54:21 61:3 67:16 94:8,16 141:8 149:14,15 150:15 caltrans 144:4 cancer 141:19 candidate 121:9 canejo 5:21 7:4 212:16,18 cap 52:23 55:10 56:14 95:12,17 131:15,17,23,25 132:13 133:8,18 capital 5:25 6:17 65:19 capitalist's 213:19 capitalization 53:14 53:16 capped 103:16 captives 168:20</p>	<p>capture 26:24 captured 128:1,7 151:23 car 46:21 cardiac 144:11 cards 141:4 172:13 172:15 191:18 care 123:20,22 160:4 170:10 196:17,24 197:8,15 198:20 213:20 career 81:17 carefully 63:12 110:16 115:9 cares 64:9 carol 160:25 163:13 163:14 carrier 54:24 cars 144:5 carter 58:17 case 4:2 10:20 11:25 12:1,14,16,24 15:8 15:24 18:8 21:7,23 26:18 29:6 35:21,23 36:7,8 40:5,7 41:7 44:19,19 45:1,3,4 45:16 50:7 66:12 69:10,16,21,22,23 69:24,25 70:10 73:21 91:8 94:14 108:22 113:16 129:2 147:12 156:10,21 185:25 187:25 201:25 203:12 205:4,9,13 207:22 209:1,23 210:16,21,22,23,24 211:13 cases 9:3 32:7,7 36:3 36:4 44:12 45:18,19 45:25 66:10 73:11 77:2 97:6,7 109:2 110:4 205:1 211:2,5 cash 160:7</p>
	<p>c</p>		
	<p>c 67:17 calculate 95:13 112:19 185:8 217:24</p>		

<p>castenada 82:4 catch 65:15 categorization 132:9 caught 188:4 cause 69:12 70:11 75:13 109:20 157:17 185:7 223:3 caused 95:20 ceiling 55:16,17 203:7 cent 173:6 center 196:1,2,5 212:14 213:15 centerpieces 122:20 122:22 central 61:23 centralized 60:22 certain 109:2 134:13 certainly 15:19 44:2 52:19 53:10 57:6 61:1 65:24 111:25 123:7 134:15 172:19 193:1 198:19 199:3 209:11 211:20 certificate 88:16 certified 72:2 91:6 105:19 111:1,16 117:12 certify 226:4,15 cetera 17:7 170:21 173:20 177:24 178:19 cfo 175:21,21 chair 2:3,4 5:3 57:4 117:6,8 155:22 180:4 184:3 201:21 202:19 chairman 54:7 112:6 190:21 214:19 222:25 chairperson 116:4 141:14 158:19</p>	<p>201:11 chairs 172:20 chance 175:4 182:3 224:23 change 22:22 42:6 89:14 96:6 136:2,18 219:9 220:1 changed 53:15,17 95:24 96:1,2,5 130:12 158:7,8 177:12 changing 42:8 channel 158:4 charge 64:5 84:15 176:20 210:2 222:5 charged 154:23 173:19 174:15 220:6 charging 176:21 charitable 213:23 214:2 charities 122:21 chart 25:17 98:1 99:17 100:16,18,19 104:8 charts 113:21,22 169:3 check 45:10,13 167:10 205:9 child 102:17 children 102:13 146:19 choice 84:25,25 166:19 choose 26:1 27:8 32:3,15 41:4 73:3 chooses 177:3 choosing 32:4 chose 137:9 143:13 159:18 205:11 chosen 41:3 chris 2:13 62:22 69:11 160:25 162:7 christmas 146:1</p>	<p>chronic 144:13 church 214:3 churning 164:11 circuit 50:2 circular 33:9 34:6 circumstances 18:3 18:5,13 19:14 50:24 185:25 cited 9:2 32:8 cites 104:9,13 185:10 cities 9:10 23:17,18 23:19 37:9,10 48:7 72:17 76:3 citizens 9:1 148:12 163:19 167:13 city 1:2 2:1,11,13,15 5:9,18 7:20,23 8:8 8:15,19 10:20 17:23 20:7 26:12 27:13 30:25 32:8,10 34:16 35:1 40:3,10 42:12 56:7 60:18 61:4 62:16 70:14 71:21 72:18 73:6 82:2,3 87:19 92:4 97:2,9 100:25 107:23,24 108:2 113:14 115:3 122:11 131:23 132:8 140:17 148:11 150:5 151:9 159:15 167:20 171:16 175:22 184:20 191:23 195:6 200:16 207:11 209:19 210:22 211:25 212:2,2 213:2 city's 5:10 6:1,5 9:14,22 11:6 26:22 40:19 133:24 civil 102:12 claim 17:18 19:3 20:9 138:8 159:21 185:12 207:20</p>	<p>claiming 209:25 210:2 claims 62:6,10 209:12 clarification 57:5 clarify 116:7 clarifying 121:13 208:9 classifications 118:16 clause 62:12 clean 71:16 172:8,11 cleaned 147:19 cleaning 172:6,7 clear 52:4 57:1 59:8 60:16 68:20 71:2,12 80:5 149:15 203:7,8 209:22 clearly 15:10 17:4,9 25:1 69:7 70:14,21 80:7 110:16 133:9 202:22 208:14 214:10 clerk 222:19 client 51:19 58:16 59:22 64:7 67:1,2 67:12,14 113:4,12 115:9,23 116:4 118:14,23 119:11 212:21 214:1 219:13 222:3 224:22 client's 38:9 59:7,8 60:5,15 65:10 114:23 115:12 186:3 187:5 clients 72:14 102:15 115:16 126:3 139:15,17 221:24 222:2 close 78:19 141:21 157:2 193:16 202:3 202:4,4 207:9,10,12 211:21 214:14,16 215:1,15 216:6</p>
--	--	---	---

<p>223:4 224:13,17,19 224:19 225:7,11,13 closed 41:10 60:13 144:22 184:24 200:24 201:12 214:20 215:20 closer 84:1 closing 5:20 198:7 207:3 223:15 224:8 clubhouse 76:23 158:12,17 172:5,10 172:11,18,19 192:15,16,17 coach 137:10,15 154:15 171:17 coaches 126:16 134:16 137:3,21 138:4 coalition 161:3,11 196:16 coast 158:4 code 6:5 39:4,7,9 codified 6:5 cody 171:7,12 173:1 173:12 174:8,21 colder 207:7 coldren 3:4,5 34:22 34:24 35:3,3,4,7,10 35:12,14,17,22,25 36:6,12,24 37:4,11 37:20,25 38:4,20,24 39:13,23 40:2,13,16 40:24 41:21 42:16 42:22 43:7,14,21 44:4,16 45:4,9,14 45:18 46:4,8,13,18 47:19 48:9,12,17,23 49:2,6,14,25 50:12 50:19 51:3,16 52:1 52:6,14,16,21,25 53:10,19 54:1,3 58:5,7,11,11,12 71:6 75:23 87:22 88:3 89:2 109:18,19 112:11 113:20</p>	<p>114:1,6,15,19 115:9 115:14 116:11,15 116:23 117:1,5 120:3,15 121:2,14 121:19,21,24 122:2 122:11,16 123:11 123:14 124:5,20,23 125:3,8 139:2,6,8 139:12,20,24 140:3 140:7,15 155:2,4,10 155:14,17,22 156:13,17 157:3,7 157:12,17,21 163:18 173:23,24 174:1,4,7,17,21,23 175:3,7,9,12 179:10 181:4,5,9,16,18,21 181:23 182:6,11,23 183:3,6,12,20 184:3 184:7 185:3,6,19,23 186:2,8,18,19,21 187:5,15 201:18,19 204:25 208:1,16,24 209:5,7,16 210:10 210:15,18 216:16 216:24 217:11 218:9 221:14,16 222:15,20 224:22 227:9 coldren's 219:13 collect 92:2 99:13 166:25 collected 19:6,7 142:11 collecting 186:5 college 46:20 column 94:8 combination 82:2 combined 106:15 come 12:15 13:6 33:24 58:2 71:8 73:14 76:13 78:3,24 80:25 81:24 85:16 91:7,9,10,11,23,23 106:16 112:19</p>	<p>126:25 133:15 141:1,8 158:16 164:2 167:25 187:23 199:18 216:8 comes 27:3 68:10 77:3 83:16,20 123:16 134:20 137:16 141:21 161:16 193:16 comfortable 172:20 224:9 coming 56:16 76:16 85:9,15 115:10 129:7 151:13 195:7 195:18 197:15 211:18 212:4 commence 181:11 commencing 1:18 commend 63:12 201:21 commensurate 174:11 comment 29:25 63:24 74:21 202:5 205:15 206:9 207:9 207:10 211:8 213:14 216:3 219:1 commented 184:3 comments 140:21 165:20 179:25 181:2 202:17,18 205:16 207:3 212:20 227:13 commercial 81:15 82:5 commission 1:16 4:10 7:1 25:18 26:1 27:8 28:6,12 32:14 39:13 43:8 44:3 45:15 57:8,15 60:8 69:19 135:11 169:14,20 177:14 185:4 190:17,17,22 196:11 197:20</p>	<p>200:22 201:22 202:1 205:11 207:2 commission's 25:6 commissioner 31:24 40:14 49:4,4 68:6 71:11 110:14 114:7 156:19 167:24 193:10 commissioners 5:4 36:13 58:1 105:2 125:11 135:9,10,24 146:16 148:6 214:13 224:8 commitment 64:7,8 114:23 115:12 commitments 116:1 commits 63:16 committed 64:17 committee 126:23 175:23 common 96:4,7 170:11 commonly 28:22 204:20 community 2:8 82:16 113:10 114:16,20,21 148:14 161:8 165:24 171:3,14 193:14 222:22 companies 94:21 162:15,15 179:2 182:10 company 54:23 94:18 106:21 107:2 118:17 154:19,21 183:14 194:16 comparability 38:18 comparable 9:16 17:24 20:8,11 82:1 87:4 146:25 comparative 22:9 compare 10:12 compared 108:19 179:15 186:23</p>
---	--	--	---

[compared - control]

<p>217:21 comparing 27:3 133:5 179:14 comparison 37:19 75:20 82:22,24 84:5 84:6 85:1 90:1 111:24 146:23 147:13 178:11 207:23 208:25 209:2 210:1,3 compassion 193:24 compelled 188:12 202:9 compensate 205:25 compensation 22:6 170:17 competitive 60:17 compilation 117:16 117:18,21,23 118:1 118:12,19 compilations 94:24 118:25,25 119:15 compiled 105:17 complete 7:22 188:6 195:10 completed 18:10 completely 73:16 131:22 164:13 192:15 complex 12:1 24:25 complexity 84:17 complimentary 205:22 comply 110:22 173:3 component 178:9 composition 60:7 compounded 90:13 comps 81:24 82:7 86:9 computation 86:11 compute 107:6 133:2 217:23 computer 118:9</p>	<p>conceived 194:18 concern 134:6 concerned 66:4 109:1 195:15 concerning 64:2 107:25 133:22 148:22 concerns 224:24 concession 51:5 concessions 87:15 conclude 80:23 88:10 134:25 209:14 concluded 79:4 225:20 concludes 28:2 concluding 74:9 conclusion 5:16 71:15 218:10 conclusions 26:10 61:20 62:1 70:23 78:3 conclusive 216:17 concur 191:16 condition 10:24,24 17:21 conditions 10:18,23 13:24 14:7 17:19 18:22 19:17 27:11 28:24 87:9 condominium 100:1 conduct 132:7 conejo 4:5 192:6 confer 61:1 confines 9:14 confirm 218:21 confirmed 165:4 confiscatory 62:11 187:6,8,11,13 confuse 107:23 confused 116:17 188:12 confusing 188:10 congress 191:24 192:1</p>	<p>conjunction 123:12 conner 171:8 189:16 191:18 cons 40:1 conscious 159:4 consequence 21:12 conservative 74:10 75:13,15 78:16 80:13 83:24 90:14 101:16 110:5 consider 4:2 7:1 25:18 26:4 38:16,17 43:8,16 60:4,5 62:8 82:17 90:12 92:22 116:12 139:21 182:7,8,19 183:3 197:10 considerably 23:9 consideration 38:13 39:12 41:22 44:5,11 46:23 164:8 214:9 considerations 43:11,24 considered 43:20 81:1 114:22 115:7 115:10 123:25 124:1 192:7 considering 91:20 165:20 consistent 29:7 89:6 134:9 135:6 consistently 23:21 206:16 constant 56:3 100:13 constantly 49:13 159:7 constitute 7:11 constitutes 9:13 114:13 constitution 7:10 62:10,13 constitutional 7:14 27:7 44:2 57:22 62:5 64:21 65:5,6</p>	<p>66:6 81:6 97:13 constitutionally 23:24 24:1 constraints 57:21 constructed 169:5 consultant 8:25 82:4 consultants 28:3 225:5 consulted 183:13 consumer 10:25 23:1 147:3 contact 73:6 119:12 119:18 contacted 119:14,15 contain 226:12 contained 44:22 contains 95:7,11 contended 13:3 23:21 contending 186:22 contends 13:21 content 151:12 contention 61:20 contest 67:8 69:2 context 33:5 72:11 continue 71:5 99:22 115:3 190:18,23 214:17,21 215:3 223:6 225:12,14 continues 77:5 142:8 continuing 88:20,21 142:25 contract 124:25 200:1 contracted 22:19 contrary 95:17 contrast 192:10 204:2 contributed 165:23 contributions 196:4 control 7:6,12 8:24 9:4 13:23 18:6 19:10 20:17 23:15 28:22 35:19 37:21</p>
--	---	--	--

41:9 64:24 65:5 68:18 69:15,24 70:2 70:4 72:11,13 73:11 73:12 88:18 90:7,22 92:18 107:25 128:21 129:4 136:11 142:24 146:13 147:2,7,8 148:12 155:7 159:18 166:22 183:4 185:11 186:6 193:22 211:14 212:3 controlled 48:2 69:20 83:16 174:10 192:13 controls 73:12 controversy 69:5 conversely 21:10 conversions 9:9 convert 100:1 converting 5:21 copies 113:21 129:22 135:19,22 copy 117:18 185:3 222:15 core 61:23 corner 76:22 correct 35:24 48:11 53:25 56:22 68:11 103:4 116:10 132:24 136:3 139:25 140:6,12 154:1 157:20 179:14 181:22 183:10,11 215:7 225:7,13 corrected 98:14 correction 56:23 correctly 179:12 184:20 correspondence 60:22 cosmetics 170:13	cost 11:2 12:11 21:14 22:8,13 46:14 85:21 128:5 132:10 150:12 155:16,21 168:13 169:7 174:12 178:20 193:15 217:22 218:3 costar 82:6,11,12 costs 91:21 94:20 97:12 133:3 149:3 221:7 council 92:4 119:24 195:6 counsel 3:1 226:15 counselors 34:18 county 88:19 139:8 139:10 147:8 175:23 176:4 226:2 couple 28:8 36:10 57:5 71:16 79:13 93:1 102:4 121:17 139:2 150:19 153:20 183:6 course 24:12 55:5 61:17 78:20 93:19 95:25 98:4,11,18 115:3 118:19 224:24 court 9:3 34:20 35:18,23 44:20 62:6 62:15 69:21 70:12 72:12 182:24 183:2 205:10,12 courts 19:12 23:23 24:22 45:20 59:13 65:2 68:16 147:21 147:21 cover 12:11 covered 51:17 89:11 108:5 covers 144:23 cow 160:8 cpa 35:10 59:12 88:4,20 94:23	105:20 106:2,6 110:18 111:3,8 116:22 118:8 175:19 cpi 6:13 23:18 24:4 24:7,11 30:8 42:25 43:18,23 44:8 46:5 46:15 47:8,12 49:10 49:15,20 55:22 59:4 61:25 83:9 89:14 97:3,6,10,11,19,24 98:9 99:19 100:24 101:13 102:5,9,15 102:19,19,25 103:11 108:3,18 130:1,2,6,20,23 188:19 203:18,20 204:24 206:15,21 206:25 cracks 146:7 create 82:22 created 82:20 86:5 86:11 130:15 creates 86:9,9 137:18 credible 111:24 184:10 credit 65:21 123:2 crisis 170:25 criteria 27:7 critical 11:25 25:2 cross 30:19 crystal 209:22 csr 1:20 226:3,24 cumulative 4:20 curious 64:19 107:4 current 8:12 10:10 10:13 12:7 21:8,19 21:20 27:4 37:18 55:20 62:25 86:16 86:16 95:3,10 101:4 101:17,23,24 131:8 132:1,23 133:5 170:19 184:23 185:16 203:1,3	204:17 208:5,7 220:24 currently 6:12 127:13 170:6 214:23 curve 98:19 99:8 customers 76:7,12 cut 44:7 159:23 cv 88:25 cypress 164:22 165:5 167:17,19 d dad 146:9 daily 144:8 147:19 damage 102:25 149:9 dan 131:11 171:8 175:14,16 dance 172:13 danger 164:21 165:15 dare 148:24 dark 172:14 daryl 166:1 168:5,7 data 7:24 13:5,17,19 15:12,14 16:6,24 17:3,5,10,14 22:2 26:20 28:20 29:13 29:17 30:1,6 73:25 81:25,25 82:1,10,11 86:17 109:9 119:19 129:20 144:4 date 4:16,17,18,20 7:23 27:23 181:20 199:14 202:5 214:22,22 day 77:5 86:16,16 127:2 145:19 148:6 148:7,8 160:14 200:23,23 201:1,3,6 212:11 226:20 days 4:16,19 27:22 63:7 195:7
--	--	--	--

[deal - discerning]

<p>deal 86:13 101:25 202:10 212:25 213:3 dealer's 212:10 dealership 150:5 dealing 49:12 131:18 deals 86:22 87:9 dear 169:20 death 148:17 debate 38:5 debated 23:12 44:17 debt 103:21 decades 101:11 december 79:15 117:19 160:16 decide 40:5 41:25 61:15 62:8,14 153:2 166:25 191:14 decided 45:19 61:24 147:6 153:14 decides 72:18 73:5 deciding 61:16 62:11 decision 24:23 25:13 31:25 43:6 61:14 62:9,17 63:4 67:11 90:11 91:23,24 99:25 145:14 149:1 216:8,9,18 deck 190:7 declaration 140:13 181:24 declarations 128:16 decline 170:10 decontrol 65:10 75:25 211:9,15,20 212:3 decontrolled 153:24 153:25 154:12,16 154:22,24 decrease 23:5 decreased 217:25 dedicated 5:19</p>	<p>deemed 8:8 deems 184:12 deep 172:6 defer 123:1 deferral 121:12 deficient 158:14 define 121:18,22 defined 206:18 definite 73:21 definitely 145:4 definition 182:20 206:18,22 degree 88:25 110:18 110:19 degrees 190:9 delay 63:16 92:5,11 deliberate 202:12 215:21 218:19 223:7,19 224:14 deliberating 63:22 215:7 deliberation 191:7 202:7 207:14 222:24 deliberations 61:9 61:10,11 215:10 218:18 225:15 demands 173:3 demarco 3:14 54:8 125:20 139:7 democracy 141:23 142:2 demonstrate 68:11 74:21 78:15 demonstrates 70:18 demonstrating 141:25 denied 81:5 158:5 density 170:5 department 164:21 165:4 depend 78:25 depending 18:14 25:14,20 26:2,6,8 73:25</p>	<p>depends 55:1 deposit 85:11 describe 11:25 108:12 described 7:1 110:3 110:10 122:8 178:18 description 5:10 design 195:23 designated 12:12 142:6 170:2 designation 124:7 designed 114:23 156:23 desired 127:3 destroyed 153:9 detail 10:11 11:9 124:24 157:9 188:8 188:12 detailed 85:25 118:21 124:21 132:7 details 11:22 132:17 determination 11:17 determine 68:13 73:7 86:19 87:15,16 130:11 145:15 determined 33:14 103:13,13,14 214:18 determining 7:15 9:13 11:12,14 31:8 33:8 43:8 93:25 devastating 159:4 develop 194:22 developed 170:1 196:5 developement 2:8 developer 73:7 development 222:22 diabetes 144:10 die 160:7 170:24 died 146:9,11</p>	<p>difference 18:16,20 18:21 19:5 20:23 33:22 50:2,8,10,25 79:8,11,15,22 80:1 101:20 103:22 167:23 210:19 213:24 differences 148:3 different 8:4 9:24 13:12 16:12 20:17 28:18 33:12,19 47:2 49:11 68:24 69:8 70:1 79:24 118:15 129:18 135:12 138:23 179:16 201:14 204:4 205:11 differently 68:7 difficult 80:10 125:24 127:21 151:3 198:2 dime 66:25 diminimous 51:1 diminished 97:20 diminuous 51:5 dinnners 172:13 direct 217:3 direction 48:10 57:15 226:11 director 2:8 147:24 222:22 dirt 164:5 195:1,3,8 195:25 dirty 172:19 disabilities 158:16 disadvantage 26:17 disadvantageous 49:23 disadvantages 162:8 disagree 65:3 84:4 86:14 disaster 145:24 discerning 30:23</p>
--	--	---	---

<p>disclose 148:25 disclosed 199:12,22 200:1 216:12 disclosure 201:15 discourage 65:19 discrepancy 133:24 discretion 55:3,5,7 131:19,22 discretionary 54:21 133:7 discuss 32:21,23 57:18 94:3 discussed 11:9 16:11 23:11 93:7 101:6 discusses 205:10 discussing 10:4 34:10 discussion 5:8 152:5 152:6 215:5 218:10 discussions 60:22 127:14 diseases 144:15 disgrace 199:5 dishes 172:23 dishonest 143:8 disparity 50:5 89:17 89:18 disproportionately 21:9,11,16 dispute 120:5 disputed 61:21 disputes 161:12 disqualified 198:11 disregard 41:3 distinguish 223:13 distortions 162:21 dive 58:24 151:3 divided 102:2 doctor 35:5,6 document 180:13 188:11 220:15 documentation 222:14</p>	<p>documents 108:18 129:21,22 135:12 135:12,19 136:1 180:1 218:24 doing 25:7 61:22 65:7 74:25 82:16 86:16 88:6 95:6 124:16,18 153:10 174:1 193:11,11 194:25 195:17,24 212:12,13 dollar 46:6 49:16 81:17 166:20 dollars 39:2 99:6,12 100:13 112:18 148:15 176:15 186:10 213:12 domestic 120:4 donated 172:23 213:24 dorothy 149:11 157:22,23 double 134:13 144:22 170:8 176:22 doubled 160:17 doubt 137:13 167:1 downward 13:5 75:10 dozen 9:9 dozens 8:25 dr 8:17 11:22,23 25:5,11 26:9,22 28:5,9,18 30:4,22 32:20 34:12,22,23 34:24 35:6,9,11,13 35:16,21,24 36:2,11 36:16,22,25 37:8,17 37:23 38:2,11,23 39:9,22,25 40:9,22 41:14 42:8,20 43:6 43:12,19,25 44:12 45:2,6,13,25 46:7 46:12,17 47:1 48:3 48:11 49:11,21</p>	<p>50:11,18,22 51:14 51:21 52:3,13,15,19 52:22,23 53:8,13,25 54:11,13,19 55:4,11 55:14 56:10,13,22 57:5,7,9,13,16,23 67:20 69:23,24 70:7 95:21 100:22,23 101:8 102:21,23 103:3,9,16 104:8 106:14 176:23 182:2 183:18 184:15 185:2,9,13 202:19,21 207:17 207:25 208:2,23 209:3,11 210:6,9,17 211:9 213:6 217:18 217:20 218:7 219:1 219:19 220:3,8,14 220:16,22 221:19 draft 61:12 drafted 55:14 drastically 133:20 draw 39:15 drawn 159:17 dressings 192:15 drift 120:9 186:10 drive 38:9 driveway 144:23 driveways 152:24 dry 165:6 ducks 147:22 due 60:15 66:5 92:16 115:8 141:4 144:21 165:6 167:2 dunlap 117:13,13 dust 195:14</p>	<p>131:16 151:10,16 180:2,14 186:23 188:20 early 6:20 79:5,6 ease 6:22 169:9 east 3:7 economic 64:2 economy 24:13 102:9,20 167:2 edie 189:17 191:19 191:20,21,22 education 88:21,21 edwards 197:20 199:6 effect 12:9 70:8 79:17 89:23 110:24 116:7 128:21 143:2 185:24 220:20 effective 63:3 222:4 effectively 177:7 efficiency 65:19 66:1 efficient 224:7 egg 142:18 egret 147:22 eight 150:9 151:10 160:13 either 26:16 40:10 40:11 42:2,3 45:10 60:21 73:25 83:14 84:19 86:13 91:17 95:10 133:2 142:5 161:10 165:9 197:21 200:1 202:11 214:2 224:17 elaborate 224:2 elapsed 91:23 92:9 elder 171:3 elderly 144:12 164:10 170:4 electrical 84:14 85:18,19 eliminated 55:7</p>
		<p>e</p>	
		<p>e 3:11,23 31:13,20 60:21,22 165:11 182:5 earlier 32:23 58:19 75:23 101:6 107:23 108:4 113:4 124:17</p>	

[elimination - expenses]

<p>elimination 217:14 else's 42:18 embed 165:6 emphasize 26:7 205:18 224:18 emphysema 144:11 employed 72:15 empty 116:5 enable 65:20 encourage 65:18 encouraging 65:24 endeavor 66:22 ended 117:19 ends 99:8 159:24 enforceable 194:2 engineering 194:16 212:16,18 england 62:3,19 enhance 66:17 enjoy 166:9 enjoying 171:10 enriching 49:20 94:25 ensures 12:10 entire 63:11 155:16 176:14 188:24 201:21 211:14 213:2 entirely 138:23 211:13 entitled 19:18,19 20:10,11 21:20 66:13 67:3 106:23 122:24 214:12 219:20 entitlement 21:18 entrance 164:17 entrant 205:24 entry 108:3 envelope 80:16 environment 48:2 96:10 127:4 environmental 145:13,16</p>	<p>equal 84:8 equalization 25:12 equalize 77:1 equals 103:25 equates 106:11 equipment 147:22 equitable 170:17 equity 31:9 37:14 52:7 68:1 103:22,25 ernst 175:20 erode 46:25 65:13 escondido 45:6 escrow 157:2 200:6 201:12 escrows 200:24 especially 78:12 142:17 144:12 146:13 172:21 essence 134:18 136:15 138:1 essentially 147:14 220:12 establish 73:17 established 73:4 77:21 102:20 151:18 establishes 87:2 establishing 78:17 estate 72:1,2 78:21 78:22 88:22 102:14 142:23 145:8 150:3 162:12,14,15 198:6 estates 193:9 estimate 18:17,18 18:19 70:11 75:13 170:6 estimated 74:12 78:5 93:20 188:18 188:23 estimates 13:7 70:9 109:2,3,7 et 17:7 170:20 173:20 177:23 178:19</p>	<p>evaluate 8:15 evaluation 163:7 evening 34:22,23 54:7 58:16 88:15 101:7 141:13 148:7 149:25 159:11 168:6 172:13 175:15 185:7 190:15 191:5 194:11 201:20 202:2 222:23 event 53:4 182:15 184:17 208:19 eventually 99:8 206:12 everybody 141:16 171:10 188:3 everybody's 222:6 everyday 144:6 evicted 196:19 eviction 120:7 evidence 17:8 68:11 83:21 113:20,23 139:25 140:2,4,12 140:14 176:10 182:13 207:12 208:25 209:12 ex 215:22 exactly 73:22 117:21 203:24,24 examination 30:19 226:10 example 22:15 42:11 47:6 49:9 77:18 82:19 103:6 114:17,19 116:11 120:4 152:12 184:19 213:22 exceed 4:13,15 27:21 99:10 133:11 185:18 excel 93:3 exception 210:25 excessive 6:7 43:13 43:17 44:7 183:16</p>	<p>exchange 34:19 170:4 exchanging 38:5 excited 195:21 exclusively 202:6 222:23 excuse 27:14 35:1 83:10 100:16 119:5 135:9 153:22 180:18 214:19 224:5 exercise 99:3 100:7 exhausted 191:8 existed 77:4 151:14 existing 63:16 76:6 76:7,9,18 85:9 125:2,4 142:5 exorbitant 164:14 expect 160:19 expediency 224:12 expense 12:25 13:2 14:20,25 15:11,18 22:9,12 26:3 30:6 37:12,14 38:9 41:19 49:17 56:19 66:16 91:5 95:13,21,22 111:11 112:8 124:3 131:4,24 132:21 133:14 151:2,8 153:15 160:5 178:4 178:6 179:3,5 186:16,23 203:20 204:22 expenses 10:6 11:18 13:7,16 21:4,6,8,11 21:16,24 22:4,16,21 22:25 23:8 25:11,12 25:21 27:2,4 29:23 30:13 37:17 38:16 38:17 39:16 49:9 55:21 62:1 67:1 90:21 92:18,21 93:11,13,20 94:3,3 94:9,12,15,16 95:1 95:4,9,20,24,25</p>
--	---	--	--

<p>96:8,9,14 98:3,13 98:20,20,23 99:10 100:8,20 101:17 105:4,9,21 106:9,10 106:13,22,23 108:4 112:23,23 113:1 116:21 131:7 132:25 133:7,10 135:7 151:4 152:17 153:1 155:18 159:23 161:9 176:17 177:22 178:8 183:16 185:15 186:8,10 203:2,6,24 204:3,10 204:23 206:16 208:6,15 experience 30:1 36:16 56:11 125:24 145:7 188:17 experienced 164:3 expert 2:15 8:16,17 28:9 34:16 35:18 36:5 40:3,6,20,21 41:3,4,21 42:1,18 45:11 59:12,13 67:9 68:19 69:24 72:12 72:21 116:21 134:1 161:21 180:20 182:7,8,13,16,19,21 182:24 183:2,4,7 184:8,12 187:9 expertise 74:22 75:3 experts 8:16 67:17 74:18,24 109:24 112:4 126:25 140:10 202:10 224:24 225:4 explain 31:6 46:18 46:23 57:17 80:1 83:1 106:14 117:3 127:24 202:21 explained 8:5 10:11 25:1 26:22</p>	<p>explaining 125:1 218:8 explains 117:21 explanations 183:14 explore 42:23 exposure 144:14 express 95:17 118:6 extensions 6:2 extent 62:7 64:5 77:1 78:25 87:16 exterior 144:24 extra 129:22 158:2 173:6 extraordinary 18:3 18:4,13 50:24 96:8 extrapolated 73:23 extrapolates 90:4,5 extrapolating 73:23 extremely 216:18 eye 182:15</p>	<p>17:24 20:14,15 22:9 22:20 23:2 24:9,17 27:6 28:24,25 29:4 29:10 33:3,19 34:1 37:13,19 38:14 42:20 66:15 73:2 81:6 82:22,24 90:1 90:9 104:5 109:24 113:15 126:20 127:20 130:11,19 142:20 143:24 150:23 170:17 187:11 205:17 206:18,19 217:18 217:20 fairly 63:14 64:16 113:5,9 114:9 121:18 122:4 131:18 192:18 faith 134:8 faithfully 160:6 fallbrook 72:1 fallible 45:12 familiar 58:21 107:25 108:1 118:22 123:22 147:13 150:12 184:13 family 101:11 171:15 198:16 far 46:11,16 47:12 50:25 66:4,21 69:6 91:22 92:9 97:5 98:19 108:8 109:1 112:20 125:24 130:25 146:11,12 186:6 195:15 farm 81:20 fashion 65:6 201:22 fast 208:3 faster 77:2 favor 60:16 favorable 15:5,6 favored 110:12</p>	<p>favoring 110:5 favoritism 211:4 favours 101:9 fears 114:24 february 63:6 79:16 93:8 federal 35:22 62:5,6 102:18 fee 54:18 94:17 106:24 187:7 feedback 119:18 feel 31:25 32:15 60:20 71:14 119:10 119:10 127:25 128:11 130:6,19 132:24 134:25 135:5,5 159:22 188:15 193:21,23 198:12 202:8 216:11,17 feeling 108:11 132:15 187:20 fees 54:21,22 112:10 177:22 178:18 feet 42:14 213:19 feldman 2:5 30:20 30:22 32:18 34:7,13 49:4 67:10 68:6 114:8,18 115:5,13 116:4,6,14 152:3 153:22 154:12,18 154:22 155:1 156:19 169:15 189:13 191:15,16 199:10,20 200:2,6,8 200:11,13,19,25 201:2,4,7,17 215:5 215:12 216:11 217:13,19 218:5,9 218:21 219:12 221:15 222:14,17 fellow 194:19,19 212:15 219:14,17 224:8</p>
	f		
	<p>facing 114:24 149:8 fact 13:4 15:9,22 16:5 51:3 61:19 65:12 67:7 123:14 124:5 129:7 136:18 145:3 150:9 153:4 160:18 165:5 167:16 186:5 191:12 195:12 213:2 220:11,14 222:9 factor 10:9 12:8 25:21 43:24 47:12 52:10 56:2,23 127:10 188:19 factors 26:3 43:7 56:4 facts 129:12 130:12 149:23 failed 15:11 fair 7:15 8:18 9:4,16 10:9,22,24 11:4 12:5,6 14:13,16</p>		

<p>felt 37:17 159:18 163:22 188:12 193:22 209:14</p> <p>ferruzza 2:6 168:2 179:12,19 193:10</p> <p>field 8:17 184:13</p> <p>fighting 141:24</p> <p>figure 40:3 43:22 51:8 60:3 61:15 106:12,16 127:10 131:24 132:6 134:2 153:6 161:17 214:8</p> <p>figures 116:22 118:15 130:1 132:17 147:11 198:7</p> <p>file 128:17</p> <p>filed 5:22 7:16 114:16,21 198:25 199:23 201:13</p> <p>filing 115:6 122:1 170:12 199:15 201:5</p> <p>final 52:6 180:24</p> <p>finally 5:16 11:19 39:24 70:12 113:3 133:23 186:2 211:8 212:14</p> <p>financial 12:18,22 64:2 72:14 76:11 91:19 94:23 103:5 105:18 108:17,20 109:1,5 118:2,4,10 118:13 125:23,25 126:23 170:23 182:9,9,19 188:17 188:18,24 189:2,7</p> <p>financials 105:10</p> <p>financing 163:4</p> <p>find 26:8 30:15 39:13 87:3,4 102:23 122:8,18 126:10 127:21 138:5 145:2 153:17 166:10</p>	<p>finding 25:8 60:17 123:10 126:5</p> <p>findings 61:19,24 62:1</p> <p>finds 144:24</p> <p>fine 85:13 107:3</p> <p>finish 191:6,13,17 195:9</p> <p>finished 113:24 114:1 223:16</p> <p>fire 164:21 165:4 213:19</p> <p>firm 54:8 105:5 117:13 118:18,22 119:6,15,17 125:20 139:6 159:5</p> <p>firms 189:1,1</p> <p>first 5:7 6:11 8:16 11:12 12:15 13:1 14:4 16:16 25:17 26:19 32:20 37:23 42:5 58:23 62:24 89:5,13,19 96:20 98:5 103:2 123:16 123:17 141:10 144:3 160:11 171:11 181:25 183:12 184:17 186:14 194:15 197:12,12 201:21 202:22 208:19 212:20</p> <p>fish 147:23</p> <p>fiumerodo 149:25 150:1 152:7 154:2 154:16,20,24 155:9 155:12,15,19 156:8 156:15,21 157:6,11 157:15,20</p> <p>five 72:3 87:3 91:11 91:13,14 104:11,12 115:25 129:18 134:20 147:18 154:11 166:6 186:24</p>	<p>fixed 47:3 54:22 64:1 115:20 127:3 128:5 140:10 142:17 143:15 158:23 159:1,1 166:7,16 167:9,22</p> <p>fixing 65:1 158:21</p> <p>flammable 165:7</p> <p>flavio 149:22 150:1 155:5 212:6</p> <p>flesh 120:20</p> <p>flexibility 40:25 41:1</p> <p>flight 65:19</p> <p>flip 69:12,13</p> <p>floor 3:8,17 59:10 60:6 89:4,10 110:1 223:4</p> <p>flower 164:16</p> <p>fluctuations 94:13</p> <p>flurry 170:13</p> <p>focus 11:23 150:22</p> <p>focuses 9:21 214:11</p> <p>focusing 155:6 213:17</p> <p>folks 31:4 64:5 114:24 115:20,24 151:23 191:12 210:22</p> <p>follow 16:8 26:14 34:7 156:1 217:3</p> <p>followed 5:15 93:25 160:13 203:10</p> <p>following 26:12,18 145:11</p> <p>food 102:13 170:21</p> <p>force 34:18 64:6</p> <p>forced 40:2,6 63:17 114:12 115:7 120:18 123:4 212:1 212:2</p> <p>foregoing 203:2 208:5 226:6,12</p> <p>forensic 110:18,18</p>	<p>forget 104:8</p> <p>forgone 26:25</p> <p>form 118:2,6</p> <p>formal 4:17 27:23 62:3</p> <p>format 139:19</p> <p>formed 161:4</p> <p>formula 11:12 36:15 36:18,23 37:2,7 66:9 69:15 95:18 97:11 103:16 213:13</p> <p>forth 60:21 91:15 92:4 94:19 96:5 118:16 151:17 161:20 216:16 218:10 226:8</p> <p>fortunate 193:8</p> <p>fortunately 208:16</p> <p>forward 68:10 89:21</p> <p>found 7:19 62:20 75:9 144:17 146:24 148:19 220:19</p> <p>foundation 126:24</p> <p>four 7:7 11:11 25:6 42:24 149:23 172:2 186:12,12 201:12 201:15</p> <p>fourth 3:8</p> <p>fox 149:12 157:22 157:23,23</p> <p>frame 30:3 178:25 181:13</p> <p>frank 194:9,9,10,12</p> <p>frankly 127:24</p> <p>freck 141:12 145:18 145:20</p> <p>fredericks 160:25 163:13,14,14</p> <p>free 71:14 84:24,25 195:11</p> <p>freeway 144:18 145:4,8 195:1,7,8,9</p>
---	--	---	--

friday 135:17 182:3 friendlier 115:22 friends 141:18 159:3 196:1 front 141:9 184:9 frozen 65:11 fruit 195:19 full 19:8 49:10,20 52:12 75:16 79:11 79:14,18 138:17 151:14 211:15 212:2 226:13 fullerton 88:24 function 21:21 funny 49:22 109:20 furnished 138:21 further 54:1 57:24 63:15 78:18 92:4 119:23 140:16 157:21 175:12 187:15 190:23 202:16 224:3,9 226:15 future 146:2 188:19 189:3	gentleman 88:1 179:20 197:5 gentlemen 194:12 gesture 116:5 getting 19:20 46:5 47:10,16 54:22,23 68:14 75:5 81:23 82:7 90:8 127:13,19 128:12 130:7,18,22 131:1 135:1 153:8 164:25 175:9 185:7 188:7 190:14 196:19 201:20 218:19 give 5:7 14:13,16 28:3 31:14 35:18,20 38:7 44:1,3 48:15 57:14,16 65:22 78:23 89:9 97:25 102:24 112:17 141:7 149:22,23 150:1 152:5 174:19 175:1,1,8 184:10 191:13 195:25 197:11 200:15 202:14 207:3 222:18 given 49:17 77:23 84:9 89:14 103:10 122:10 180:5 191:11 193:17 gives 25:17 48:9 87:6 93:9,22 96:15 102:2 134:7 136:22 giving 40:24 52:11 52:11 110:21 120:7 126:19 128:9 159:7 191:13 217:8 219:16 global 194:20 195:3 195:24 196:1,4 212:14 213:15,22 global's 196:6 gloria 166:3 171:7,9	go 11:22 24:14,17 27:13 30:18 31:3 33:23 39:11 42:11 45:13 53:17,18 54:12 59:24 69:6 70:11 77:18 79:3,17 82:14,15 84:23 86:21 87:3,4 88:9 94:2 96:12 97:15,16 97:16,21 98:12,14 100:1,8 102:24 109:9 110:13 119:24 122:8,18 127:6,24 134:20 141:2 142:14 143:7 143:17,17 146:4,5 149:24 153:15 160:7 161:20 170:24 172:12 174:2 178:21 184:7 184:18 189:25 199:9 203:22 204:22,23 206:13 206:17,20,23 214:19 215:24 219:4 223:6,6,19 225:15 goal 100:7,14 160:20 196:7 goes 94:17,22 99:8 100:8 103:8,10,10 103:19,20 104:1,3,4 106:20 142:14 148:2 205:24 going 10:4 11:23 24:10 27:13,15 30:18 32:18 43:22 43:23 44:6,7 45:23 46:24 47:20 53:11 53:23 58:8 59:11,15 60:21 63:13,25 64:14 65:13 66:18 70:17,24 71:16 77:8 79:21,25 84:23 85:1 85:11,11 88:9 91:25	92:10,13,24 95:1 98:11,15,19,21 99:13,19,20,21 100:9 103:22 104:19,23 109:22 111:19 114:25 115:16,21 116:1 121:11 122:14,23 123:1,1,1,2,3 125:13 126:2 129:3 129:20 134:15,19 134:22 137:3 139:20 140:23,25 141:11 143:7 144:3 152:8 155:19 158:25 162:3 163:7 163:18 164:6 166:14 176:5 184:9 184:18 191:1 192:22 194:4 195:8 196:24 197:12,14 198:24 202:11 205:7 206:21,22 207:7 209:16,17 210:11,11 211:11 213:20,20 214:6,7,8 214:16,17 215:6,10 219:1 221:16 222:5 225:12 goldstein 131:11 133:21 139:19 171:8 175:14,15,16 177:17 178:1,5,15 178:20 179:4,9,22 179:23 180:3,12,17 180:19 181:3,5,7,13 181:17,19,22 182:1 182:8,18 183:1,5,11 183:17,24 184:6 185:1,5,13,21 186:1 186:7,14 187:2,10 187:20,22 188:1 goldstein's 203:11 gonna 34:16
g			
g 97:9 gain 38:21 game 54:15 213:11 garbage 171:22 174:25 216:14 217:15 219:17 222:5 gated 161:8 gather 186:1 general 38:14 69:14 102:8,20 118:21 119:1 210:25 generally 28:21 76:3 83:25 85:10 110:22 124:15 generating 127:12 genius 170:22			

[good - help]

<p>good 24:10 32:25 34:22,23 36:14,15 36:15 37:13,16 42:22 46:4 54:7 61:22 63:17 65:18 65:24 67:24 76:12 77:9 88:15 91:2,4 98:19 100:3 113:9 113:10,11 114:11 120:2,8 125:4 127:15 131:1 134:8 141:13 148:7 149:25 151:16 158:22 159:11 168:6 172:6 175:15 190:15 192:25 194:11 212:17 213:3 216:6 221:22 221:23,24 goodness 71:6 goods 11:3 205:22 gosh 71:6 gotten 52:24 53:8 128:16 213:3 govern 149:6 government 124:11 213:25 214:3 governmental 136:18 grade 195:4 graded 195:11,12 grading 152:23 graduate 88:23 grand 212:8,9,11 grandchildren 193:17 grant 4:10 120:22 123:2 granted 31:18 121:11 grants 122:8 123:9 granular 106:18 gray 199:16 great 22:10 35:17 45:11 62:24 69:22</p>	<p>70:10 119:22 157:8 191:10 193:11,11 212:18 213:22 greatest 193:13 greatly 127:4 greed 193:22,24 greedy 64:14 green 98:24 gretchen 58:17 gretchin 58:19 121:15 183:21 198:13,17,23 gretchin's 198:15 grew 89:18 gritty 171:23 gross 10:5 93:6 106:10 177:16,20 186:11,24 222:11 group 161:4 196:21 216:10 groups 164:22 grow 90:24 growing 47:11,11 grown 164:22 growth 12:12 24:8 221:11 guard 188:4 guess 13:8 30:16 37:8 55:14,16 58:17 68:2 69:10 82:10 115:18 116:17 180:12 185:9 199:13 216:20 219:8,22 220:22 guessing 37:1 guided 147:2 guideline 211:5 guidelines 6:18,24 9:22 11:6 26:15,19 26:23 38:25 69:17 guy 212:15,18,19 213:10 220:5 221:22,22,23,23,24 guys 105:22 113:7 191:8</p>	<p>h hagy 145:18 146:15 146:17 hair 199:17 half 172:3 176:15 186:9 hallway 162:22 hand 14:2,19,23 17:8,10 18:23 100:6 handed 180:1,13 handicapped 158:15 handing 11:21 hands 130:12 141:17 handwriting 166:2 happen 15:3 54:11 64:18 92:13 142:1 209:21 219:5 happened 14:11 19:15 55:18 146:14 203:22 204:2 205:5 219:5 happening 133:20 169:10 201:14 happens 14:8,14 62:16,16 98:10,22 103:7 happy 24:13,14 58:19 155:23,24 157:5 hard 153:17 172:21 hardship 145:23 170:23 hart 3:4 35:4 58:11 haskin 149:14 166:2 169:15,16,16 171:6 hate 205:7 hazards 145:16 head 198:15 heading 195:9 203:5 heads 127:1 hear 58:20 59:11,15 61:14 63:25 71:18</p>	<p>85:12,13 114:18 126:3,12 139:20 152:4,10 162:23 163:19 167:20 185:23 216:25 217:19 221:15 heard 31:2 39:6 50:4 54:20 59:1 74:17,21 85:4,16 107:23 109:23 110:7 111:25 112:1 152:9 161:22 162:20,21,22 163:11 186:22 192:10 196:23 202:20 208:10 217:7 218:15 hearing 1:16 40:19 58:22 105:7 143:20 192:21 202:3,4 214:15,16 215:2,10 215:15,20 216:1,6 216:21 217:10 223:4,8,15,16,23 224:7,17,19 225:8 225:11,12,13 226:6 hearings 223:14 heart 39:10 144:8,9 144:15 heck 155:23 heckathorr 149:13 159:10 heckenthorn 159:11 159:12 hehir 2:11 71:2 135:9,15,18,22 186:19 190:20 214:19 215:4,9 216:12 218:17 222:18 224:1,6,16 height 165:3 held 112:22 148:13 hello 189:18 197:23 help 28:12 44:16 62:22 102:23 122:9</p>
---	---	---	---

<p>123:19 161:9 193:24 196:7 215:23 helping 124:16 196:22 heron 147:23 hey 183:22 hi 155:4 high 21:9 25:24 33:25 34:1 44:7 55:24 56:12,13,19 65:17 76:7 79:1 132:18 144:10,10 144:14 153:2 164:23 170:5 197:7 higher 14:16 21:17 21:18 23:9 49:23 55:19,19,22 56:4 66:6 74:11 75:18 76:17 78:4,10 80:17 80:22 91:21 104:14 111:16 113:2 187:3 206:7,19 211:11 highest 70:22 77:15 78:2 110:8 highly 165:7 hill 3:6 58:21 176:4 hindsight 34:18 hire 163:6 hired 8:19 40:3 57:8 57:9,11,14,16,20 69:25 hiring 177:8 historic 47:15 68:1 127:9 historical 189:4 hit 126:2 hkclaw.com 3:11 hohn 58:16 143:12 155:17,19 176:7,10 176:16,21 177:7 179:13 183:21 198:16 hohn's 142:3 148:21 155:23 168:21</p>	<p>176:4 hold 103:18 143:25 holder 159:5 holding 213:18 hollywood 10:20 201:24 home 1:10 4:3,12 5:6,9,11,17,20,21 8:18,20 9:8 19:10 23:15 27:24 34:9 47:14 52:9,19 53:2 58:14 63:8,18 64:15 65:20 66:3,18 67:12 67:14 72:7,8,19 76:1 81:22 82:23 83:15,17 84:9,12,22 85:10,15,17 96:10 114:15,20 120:5 123:4 128:5,6 129:18 136:10 142:5,7,18,22 143:9 143:23 144:24 145:10,20 146:21 148:3,20 149:9 150:7,10,11,13 151:11 152:22 153:5,7,16,19 154:6 154:19,21 155:8,10 155:11 156:9,12,13 156:14,23 157:2,4 157:10,24 159:18 159:19,23 160:7 161:3,4,6,7 162:12 163:7,15,24,25,25 165:3,19 166:6,20 167:8 168:3,4,16 169:23 171:24,25 174:9 179:6 189:22 190:5 192:5,8 193:20 194:16 196:16,17 197:6,10 198:2 199:12,14,22 200:3,4 205:19,20 205:20 206:1 211:11 212:1,4</p>	<p>213:11 homelessness 171:4 homeowners 156:9 165:18 188:3,5 homes 32:9 81:15 85:5 126:14 128:2 142:6,14 143:13 147:13 150:6 151:13 153:13 154:3,10 156:6,11 160:4,23 163:23 164:5 167:3 170:15 188:6 212:7,8 honor 165:21 honored 142:24 171:2 hope 24:24,25 61:1 134:16 159:6 167:20 hopeful 222:20,24 hopefully 27:16 202:2 222:23 hopes 207:8 hoping 115:3 horrible 64:14 212:4 horseshoe 147:20 hospital 166:13 hot 147:18 hotly 44:17 hour 225:3 hours 191:2 house 42:13 155:13 163:8,9 166:8 198:5 198:7 206:2 housing 2:12 52:17 150:5 169:24 170:3 huh 173:25 human 63:11 64:9 humiliation 198:23 hundred 45:19 hundreds 113:14 hurdle 141:20 husband 146:18 148:8 157:23</p>	<p>159:15 164:20 166:5 169:22 husband's 148:17 hypothetical 186:7 206:12 hypothetically 22:16 186:3 203:21</p> <hr/> <p style="text-align: center;">i</p> <p>idea 37:16 87:7 89:9 120:19 126:8 ideas 216:3 identifies 70:14 identifying 61:23 ignored 165:16 illegal 65:1 imagine 66:2 164:3 impact 23:6 64:3 134:15 159:2 219:2 impacts 133:20 imperative 146:3 225:2 implement 6:19 63:15 64:6 131:25 implemented 68:4 implication 52:2 160:20 importance 129:20 important 10:15,19 26:14 42:25 54:10 54:15,15 57:2 63:10 72:25 74:14 102:5 113:7 124:12 126:21 216:5,19 importantly 68:3 impose 75:16 202:1 imposed 131:23 impossible 29:15 110:25 206:23 impression 166:21 improved 158:7 improvement 5:25 6:17 136:25 167:15 improvements 84:9 85:3,4 126:15</p>
--	---	--	---

[improvements - inference]

<p>137:25 146:6 152:15,19 164:17 168:17 improving 126:15 148:16 impute 29:22 37:13 38:8 39:2 189:4 209:9 inability 63:19 120:18 123:5 149:8 inaccurate 188:9 inappropriate 108:22 165:22 inappropriately 26:16 inaudible 70:15 110:23 149:4 173:24 175:24 224:15 incapacitating 169:22 inclined 62:7 66:24 121:4,5 include 32:2 77:20 124:19 177:18 included 66:22 87:11 91:16 92:15 132:5 165:15 221:7 includes 178:8 including 9:8 95:20 161:12 172:25 income 5:13 6:25 10:5,5,7,10,13,14 11:20,24 12:3,4,6,7 12:13,25 13:1 14:5 14:25 15:6,11,15,18 16:14 19:4 21:17,19 21:20,22 23:13,17 24:3,6,8,10,13 25:11,22 29:10 36:19 37:7 41:19 43:10 44:22 46:8 47:11,23,24 48:1 53:21 55:24 56:2,21 64:1 65:11,13,23</p>	<p>66:9 67:15 68:9 69:15 93:7,9,22 94:1 96:16,23,24 98:6,8 99:2,4,5 100:6,10,14 101:15 101:21,23 108:17 112:10,14,21,24 113:1 122:9,18 128:5 130:23 131:9 132:2,22 138:15 143:16 158:23 159:1,16 166:7,25 167:9,22 170:20 176:8,18 177:16,16 177:17,20 184:24 185:17,18 186:4,24 189:24 203:4 205:14 206:13,17 206:19 208:8 211:4 213:9 221:11 incomes 142:17 166:17 incoming 211:23 incomplete 7:20 incorporated 219:23,24 220:10 incorrect 17:4 73:16 increase 4:7,11,14 4:16,17,19,20 6:12 6:14 7:16,17 8:7,11 8:13 12:10,11 17:7 17:16 21:14,14 22:8 22:10 23:3,4,18 24:4,6 25:14,15 27:17,20,22,25 30:7 38:9 43:17 44:6 57:10 58:25 59:20 59:22 60:17 63:1,5 63:9,15,18,20 64:3 74:7 75:16,19 79:17 81:5 88:5 89:3,14 91:8 92:1 93:17 97:10 98:18 101:13 102:2,25 103:11 114:17 115:8</p>	<p>121:12 122:4,9 123:5,17 124:19 127:9 128:11 129:21 131:1 133:16,17,19 135:4 141:21 142:9 143:2 143:6 145:23 147:6 148:23 151:6,14 155:20,24 156:19 157:1 159:2 161:16 162:4,5 164:18 165:22 169:12 170:13,23 173:8 176:1,8 188:7 192:12,20 195:19 197:1 198:24 203:16,16,18 204:6 211:22,23 216:13 217:23 218:2 221:6 221:8 increased 14:12 21:24 97:12 142:10 142:20 154:7,9 164:7 206:15 209:14 increases 6:7,11 9:9 11:8 12:11 18:7,7,9 20:17,19,24 26:25 43:13 73:13,24 75:11 77:23,24 92:17 95:19 120:13 130:23 137:8 151:8 166:22 168:23 169:25 170:9 176:13 220:25 increasing 24:5 127:22 136:16 206:24 incredibly 195:20 incur 179:5 independent 105:18 index 10:25 23:1,17 24:2 49:9,14 97:24 100:6 130:1 147:3 227:1</p>	<p>indexed 23:14 47:7 98:8 206:20 indexing 11:19 23:19,22,24 24:1,20 24:21 25:13 27:5,17 45:8 48:8 49:9 52:13 98:16 104:7 205:2,3,11,14 206:11 210:16 211:3 indicate 7:25 12:21 24:19 51:4 81:4 112:1 127:15 128:17 129:12 202:5 indicated 15:14 16:18,25 17:3,8,23 20:7,13 58:10 109:5 112:2 114:3 127:16 127:18 129:5,25 132:14 135:2 136:1 161:15 204:20 indicates 15:17 22:3 27:17 124:14 132:3 136:6 224:13 indicating 17:21 36:13 164:4 indication 75:17 78:9 83:5,22,24 128:24 129:12 indications 80:14 individual 125:1 213:23 individuals 124:10 139:13 indulged 110:12 indulgence 110:5 industrialized 141:23 142:2 industry 96:6 127:15,18 inequity 113:17 infamous 148:22 inference 110:5</p>
--	--	--	---

<p>inferences 110:12 inflation 10:9 11:1 11:20 12:8 13:6,15 24:18 25:20 48:4 76:8 79:1,1,11,19 80:2,18 93:12,13,16 95:20 96:19,21,25 96:25 97:12 98:8,16 98:21 99:7,14 101:21 127:9 135:3 151:8 inflationary 42:25 inflator 44:21 45:23 information 7:21 8:2 12:18,22,25 13:2,2,4,12 14:24 15:1 17:16 22:1 31:14 32:1,2,13,19 34:19 38:6,22 41:20 42:21 51:18,21,25 52:24 53:9 54:16 64:18 71:12 94:10 94:11 117:6 118:2 129:24 150:16,17 182:3 183:18 188:9 189:3,4,7,10 216:7 216:12,22 217:14 224:14 informational 48:14 informed 132:1 198:23 inheritance 212:22 initial 4:16 25:3 27:22 188:2 initially 7:6,17 initiated 6:2 inoperable 185:24 input 119:18 191:14 202:14 inquire 53:2 inquiry 111:5,10,12 inside 144:25 insignificant 50:13 50:20</p>	<p>insisted 64:11,12 instance 75:14 159:25 institutions 72:14 instruct 135:22 insult 170:8 insurance 54:24 166:14 170:20 integrity 149:5 intellectual 102:16 intensive 77:22 intent 16:10 intention 142:25 intentionally 16:4 interest 90:13,13,14 90:15,16 187:25 interested 47:20 117:6 124:16 215:18 226:17 interestingly 170:12 interior 126:15 intermediate 217:24 internal 72:22 interpret 50:7,23 interpretation 13:19 209:20 210:8 interpreted 19:12 intimately 150:12 introduce 58:15 introduced 165:13 invaluable 136:15 invent 70:8 invest 126:23 127:3 invested 126:10,13 126:14 136:2,22 137:17 138:16 140:8 investigated 146:24 investigation 127:14 184:11 investment 24:7,10 30:24 31:9,12,16 32:2,22,24 33:6,8 33:14,24 34:1,4 36:20,21 46:10 47:3</p>	<p>47:8,15,22 67:21,22 68:2 81:6 91:3 100:23 101:5,9 126:16 127:3,8,9,11 127:20 130:16 135:2 136:5,12 137:20,23 138:11 138:19 142:10 153:5 170:18 175:23 176:11 investments 101:10 investor 31:15 33:7 investors 32:11 34:3 invited 142:3 inviting 62:9 invoice 155:11,13 157:13,16 involve 216:2 involved 85:7 87:15 88:21 150:9 195:17 involving 145:15 161:5 irony 69:22 irs 108:23 irvine 3:18 issue 12:15 16:3,10 16:11 17:15 21:3,5 23:11 30:10 37:12 41:18 42:10 43:1 44:18 46:1,5 51:23 54:16,18 61:8 63:11 69:5 72:20 91:18 106:13 123:20 126:4,18 131:3 164:25 177:11 183:23 184:2 188:4 221:22,23 issues 11:25 12:15 14:3 24:25 25:3 26:9 39:1,3 44:13 57:18 60:5 61:23 62:14 64:1,2 78:24 88:22 96:3 118:14 119:11 183:4</p>	<p>item 4:2 49:17 items 89:10 172:20 188:21</p> <hr/> <p style="text-align: center;">j</p> <hr/> <p>jackson 3:14 54:8 125:20 139:7 james 2:14 8:19 9:6 189:18 194:19 janet 145:19 148:6,8 200:23 january 1:19 63:5 160:11 214:17,22 215:2 222:2,4 225:11,14 226:20 227:4 jerrylanders 56:21 joan 197:20,24,24 199:6 job 61:23 124:9 148:18 193:11,11 198:4,9,12 john 2:8 3:22 71:25 157:24 166:5 184:16 johnson 156:22 join 122:11 joint 159:19 jose 68:17 journals 8:23 joy 141:12 145:18 145:21 judge 35:19,25 36:1 36:8 judgment 39:20 july 7:19 143:1 200:24 jump 92:23 june 7:17 151:5 161:1 166:1,4 181:15,16 198:4 200:24 jurisdiction 174:10 jurisdictions 9:5 104:9,12</p>
---	--	---	--

[justification - lev]

<p>justification 46:19 52:11 127:22 128:11 justified 130:6 justifies 21:13 130:16 justify 28:13</p>	<p>198:24 know 13:25 14:4,24 15:4,9,9,22 16:11 17:5 21:1 22:15,18 29:9 30:6,9,25 32:12,16 33:1,10,13 33:17,19,21 36:7,25 37:9 38:11,15 39:7 41:14 42:11 44:1,12 44:14 45:4 47:5,11 48:15 51:22,24 52:4 52:4 53:1,3,4,5,11 53:13,19,20 54:11 55:12,15,15,18,23 58:16 59:25 60:4,24 61:18 64:19 67:10 69:13,22 71:11 76:16,20 77:11 80:20 82:10 85:17 86:15,24 87:1 89:18 97:5 105:16 108:8 109:21 113:13 115:14,21 117:5,5 119:8,10 122:17,23 123:16 126:1,22,25 130:9 135:12 141:1 144:16,20,23 148:2 150:24,25 151:1 152:15 157:18 158:11 162:22 168:2 169:3,6 170:22,25 179:1 180:5,5 181:15,20 182:18,20 185:7 186:9 187:12 188:2 188:3 189:6,25 190:21,23,25 191:25 196:6 197:4 201:11,16 203:11 203:22,24 204:6,20 205:16 206:10,24 207:10 209:14 210:19 211:10 213:17 214:6 216:6 216:16,24 217:9,25</p>	<p>218:1 219:18,23,25 221:2,10 224:25 knowing 102:22 143:6 knowledge 73:22 163:22 known 10:8 20:4 143:4 166:24 199:2 knows 67:11 124:8</p>	<p>125:20 174:9 175:17 182:14 183:2 188:1,14 212:3 219:21 lawn 166:8 laws 149:6 lawyer 35:12 41:23 109:22 139:3 lawyers 61:6,18 113:13,14 210:20</p>
<p>k</p>		<p>I</p>	
<p>karen 145:18 149:10,15,17 166:2 169:14,15,16 kavanaw 66:11 keep 39:6 47:17 52:8 59:24 63:21 76:11 113:2,3,6 130:2 143:19 172:8 176:5 196:19 211:10 224:7 keeping 42:2 43:8 ken 2:15 kenneth 8:17 11:22 key 10:3 38:25 39:3 131:2 kick 209:21,23,23 kidding 71:7 kids 46:20 171:15 kind 29:19 30:5 32:10 65:1 71:9 76:4 83:21 85:23 92:3 108:18 134:12 143:4 172:7 211:21 220:20 kindness 134:4 kinds 51:11 67:2 86:18 109:7 120:21 123:18 139:12 140:11 182:13 214:1 king 3:4 35:4 58:12 145:18 149:10,16 149:17 kitchen 172:22 knew 129:18 130:14 143:9 159:16</p>		<p>labor 11:1 94:20 lack 73:21 132:6,14 172:3 ladies 194:11 lady 199:16 lafferty 166:1 168:5 168:6,7 lakes 147:22 land 32:11 136:23 138:4 142:7,8,14 159:19,20 164:5 landlord 19:6 69:8,9 73:5 82:21,21 83:2 83:19 84:7,13 85:2 85:20 86:2 95:13 136:15 151:19 202:25 208:3 landlords 6:8 landscaping 152:23 language 95:8,11 115:10 117:20,25 large 64:5 77:20 163:17 166:8 169:25 188:25 largely 22:4 larger 193:3 late 79:8,24 185:8 202:22 225:3 latest 91:20 laughing 48:24 laundry 192:17 lavishly 58:18 law 19:12 32:7 54:8 61:20 63:8 120:6</p>	<p>lay 148:1 lead 43:16 leading 144:9 leads 131:2 lease 73:9,10,12 125:2 leases 102:14 125:4 leave 115:19 136:7 137:2,3,9 138:22 160:10 leaving 84:23 lectured 8:22 ledger 118:21 188:22 ledgers 119:1 leeway 48:15 left 131:18 137:1 154:9 leg 197:5 legal 5:11 7:8 9:23 94:22 182:21,21 legitimacy 44:20 legitimate 66:16 leman 161:1 166:1,4 166:4 168:4 lending 72:9 length 70:10 128:20 lengthy 135:17 lessor 97:11 letter 148:22 165:14 169:19 189:20 221:25 leudnet 82:13 lev 160:25 162:7,8</p>

<p>level 6:13 11:5 20:19 21:25,25 24:15 26:22,23 27:17 44:13 55:1 66:15 85:25 131:21 187:6 187:8 209:13 levels 7:25 14:10 62:11 leverage 134:8 leveraged 24:7 licensed 162:13 licensee 162:13 life 61:4,8 138:14 141:20 160:2 188:16,25 193:17 194:5 light 48:13 lighting 172:16 liked 156:3 likes 36:23 37:2 120:9 likewise 26:1 lilia 2:16 limit 71:4 limitations 171:1 limited 4:6 68:17 118:1 line 50:3 98:5,11,24 98:24 99:5,12,13 100:12 106:23 123:15 141:1 144:6 158:3 169:7,9 lines 106:15,17 listened 161:20 listening 28:9 39:23 147:9 194:7 lit 165:6 litigation 9:8 little 33:12 34:18 48:15 49:22 54:17 69:4 72:10 76:9,19 78:10 79:9 80:8 107:23 120:20 131:16 134:3 142:16,19 146:22</p>	<p>148:2 149:5 150:1 163:20 166:11 174:20 181:23 190:8 193:25 196:20 live 35:4 58:12 71:25 115:24 134:12,24 137:9 142:1,3 143:6 145:20,22 148:14 159:6 160:19 161:7 161:23 166:7,9 167:5,8,21,22 170:16 192:5,10 193:14 198:17 lived 146:8 147:4 148:9 157:24 159:12 163:15 166:5 168:9 171:13 171:14 198:1 lives 159:3 165:22 166:9 169:17 196:20 living 124:2 127:5 134:9 159:16 163:19 165:14 167:23 168:14 169:21 189:21,22 190:13 193:8 Lloyd 2:3 loaf 46:6,14,21 local 55:10 102:18 150:3 175:21 located 7:3 150:5 location 4:5 153:9 logical 27:2 130:21 long 37:3 63:14,16 64:16 72:4 73:9,10 73:11 113:5 114:11 114:13,13,17,22 115:24 116:8,12 121:22 125:4 128:3 176:6 190:22 198:12 212:11</p>	<p>longer 99:20 101:9 143:22 look 24:12 34:3 43:2 78:1 80:12 90:12,13 92:6,8 98:10,20 104:7 106:19 112:12 128:10 129:6 130:10 172:17 180:8 185:19 192:25 207:11,17 218:24 221:3,13 looked 44:13 52:23 118:24,24 128:14 166:18 185:21 188:11 220:23 222:7 looking 17:13 53:14 77:12,19 79:5,6 83:15 86:15 90:25 92:4,20 94:14,16 126:19 128:8 132:25 136:21 142:22 185:6 218:3 219:10 looks 16:19 26:5 44:6 220:10 los 226:2 lose 129:21 159:6 losing 99:9 loss 92:16 lost 31:18 90:2,6,15 92:14,17 153:1,7 166:25 176:10 198:4 lot 23:19 24:24 33:2 36:8 38:20 42:13 53:6,7 59:1 63:25 83:1 89:10 100:2 126:12 149:9,12 152:24 161:17 167:9 170:16 188:9 193:22 196:21 212:10</p>	<p>lots 5:22 170:2 lottery 213:11 loud 144:21 162:23 louie 194:20 195:3,3 195:24 196:6 love 137:4 171:15,15 171:16 193:10 194:6 loving 219:14 low 18:7 21:11,15 21:16 25:23 101:9 156:2 158:20 176:11 lower 7:25 17:6 43:17 44:8 55:23 112:20 187:4,13 206:7 211:12 220:7 220:9 lowering 205:25 lucrative 143:20 194:23 195:16,20 lunch 102:14 lussier 194:9,11,12 196:9,11,12 luxury 115:23</p>
m			
<p>m 179:5 186:15 mai 72:1 mail 3:11 31:20 165:11 mailed 31:13 182:5 mails 60:21,22 main 3:16 25:6 maintain 43:9 47:25 56:2 65:21,23 99:4 164:15 165:4 maintained 100:14 147:20 maintaining 65:11 maintains 24:14 36:18 maintenance 5:13 6:24 10:7 11:24 12:3 14:5 15:15</p>			

[maintenance - members]

<p>16:13 30:13 37:6 44:13,14 47:22,24 53:20 55:6 56:1,18 56:20 65:18,25 66:8 67:15 68:8 69:14 100:10 132:5,11,21 213:8 majority 9:20 48:6 163:17 making 46:3 61:15 74:2,3 75:4 91:3 113:15 139:14 145:14 157:14 161:23 177:7 198:9 man 190:9 manage 133:3 160:1 162:14 176:20 177:1,4 managed 66:2 131:19,20 160:1 management 21:8 21:10,23 22:3,16,20 22:24 23:5,8 25:12 27:1 30:12,13 37:11 37:15 38:10 39:2 54:17,20 55:2,6 56:8,18 58:18 62:1 65:18,25 86:21 94:3 94:15,17,18,21 95:3 95:5,9,16 96:3,7,9 106:9,10,13,21,24 107:2 112:7,10,23 112:23 113:1 118:3 131:4,7,21 132:11 133:10,14 135:6 142:23 143:8,9 147:9 148:25 158:10 164:14,20 164:24 165:9,10 173:6,10 176:16 177:15,21,22 178:3 178:3,6,8,10,13,18 179:2,16 183:14,16 184:21 185:14 186:23 187:7</p>	<p>192:24 198:3,7,11 199:3,4 200:9 203:6 203:13,19 204:3,9 204:16 207:24 208:15 209:1,8,10 209:25,25 manager 2:12 37:15 158:5 160:3 165:12 177:9 193:9 managers 159:25 160:2 176:19 managing 178:20 179:13,15 192:25 mandated 124:1 mandatory 95:7,11 95:15 manipulate 33:15 manipulated 36:21 manner 38:16,17 manufactured 150:4,6,13 154:19 154:20 march 63:6 79:16 97:1 200:7,11 marge 145:18 146:15 marilyn 141:11,14 201:10 mark 3:15 54:8 125:19 141:11 197:16 market 9:16 10:18 10:23,24,24 11:4 13:23 14:6 17:18,21 17:24 18:22 19:2,4 19:8,17 27:11 28:24 50:6,8 72:24,25 73:1,1,4,8,15,17 74:8,11,15,19 75:1 75:13,17 76:2,14,17 77:3,12,25 78:9,14 78:17,20 80:7,8,9 80:16,17,21 81:2 82:20,25 83:5,12,12 83:22 84:1 85:6</p>	<p>86:1,5,9,12,20 87:2 87:7 93:7,21 96:13 128:1,24 129:9,15 142:11,20 145:5 150:15,23 151:18 151:20,21 157:19 160:8 205:17 212:12 markets 53:1 marvelous 193:9 masters 88:24 match 124:10 matching 59:5 material 219:2 materially 8:4 mathematically 103:3 mathematics 102:1 matter 15:3 19:15 35:19 41:2 65:2 82:13 84:15 106:3,4 181:6,12 182:7 184:10 202:1 207:13 212:21 213:10 214:21 221:21 224:11 matters 58:24 72:13 161:5,12 182:9 matthews 194:19 maximum 70:15,18 73:24 74:4,7 91:4 126:21 128:9 129:14 176:23 maxwell 2:4 mba 175:19 mccarthy 3:23 58:23 59:12 65:12 71:17 88:2,4,9,13 88:15,16 104:22 105:1,2,6,12,14,17 105:24 106:3,7,12 106:22 107:6,8,10 107:13 108:1,5,9,14 108:19,21 109:11 109:14,15,20 110:3</p>	<p>110:17 111:1,5 112:2 117:1,7,10 119:8,14,20 162:21 183:22 184:15 188:21 204:8 206:10 213:7 221:20 227:11 mccarthy's 222:7 mcowen 197:22,23 197:25,25 199:25 200:4,7,10,12,17,17 200:20 mean 33:1 48:5 53:14 61:18 84:16 86:24 94:24 96:1 100:3 112:21,25 114:12 120:2,8 158:11 164:9 175:1 203:11 205:20 206:20 208:2 209:3 209:4 223:21 meaningless 97:14 meanings 62:12 means 47:25,25 48:2 48:3 63:6 65:10 74:2 114:9 136:24 172:10 215:15 223:16 meant 18:5 measure 10:25 13:15 measured 11:2 221:8 meds 170:20 meet 27:6 43:24 159:24 200:8 meeting 181:19 188:3 223:7,11,14 223:19 meetings 223:14 meets 44:2 member 35:15,16 162:18 members 5:4 169:20 215:23</p>
--	--	---	---

mention 143:5	minimum 28:1	169:23 170:15	moore 162:16
mentioned 9:25	42:12 44:2 80:25	174:8 179:6 188:5	morning 182:4
25:12 26:9 67:20,21	81:1 110:2,2 111:17	189:22 190:5 192:5	184:1
108:7,9 123:9	112:4 161:24	192:8 193:20	mortgage 103:25
205:10 221:23,24	minus 10:6 96:13	194:16 196:16,17	mortgages 164:6
mere 51:3	103:24	197:6,10 205:19,20	mother 162:11
merle 160:24 161:2	minute 21:4 39:11	205:20 206:1 212:1	169:17 175:17
met 101:2	71:4 133:17 208:18	213:11	188:1,14
method 7:14 30:23	minutes 141:5	model 103:3 167:3	mother's 198:5
213:8	149:22,23 207:2	modest 193:15,19	motion 48:18,20,22
methodologies 7:2	misquote 79:10	modified 8:7	49:1 214:21 215:1
9:19 39:12	missing 54:14 96:15	mohr 2:5	223:4 224:17
methodology 9:12	mistaken 93:3	mom 146:9 189:20	225:10,15,16,19
9:21,24,25 10:2	mixing 59:5	mom's 198:7	motions 224:15
22:22 33:24 67:19	mixture 152:20	moment 151:16	motivated 60:18
68:12 130:10 213:6	mls 162:17	173:12	mouth 78:7
methods 31:8 38:13	mnoi 5:14 9:21 10:8	monday 1:19 184:1	move 39:14,19 41:5
78:16 132:25	11:12 25:7 30:23	227:4	113:20 115:21
metrics 102:18	31:4,11 32:3,4,15	monetary 145:14	128:2,5 137:3,5,7
mhc 68:17	36:13,14,18 45:24	money 66:17,18	140:24 143:23
mic 97:24,25 116:19	48:7 67:5,6,9 68:5	90:15 91:2 99:9	147:6 148:19 153:3
michael 3:23 191:10	81:7 89:11 90:20	100:5 138:15	166:8 190:4,5 191:7
michigan 88:25	91:16 92:15,20	142:12,16 157:18	197:7 214:20
microphone 186:20	95:18 97:11 101:2	159:22 161:17	moved 114:20
200:15	112:17 213:13	162:2,3 167:14	142:19 146:9,10
mid 128:19	219:2	170:16 177:4 178:9	147:14 148:8,17,18
middle 169:9	mobile 1:10 4:3,12	179:5 194:4 196:25	148:21 159:14
mike 2:7 88:4,16	5:6,9,11,17,20,21	198:9 199:4 213:24	163:21 167:4,16
183:22	8:18,20 9:7 19:10	monies 177:18	168:19 192:9 200:4
military 102:12	23:15 27:24 32:9	month 4:8,13,15	200:24 215:4
million 111:7 136:2	34:9 47:14 52:9,19	7:18 8:8,12,14	225:17
176:15 186:9,11,12	53:2 58:14 63:7,18	25:24 27:18,22	moving 128:6
186:24 212:22	65:20 66:3,17 67:12	59:16 91:15,24	144:16 153:8 192:7
millions 142:11	67:14 72:7,8,19	92:11 133:16,19	mrls 218:14 219:16
mind 31:5,13 39:6	81:14,22 82:23	142:8,12 143:24	multiplied 6:13
42:2 43:9 52:8	83:15 84:9,22 85:4	146:4 147:4 164:7	municipal 6:5
59:24 63:21 113:2,3	96:10 114:20 120:5	166:14 174:18	mural 172:17
113:6 179:8,11	123:4 129:18	189:25	myriad 110:4
211:10	136:10 142:5,6,7	monthly 8:14 94:23	n
mine 174:14	143:13 145:20	117:14 161:10	nada 157:4
mineral 147:19	146:21 147:13	months 28:1 79:14	name 35:1,3 71:20
mini 147:22	148:3 150:7,11	90:4 91:22,25 92:5	71:25 82:4 88:15
miniature 170:2	157:24 159:18	92:7,7,8 93:9 102:2	107:1 124:7 141:8
minimal 17:10,14	161:3,4,6,7 163:15	151:10 164:12	145:21 148:7
	166:6,20 167:3,8	197:12	

[name - nutshell]

149:14,15,25 157:23 159:11 161:2 163:14 166:4 168:6 169:16 171:11 189:18 191:20 194:12 196:15 197:25 200:15 201:9,10 226:19 named 194:19 national 162:19 near 76:23 146:2 201:20 nearly 112:24 176:17 nebulous 131:24 necessarily 24:16 40:4 48:4 84:17 103:16 180:18 necessary 11:18 14:16 15:14 20:15 69:6 111:18 135:5 need 5:14 25:4 32:12 41:24,25 42:18 50:15,22,23 50:24 59:7,24 60:9 61:13,23,24 62:1 63:1 87:14 112:11 113:2 124:10,11 125:22 130:24 141:7 159:21,22 160:2,2 164:14 172:5 183:17 213:5 213:5 215:17 216:7 224:14 needed 122:9 135:4 215:16 needles 165:6 needs 11:15 68:21 68:21 80:6 113:9 172:6 192:24 197:7 neet 3:22 20:2 58:23 59:13 70:25 71:8,13 71:19,23,25,25 81:13,16,20,22,25	82:9,18,24 84:11 85:7,14 86:14 87:10 88:8 110:7 145:10 184:16 213:7 221:20 227:10 negative 176:6 neglect 148:25 negotiable 84:11 negotiate 73:7 83:18 83:19 85:2 negotiated 77:17 85:4 86:22 205:17 206:5 negotiating 82:21 84:1,7 negotiation 73:4 83:7,8 84:15,18 85:10 negotiations 85:22 85:23,25 86:6 151:18 194:20 neighbors 141:18 159:3 168:10 171:1 neither 80:15 101:4 145:2 226:15 nest 142:18 net 5:13 6:25 10:5,7 10:9,13,13 11:19,24 12:3,4,6,7,12 14:5 15:15 16:14 21:17 21:19,20,21 23:7,13 23:17,24,25 24:3,5 29:10 36:19 37:6 43:10 44:22 46:8 47:22,24,25 53:20 55:24 56:1 65:11,13 65:23 66:8 67:15 68:8 69:14 93:22,25 96:15,23,24 98:6 99:4,5 100:10,14 101:21,23 176:8,9 176:14 177:16 186:2,3 205:14 206:12,17,19 211:4 213:8 214:4 221:11	never 85:3 89:12 90:10 111:7 127:1 143:3 147:3 158:1 158:13 159:6 163:1 163:5 165:8 172:16 179:8,11 188:16,25 198:20,23 199:1 new 8:9 32:9 63:1 76:13 77:3 84:2,12 85:15,17 128:3,17 129:13 137:16 142:5 143:8 150:10 151:12 152:24 153:19 154:3,13,14 156:6,9,11,12,13,25 158:8 164:15 165:10 168:3 194:15 211:17 221:7 newport 35:4 58:13 news 158:4 168:15 ngos 124:11 nice 219:17 220:5 nickel 66:25 night 61:3,8 63:11 195:6 201:24 202:22 210:12 nightmare 171:2 nights 144:21 164:11 nine 5:17 nitty 171:23 nod 111:5 noi 10:8,16 52:12 97:4,20 100:12,25 101:12,18 103:10 noise 144:13,18,21 nominal 99:6 non 11:4 83:16 101:2 110:15 126:22,23 161:4 194:3 201:15 norm 178:13 normal 56:12 76:5 111:12 127:18	131:21 151:2 normalization 94:12 normally 23:3 60:16 84:12 87:10,13 190:21 norman 2:13 4:23 5:3 25:5 42:24 57:4 57:7,11,14,20,24 87:20,23 107:16 114:3 140:19 180:22 202:19 218:23 northern 35:23 note 63:3 65:8 66:11 69:5 171:18 noted 61:7 66:12 133:23 145:10 notes 127:7 151:15 notice 4:17 17:7 27:23 94:7 98:23 163:24 164:4,15,18 166:13 222:3,4 noticed 164:16 notices 63:5 notifying 221:25 number 12:15 38:7 38:12 64:11,22,23 74:8 77:20 78:23 83:4 85:8 90:14 91:14 93:8 99:16 102:22 104:9 110:9 112:19 135:20 141:5 144:4 175:25 179:13 185:22 189:4 221:19 numbers 80:24 111:2,24 118:9,16 118:24 119:2 132:9 144:3 203:12 numerous 8:22 36:3 36:4 154:10 nursing 160:7 nutshell 89:1
---	--	---	---

<p style="text-align: center;">o</p> <p>oak 195:13 198:18</p> <p>oaks 1:2,10,17,18 4:3,12 5:5,9,11,18 7:3 34:10 141:15 144:6,17 148:8 150:4 159:12,14 162:12 166:19 167:14,20 168:9,20 175:16,22 189:19 189:22 192:8,11,22 193:13 194:6 198:10 200:18,23</p> <p>object 60:7</p> <p>objection 61:4 62:4 62:4</p> <p>observation 179:19</p> <p>observe 60:20</p> <p>obtain 183:14</p> <p>obtained 68:21 145:13</p> <p>obvious 187:3</p> <p>obviously 112:21 128:2 183:8 187:4 224:21</p> <p>occasion 72:12</p> <p>occasions 164:25</p> <p>occupied 7:6</p> <p>occur 28:1 156:15 219:15</p> <p>occurred 73:19 151:8 218:15,16,25 220:14</p> <p>october 8:3,10 151:11 154:4</p> <p>offer 173:4,7 221:16</p> <p>offered 121:2 215:18</p> <p>offering 122:19</p> <p>office 58:12,22 81:18 139:9,10 181:25 183:22 184:1</p>	<p>officer 161:3 196:16</p> <p>official 215:22</p> <p>offset 221:10</p> <p>offsetting 56:3</p> <p>oh 35:14 43:14 48:23 49:25 52:7 58:11 71:6 109:19 112:6 113:20 173:15 191:19 194:9 212:17 213:14</p> <p>ojai 161:7</p> <p>okay 11:23 18:23 19:22 21:3,4 28:18 29:5,5,6 31:4,7 32:20 34:13 35:7,14 35:22 40:2,9,13 43:7,21 46:4,6,13 46:18 48:12 49:1,25 50:9,12 51:3 52:6 52:16 53:19 54:4,14 54:19 58:3,11 62:21 62:24,25 70:5 74:18 81:19 85:24 88:1 90:19,20 91:8,21 93:24 97:23 99:1 104:20,23 105:15 106:8 114:6 115:5 116:14 117:8,11 118:17,24 122:3 135:15 136:5 138:2 139:6,8,12,20 140:7 140:15 149:19 154:22 155:10,14 156:1 157:3 168:5 173:15 174:1,7,17 175:7 178:2 179:11 179:21 180:9 181:3 181:9,23 182:6,11 183:3,6,12 184:6 185:3,8 186:2,21 190:25 191:19,21 194:9 199:7 200:17 201:4 202:4,13,15 202:21 207:25</p>	<p>208:24 210:14,15 210:18 212:14 222:20 224:14 225:14,16</p> <p>old 33:14 86:17 141:19 146:17 162:8 167:21 168:15 169:20 172:7 198:19</p> <p>older 158:25 166:15 172:21</p> <p>once 81:20 90:17 94:20 96:12 97:2 100:22 165:16 184:3</p> <p>one's 36:19</p> <p>ones 48:24 67:25</p> <p>ongoing 95:19 106:5</p> <p>onsite 160:2</p> <p>open 61:13 200:6 223:14 224:7</p> <p>opened 4:1 129:13 198:14 200:24</p> <p>operated 147:17,19</p> <p>operating 5:13 6:25 10:5,5,6,7,10,13,13 11:17,20,24 12:3,4 12:6,7,11,13 14:5 14:20 15:15 16:14 21:4,5,17,19,20,21 23:13,17 24:3,5 29:10,23 36:19 37:7 39:16 43:10 44:22 46:8 47:22,24 48:1 53:21 55:24 56:1 65:11,13,23 66:8 67:15 68:8 69:14 76:5 93:22 94:1 95:19 96:16,23 98:6 99:2,4,5,22 100:10 100:14 101:21,23 134:9 151:2 155:18 159:21 176:6,8 177:11 186:3,4 205:14 206:12,17</p>	<p>206:19 211:4 213:8 221:11</p> <p>operation 56:20 96:24</p> <p>operations 7:5</p> <p>operators 65:20</p> <p>opined 44:20</p> <p>opinion 25:18 74:17 75:6 80:1 104:7 105:23,24 110:21 118:6 191:11 205:8</p> <p>opinions 183:10 184:14</p> <p>opportunities 156:9</p> <p>opportunity 65:16 65:23 114:4 141:3,7 180:7,23 191:13 211:16</p> <p>opposed 49:4 224:7</p> <p>opting 156:12</p> <p>option 86:6 128:6 151:22 191:9 216:20</p> <p>options 25:17 26:8 59:1</p> <p>orange 88:19 139:8 139:10</p> <p>oranges 133:6</p> <p>order 8:15 10:9 13:6 17:11 96:22 111:18 135:23 142:4 156:16 183:9 184:13 201:19 217:22</p> <p>ordered 47:19</p> <p>ordinance 19:10 29:3 31:2 37:21 38:24 39:5,7,16 43:13 44:23,24 45:22 48:9 50:16 51:7 65:8,9 66:10 68:5,8 69:7,20 70:14,21 73:11,12 73:24 74:5,7 75:11 75:17,23,24 77:7,10</p>
---	--	---	--

[ordinance - park]

<p>81:7 89:6,6 90:7 92:12 93:25 97:3,8 97:9,17 101:4 108:6 108:8,10 133:9 185:11 205:3 207:18,20 208:17 210:7 211:5,18 ordinances 13:9 23:16 24:2 104:12 ordinary 111:14 oregon 54:11 organization 192:2 organizations 194:4 original 31:12,15 32:2 178:7 originally 16:17 osculate 103:7 ought 39:20 68:16 150:22 207:21,22 213:1 outcome 220:1,5 226:18 outfit 58:18 outline 10:4 outrageous 164:4 outreach 122:21 outstrip 100:21 overall 43:12 220:21 overpaying 212:22 overriding 29:11 overseeing 201:22 overtake 98:23 owned 18:10 137:19 137:21,25 138:4 153:13 176:12 owner 8:1,3 12:20 12:24 13:1,3,20 14:5 15:11,19,25 16:4,25 17:1,9,15 17:20 18:24 19:17 20:2,10,19,24 22:3 22:5,12,17 26:17 29:14 37:2 49:24 55:1,2,5,19 60:11 60:12,18 63:14,16</p>	<p>64:14,17 66:20 67:20 68:23,24 76:1 81:4 83:8 89:3,4,7 89:13 90:3,6,10,24 91:2,7 92:1,10,19 94:25 95:3,5,8,12 96:3 99:3,13,22,23 100:5 101:10 103:1 103:11 104:2 111:11 117:11,15 119:18 120:9 121:3 121:4 122:7,12,22 123:10,15 124:15 126:5,12,17,19 128:9 129:17 130:4 130:7,13 131:19 134:7 135:1 137:11 137:18 138:1 147:24 148:24 149:4 150:25,25 151:17 152:17,20 152:25 153:25 156:4 158:1,23 160:5 162:3,5 166:15,24 170:6 173:3 174:9 176:25 176:25 177:10 180:23 190:11 192:24 199:15 204:9,12 208:21 209:1,10 210:1 211:17 213:18,25 214:12 224:22 owner's 16:2,17,22 22:14 23:10 29:20 52:8 105:18 120:1 123:8 132:9,16,16 135:19 138:8,12 176:1 196:23 214:7 owners 7:10 23:21 58:13 72:15,16 76:25 83:25 101:9 124:5 135:23 142:24 159:19,21 161:3,5,13 165:3</p>	<p>172:9 196:16 ownership 136:8 owning 47:14 99:24 owns 136:24 162:11 oxnard 82:3</p> <hr/> <p style="text-align: center;">p</p> <hr/> <p>p.m. 1:19 215:3 225:12,20 package 88:5 packet 6:21 135:13 pad 84:13 142:6,22 pads 152:13,13 page 32:22 41:6 62:24,25 63:10,10 69:12 80:4 94:4,7 96:20 102:21 104:8 127:6 131:10 227:6 pages 1:25 226:12 paid 31:15 58:18 66:21 67:12,14 73:18 87:5 107:1 142:8 147:23 160:7 164:6 166:20 178:9 181:10 195:22 204:12,17 212:6 213:12 pail 66:4 paint 172:18 paned 144:22 panel 81:9 159:10 pans 172:22 paperwork 179:13 paragraph 117:24 165:15 184:18 194:1 209:20,21 pardon 89:16 parents 146:8 park 1:11 4:3,12 5:6 5:20,21 7:4,5,10,24 8:18,20 10:6 12:20 12:24 13:1,3,20 15:11,25 16:2,4,17 16:21,22,25 17:1,9 17:15,20 18:10,24</p>	<p>19:17 20:2,10,24,24 22:2,5,11,14 23:10 23:21 26:17 29:14 32:8 33:25 34:11 37:2,3 44:15 47:10 47:14 49:24 52:8,9 53:5,6,9 55:3,5,19 58:14 60:11,11,17 63:14,16,18 64:14 64:17 65:15 66:3,18 66:20 67:12,14 72:15,16,19 76:1,13 76:25 77:13,15 80:22 81:4,24 83:3 83:8,15,25 84:9 86:13,21,25 92:1 94:25 96:10 99:3,13 99:20,21,22,23,24 99:25 100:5 101:10 103:1,11 105:18 111:10,13 112:15 112:21 113:11 114:12 115:8 117:15 120:1,8,17 120:18 121:3,4,8,15 121:16 122:11,22 123:4 124:5 126:10 126:12,17 128:18 129:13,17 130:7,12 130:15 131:20 132:16 133:4 134:7 134:10 135:1 136:3 136:24 137:11,18 137:19,20 138:1,8 138:11,19 140:8 142:24 143:20 145:3,21 146:8 147:14,24 148:9,21 150:7,11,17,18,24 150:25 151:2,6,11 151:12,13,17 152:11,16,17,19,25 153:4,5,24 154:10 156:3,4,6,10,12,14 156:24 158:2,3,5,7</p>
--	--	--	---

158:9,10,12,22,24 159:17 161:9,12,15 161:23 162:3,5,17 163:15,21 164:10 164:15,17,23 165:12,23 166:6,15 166:16,21,24 167:6 167:8,16,18 168:19 169:18 170:7,14 171:16 172:1,2,2,4 172:7,9,14 173:6,9 174:9 176:6 177:11 177:23 178:10 179:6,13 186:8,11 188:13 189:22 192:5,8,10,24 193:3 193:9,12 194:17 195:23 196:23 197:6,9 198:3,7,11 198:18 199:1,14 203:23 204:9,12 205:20 211:17,18 212:1,8,21 213:4,11 213:18 214:7 park's 5:11 183:13 183:14 parking 158:15 parks 5:9,17,22 9:8 14:10,12 20:8 34:9 52:20 53:2 55:8 65:20 72:7,8 74:6 75:9,16 76:5,21 81:22 82:23 84:6 87:4 128:3 129:18 148:3 150:8 152:12 153:12,18 161:6 166:18 199:2 part 16:2 24:21 57:20 58:7 79:5,6 80:1 85:5 87:13,14 88:19 91:16 98:5 113:7 119:15 121:3 121:6 123:5,8 124:12 135:13 136:24 138:3	148:18 183:7 188:23 211:14 214:4 particular 12:16 15:8 21:7 25:11 51:7 53:5 67:18 86:10 87:9 126:17 127:8 128:25 138:16 156:21 167:3 174:12 184:2 188:2 205:13 214:21 particularity 110:11 particularly 32:8 164:9 parties 22:6 86:7 95:1 104:21 partnership 68:17 party 22:19 83:14 84:19 94:17,18,20 96:7 106:21 171:11 178:4,16 179:2 204:13,14,17 226:16,17 pass 144:5 190:4 passed 49:1 120:13 148:10 218:3 225:19 pat 149:13 159:10 159:12 patents 102:16 patrick 2:11 71:1 215:22 pay 33:25 63:19 73:3,18 76:16 84:21 84:22 87:1 120:12 120:13,25 123:5 143:23 149:2 152:12 160:5 167:13 170:16 171:21 173:5 177:3 179:15 194:1 196:25 198:21 199:4 206:1,7 213:1	paying 73:15 77:20 120:3 121:9 122:6 123:17 157:4 173:16 174:5,15,18 177:1 204:13 220:13 221:6 payments 102:16 pays 152:16 peck 117:13 peckenpaugh 3:14 penalizing 204:9,15 penny 59:21 66:14 66:22 89:4 176:11 pension 126:1 168:8 people 34:25 40:4 51:17 63:25 64:10 64:13 75:3 82:6 83:2 87:1,5 122:5 124:6,9 126:8 127:14 130:14 138:18 139:21 140:25 142:17,17 143:14 158:16,22 160:18 161:23 165:23 167:8,10 169:5 171:16 178:12 188:11 190:13 192:21 193:18,24 196:7,22 196:25 197:15 201:12,15 208:11 212:5 213:20,21 219:10,14 perceives 29:4 percent 6:13 23:17 23:19,20,22,24,25 24:3,6,20,23 27:6 27:16 43:3,3,3,4,4 44:1,1,21 45:1,1,23 46:3,15 48:5,8 52:13,17 55:10 56:8 56:9,15 59:4 83:9 89:2,14 93:17 95:11 95:16 96:21,22 97:4 97:7,10,16,19,24	98:7,9,12,14,15,16 98:17,17,17,21 99:19 100:7,8,9,10 100:15,17,18,19,24 102:5,9,19,25 103:11,19,20 104:1 104:6,10,13,13,14 104:15 107:13 112:7,9,24 127:2,17 128:13 130:6,8,16 130:20,22,25 131:15,17,23 132:2 132:13 133:3,9,11 133:11,18 134:21 140:10 153:6 170:19 176:17,18 176:20,21,21,22,22 176:25 177:15 178:12,14,22,22,24 178:25 179:3 185:18 186:25,25 186:25 203:7 204:5 205:2,12 206:11,11 206:15 211:3 percentage 11:19 27:5 33:20,21 34:1 50:1 106:10 107:4,5 107:10 112:19,20 131:9 132:19,21 184:24 185:17 186:12 187:4,8,13 203:4,17 205:3 207:22 208:7 percentages 112:6 percipient 182:14 perfect 159:20 160:3 perform 117:15 performed 22:4,5 22:11 202:25 208:4 period 4:14 27:21 29:24 41:9 44:21 45:24 50:8 52:12,20 77:22 111:24 131:1 168:22 171:19
--	---	--	--

<p>184:24 207:13 208:25 209:2 210:1 210:3,4 218:2 periods 129:25 permanently 6:4 permeates 165:8 permeating 144:21 permitted 74:4 221:12 person 49:20 72:20 111:18 134:19 148:2 216:24 person's 136:19 personal 64:2 perspective 15:24 perspectives 112:12 persuasive 26:9 pertain 32:9 pertains 32:10 petition 17:17 165:1 165:9 ph.d 8:21 phase 27:21 145:12 phased 4:14 25:15 27:20 philanthropic 213:23 phone 183:20 phrase 201:23 207:19 208:19 picard 1:20 226:3 226:24 pick 24:21 33:21 37:4 40:20,21 42:3 43:2,3,17 83:4 115:18 183:20 186:19 picking 195:8 picture 41:15 pictures 158:19 piece 53:23 128:25 194:23 206:3,4 pieces 92:8 206:4 pig 81:20</p>	<p>pitman 160:24 161:2,2 194:9 196:14,15,15 pits 147:20 place 85:23 115:22 142:7 150:16 153:17 164:1 168:16 226:7 placed 172:18 plan 126:1 143:1,3 planning 8:21 35:6 35:7 plans 126:5 148:25 play 172:14 pleading 141:25 please 28:11 32:19 35:2 54:17 58:2 71:5,21 78:23 92:21 93:23 96:12 97:2 101:19 116:19 124:4 141:5,8,17 144:1 149:11,13,20 162:7 166:3,3 171:8 174:22 175:10 187:18,24 189:16 189:17 199:18 200:15 201:9 202:18 pleased 58:15 193:20 pleasure 104:17 191:9 plenty 189:1 plot 16:2 plummeted 52:17 52:20 plus 136:2 221:7 pneumonia 144:10 pocket 46:10 122:23 190:1 podium 58:2 168:1 201:9 point 5:5 20:7 28:24 29:1,4 36:2 39:24 44:19 45:11 46:3</p>	<p>57:1 58:9 60:19 61:20,21 62:21 64:22,23 66:12 70:15,24 71:8 75:22 78:12 84:16,17,18 85:24,25 90:21,23 92:23,24 93:4 94:6 97:23 99:9,11,15,16 99:20,23 100:19,20 102:8 104:6,11 135:25 151:5,16,24 152:4,6 153:11 155:23 156:24 160:10 161:19 179:25 185:10 190:23 201:19 204:8 208:9,13 218:12,18,19 219:10 220:23,24 221:2 pointed 52:4 pointing 15:21 points 56:20 66:9 93:1 102:4 150:19 152:7 153:20 202:17 218:4 220:10 221:1 224:3 poker 213:11 policy 14:3 16:3 24:23 25:13 43:6,8 43:11,24 44:4,11 46:18,23 51:22 57:14 134:4 153:18 poll 190:17,22 pollution 144:9,19 pool 147:16,17 172:22 192:15 pools 147:18,19 poor 114:24 214:8 popular 187:20 population 160:16 porch 190:7 portion 63:19 206:8 position 29:14 40:25 42:17 43:5 59:7,8</p>	<p>60:1,5,14 110:13 123:7 132:8 141:24 202:17 204:12,16 207:21 positive 165:13 possible 32:13 40:17 108:25 152:4,5 176:7,18 possibly 51:24 post 20:17 69:19 postage 170:2 potential 145:15 151:21 potentially 100:3 pots 172:22 potter 141:12 144:1 144:2,2 power 5:5 46:20,25 62:21 66:12 92:23 93:4 134:12,14 practical 14:18 15:3 practice 76:5 77:4,5 86:20 88:19 143:11 152:14 154:3 190:21 practices 149:7 pre 28:22 41:9 48:1 69:15 153:13 precedence 32:5 precedes 13:22 preceding 18:5 precise 18:19 precisely 39:17 64:12 preclude 39:17 prefer 82:13 preference 109:10 130:9 prehmus 166:3 171:9 preliminary 58:24 premium 54:23 preparation 183:7 prepare 84:13 160:21</p>
---	--	---	---

<p>prepared 9:4,7,11 135:14,16 162:9 189:3</p> <p>prepares 94:23</p> <p>prescott 2:8 149:17 215:14 216:20 222:22 223:3,13,22 223:25 224:18</p> <p>prescribed 7:14</p> <p>present 3:21 58:17 74:22 96:18 148:1 149:22</p> <p>presentation 4:22 5:1,5,8 8:6 11:21 28:2 58:2,5,8 59:25 71:3,4,15,23 88:1 88:10,13 92:24 104:16 105:9 109:17 113:25 114:2 125:14,17 136:1 227:8,9,10,11 227:12</p> <p>presented 105:3,11 115:11 119:2 181:24,25 209:12 209:12</p> <p>presenting 118:1 182:11</p> <p>preserve 29:9 60:10</p> <p>preserving 60:24 62:4,13</p> <p>president 162:16</p> <p>pressure 144:10,11 144:14</p> <p>presumed 12:4 67:6</p> <p>presumes 68:8</p> <p>presumption 10:16 29:9</p> <p>pretty 45:2 48:14 68:20 76:25 98:1 168:14 194:23 199:16 216:5</p> <p>preview 5:7</p> <p>previous 94:11</p>	<p>previously 178:18</p> <p>price 10:25 11:5 20:18 26:21,23 33:5 33:25 34:5 65:1 83:18 115:20 167:2 206:1,5,6,6,7</p> <p>prices 205:17</p> <p>pride 148:13,15</p> <p>principal 91:13</p> <p>principals 66:6 110:22</p> <p>principle 47:9</p> <p>principles 26:13</p> <p>print 145:11</p> <p>prior 4:20 17:5,5 20:20 68:18 70:1,4 115:6 116:9 122:1 145:14</p> <p>private 102:14</p> <p>privately 61:13</p> <p>privilege 49:7</p> <p>pro 181:9</p> <p>probably 63:10 68:2 74:23 78:4,10 79:7 79:18,23 80:16,17 80:21 83:24 89:11 90:10 91:21 109:22 172:3 195:16,19 212:9</p> <p>problem 14:18,19 33:17 98:13 123:17 131:3 192:24 193:1 210:10 212:4</p> <p>problems 15:21 122:5 144:9</p> <p>procedure 180:5,12</p> <p>proceed 191:5</p> <p>proceeded 157:1</p> <p>proceedings 139:13 225:20 226:13</p> <p>process 33:9 56:5 60:15 61:14,15 66:5 66:19 90:22,24 113:5,8 114:25 117:3 118:11</p>	<p>119:16 121:3 124:13 153:7,10 194:25</p> <p>processing 8:9</p> <p>proclaim 45:10</p> <p>produce 117:16</p> <p>produced 118:13,21</p> <p>products 23:1</p> <p>professional 8:23 111:20 177:9 209:8</p> <p>profit 22:20 24:17 24:17 99:21 126:22 126:23 157:13 161:4 168:21 176:9 176:14 194:3</p> <p>profits 177:11</p> <p>program 5:10 6:1,6 6:10,19 102:14 120:21 123:21,22</p> <p>programs 120:22,22</p> <p>prohibit 39:17</p> <p>project 17:11 127:7 127:8,11 136:23 169:24 170:5 194:18 195:22</p> <p>projected 17:12 18:16 23:9 74:13 80:18</p> <p>projection 17:9 23:3</p> <p>projections 19:25 20:1 30:5</p> <p>projects 194:14,15 195:16</p> <p>prong 18:1</p> <p>proof 14:21 221:17</p> <p>properly 214:2</p> <p>properties 176:20</p> <p>property 53:23 59:23 65:17 93:15 93:16,18 102:17,24 103:8,9,12,13,14,18 103:20,21,23,24,25 104:3,3 106:9,13,21 107:2 128:25 130:18 136:8,19,22</p>	<p>137:10 138:12 142:4 143:13 144:6 145:14,15 148:16 148:20,24 149:4 152:19,25 159:5 165:10,11 170:1 176:19 177:2,4,8,15 178:3,3,13,21 179:2 179:15 190:1,3,6,11 194:21,24 195:25 213:25 214:12</p> <p>proportioned 37:18</p> <p>proposal 164:13</p> <p>propose 209:22</p> <p>proposed 133:15 143:10 148:22 161:16 176:1</p> <p>pros 39:25</p> <p>prospective 84:20 156:22</p> <p>protect 104:2</p> <p>protected 169:24</p> <p>protection 7:11</p> <p>proud 58:15</p> <p>prove 14:20</p> <p>provide 6:8,24 7:12 7:21 10:9,22,23 12:12,17 13:11 18:24 19:1,22,23 20:14,15,17 27:6 32:18 38:14 48:8 57:9,11,17 75:12 83:24 85:18 97:20 111:18 113:21 123:24 132:17 135:18,23 170:3 172:10 181:11 184:21 185:14,17 209:3 211:19,19 214:1,3,3 224:3</p> <p>provided 4:18 9:15 9:19 11:1,5 22:2 29:10 42:20 114:3 135:11 148:11 159:19 209:1 213:6</p>
---	---	--	--

[provided - rate]

213:7,7 218:24 provides 7:10 9:12 10:17 12:5,9,19 97:10 185:20 208:21 providing 38:18,18 47:5 115:4 139:15 181:12 200:14 provision 19:9 21:2 46:1 provisions 6:3,4 41:16 public 1:16 5:4 61:9 61:11 63:24 88:16 91:6 105:19 111:1 111:16 117:12 140:21,24 190:24 191:6 202:3,4 207:9 207:10 214:15,16 214:20 215:2,7,8,9 215:11,15 223:8,15 224:19,20 225:8,11 225:13 227:13 publicly 67:10 pull 185:5 210:23 pulling 167:11 punishing 66:2 purchase 11:2 142:4 200:2 213:3 purchased 115:6 116:9 146:18 163:23,25,25 168:16 169:23 188:5 194:21 198:2 199:12,14,22 200:4 purchaser 205:24 purchasers 211:24 purchasing 46:20 46:25 72:19 purely 207:14 purpose 6:6 29:8,8 29:11 38:14 41:8 95:18 99:3 204:11 purposes 9:8 16:13 22:8,9,20,23 39:6	43:12 72:10 77:22 202:6 pushing 80:15 put 15:24 29:14 41:14 43:25 46:9,20 47:9 59:3 63:3 76:3 76:17 78:6 113:22 120:20 125:3 128:17 142:18 148:15 152:24 153:5 154:18 155:10 156:6,9,12 156:13 159:20 182:1,4 192:16 197:17 198:14,20 204:11 puts 141:24 putting 74:8 124:19 204:16	180:11,12,25 184:4 184:4 187:3,12,18 199:9,11,21 210:13 217:16 218:6 220:2 223:2 224:16 questioning 116:21 224:4 questions 28:4,7,9 34:15 56:25 57:3,5 57:24 71:14,16 81:8 81:10,10 86:18 87:19,20 88:1 104:17,20 105:2 107:15,16,18,22 111:9 114:5 119:6,9 119:21,23 121:17 125:9,11 133:21 135:8,10,24 138:25 139:1 140:19 146:16 148:6 152:1 152:2 155:3 157:21 159:9 162:7 165:25 169:13 173:23 175:12 177:14 179:8,11 180:19,20 183:7 187:15 190:16 196:10 197:20 199:8 200:21 207:1,16 210:9 214:14 215:12,19,24 216:23,25 217:2,5,7 217:11,12 218:18 218:20 223:8,9,20 223:20,25 224:9,12 224:25 225:4,9 quick 5:7 60:9 62:23 74:20 96:13 109:23 150:20 183:7 quickly 54:4 92:25 quiet 124:4 158:22 159:7 175:11 quite 72:4 118:10 166:11	quote 41:5,10 60:11 60:12,13 95:13 145:5 184:22,24 185:15 208:20 quoted 147:5 176:5 177:15 quoting 41:9 69:21 185:13
r			
ra 1:10 4:4 rac 6:20,20 31:1,10 95:2,7 96:17 raise 62:18,19 65:14 76:1,8,18 77:2,2 83:9 134:19 141:17 145:23,25 146:4 161:25 164:15 171:19 197:17 211:17 raised 14:3 146:19 153:25 166:10 171:15,20 177:10 224:3 raises 146:2 raising 149:8 ran 195:1 ranch 5:23 58:22 101:3,8 106:4 148:18 201:16 range 25:17 26:8 57:11 59:1,6,8,10 59:11,17 60:4 76:21 80:13 86:25 87:5 110:1 ranges 25:23 26:5 59:2,3 rate 6:9 7:13 9:25 12:12 22:25 23:18 24:3,18,18 25:13 33:18,20,21 34:4 45:8 65:17 76:10 80:2 81:6 98:8,21 103:16 151:21 192:12 195:19			

<p>205:13 206:25 rates 52:24 53:14,16 123:23 166:14 ratio 24:21 55:19,22 55:25 56:3,4 132:21 rational 14:2 24:5 24:20 26:12 28:16 29:3 30:16 32:24 40:12,18,23 rationally 28:13 rationals 25:9 ratios 23:19 24:22 205:11 210:16 rcolren 3:11 reach 99:19 reaches 160:15 reaching 122:22 reaction 13:8 37:8 reactions 64:13 read 28:15 32:5 63:12,13 107:24 117:20 118:13,25 119:1 120:16 124:15 149:12 151:15 166:2 169:19 188:12 189:6 197:21 207:19,24 208:1,2 208:17,20 209:17 210:21,21 reading 6:23 169:17 189:19 205:8 ready 149:13 153:8 160:25 166:3,3 171:9 189:17 224:13 225:18 real 22:13 60:9 62:23,25 72:1,2 78:21,22 88:22 102:14 103:6 108:16 109:23 130:9 142:23 145:7 150:3,19 162:12,13 162:14</p>	<p>realistic 127:16 reality 13:14 152:21 realized 143:15 really 41:2 42:25 47:20 62:4 79:13 82:22 89:23 90:1 97:16 101:24 103:6 103:12 111:22,22 111:23 113:7 118:10 128:6 130:3 132:16 134:4 142:13 150:22,24 155:22 156:2 180:19 189:13 193:20 195:18 197:14,16 207:21 218:5 realtor 145:1 162:18 realtor's 149:2 realtors 162:17 reason 32:4 48:23 48:25 55:13 60:8 61:5 63:18 64:12 75:21 76:15,20 78:11 82:12 129:10 130:2 131:17 132:4 132:4 136:7 reasonable 4:9,11 6:8,15 7:8,13 8:24 9:13 10:17 23:23 28:16 31:8,25 38:19 55:16 59:9,18,19,20 59:23 64:22 66:5,15 89:7 95:18 97:13 111:19 115:4 119:3 126:20 127:20 128:12 130:11,19 135:1 150:20,21 151:1 165:3 170:9 179:4 204:7 214:10 214:11 219:13 reasonableness 110:1 reasons 41:12 64:9 110:4 121:6 122:6</p>	<p>rebut 224:23 rebuttal 114:2,4 180:24 202:16 207:3,5,15 216:25 217:3,8 227:14 recall 112:12 155:12 157:6,7,9,12 179:12 184:25 199:13 receive 7:23 59:21 66:13 155:24 received 10:16 119:19 135:13 141:4 148:21 164:4 166:13 177:18 181:14,14 182:2 receives 170:7 receiving 17:16 59:23 recess 104:25 recipients 102:10,13 recognized 59:13 recognizes 77:10 recommend 27:9,13 40:21 recommendation 4:10 5:16 42:4,9 133:15 145:12 190:20 recommendations 27:12 180:21 recommended 10:2 133:19,25 recommending 27:15 42:7 134:1 recommends 27:19 record 40:7 60:10 61:2 131:12 140:2 200:16 207:14 226:13 recorded 22:12 226:10 recording 2:16 222:18 records 17:1 20:5 56:7 70:3,12 82:2</p>	<p>130:3 220:17 recoup 95:19 recover 66:13 90:18 91:12 red 48:12,24 99:5,13 redevelopment 2:12 72:17 redone 192:15 reduce 174:11 reduced 174:4,15 222:6 reduces 145:8 redwood 190:7 referenced 9:17 176:24 183:18 referring 93:4 210:6 refinance 163:8 reflect 14:6 17:18 18:20,21,22 19:17 80:21 145:4 reflected 27:11 77:25 148:15 220:8 222:10 reflecting 10:22 reflective 79:18 222:12 reflects 10:17 13:23 28:23 187:8 refocus 25:6 refurbished 192:14 regard 60:19 61:17 regarding 4:2 8:23 9:3 70:23 216:13 217:14 regardless 90:10 regards 20:16 registration 20:4 220:17 regulate 33:7,8 regulation 14:1 16:7 28:18 29:4 32:11,25 33:6,11 34:6 39:5 39:10 45:7 51:15 92:12 129:19 136:14 137:6</p>
---	---	--	---

[regulation - report]

185:19 205:13 206:22 207:20 208:14,20 regulations 7:11,12 9:14 12:17,21 13:9 13:11 15:13 16:10 18:23 19:1,11 20:16 27:25 28:21 29:8 37:22 38:3 41:8,16 41:18 44:25 50:18 50:19 55:10 96:5 100:25 101:5 107:24,24 108:3 133:9 134:10 136:18 184:21 185:11,14 202:23 203:9 204:21 205:3 208:17 rehabilitation 6:17 reject 74:23 related 29:19 88:22 90:22 92:18 215:6 226:16 relates 180:21 relationships 118:15 relative 14:17 21:9 relatively 29:23 relaying 106:9 relevancy 219:6 relevant 67:15 69:1 69:2 relied 150:17 relief 219:16,20 relinquish 149:21 relocate 153:17 relocated 153:16 remain 113:19 remember 10:15 39:9 61:10 107:1 120:16 142:13 166:16 167:21 202:24 205:1 remind 187:24	reminded 213:15 removal 222:5 render 136:15 183:9 184:14 rendered 129:1 183:10 rendering 30:2 rent 1:11,16 4:3,7 4:11 5:6,10,15,23 6:1,7,10,12,13 7:6 7:12,25 8:7,18,23 9:4,9,16 10:22 11:7 11:7,15 12:10,10,10 13:22,23 14:10,16 16:13,15,19,20 17:5 17:7,11,16,21,24 18:6,7,7,9,16,17,20 18:25 19:5,6,10,18 20:4,11,11,12,17 21:13 23:15,15 27:19 28:21,22,23 32:25 33:11,15,16 35:19 37:21 38:9 41:9 42:1 43:13,17 44:6 47:12,13 48:1 50:2,6,8,9 56:17 57:10 58:25 59:18 59:19,22 60:3,17 62:11,25 63:2,5,8 63:15,18,19 64:3,24 65:5 68:18 69:15,17 69:19,24 70:1,4,15 70:18,20,22 72:11 72:12,25,25 73:1,1 73:1,2,3,4,6,8,10,12 73:12,15,16,17 74:11 75:7,10,13,17 75:19,20 76:17 77:19,20,23,24,25 78:9,17,20 79:16 80:3,4 81:1 83:3,4,5 83:9,12,16,18,19,20 83:22,25 85:3,5 86:19,20,24 87:2,7 88:5,18 90:6,22	91:25 92:2,18 93:21 96:13 97:10 98:3,5 107:11,25 110:8 112:7 113:16 114:10,16 115:8 120:3,12,13,13,25 121:9,10,10,12 122:6,24,25 123:5 123:17 124:2 127:22 128:21 129:3,4,21 133:19 134:13,19,20 136:11,16 137:8 141:21 142:8,14,20 142:24 143:5,6,10 143:17,22 145:5,5 145:23 146:13,25 147:2,3,5,7,15 148:11,22 149:8 150:21 151:6,12 153:2 154:1,8 155:20,24 156:10 156:19,25 157:19 159:8,17 160:5 161:10,16 163:24 164:4 166:10,22 168:22 169:12,25 170:7,9,19,23 174:2 174:4,6,9,11,11 176:1,7,13 182:24 183:4 185:10 186:6 187:3 190:12 192:13,20 193:22 196:25 197:6,12,13 197:18 198:10,24 203:16,17,23 205:21,24 211:14 211:22 212:3 213:21 216:13 217:21,23 218:2 219:16 220:7,9,17 220:25 221:6,7,8 222:6,11 rental 65:20 74:8 76:21,24 82:11,25	86:25 98:8 100:6 132:22 146:3 169:1 176:18 177:17,20 203:4 208:8 rented 19:7 128:20 renting 165:17 rents 8:12,14 10:23 11:4,4,16 14:6,9,11 14:17 16:23,23 17:6 17:18 18:21 19:2,16 19:24 20:7,10,23 21:1 27:11 53:18,18 59:9 65:14 66:7,14 72:24 73:22 74:3,6 74:15,19 75:1,8 76:2,9,14 77:1,2,3 77:12,13,15,15,17 78:2,13 79:4,5,6,15 79:23 80:7,16,17,20 80:21,22 82:1 83:24 85:11 86:22 87:5 93:8 128:15 145:9 150:23 151:9,18 154:8 156:2 187:5,9 187:10 203:18,21 204:23 206:15 211:11,17,23 212:13 217:24,25 220:18,23 reopen 216:1,21 217:10 223:22 224:20 225:8 reopening 223:10 rep 54:5 107:17 109:17 repair 149:9 repairs 168:18 170:14 189:25 repeat 105:8 repeatedly 30:22 report 9:11,18,20,21 10:1 28:15 31:21,22 32:21,23 41:6,6 67:22 101:3,8 102:21 103:3
--	--	---	--

104:13 106:23 111:4 117:17,18,21 117:24 127:6 131:6 176:24 180:21 183:19 184:19 185:2,10,13 204:10 205:10 reported 144:7 176:16 reporting 176:21 reports 9:5 88:4 represent 58:13 representation 9:23 115:12 118:3 representative 34:17 54:6 60:12,13 87:24 125:12,17 191:23 227:12 representatives 196:24 representing 19:5 54:9 66:20 72:16 100:12 192:2 represents 60:6 reproduced 49:13 reproducing 47:17 reputation 111:20 request 4:7 5:12 8:11 10:21 18:24 61:19 158:2 161:14 167:16 170:7 requested 8:5 9:22 31:11,14 59:22 63:1 67:19 126:19 181:10 requesting 7:17 25:25 114:10 requests 5:23 128:9 require 26:23 51:11 51:12 66:6 100:25 213:25 required 14:12 15:18 23:25 24:1 63:7 68:24 118:12 174:11	requirement 13:18 27:24 64:21 95:15 97:13 183:24 requirements 101:1 requires 28:19 50:5 70:21 108:23,24 110:21 requiring 50:7 95:8 95:11 rereading 47:21 resale 34:11 157:14 reservation 62:3,19 reserve 222:23 reserved 202:5 reserving 62:13 reside 191:22 residence 35:2 200:16 201:9 residency 63:8 71:21 120:6 161:5 174:9 resident 72:19 161:15 175:16,17 189:19 216:17 residential 145:7 residents 63:23 72:15,17 76:7 100:3 100:4 110:12 113:10 134:13 139:4 140:7 152:20 161:13 163:17 164:10 165:2 196:17 202:8 211:25 212:1 217:16 219:20 221:5 222:1 resolution 176:23 resolutions 6:19,22 61:12 resolve 123:19,19 resolving 161:12 resources 213:24 respect 60:25 141:6 141:6 148:12 149:5	respected 171:3 respecting 110:15 respond 32:20 134:5 responded 31:21 response 22:2 64:13 76:4 116:18,20 135:17 165:1,9 responses 22:2 202:20 responsibility 122:7 132:16 177:5 responsible 165:18 198:19 rest 159:4 166:9 191:5 restated 6:22 restricted 11:4 restrooms 158:12,21 192:16 resubmitted 8:3 result 8:13 26:16 43:15,23 219:24,25 resulted 55:22 89:15 156:11 resulting 133:18 results 33:21 91:19 retain 15:11 212:2,2 retained 8:16,25 17:22 40:20 124:6 181:6,7 retire 158:25 retired 102:12 142:17 146:17 168:7 192:6 retirees 102:12 retirement 126:5 164:2 return 4:9,11 6:9,15 7:9,13,15 8:18,24 9:4,14,25 10:17,22 12:5 14:13,17 20:14 20:15 24:10 27:6 29:10 30:24,24 31:8 31:9,9 32:22,24 33:3,5,6,7,18,20,23	34:4 36:20,21 38:14 38:19 47:3,7,16,21 52:10,12 59:23 64:22 65:10,17 66:6 67:21,22 68:1,1 81:6 89:8 90:9 95:19 97:13,21 100:22,23 101:5,9 111:19 115:4 126:20,21 127:2,13 127:15,16,17,20 128:12,13 130:8,11 130:17,19 135:1 140:10 146:20 150:20 170:17 189:2 190:18 206:18 214:10,11 217:18,20 returned 31:20 127:3 returns 108:19,22 reubin 197:22 reveal 155:15 revealed 155:17 revealing 155:20 revenue 66:17 72:22 91:4 92:21 98:3,11 98:11,23 99:10 100:8,21 105:4,20 106:11 107:11,11 112:15 116:22 186:11 revenues 105:10 169:8 revere 130:2 reverse 108:3,18 130:1 188:19 review 5:11 22:1 42:1 69:17 175:23 180:15 182:24 reviewed 118:4 reward 65:19 rewarded 143:12 rewarding 65:25
---	--	--	--

[ricker - selecting]

<p>ricker 189:16 193:7 193:8 ridiculous 177:3 198:22 right 14:6 35:23 36:1,2,6,10,12,24 37:7,16 38:23 40:22 42:15 43:5,6 44:3 45:16,17 46:4,7,9 48:10 49:10,18,20 50:11,17,18,21 52:14 53:12 54:12 56:6,10 58:24 60:2 62:5 63:22 90:8 112:11 117:10 120:25 121:16 124:16,18 126:7 127:5 129:8 135:23 139:4,22 140:5,23 141:10,10 156:3,4 157:19 159:6 177:20,24 178:5 179:9 180:3 182:17 185:1 187:1,5 191:17 208:22,23 209:8,9,10 210:17 211:13 214:25 215:1 216:1,3 220:14 221:19,20 221:20 223:18 224:2,15 225:1 rights 60:15,25 rip 190:6 rippling 218:15 rise 120:7 risk 47:12,12,13,13 111:19 176:11 riverside 147:8 rn 146:17 road 4:5 7:4 158:9 rob 35:3 robert 3:5 58:11 149:11,20 robin 197:22,25 199:24 200:17</p>	<p>roll 49:19 rolled 93:12,14,18 rolling 89:21 roof 144:25 roofs 192:17 room 138:17 147:17 147:21 192:17 roommate 124:2 rooms 192:16 roost 212:4 roughly 178:6,25 181:13,15 round 147:19,24 royalty 102:16 rug 167:12 rule 30:10,15 183:25 210:25 211:2 rules 131:6 134:9 173:4 run 62:22 92:25 153:5 158:3 running 60:8 russ 2:12 russell 149:11,20,21</p> <p style="text-align: center;">s</p> <p>s 3:5 sad 167:11 safe 159:15 safeguard 6:6 safety 214:4 sake 89:22 salaries 94:19 193:19 salary 177:23 sale 5:21 82:10 83:12 157:18 171:24 172:1 sales 145:9 150:16 salicci 40:14,15,15 40:16 san 68:17 sandpointe 3:7 santa 3:9 58:12</p>	<p>sap 165:7 sat 175:22 190:8 191:12 satisfied 119:2,16 183:8 save 141:15 saving 160:22,22 savings 138:15 saw 48:12 221:25 saying 16:1 29:2,5 42:9 43:2,19 47:13 51:24 59:5 65:4 71:1 77:19 83:23 111:21,22 122:23 129:8 134:18 138:13,14 155:23 178:21 179:20 184:1 196:24 203:17 206:14 214:6 219:8,22 220:22 222:3,4 says 19:4,13 40:20 41:6 45:22 50:17 66:12 69:7 74:19 79:24 83:2,17 86:3 108:13,15 110:21 120:17 121:15 123:16 131:6 132:10 159:1 183:25 195:3 202:24 207:25 208:3,20 scale 168:25 schedule 118:5 scheme 65:1 211:15 school 4:5 7:4 102:14 science 144:7 150:2 scientifically 169:4 score 54:11 scott 189:17 194:8 screen 102:6,7 se 64:24 sears 73:5,15,18 77:18 82:19,21 84:6</p>	<p>84:7 85:2 152:11 seasonally 147:17 seats 141:9 second 11:14 18:1 43:14 60:19 90:21 94:4 117:23 seconds 160:13 secretary 2:16 section 38:7,12,12 39:4,5,8,9,10,14 95:2,7 96:17 97:9 108:12,13,14 202:23,24 203:5 209:17 sector 102:15 secure 159:15 163:22 security 102:10 143:16 145:22,25 161:24,25 162:4 163:20 167:10 168:8,11 169:21 see 18:8 22:7 25:2,7 25:20,23 27:16 29:11 34:3 43:21 49:14 51:16 57:16 76:20 80:5 90:10 96:4 99:7 102:6,6 103:4 106:19 120:16 127:2 138:10 169:7 184:25 190:22 196:4,5,13 218:25 220:18 seek 56:17 95:12 seeking 89:3 126:5 seeks 95:3 seen 30:1 33:4 55:15 55:15 85:8,22 96:6 125:25 167:15 169:4 188:17 189:2 select 40:7,8,9 43:23 selecting 40:11 112:13</p>
---	--	--	--

<p>self 204:9,15 sell 99:25 137:12,12 137:14,15,19 138:5 143:21,22 156:14 157:5 163:9 197:3,6 seller 83:19 162:25 163:2 sellers 3:15 31:22 54:7,8,14,20 55:9 55:12 56:5,11,14,25 87:25 103:15 104:4 107:19,22 108:2,7 108:11,16,20 109:8 109:12 125:12,13 125:19,19 135:11 135:14,16,20,25 136:4,10 137:1,4,12 137:15,21,25 138:3 138:13 139:1,3,5,7 139:9,17,23 140:1,6 140:13,18 180:1 182:4,5 selling 167:2 212:12 sells 76:1 seminal 9:3 semitruck 144:21 send 194:3 sends 222:3,4 senior 163:19 167:12 169:24 196:1 seniors 5:19 141:15 141:24 160:1,22 166:16 168:11 191:24 192:1,3 sense 15:4 26:15 27:3 28:19 29:7 33:10,13 34:3,5 96:1 105:25 176:1 190:14 216:7 sent 165:1,11 sentence 185:4 separate 179:7 219:20</p>	<p>separately 222:5 september 79:17 serial 60:21 series 25:15 serious 67:8 69:2 172:5 seriously 26:17 192:7 serve 140:9 served 27:23 service 72:22 84:14 85:18,19 102:12 193:18 services 22:11 23:4 23:5 44:14 117:12 117:15 124:7 181:11,12 195:23 203:1 208:4,11,21 209:2,13 session 180:24 set 33:15 129:14 150:13 151:9 162:24 163:1,2 187:7 188:17 189:2 189:24 207:14 214:23,24 226:7 sets 163:5 188:24 setting 32:5 182:21 182:22 settling 164:1 seven 29:24 severe 126:2 sewer 171:22 173:25 174:25 177:19 216:14 217:15 219:16 shake 127:1 shame 146:6 share 124:2 shared 165:13 she'll 189:25 shed 164:12 sheldon 2:4 48:20 105:3,8,13,15,22 106:1 110:14</p>	<p>116:17,20,24 117:3 117:9 119:4,23,25 120:11,24 121:13 187:22 200:14 shock 164:3 166:12 188:6 shop 15:5,23 51:17 51:23 shopping 51:19 short 50:2 139:3 171:19,21 shorter 107:21 shortfall 101:19,20 101:25 show 19:14 65:12 100:15,18 146:22 149:5 202:11 207:18 showed 17:6 176:8 198:6 showings 51:12 shown 144:13 shows 126:13 178:7 222:8 shuffle 147:20 sic 45:2 56:21 66:11 82:13 side 80:13 sides 86:7 136:13 sign 73:9 117:4 signed 116:25 117:1 123:20 165:1 signer 198:13 significance 64:23 significant 11:11 18:9,19 23:6 50:5,9 50:13,20 51:1 67:18 79:7 significantly 53:15 53:17 81:3 97:20 signing 31:1 signs 164:16 silacci 2:7 28:8 29:18 30:14 49:4 179:22,24 180:4,11</p>	<p>180:18,25 191:11 219:6 222:25 223:2 223:12,18,24 224:5 225:17 silence 168:21 simi 162:16 similar 100:19 202:25 208:4,21 similarly 60:18 212:25 simple 62:25 75:21 90:13,14,16 simply 10:5 36:18 77:15 111:21 121:6 212:11 single 44:19 86:13 sir 40:14 105:3,12 105:14 106:7 sister 198:13 sit 172:22 site 76:22,22,23 138:16 195:4,11,12 sitting 192:3 situation 15:10 18:12 21:13 24:16 33:13 45:22 47:1 49:11 76:11 83:16 128:7 138:20,23 141:22 188:2 198:21 205:19,23 209:24 210:5 situations 138:6 six 87:3 92:11 154:11 171:13 size 42:13 160:16 sizeable 126:24 skill 226:14 skip 70:16,17 sleepless 144:21 164:11 slide 64:21 66:8 67:19 68:13,23 69:1 69:11,16 70:17 93:23 94:2 96:12 97:2,21 100:23</p>
---	--	---	--

[slide - stated]

101:12,15,19 102:1 113:3,6 115:11,11 slides 5:7 88:7 slight 166:22 slightly 193:3 slower 76:10,19 slowly 208:1 small 18:21 112:20 129:6 164:17 168:8 smaller 98:25,25 99:1 168:25 smart 190:9 smells 44:6 social 102:10 124:6 143:16 145:22,25 161:24,25 162:4 163:20 167:10 168:8,11 169:21 sold 128:25 198:5 212:7,8 solely 169:21 somebody 14:19,20 46:24 53:3 65:22 71:18 73:3 83:16 115:2 120:4,24 129:12 163:3 184:9 204:17 205:19 225:16 somebody's 127:19 someday 166:24 167:22 someone's 43:10 somewhat 24:25 25:1 54:21 80:17 125:23 133:7 215:22 son 197:7 sooner 4:19 soot 144:23 sorry 37:25 38:20 40:14 48:23 71:20 80:4 105:6 109:17 116:20 120:1 122:16 149:3 173:13 175:3	193:23 199:20 208:2 217:19 sort 37:13 38:8 54:25 56:2,3 70:20 99:10 111:4,4,5 116:5 127:1 215:23 sorts 33:19 184:14 184:15,16 sos 141:15 sought 127:4 sound 109:3 sounds 115:13 118:8 source 74:1 82:14 82:17 sources 81:23 82:7,9 south 4:5 7:3 spa 147:17 space 4:8,13,15 7:18 8:8,12,14 25:24 27:18,22 59:16 73:15,19 83:18 84:13,23 85:15 90:19 126:6 127:22 142:20 144:2 154:8 154:12,17,23,24 155:6,7,11 156:25 205:21 221:7 spaces 5:18 7:5 90:5 90:18 91:14 93:8 102:2 126:15 128:19,20 129:14 129:15 161:8 194:22 spas 147:18 speak 141:2,4,7,12 199:9 216:25 speaker 141:5 149:18 199:18 speakers 141:3 190:24 217:6,7 speaks 113:6 special 19:14 129:20 147:23 199:4 specialized 72:6	specific 5:12,15 13:25 30:10 41:15 46:1 61:19 110:20 119:8,20 150:18 181:20 188:21,22 specifically 13:9 38:25 39:17 41:18 170:3 182:20 211:6 specified 45:7 69:20 97:8 205:13 specifies 89:7 97:17 specify 97:3 speculates 132:3 speculation 53:22 speech 162:9 spend 66:14,18 164:2 167:13 196:21 spending 113:12 145:1 spent 66:17 90:24 91:1 113:12,14 190:3 192:5 213:17 spoke 119:9 146:1 spoken 176:19 186:22 spot 111:13 153:24 153:25 sprayed 195:13 spreadsheet 93:3 spreadsheets 19:22 ss 226:1 stabilization 5:10 6:1,10 8:18 stable 29:23 staff 4:22 5:1,4,16 7:20 8:8 26:10 27:5 27:9,10,12,15,19 28:2,2 31:21,21 54:3 59:3 61:22 71:2 74:18,18,21 75:2 78:13,18,20,22 87:20 107:15,16 180:7,20,23 202:17 215:19,24 216:22	216:22 217:6,11,13 217:17 218:20,21 218:23 223:8,9,20 224:10 225:9 227:8 staff's 74:18 staffs 25:18 26:10 staggering 160:20 stained 172:17 stamp 102:13 170:2 stand 63:25 64:13 78:7 98:14 111:1,17 121:25 standard 6:25 12:3 12:9 15:15 25:8 33:7 42:16 67:6,10 68:9 102:9,19 117:24 190:21 standards 5:13 19:20 23:16 48:7 57:22 87:14 105:25 standing 63:17 114:11 120:2,8 125:5 standpoint 28:12 76:24 80:12 star 172:2,3 176:4 start 5:8 14:15 29:22 98:2 125:10 125:22 129:25 144:3 160:21 167:7 171:11 173:16 started 44:17 158:19,20 196:2 starting 28:24,25 29:4 70:15 218:19 state 1:1 9:10 27:24 45:20 72:2 88:17,23 88:25 93:19 102:18 137:9 153:12 160:20 162:13 172:9 194:25 226:1 stated 8:1 21:10 23:23,25 30:23 67:10 74:7 89:2 120:11 124:17
---	--	--	--

<p>statement 41:11 75:4 95:14,21 108:20 109:1 116:6 116:7 118:10 120:1 120:16 124:14 125:3 145:11 179:18 189:6,9 203:8</p> <p>statements 94:24 105:18 108:17 109:5 118:2,4,13 140:4 188:18,24 189:2</p> <p>states 7:10 31:23 62:10 72:3 145:2 164:14 184:20</p> <p>statistics 11:1 142:15</p> <p>statutory 51:10,14</p> <p>stay 34:20 100:4 136:7,8 166:18 167:10 173:11 190:6</p> <p>stayed 149:3 203:24 208:13</p> <p>steady 100:9 170:10</p> <p>stenographically 226:10</p> <p>step 12:14 68:13 149:20 201:8 215:21</p> <p>steps 5:14 11:11 25:3 78:18</p> <p>stock 160:8</p> <p>stomachs 164:11</p> <p>stone 197:17</p> <p>stood 43:10 48:1 109:20</p> <p>stop 43:14</p> <p>stopped 162:24</p> <p>stops 172:1</p> <p>store 73:6</p> <p>stories 164:23</p> <p>story 166:8</p>	<p>straight 67:5 198:16</p> <p>street 3:16 76:23 141:25 164:16</p> <p>streets 146:7</p> <p>stress 76:17 148:13 198:22</p> <p>stricter 204:21</p> <p>strictly 16:8</p> <p>stroke 169:22</p> <p>struggle 122:6</p> <p>struggling 120:25</p> <p>studies 144:7</p> <p>stuff 115:17</p> <p>sub 116:22</p> <p>subdivisions 9:9</p> <p>subject 93:13 94:13 114:2 129:4,19 130:4 132:12 136:14</p> <p>subjective 36:20</p> <p>submission 74:20</p> <p>submit 40:25 65:22 68:6 112:1,16 118:17,21 131:12 192:23 210:6,24</p> <p>submittal 8:9,10</p> <p>submitted 5:24 16:24 17:3,20 139:18 140:14 176:7</p> <p>subscribed 226:19</p> <p>subsequent 4:19 27:25 199:13 201:4 222:12</p> <p>subsidize 121:5 213:1 214:1</p> <p>subsidized 121:16</p> <p>subsidizing 121:14</p> <p>subsidy 120:22 121:10</p> <p>substantial 27:20 120:6 126:16 138:18</p> <p>substantially 7:25 202:25 208:4,21</p>	<p>substitute 68:23 69:19</p> <p>subtle 79:22</p> <p>subtract 98:4</p> <p>subtracted 93:21</p> <p>suburban 148:24 173:6 177:23 178:10 198:3,10</p> <p>succeeded 61:7</p> <p>successful 161:11</p> <p>sudden 144:11</p> <p>suddenly 56:18 126:4 170:13</p> <p>suffered 169:22</p> <p>suffering 126:4</p> <p>suffice 77:9</p> <p>sufficiently 216:15</p> <p>suggest 116:4 117:7 123:18</p> <p>suggested 9:21 222:21</p> <p>suggestion 207:8</p> <p>summarized 180:1 181:1</p> <p>summary 133:24 179:25 202:17</p> <p>summer 181:21 201:2</p> <p>supervision 226:12</p> <p>supplementary 118:5</p> <p>supplied 16:20</p> <p>support 30:16 65:21 66:10 69:18 102:17 119:1 122:9 132:17 185:11 188:13 219:13</p> <p>supported 210:7</p> <p>supports 207:20</p> <p>supposed 38:5 42:3 184:11</p> <p>supposedly 142:20 185:20</p> <p>sure 45:2,9,15 57:1 58:19 85:21 87:23</p>	<p>104:22 107:8 120:17 122:13 123:3 124:7 125:3 126:2 134:11 149:14,24 185:6 186:16 195:5 197:16 205:6,7 223:5</p> <p>surely 168:25</p> <p>surrounding 150:8</p> <p>survey 82:2 86:19 86:25 126:10,13</p> <p>survivor 141:19</p> <p>suspect 123:14</p> <p>swallow 60:1</p> <p>swamps 81:18</p> <p>swans 147:22</p> <p>sweat 37:14,14,14 39:2 209:9,25</p> <p>sweeper 158:9</p> <p>swimming 147:16</p> <p>switcharoo 222:9</p> <p>switched 81:22</p> <p>sympathies 63:11</p>
t			
<p>table 90:20 147:17 172:22</p> <p>take 11:20 13:5 20:19,21,25 22:14 25:4 37:11 53:21 62:15 66:24 71:19 80:12 85:23 88:20 88:20 89:22 104:19 104:23 106:18 112:18 118:8 122:7 127:8 137:4 139:2 150:16 153:19 159:25 160:4 170:22 174:20 175:1,2,8 186:18 190:25 192:25 196:17,24 197:15 198:20 207:8 213:20 214:9</p>			

[taken - things]

<p>taken 1:17 11:8 20:25 41:21 104:25 128:10 197:8 202:18 207:22 215:16,17 226:7 takings 62:10,12 talk 16:16 31:5 34:16 50:4 63:25 79:11 124:23 130:15 133:17 134:3 147:9 180:16 180:23 182:3 202:9 216:9 talked 51:17 67:7 131:15 178:12,15 210:15 212:15 talking 14:23 45:5 47:2,21 58:19 79:13 79:14 82:25 84:25 94:4 120:15 126:3 156:18 157:8 178:5 186:14,15 188:21 215:19 tall 167:17 target 101:14 112:17 task 151:3 tax 93:19 108:17,19 108:22 189:2 taxes 93:15,16,18 102:18 167:13 taxing 108:23 team 165:10 tearing 153:7,15 tears 164:12 technically 223:3 technique 108:5 109:4 tell 28:11 45:14 57:7 83:10 110:7,24 111:2,17 114:12 147:12 157:3,15 162:21 171:25 176:19 192:19 197:2 210:11,11</p>	<p>211:6 221:17 telling 31:17 42:1 43:18 46:19,24 64:24 68:19 74:25 75:2 83:8 172:8 184:8 212:5,7 tells 68:18 168:22 tempted 162:9 tenable 99:21 tenant 36:17 54:5 60:12,16 63:17 73:5 75:25 77:3 82:20 83:10 84:2,2,9,10 84:12,20,21 85:3,4 85:14,16 86:1,2 87:23 107:17 114:13,14,17,22 115:6 116:8,12 120:5,9 121:5,8 122:24 123:2,3,16 125:1,17 134:6,8,24 137:16 138:21 151:19,21,22,23 152:16,23 153:2 154:13,14 156:14 156:22 188:1,14 227:12 tenant's 54:6 109:17 125:11 tenants 3:13 4:18 6:7 7:24 9:24 16:24 17:3 26:17 36:23 37:5,10 54:9 66:25 67:20 76:9,13,15,18 77:20 114:11 121:4 123:13 124:16 125:4,21 126:9,11 126:14 130:19 134:4 136:2,6,22 137:3,22 138:4,14 143:9 149:6 156:11 160:5 172:6,23 173:5,7 177:5 181:14 188:13 190:11 211:17</p>	<p>214:6,8 tend 77:2 tendency 127:19 tennis 147:21 term 63:17 73:9,10 73:11 87:9 101:9 114:11,13,13,17,22 115:24 116:8,12 121:23 125:4 terms 10:3 13:25 26:10 73:18 78:8 105:20 186:23 188:9 204:21 221:23 test 6:9 18:2 testified 36:8 70:10 88:17 110:17 testify 36:9 70:25 139:13 testifying 58:8 221:17 testimony 9:2 28:3 28:10 35:18,20 139:15,18,21 140:24 182:13,14 184:10 185:23 188:20 191:6 200:15 202:20 207:9 208:10 214:20 215:16,17 217:3,4 223:17 224:3,20 226:6,9,14 thank 5:3 25:5 28:5 29:18 30:14,17 34:13 42:22,22 48:17 49:2,7 51:5 53:10 54:1,2 57:24 69:11 71:6 87:18 88:11 97:25 106:1 107:9,14 109:12,13 109:15,19 116:14 116:15 117:8 119:4 119:22 121:13,14 121:22 125:6,8,19 138:25 140:15</p>	<p>143:24 145:17 146:15 148:5 149:10 152:1 155:1 155:4 157:22 159:9 160:23 162:5,6 163:12,13 165:20 165:25 167:24 169:13 171:5,6 172:24 173:1,10,11 173:22 175:12,14 177:13 179:17,21 180:4 181:2 187:15 187:17,22 189:13 190:16 193:5,6 194:8 196:8,9,11,12 197:18,19 199:5,6 200:13,19 201:7,17 202:13,19 207:1 214:12,13 215:13 222:12 thanks 113:18,23 191:10 194:6 222:24 theory 14:5 28:23 67:22,24 81:7 thereof 226:18 thing 33:23 37:13 39:1 50:1 52:6,21 60:2 63:22 69:13 71:10,13 74:14 75:21 77:9 93:11 94:6,19 103:4 110:8 123:17 124:17,18 125:10 158:8 173:2 193:16 197:15 201:14 204:25 206:3,6 215:25 217:9 220:6 things 42:24 43:19 61:24 67:1,2 74:14 75:22 78:24 85:2 96:2 111:13,15 119:13 122:21 123:19 140:11 152:9,23 158:12,17</p>
---	---	--	---

<p>158:20 161:18,18 162:20 175:25 184:14,15,16 193:13 219:19 222:8 think 12:2 14:2 16:9 18:12,15 24:13 29:6 29:7 31:7 32:3,12 33:10 34:8 36:3 37:23,23,25 38:1,2 38:7,11,13 41:12 42:20 43:25 45:6,7 45:15,25 47:1,21 48:13 49:21 52:3 58:22 61:4,22 67:7 67:23 68:16,20 71:13 73:2 74:23 75:3 78:13 80:5,6 80:25 82:3,24 83:2 85:5 86:14,15 87:21 88:7,8 97:22 101:6 112:11,17 113:2 116:3 121:24 124:12 125:22,23 127:17,24 129:24 131:2 134:23,25 136:10 141:24 150:22 151:3 162:2 169:5,11 187:2,10 188:20 189:5 191:3 191:4,9 195:22 204:5,6,19 205:4 206:11 208:10 210:18 214:4,22 216:5 218:12 219:1 219:2 220:16 221:19 222:22 224:1 225:2 thinking 39:14 108:21 115:14,15 thinks 31:23 third 22:6,19 66:12 74:17 94:17,18,20 95:1 96:7 106:20 131:21 148:20</p>	<p>178:4,16 179:1 204:13,14,17 thirdly 95:15 thought 37:12,16 39:23,24 42:5 117:10 125:13 127:2 141:20 164:8 169:2 188:9 202:13 223:12,24 thoughts 165:14 thousand 1:2,17,18 5:9,18 34:10 113:14 150:4 159:14 166:19 167:14,20 175:16,22 189:19 189:22 193:13 194:6 200:18,23 thousands 148:15 192:2,3 threatened 171:4 three 6:11 19:23 53:11 91:25 92:5 118:20,25 119:7 140:25 141:10 145:1 158:6 throw 64:15 85:21 118:9 162:9 thrown 67:25 120:17 thunderbird 1:10 4:2,12 5:5,11 7:3 58:13 140:24 141:14,17 144:5,16 145:20 147:16 148:8,19 150:7,11 150:14,17 152:14 153:4 159:12 162:12 163:15,18 165:14 166:6,19 168:9,20 171:13 175:18 192:8,11,22 193:4 194:16 198:1 198:10,18 200:5 tidus 3:14</p>	<p>tile 192:17 time 6:8 18:9,10 22:14 30:3 31:19 34:21 36:19 37:3 38:21 46:25 48:1,15 48:19 58:1 65:12,13 65:24 71:4 73:13 76:7,25 77:22,24 78:14 79:2 85:9 86:10 89:18,23 98:22 120:12,14 125:25 128:4,22,23 131:1 132:6,15 141:1,6 142:21 148:18 149:22 151:9,15,25 153:17 154:7,9 160:15 161:8,22 163:19 166:20 171:19,21 178:24 180:6 181:13,25 183:12 187:23 191:7 192:14 195:23 196:21 198:2,4,9,15 200:10 202:9 213:17 214:18,23 217:5,6 218:22 225:15 226:7,9 timelines 8:10 times 21:24 37:1 82:18 84:13 85:16 93:8,9 110:11 125:23 152:24 158:6 161:11 185:22 timing 91:18 92:16 126:6 168:12 today 22:18 53:2 82:11 86:19 102:11 121:8 127:10,21 129:23 135:14 151:16 155:25 156:6 160:17,18,22 182:1 187:6,10</p>	<p>today's 24:12 142:11 toilet 158:14 told 42:5 67:23 70:6 116:8 128:23 140:9 143:2 146:2 157:9 157:12 167:17 tomorrow 33:25 190:4 tonight 6:16 40:8 51:8 53:1 54:15 65:7 67:23 68:1 74:17 90:11 91:24 112:14 126:3,9 127:25 130:14 139:14,19 140:4 147:10 152:9 161:14 162:20 163:12 169:4 185:24 187:21,24 191:6 192:11 193:21 196:23 197:3 202:2,18,20 207:9 208:10 219:5 top 166:20 221:5 topanga 61:18,18 torches 165:5 total 4:20 16:20 92:19 93:6,20 107:11,12 132:2 169:7 177:21 178:6 178:20 185:18 totally 165:18 touch 150:19 tough 59:25 towers 32:8 track 219:4 trained 40:4 transaction 83:13 83:21 84:19 86:1,5 86:13 87:6 155:5 156:18 157:8 205:25 206:4 transactions 82:25 85:8 87:16 128:21</p>
--	--	--	---

[transactions - use]

<p>150:10 transcribed 226:11 transcript 47:19 transfer 75:25 217:15 transparent 61:14 transport 153:8 trash 173:20,24,25 174:18 177:18 treated 63:14 64:16 113:5,9 114:9 115:19 122:4 tree 167:19,19 trees 164:22 165:2,5 165:7,15 167:17 195:13 tremendous 134:7 134:14 136:12 142:16 tribe 35:15 tried 35:18 52:3 68:3 94:13 trim 167:18 trimmed 165:2 triple 134:13 triumphantly 207:19 trouble 105:6 205:7 trucks 144:5 195:7 195:13 true 15:2 29:2 30:3 36:16 37:20 38:1,2 45:21 52:16 60:15 68:3 77:11 80:16,17 101:24 140:3 142:15 155:8 156:7 156:8 185:12 206:14 226:13 truly 138:11 168:19 trunks 165:7 trustworthy 111:23 112:3 try 49:6 56:15 60:3 61:6 76:10 130:4 163:9 183:14 191:6</p>	<p>196:19,20 207:17 219:4 trying 28:15 30:15 38:21 39:18 40:5 41:24 43:9 56:6 66:14 91:3 116:5,7 138:10 150:23 182:12 189:3 193:21 195:10 214:5 tuesday 195:6 214:17 215:2 225:11 tufts 189:17 194:8 turn 81:21 116:19 160:12 173:4 turning 160:18 turnover 65:15 156:3 211:23 twelve 146:10 two 4:14 5:7,22 6:19 6:22 8:16 9:15,19 15:19 16:12 24:7 27:21 52:18 53:11 61:5 64:8,11 74:24 78:18 84:6 85:1 92:8 107:20 109:23 112:12 132:24 133:1 135:11,19 141:5 145:25 147:18,21,22 149:21,23 161:25 164:22 166:8 167:17 172:3 174:25 182:13 191:2 195:2 201:16 206:4 212:20 219:19 221:1,7 tying 203:16 type 9:24 11:15 12:9 13:10 19:13 20:13 20:18 21:2,13 33:9 33:24 48:4 65:5 84:18 99:24 103:4 188:7</p>	<p>types 6:11 9:19 119:13 182:10 typical 96:9 153:4</p> <hr/> <p style="text-align: center;">u</p> <hr/> <p>u.s. 62:13 102:9 ucla 8:22 175:19 uh 173:25 ultimately 219:3 umbrella 192:2 uncertain 114:25 uncompensated 95:5,9 unconstitutional 65:2 undercut 13:17 underlying 119:1 undermine 41:8 underneath 164:5 167:12 understand 12:2 13:20 28:12,16 30:15 31:4 40:24 44:9,10 46:3 56:5 59:7 61:10 64:4 67:1 72:25 76:10 120:2 122:17 127:21 132:4 134:16 135:18 136:20,21 147:10 153:23 173:8 178:23 182:12 189:8 218:7 223:5 understanding 25:7 115:5 221:18 understood 57:22 80:6 84:24 123:7 129:19 138:24 169:6 undertaken 126:2 undoubtedly 63:24 unequivocally 23:23 unethical 143:11 unexpected 169:25</p>	<p>unfair 116:3 unfairly 115:19 unfortunate 211:14 unfortunately 158:5 unidentified 149:18 199:18 unimpeached 109:24 unintelligible 82:6 unintentional 16:5 unique 18:2,4,12 19:14 50:24 109:9 125:23 136:11 unit 159:20 united 7:10 62:10 units 19:7 university 88:23,25 unjust 164:13 165:21 unlawful 64:24 unsupported 73:16 untenable 97:18 unusual 87:11 96:9 205:18,23 unwarranted 164:13 updated 172:17 updating 172:5 upgrade 84:14 upgraded 158:13 upgrades 152:13,13 171:17 172:19 upheld 24:2,22 205:2,12 upkeep 165:19 172:3 ups 150:13 upset 156:5 upward 21:1 98:19 100:10 urban 8:21 35:6,7 urge 61:9 use 12:20,21 13:14 14:8,14 16:3,16 26:19 28:17 29:6,21</p>
---	---	--	---

<p>34:5 36:15 37:9,10 39:20 41:7,8 42:2 44:18 45:23 50:16 55:16 67:9,24 68:12 68:16,18,19 69:8,9 69:25 70:5,5,7,22 80:20 82:6,9,10,11 82:12 83:22 100:1 100:25 101:1 102:5 102:15 104:13,14 107:21 112:18 132:19 133:11 200:15 211:6 213:5</p> <p>uses 70:20 100:22 100:23 103:17 117:12</p> <p>usually 18:4 36:17 36:22 37:5 72:18,22 73:9 76:4 139:12</p> <p>utensils 172:23</p> <p>utilities 31:18 170:20 173:17 217:22 221:6</p> <p>utility 54:23 123:23 152:13 174:10,12 218:3 221:7</p> <p>utilize 135:5</p> <p>utilized 68:22 132:12 134:2</p>	<p>96:18 103:7,9,18,20 103:24,25 104:3,3 127:10 128:24 134:16 136:19,23 137:18 142:9,11,21 145:5,8 157:4,10 162:24 163:1,1,3,5 163:6 211:11</p> <p>values 52:17,20 76:21 102:24 103:12,13,14</p> <p>vanilla 67:4</p> <p>vanishing 99:11,15 100:20</p> <p>variable 112:13</p> <p>variations 55:8</p> <p>various 6:2 7:24 23:16 26:5 59:2 109:7 113:21 123:23 161:5</p> <p>vaudreuil 225:19</p> <p>vaudrevil 2:16 4:1 48:22 49:1,3</p> <p>vega 8:5 10:19,20 17:17 18:1 19:3,19 20:9 27:10 50:4,16 51:9,10,12,14 128:15 129:11</p> <p>ventu 193:9</p> <p>ventura 19:10 175:23 176:4 191:23 192:9</p> <p>venture 159:19</p> <p>venue 34:20</p> <p>verbally 164:24</p> <p>verification 119:19</p> <p>verifications 111:13</p> <p>verified 203:11</p> <p>verifies 163:3</p> <p>verify 14:21 181:1</p> <p>verifying 15:1</p> <p>verizon 158:3,6</p> <p>versa 211:12</p> <p>versed 61:5</p>	<p>version 6:22</p> <p>versus 30:17 50:13 59:4 61:25 92:21 110:15 150:20 214:7</p> <p>viable 128:6</p> <p>vibrant 148:14</p> <p>vice 2:4 211:12</p> <p>view 50:6,6 169:11</p> <p>village 139:11</p> <p>violate 219:15</p> <p>violated 60:23</p> <p>violates 60:14</p> <p>violations 60:25</p> <p>virtually 47:13 76:21</p> <p>virtue 120:18 157:18 213:2</p> <p>voices 167:21</p> <p>volunteer 196:21</p> <p>volunteered 181:8</p> <p>volunteers 196:3</p> <p>vote 48:21 225:18</p> <p>vs 10:20 32:8 45:6 68:17</p>	<p>97:23 107:10 110:15 115:15 122:17 123:15 124:23,24 134:12 134:24 150:19 151:5,24 153:15 155:15 157:17 161:9 163:10 168:2 173:3 179:24 187:22 190:7,22,25 191:4,4,5 192:9,19 205:18 210:23 212:17 215:20,24 216:8,22,23 219:18 223:5 224:20 225:9</p> <p>wanted 40:20 50:1 52:6 60:4 69:9,25 73:3 78:11 90:18 91:12 120:1 143:12 146:19 148:1 153:20 158:24 161:19 166:18,25 181:1 210:13 213:15</p> <p>wants 53:1 55:2 69:8 71:12 130:4</p> <p>warning 164:8</p> <p>warrants 46:24</p> <p>watch 158:4</p> <p>watching 69:12</p> <p>water 83:11 172:17 195:13,13</p> <p>watson 2:12 31:14 31:20</p> <p>way 15:1,5 30:12 34:24 36:6 37:4 43:25 45:15 49:16 49:21 51:23 53:4,6 60:8 61:22 64:8 78:1 79:21,25 88:6 88:6 136:16 144:24 164:19 171:18 173:7 176:5 184:4 184:19 195:22 205:24 218:22</p>
v		w	
<p>vacancies 128:4</p> <p>vacancy 65:9 75:24 153:24,25 211:9,15 211:20 212:3</p> <p>vacant 128:19 129:13 155:6</p> <p>vagaries 53:22</p> <p>valid 95:22,23</p> <p>vallecito 5:22,24</p> <p>vallecitos 144:17</p> <p>valley 162:16 192:6</p> <p>value 9:16 19:8 49:16 52:9 53:17 74:9 82:22 86:9</p>	<p>wage 161:24</p> <p>waiting 165:5 198:5</p> <p>waive 75:3</p> <p>waived 62:20</p> <p>walk 83:14,14 84:19 86:2,2 151:22</p> <p>walker 35:25</p> <p>walking 86:6</p> <p>want 29:14,15 34:1 38:4 39:24 41:5 42:6,23 43:23 45:4 52:1 57:1 60:19,24 61:7 62:15,18 64:4 64:18 66:11 70:5 71:18 73:6 76:11 77:11 78:6,15 83:22 84:21,22 85:17 86:24 87:1 94:2,6</p>		

[way - year]

<p>226:17 ways 208:10 we've 40:4 58:18 75:13,14 93:7 96:6 101:6,16 107:23 125:23 128:16,16 135:13 148:13 169:4 180:6 191:1 192:14 208:10 213:17 wealth 214:7,7 weasel 115:16 week 148:21 weight 147:21 weird 26:16 welcome 196:12 200:20 welcoming 165:11 went 22:21,25 31:19 48:13,13 69:16 74:3 88:7,8 105:9,19 117:4 126:9 147:3 154:4,5 156:24 188:2,8 194:20 195:3,6 197:9 198:15 204:4,23 206:16 220:16 221:4 222:11 wertheimer 2:3 4:22 28:6 30:18,21 32:17 34:15 35:1 48:16,18 48:21 54:2,5 57:3,6 57:25 58:10 71:11 71:20 81:9,14,19,21 81:23 82:5,15,19 84:4,24 85:13 86:4 87:8,18,21,25 88:11 104:19,23 105:1 106:2,5,8,20 107:3 107:7,9,12,14,17,20 109:13,16 112:6,9 113:19,24 114:5,7 116:16,19 119:5,12 119:17,22,24 121:17,20,22,25</p>	<p>122:3,13 123:6,12 124:4,14,21,25 125:6,9,15 135:24 136:5,20 137:2,7,14 137:17,23 138:2,10 138:24 140:17,23 143:25 145:17 146:15 148:5 149:10,16,19,24 152:1 155:2 157:22 159:9 160:24 162:6 163:13 165:25 167:24 168:5 169:13 171:5,7 172:24 173:1,11,14 173:16,19,22 174:22 175:10,14 177:13,25 178:2,11 178:16 179:1,7,10 179:17,21 180:9,15 181:4 187:17 189:15 190:16 191:10,15,17,21 193:6 194:8 196:8 196:10,14 197:19 197:24 199:6,24 200:21 201:8,18 202:15 207:1 214:13,25 215:8,13 220:2,4,12,15,19 221:13 223:1,10 224:11 225:10,18 west 10:20 westlake 139:11 wheelchairs 158:14 whereof 226:19 white 41:18 42:10 widow 169:21 widowers 167:9 wife 168:9 193:17 willing 103:15,15 104:4,4 173:4,5 wilma 171:8 189:16 191:18</p>	<p>wind 49:15,16 window 144:22 windy 1:20 226:3,24 wise 149:1 witness 40:6 81:11 88:3 139:16 155:3 180:20 182:15,16 182:24 184:9,11 226:19 witnessed 151:20 witnesses 34:16 139:13 161:21 woman 199:11 218:11 won 213:10 wonderful 35:17 140:10 wondering 105:4 201:25 224:5 word 217:8 worded 49:22 words 16:7 43:15 44:24 47:24 64:25 70:3 75:8,25 99:6 101:20 103:24 106:18 153:14 154:13 182:15 211:16 212:10 222:11 work 68:5 72:10 79:10 132:5 179:2 workable 34:2 worked 175:19,20 194:5 198:12 working 119:7 188:25 189:1 194:13 works 184:5 213:13 world 103:6 108:16 193:18 worse 168:13 worth 53:6,23 76:23 151:12 212:9 wrap 109:18 178:17</p>	<p>writing 124:19,20 149:12 184:25 written 8:22 33:2,3 139:18 wrong 17:10 40:11 42:15 70:19 145:2 162:25 189:5 210:11,12,18</p> <hr/> <p style="text-align: center;">y</p> <hr/> <p>yard 137:25 yards 160:4 195:2 yeah 28:8 37:5 49:11,22 55:4 85:20 109:19 111:7 123:11,14 136:10 154:16,20 178:15 178:20 181:17 200:12 201:2,6 214:25 215:9 220:3 225:12 year 4:14,15 7:17 10:10,12,12,13,16 10:22 11:13,14,17 11:19 12:7,16,17,19 12:20,22 13:1,4,13 13:15,16,17,18,21 13:22 14:1,4,9,15 15:5,10,17,18,22,23 16:1,6,9,13,17,18,21 17:9 18:6 19:15 20:3,23 21:4,5,9,10 21:16,17,19,20,21 22:17 23:7,14 25:8 25:10,19 26:2,11,20 26:24 27:4,4,9,21 28:14,22 29:12,15 29:16 30:6,17 37:18 37:18 39:20,21 41:4 41:7,12,20 47:7,17 51:18,19 53:7,7 55:20,23,24 56:16 56:21,23 59:4,5 68:13,15,18,24 69:3 69:8,20,25 70:1,4,6</p>
--	---	--	---

70:8,24 72:24 75:20	129:7 130:24 133:1
79:7,11,14,18 89:15	133:15 134:20
89:19,20,25,25 90:4	141:19 142:25
90:19 91:7,9,10,21	145:1,21 146:1,6,8
93:9,17,22 95:3,10	146:10,11,12,22
95:10,23 96:13,14	147:1,4 151:7
96:15,18,23,24 97:3	154:11 155:18
97:6,20 98:2,12,15	157:25 158:1,8,18
98:15 100:8,9,11,25	159:13 160:6,14,19
101:12,17,21 108:4	162:1 163:16 164:2
108:4 112:22	166:6 168:10,25
115:25 117:14,19	170:10 171:13,14
129:16,20 130:3	171:24 175:17,21
131:8,8,20,21 132:1	176:11,14 177:10
132:20,20,22,23	179:14 188:16
133:5,5 142:19	192:6,12,19 195:17
144:7 146:17,18	198:19 203:22
147:19,24 148:20	204:4 211:23 222:9
168:21 169:20	yesterday 182:4
170:7,18 173:21	york 32:9
174:16 176:14,17	young 175:20
177:1,8 184:23,23	younger 72:5
185:16,16 188:18	z
188:19 190:12,14	zero 22:15,16 99:8,9
192:12,20 200:25	206:13,17,23
203:1,1,3,3 204:10	
204:13,18,18	
207:23 208:5,5,6,7	
209:8 220:18,24,24	
222:1,8,8,12	
yearly 166:23	
years 6:4 7:7 9:7	
15:6,20 16:12 17:5	
18:5 20:20 23:12	
25:16 29:24 36:7,10	
36:17 44:18 46:15	
52:18 53:11,24	
70:11 72:4,6 73:14	
74:25 75:9 83:3	
86:17 88:18 89:13	
89:21 90:3,5 91:11	
91:13,14 96:2,4,6	
99:16,17,17 111:7	
113:17 115:25,25	
118:20 119:1,7	



Transcripts of meeting dated
January 18, 2011

1 IN THE STATE OF CALIFORNIA
2 CITY OF THOUSAND OAKS

3
4 ----- **ORIGINAL**

5 In re:)
6)
7 THUNDERBIRD OAKS MOBILE HOME) (RAA-2010-01)
8 PARK RENT ADJUSTMENT)
9 APPLICATION)

10 -----
11
12
13
14 RENT ADJUSTMENT COMMISSION PUBLIC HEARING,
15 taken at 2100 Thousand Oaks Boulevard,
16 Thousand Oaks, California, commencing at
17 6:02 p.m., Tuesday, January 18, 2011,
18 before ROSA E. MORA, CSR No. 13016.
19
20
21
22
23
24

25 PAGES 1 - 46

Page 1

1 APPEARANCES:

2

3 FOR THE CITY:

4 LLOYD WERTHEIMER, CHAIR

5 MAXWELL SHELDON, VICE-CHAIR

6 BRENDA MOHR FELDMAN

7 BEATRICE FERRUZZA

8 MIKE SILACCI

9 JOHN PRESCOTT, AICP, COMMUNITY DEVELOPEMENT DIRECTOR

10 PATRICK HEHIR, ASSISTANT CITY ATTORNEY

11 CHRIS NORMAN, ASSISTANT CITY ATTORNEY

12 KEN BAAR, EXPERT FOR THE CITY

13 LILIA VAUDREUIL, RECORDING SECRETARY

14

15 APPEARANCES OF COUNSEL:

16 FOR THE APPLICANT:

17 HART, KING & COLDREN

18 BY: BOYD HILL

19 Attorney at Law

20 200 East Sandpointe

21 Fourth Floor

22 Santa Ana, California 92707

23 (714) 432-8700

24 E-mail: bhill@hkclaw.com

25

Page 2

1 THOUSAND OAKS, CALIFORNIA, TUESDAY, JANUARY 18, 2011

2 6:02 p.m.

3 -o0o-

4
5 MR. WERTHEIMER: Good evening, ladies and gentlemen.
6 Tuesday, January 18th, 2011. Please stand for the pledge of
7 allegiance.

8 Mr. Prescott.

9 (Everyone complies.)

10 MR. WERTHEIMER: Thank you. Will the recording
11 secretary please call the role.

12 MS. VAUDREUIL: Commissioner Feldman.

13 MS. FELDMAN: Present.

14 MS. VAUDREUIL: Commissioner Ferruzza.

15 MS. FERRUZZA: Present.

16 MS. VAUDREUIL: Commissioner Silacci.

17 MR. SILACCI: Present.

18 MS. VAUDREUIL: Vice Chair Sheldon.

19 MR. SHELDON: Present.

20 MS. VAUDREUIL: Chairman Wertheimer.

21 MR. WERTHEIMER: Present.

22 MS. VAUDREUIL: Alternate Commissioner Schutz.

23 Absent.

24 And alternate Commissioner Klussman.

25 Absent.

Page 3

1 MR. WERTHEIMER: I would like to acknowledge a
2 supplemental package that was given to us just this evening.
3 And, Mr. Norman, would you explain the package for us
4 please.

5 MR. NORMAN: Yes. Good evening, Mr. Chair,
6 commissioners, and members of the public. Before you in the
7 supplemental package, Staff has provided two items. The
8 first item is a proposed resolution based on Staff's
9 recommendation, which if you recall, was alternative 86,
10 dash, two.

11 The second item is an errata sheet. The numbers
12 in the City's table found on page 22 of your packet were
13 incorrect. And it was intended that the numbers in
14 Mr. Bar's report, specifically the tables on page 553 and
15 554, that those are the correct numbers. And this errata
16 sheet, if you look at it, the number on the left will show
17 you what Staff's incorrect number was. The number on the
18 right shows you the correct number based on Mr. Bar's
19 report. Thank you.

20 MR. WERTHEIMER: Thank you. Item number five for the
21 meeting of January 10th, 2011. Would any commissioner like
22 to propose a motion for approval of the minutes?

23 MR. SILACCI: Move approval of the minutes.

24 MR. WERTHEIMER: So moved. Vote.

25 MS. VAUDREUIL: Motion passed, four to one, with

1 Chair Wertheimer opposed.

2 MR. WERTHEIMER: Hitting the wrong button.

3 MS. VAUDREUIL: Okay. Let me -- let's redo it.

4 MR. WERTHEIMER: Thank you.

5 MS. VAUDREUIL: Motion passed, 5-0.

6 MR. WERTHEIMER: On the matter before us this evening
7 for the commissioner's delibera- -- to deliberate, we will
8 discuss and consider adoption of a resolution approving a
9 rent adjustment, i.e., rent increase for residents of the
10 Thunderbird Oaks Mobile Home Park.

11 At our last meeting the commissioners heard
12 testimony from Staff, the applicant, residents of the mobile
13 home park, and the public at large. The commission received
14 in review of the agenda package and the agenda binder for
15 this matter included the owner's application, the Staff
16 report prepared by Staff, and the city effort witness,
17 Dr. Ken Bar and James Brey- -- Breybrant, appraiser
18 (phonetic spellings).

19 The commission had the opportunity to review the
20 consultants' reports and appeals as well as benefit for --
21 benefited for question of the witnesses by the applicant's
22 representatives and residents' representative. The
23 commission also heard from numerous tenants and tenants'
24 representatives as well as the public at large. Finally,
25 the applicant was provided the opportunity to prev- -- to

1 present his justification for the requested rent adjustment
2 in the form of his rebuttal or closing remarks.

3 The public hearing portion is a public hearing on
4 the applicant was closed at our meeting of January 10th.
5 This meeting has been scheduled so that we may -- so -- so
6 that we, the commissioners, can discuss and deliberate on
7 the matter. Our resolve will be formalized in the form of a
8 resolution. Staff has drafted a resolution based on
9 recommendations for this application. The proposed
10 resolution delivered to us this evening enclosed the
11 necessary findings that must be made in the manner. The
12 commission's final decision must be supported by findings.
13 This we need to keep in mind as we discuss -- as we discuss
14 the matter this evening.

15 Will the secretary please call the item.

16 MS. VAUDREUIL: Public -- public hearing closed on
17 January 10th, 2011, regarding case 7-A Thunderbird Oaks
18 Mobile Home Park rent adjustment application,
19 RAA 2010, dash, 01; location, 200 South Conejo School Road;
20 applicant, A.V.M.G.H., Limited. Request rent increase in
21 amount of \$260.62 per month per space to achieve a just and
22 reasonable return.

23 MR. WERTHEIMER: Mr. Hehir, I -- will you present some
24 of the recommendations on these deliberations.

25 MR. HEHIR: Thank you, Chair Wertheimer, and members of

1 the commission and also members of the public. One area of
2 guidance I wanted to give the commissioners tonight in
3 deliberating is that this is your time to ask and discuss
4 among yourselves various issues that have been raised in the
5 vari- -- the hearings that we had on this matter.

6 One of the first things that we need to do in
7 doing this analysis is to decide on a formula. As you know,
8 as you heard throughout this presentation, both the owner
9 and Staff have recommended the MNOI formula. That is a
10 formula that is also listed in our ordinance as a preferred
11 method, not the only method, but the preferred method. So
12 it's important that you first acknowledge or decide if you
13 want to use that formula or not. My recommendation would be
14 to use the MNOI formula.

15 The second thing is assuming you do the MNOI --
16 MNOI formula, it's -- and I think this would be very helpful
17 for all of you -- is to take each element of the MNOI
18 formula -- formula one at a time. And what I mean by that
19 is if you look on page 14 of the Staff report, there is
20 elements of each one. And for those elements there's a --
21 determine the base year, determine a base year rent, and any
22 adjustments.

23 Third is to determine and make any necessary
24 adjustments to the base year operating expenses.

25 And fourth, once you have all of these elements,

Page 7

1 you need to determine what rate the base year net operating
2 income is indexed to account for inflation in order to
3 determine what rent level would yield a just and reasonable
4 net operating income in the current year.

5 So what I would recommend to all of you is -- as
6 you deliberate is probably to take each of these elements
7 one at a time. That way you can po- -- possibly get a
8 consensus for each element first and then you move on to the
9 next element. That would be my recommendation. Thank you,
10 Chair.

11 MR. WERTHEIMER: Thank you, Mr. Hehir. I agree with
12 that recommendation. I think that we should take these one
13 at a time. It will allow us to get us through the process
14 with clarity and the ability to understand and proceed
15 logically to the next. So for the committee the first issue
16 we need to tackle is -- is determining the standard for how
17 we determine a just and reasonable return. Mr. Hehir, you
18 mentioned MNOI; is that correct?

19 MR HEHIR: That is correct, Chair.

20 MR. WERTHEIMER: Commissioners, let's start with
21 Mike Silacci on the MNOI.

22 MR. SILACCI: Silacci, Mr. Chairman, but that's okay.
23 Butchered all my life. Based on -- on the information
24 that's been provided and my review of both the ordinance as
25 well as the rent adjustment commission resolutions two and

1 five, it's my belief that the standard to determine just and
2 reasonable return is MNOI or is maintenance of net operating
3 income. And my further understanding is that neither the
4 applicant or the tenants have advanced an alternative
5 approach. So my view is that MNOI is the standard that we
6 need to follow to assess a just and reasonable return.
7 Thank you, Mr. Chairman.

8 MR. WERTHEIMER: Thank you.

9 Ms. Feldman.

10 MS. FELDMAN: Yes. I disagree. I think that the
11 tenants did propose an alternative. They proposed a return
12 on original investments stating it was at 1.48 percent, 1.24
13 percent. But my decision that they proposed it is one
14 thing, but I support it because the things that I've read in
15 Dr. Bar's report.

16 He at first states that in the place of Manhattan
17 where he did not recommend a return on original investment
18 as a method for using rent increases, it was based on
19 apartment buildings being built in Manhattan. In
20 Thousand Oaks we have just a number of mobile home parks and
21 no more, in my opinion, will be built. And I don't think
22 anyone thinks so.

23 The other thing is we are protected as residents
24 here because the re- -- debt service cannot go back further
25 than 1980. In other words, debt service ob- -- obtained

1 subsequent to 1980 cannot be used for rent. So it is
2 extremely important that we look at this through the eyes of
3 folks living in the 21st century, a decade into the 21st
4 century actually.

5 The MNOI was proposed in the '80s when there was
6 little data available to the -- or to the commission to
7 analyze rents. But we have a lot of data now. And return
8 on original investment is available to us to analyze. And I
9 think that is the more appropriate method.

10 Dr. Bar goes on to say that the problem with using
11 this method is it creates a circulatory situation in which
12 the sellers could buy and sell -- or the park owners, excuse
13 me -- could buy and sell parks, thereby increasing their
14 original investment. That, again, goes back to the fact
15 that if they were to do that, one, they'd have a huge
16 increase in property taxes.

17 And then, again, the ordinance says you cannot use
18 debt service that has occurred subsequent to 1980. He
19 further concludes that in this instance it would have no
20 negative effect. In this instance I am sure that the park
21 owner would not have used this investment method because he
22 wouldn't have come up with any rent increase.

23 I think it is important that we use this method
24 rather than the MNOI to protect residents and give a fair
25 return to the park owner. Thank you.

1 MR. WERTHEIMER: Thank you.

2 Mr. Sheldon.

3 MR. SHELDON: Thank you very much. I -- I also support
4 the city MNOI in calculating a fair and reasonable return.
5 I -- I agreed with both parties in that I -- the circular
6 nature of the return on equity or return on investment is --
7 is something that would be very difficult to apply
8 consistently to other applications. I think that it allows
9 the owner of the park to play -- to basically play games.
10 And so I -- I fully support the use of the MNOI method.
11 Thank you.

12 MR. WERTHEIMER: Thank you.

13 Ms. Fer- -- Ms. Ferruzza.

14 MS. FERRUZZA: I will support the MNOI also.

15 MR. WERTHEIMER: Thank you. Since most staff and
16 applicant has recommended this, I -- I, too, agree with MNOI
17 as the -- the standard which we will use. Thank you.

18 We have -- we do have a four to one as a consensus
19 on -- on the method that we're going to use. So I'd like to
20 suggest that based on that we -- we --

21 MR. HEHIR: I -- I would just recommend that you just
22 move forward. It seems like you have some consensus of
23 using the MNOI, assuming that's going to be the theory that
24 you -- formula that you use, then you would proceed next
25 with the next steps of the MNOI formula. The first of which

Page 11

1 is to select a base year or determine a base year.

2 MR. WERTHEIMER: Mr. Hehir, put it -- and so I -- so we
3 do go on to the next one, and that is to determine the base
4 year and we'll go on discussion with that starting with
5 Mr. Silacci.

6 MR. SILACCI: Thank you, Mr. Chairman. Again, based on
7 the information that was provided both at the hearing and
8 all the information provided by the applicant and the
9 tenants, it's -- in my review of -- of the regulations, my
10 view is of the base years should be 1986 and not 1979. I
11 base that on the fact that this is the first year with
12 complete financial information and to be able to
13 substantiate a base year.

14 And when I think of financial information, I think
15 of ac- -- having accurate revenue and expense detail. It's
16 clear from what I reviewed that that was not available for
17 1979. So based on that and -- and based on looking at RAC
18 resolution two, section -- various sections, I believe that
19 1986 is -- is the base year that -- that should be used for
20 the MNOI calculation. Thank you.

21 MR. WERTHEIMER: Thank you.

22 Ms. Feldman.

23 MS. FELDMAN: I totally agree with him, with
24 Mr. Silacci.

25 MR. WERTHEIMER: Mr. Sheldon.

1 MR. SHELDON: I do -- I do as well.

2 MR. WERTHEIMER: And Ms. -- Ms. Ferruzzi -- Ferruzza.

3 MS. FERRUZZA: I agree. I agree.

4 MR. WERTHEIMER: I'll elaborate on that, and I also,
5 too, will agree.

6 Based -- based on the consensus we just had, now
7 the next item should be the base year rents and their
8 adjustments.

9 Mr. Silacci.

10 MR. SILACCI: I feel like I should pass. I'm always
11 first.

12 MR. HEHIR: Chair Wertheimer, if I -- if I may just
13 really quick. We obviously picked 1986 as the base year. I
14 do want to say just for that analysis that is next is
15 whether or not there's a -- you need to determine a base
16 year rent, any adjustments to that base year. So since you
17 picked 1986, there is a Staff recommendation that there is a
18 price level of adjustments.

19 So that would be the next step, would be to
20 determine if there are any adjustments to that base rent.
21 So the Staff recommendation was to do a base rent based on
22 the price level adjustment under the -- under our ordinance.
23 And if anyone has any questions about how they determine
24 that price level adjustment, I will be happy to elaborate.

25 MR. SHELDON: Patrick, could you give just a brief

1 overview of that please.

2 MR. HEHIR: Sure. During the hearing you -- you heard
3 both '79 and 1986 used as the -- the two suggested base
4 years. When you heard the '7- -- 1979 discussion, you heard
5 the Vega case. All right. The Vega case, again, is a --
6 where you adjust the base year in a manner to reflect
7 general market conditions. In our ordinance with 1986 we
8 have what we call a price level adjustment.

9 And what that adjustment does is when -- since you
10 picked 1986 as the base year, you want to ensure that now
11 that -- when you apply that base year and use that in your
12 formula, that the base year is reflective of up to that time
13 the market conditions, the general market conditions.

14 So what Staff did -- and this is pursuant to
15 our code -- is that they looked at all the automatic
16 adjustments that the owner did between 1980 to 1986. And as
17 you read the report, and it's both in the Staff report and
18 in Mr. Bar's analysis, that's as an -- a major attachment to
19 the recommendation. You will see that in two of those years
20 the owner did not ask for that adjustment.

21 Now, in fairness to the owner and to ensure that
22 you add all the possible adjustments that they could have
23 made from 1980 to 1986, because again we're using 1986 as
24 that base year, you add those two years that were absent as
25 part of your analysis. So you add the ability or you

1 actually add adjustments for the two years that were not
2 asked for by the owner just to ensure that when you get to
3 the 1986 price rent, you are at a -- a level that makes
4 sense for the market conditions generally at that time.

5 So in this case if you look at the Staff report,
6 you will notice that in 1986 the average rent was \$277 a
7 month for each space, again, average. Based upon the RAC
8 2.304, there's a price level adjustment, and that adjustment
9 increases the amount of rent to the 298. So now the 298
10 rent for 1986 is now the adjusted rent. That is what Staff
11 recommended to do.

12 So when it talks about the -- step two is --
13 again, you have base years, step one. Now, step two, does
14 the 1986 base year need an ad- -- an adjustment. Again, our
15 ordinance does require us to look at that. I will also
16 caution you that there -- there is a couple of cases out
17 there that talks about ignoring appropriate adjustments that
18 are allowed. And -- and our codes simply has a priceable
19 adjustment in that code.

20 And because we know that he didn't do -- the owner
21 did not do two adjustments, it doesn't make sense and I
22 understand why Staff is making that recommendation, to,
23 again, adjust it up to make sure that if he had asked for
24 it, it would have been this amount, again 298.

25 Does that answer your question?

1 MR. SHELDON: It certainly did. Thank you.

2 MR. WERTHEIMER: Thank you, Mr. Hehir. So with that,
3 Mr. Silacci.

4 MR. SILACCI: Third time's a charm. Thank you. I -- I
5 will say -- am -- am -- at the end of the day I do support
6 Staff recommendation for a -- a price level adjustment for
7 the two years that the owner didn't -- had -- had the
8 ability to make the increase under the ordinance but did
9 not.

10 But when I read, myself, the words in RAC two,
11 section 205, and it reads "but have not been made because of
12 the landlord's rental policies and purposes," it's -- it's
13 kind of vague.

14 But I -- I arrived at the -- at the decision of
15 supporting Staff's recommendation because, to me, this would
16 represent the best sort of market adjustment on the -- on
17 the -- on the rent. And so with that, I do support the --
18 the Staff's recommendation of the price level adjustment.
19 Thank you.

20 MS. FELDMAN: I do not support it simply because it
21 wasn't asked for and this many years, decades later, I think
22 it's inappropriate to obtain it now. Thank you.

23 MR. WERTHEIMER: Mr. Sheldon.

24 MR. SHELDON: No, I -- I support the adjustment as
25 well. I -- I -- I feel like it's in the -- you have to look

1 at both -- both sides of it. And I think that if it -- if
2 he's able to make those adjustments in this application,
3 then I -- I -- I certainly agree with the Staff's
4 recommendations. Thank you.

5 MR. WERTHEIMER: Thank you.

6 Ms. Ferruzza.

7 MS. FERRUZZA: I want to point out one thing to this
8 commission. That all the rent that is allowed when we get a
9 rent increase is based for all mobile home parks. On the
10 1986 base, which is 25 years old, and that is when all of
11 the rent is based on increases like if we get one percent or
12 two percent or the CPI, it's based on the 1986 rent. So it
13 is probably a good idea to use this adjustment for the 1986
14 because all mobile home parks have to use that base year
15 when they are figuring out any rent increase.

16 MR. WERTHEIMER: Thank you.

17 I will also support the Staff's recommendation on
18 this. I think it's taken in both sides consideration so
19 I --

20 On this point I -- we're going to go to the next
21 issue which is using the MNOI formula. I believe we have a
22 consensus on the last point. And, Mr. Hehir, we have
23 something you can --

24 MR. HEHIR: Sure. Thank you, chair. Again, once you
25 determine the base year and then you determine any

1 adjustments, and in this case, as you just noted as you
2 delib- -- deliberated, there is a price level adjustment
3 recommendation pursuant to Staff's recommendation based upon
4 our ordinance, and if you're to do that adjustment, then the
5 step three is now to determine and make any adjustments to
6 the 1986 base year operating expenses.

7 And under RAC two, section 2.11, it stipulates
8 that the management and administrative expenses must be
9 calculated for both the base year, in this case 1986 as you
10 have discussed, and the current year which is 2009 at the
11 same percentage of actual income. Now, Mr. Bar did that
12 analysis of this. It's in the Staff report. It is also in
13 the pages beginning at 580 of the Bar report.

14 So if look at your packet, your huge binder, you
15 read to page 580, it's that area where Mr. Bar discusses
16 this analysis. In that analysis, as you can read, the owner
17 claims that the total management and administration expense
18 totaled \$30,878 in 1986. He's requesting an increase to
19 \$167,392 in 2009. This is an increase of \$1,039
20 approximately per space or 442 percent increase.

21 In the Bar report, I believe Staff is trying to
22 ensure that when you do the comparison, which is required
23 under the analysis from 2009 to 1986, that you're doing the
24 right adjustment. Our requirements provide that the base
25 year, again 1986 year, that the management and

1 administrative expenses are just so that they are
2 proportionate in inflation adjusted dollars to the current
3 year management and administrative expenses.

4 Unfortunately, we do not have the 1986 figures in
5 the books. So to compare them we need to make them equal.
6 And if you read, and it's been again explained in Mr. Bar's
7 analysis and also in his materials, he's done this analysis
8 in which he took the 19- -- 2009 management and
9 administration expenses and backed them down to the 1986
10 using CPI. The assumption in his reasoning is that the cost
11 for such work, again starting 1986 going all the way to
12 2009, would go up by the CPI.

13 Another way to look at this would be to do it in
14 the reverse. If you were to start in 1986 and you had all
15 the documents in 1986, but you didn't have them in 2009 and
16 you said what -- how do we make sure that the same
17 percentage is there, you would go from 1986 CPI up all the
18 way to 2009. You would get the number.

19 This is actually the reverse because we have 2009
20 and Mr. Bar wanted to make sure that we met basically with
21 the intent of our ordinance and so that's why he did that
22 analysis. So that analysis is done by Mr. Bar in his
23 report. You can deliberate. And if you have more
24 questions, I'll be happy to answer them the best I can.

25 MR. WERTHEIMER: So Mr. Silacci.

1 MR. SILACCI: Well, I'll say this, Mr. Chairman, I do
2 believe that there needs to be an adjustment for management
3 and -- and administrative expenses for the current year and
4 the base year. I'll be honest with you, I welcome comments
5 or thoughts from the rest of the commissioners before I give
6 you my -- my total view. I do -- I do, again, believe there
7 should be an adjustment. What I'm personally running up
8 against -- and -- and I know Mr. Bar explained it in his
9 analysis -- is the base that a regulations cap on either
10 side at eight percent. So I -- I -- again, I would welcome
11 the thoughts and comments of other commissioners as we
12 deliberate.

13 MR. HEHIR: And if I may, Mr. Chairman, Mr. Silacci's
14 comments. I -- I understand your question and I -- I know
15 it wasn't a question to me directly, but I -- I do want to
16 again -- you brought up the issue that we struggle with when
17 doing this analysis is -- what -- what -- what was his
18 process in doing this and, again, I think his process was to
19 take the best information he could have and bring it back --
20 actually, it -- it is more than the eight percent, which is
21 in favor of the owner.

22 But when you read his report, he shows that
23 actually it evens out and this provides the most direct
24 concrete information that he has in which to do this
25 analysis. The analysis has to be done. It's more of this

1 is his -- his method of doing it that he thought overall and
2 this is a consultant for the Staff doing this made the best
3 sense overall to provide a fair and appropriate adjusted
4 level.

5 MR. SILACCI: Okay. I appreciate that clarification,
6 Mr. Hehir, and I also take solace in the fact that based on
7 my reading of the ordinance and the -- the RAC regulations,
8 the discretion lies with this commission. So I appreciate
9 that. Thank you.

10 MR. WERTHEIMER: Ms. Feldman.

11 MS. FELDMAN: Well, I certainly think an eight percent
12 cap is appropriate. That's in the ordinance. And I think
13 to argue away from it saying it's balanced off by other
14 expenses, that's inappropriate. I think an -- an eight
15 percent cap is what's fair and what we should be using.
16 Thank you.

17 MR. WERTHEIMER: Thank you.

18 Mr. Sheldon.

19 MR. SHELDON: Patrick, could you explain a little bit
20 about what is balancing out the eight -- removing the eight
21 percent caps. She mentioned expenses. What -- could you go
22 into a little bit more detail, if possible?

23 MR. HEHIR: Sure.

24 MR. PRESCOTT: Yeah.

25 MR. HEHIR: And -- and, again, since I'm not Mr. Bar or

1 I'm -- I'm good at --

2 MR. SHELDON: I understand.

3 MR. HEHIR: It's important for me, I think, to read his
4 analysis and I'm -- and I'm going to point to the section
5 that it's in just so you can all follow along if you want.
6 It really is on page 581 of his analysis of the binder, if
7 you will.

8 And what he arrives is that when the basis year
9 expenses in a category are computed on the basis of increase
10 in the CPI between those dates when the current expense
11 ratio exceeds eight percent in an MNOI analysis, the excess
12 over the eight percent level is largely offset by a
13 corresponding upward adjustment in a base year expense ratio
14 about the eight percent level which in turn reduces the base
15 year net operating income.

16 Conversely, if the base year expenses in a
17 category are reduced to an eight percent level, when base
18 year expenses are a function of the current year expenses, a
19 corresponding reduction in the inputted base year expenses
20 would lead to a corresponding reduction in the overall
21 calculation that the base year expenditure level and a
22 corresponding increase in the base year net operating
23 income.

24 So he writes in this case if current 2009
25 management -- so if 2009 management and expense levels are

Page 22

1 limited at eight percent of gross rents, they would be
2 reduced by 98,000 plus. However, in turn, the 1979 base per
3 management and administrative expenses would be reduced by
4 34,000, and the base period net operating income would be
5 increased by this amount.

6 When the additional \$34,888 in base year net
7 operating income is indexed by the CPI, the final percent
8 indexing of MNOI is provided. This amount approximately
9 offsets the additional 98,000, and net operating income that
10 is attributed to the current MNOI. In the cases of 50
11 percent and 75 percent indexing, the outcomes under the MNOI
12 approach would be seven dollars to \$15 lower if current
13 management and administrative expenses are limited to eight
14 percent.

15 And, again, what they're trying to do is our
16 ordinance requires us to make sure that they're the same
17 percentage at the end of the day. And so he is doing this
18 analysis the best way he can to say we want to make sure
19 we're -- we have the right percentages together.

20 MR. SHELDON: I thank you for going over that. I find
21 his recommendations to be very well reasoned and I support
22 the recommendation.

23 MR. WERTHEIMER: Ms. Ferruzza.

24 MS. FERRUZZA: I support a recommendation that does not
25 consider this cap, and I'm telling you with the -- my

1 reasoning. Because the owner of the park was able to manage
2 this business himself for so many years. If you penalize
3 him now because he has to have an outside agency running
4 this park, managing this park, then you're penalizing him
5 because he's an older gentleman, he's unable to do it, and
6 now he has to pay someone else, and the expenses that he
7 would have to have paid many years ago are much higher at
8 this point in time. So I don't feel it's fair to penalize
9 him because he can no longer manage this park himself.

10 MR. WERTHEIMER: Thank you. The applicant as well as
11 the ordinance has agreed that the eight percent is a figure
12 that they can -- well, at least the applicant can live with
13 and the -- the ordinance agrees with. So with that I also,
14 too, agree with the Staff.

15 MR. HEHIR: Just to be clear, it's -- it's Staff's
16 recommendation for Mr. Bar to do that analysis. It wasn't
17 the applicant who picked the eight percent. The -- the
18 adjustment is actually not eight percent cap. It's actually
19 comparing, again, 2009 management and administrative
20 expenses and they're adjusted to be proportionate inflation
21 to inflation adjusted dollars I guess is the best way to say
22 it to the current year. So, again, he's doing this analysis
23 to compare and make sure the proportion, the 1986 dollars
24 to -- with inflation adjusted dollars to the current year,
25 which is 2009.

1 MR. WERTHEIMER: Didn't the applicant at one point in
2 time cover this point and -- and make a favorable remark?

3 MS. FELDMAN: May I -- oh, I'm sorry.

4 MR. HEHIR: And I apologize if he did. I just -- I
5 want to make sure that it was Staff's recommendation from
6 Mr. Bar's analysis.

7 MR. WERTHEIMER: I -- I agree. I took both not only
8 the Staff's recommendation, but also the comment made by the
9 applicant in favor. Thank you.

10 MS. FELDMAN: Excuse me. I'm a little confused about
11 that eight percent. You say that it's in the ordinance,
12 it's -- it's here, there, and everywhere. When I read the
13 ordinance, I don't see anything about any percentages.
14 Where do you see that eight percent? The RAC two through
15 five are recommendations. They're not the ordinance. The
16 ordinance is what has been passed in 1996 is what we're
17 using today. We're not using any RAC two through five. So
18 I'd like to see where that's been stated.

19 MR. HEHIR: The -- the RACs are resolutions in which we
20 are -- and policy-wise how to process and interpret and
21 apply the RA- -- the ordinance. So it is something -- that
22 is how we are doing our method of application.

23 MS. FELDMAN: I think that if the folks who wrote the
24 ordinance or adopted it in 1996 wanted the RACs included,
25 they would have included them in the ordinance, and they

1 didn't. Thank you.

2 MR. WERTHEIMER: Thank you. Any other questions on
3 Staff?

4 Mr. Hehir.

5 The next point will be on the index that has been
6 recommended for CPI.

7 Silacci, sir.

8 MR. SILACCI: I support Staff's recommendation using a
9 50 percent index. Obviously, the -- our ordinance or
10 regulations don't -- don't specify an actual percentage nor
11 do they prohibit us from using one that's reasonable. So I
12 read the report. I -- I support the recommendation for 50
13 -- 50 percent of CPI as far as an index.

14 MR. HEHIR: And -- and if you excuse me, Chair --

15 MR. WERTHEIMER: Thank you, Mr. Silacci.

16 Yes.

17 MR. HEHIR: I -- I apologize for jumping in again. But
18 just on Mr. Silacci's point, again, if -- we're at step four
19 now. We're at that process where, again, this is all
20 discussion here. You have the base rent, then you have
21 the -- I mean, the base year, then you have base rent. You
22 have it adjusted. Then you have any changes to make sure
23 that there's an inflation adjustment for 19- -- 1986 to
24 2009. And then the last step, of course, is to determine
25 what rate that base net year operating income is indexed

1 which is what we're talking about.

2 The Staff's recommendation was 50 percent, as you
3 said. Just, again, we've -- we've heard a lot about this
4 during the testimony and I wanted to talk about a couple of
5 issues. Again, the whole -- the goal here is to adjust the
6 net operating income so when you get to 2009, it accounts
7 for inflation. That's the whole purpose of this process
8 here.

9 And what rent level you have is -- this is what
10 would yield a just and reasonable net operating income in
11 the current year because we're going to go to the current
12 year. So you had the owner asking for 100 percent CPI, then
13 you had Mr. Bar discuss 50 percent, 75 percent, and 100
14 percent.

15 As Mr. Silacci mentioned, our ordinance does not
16 specify a rate for this particular method. As you know,
17 there are three -- three different types of analysis that --
18 that the commission might do or that the city will do. And
19 one is if there is a just automatic increase. And in -- in
20 our ordinance there's an automatic increase. That rate is
21 actually listed in the -- in the code as -- or in the
22 resolution as 75 percent.

23 The second one is when you have the type of -- the
24 type of request that we have in this application here. And
25 the third one is for when you're having capital

1 improvements. And both of those -- those are things that go
2 to the commission and are heard in this type of manner.
3 Now, it's important that you realize that the courts provide
4 that the net operating income cannot be frozen.

5 And so the -- the reason why we're doing this CPI
6 adjustment is because when you have 1986, if you're making a
7 profit, for example, of \$1,000, in 2009 that adjustment,
8 that \$1,000 is not really going to be worth \$1,000 due to
9 inflation. So what the whole goal is to make sure that if
10 he was realizing a profit in 1986, he's trying to get that
11 same profit in 2009. That's the goal to make sure that he
12 kept that constant. That's why we're doing this CPI
13 adjustment.

14 So, again, it was before the court -- I mean,
15 before this commission. So that recommendation was 50
16 percent. But I wanted to provide that background just in
17 case you had any questions about that.

18 MR. WERTHEIMER: Thank you, Mr. Hehir.

19 MR. SILACCI: Well, let me -- Mr. Hehir, just let me
20 kind of add to, I guess, my rationale for my position on --
21 or supporting the Staff's position of 50 percent. I -- I
22 realize that as far as normal rent adjustments, it's 75
23 percent of CPI. My opinion is that 100 percent is excessive
24 given the information that I've seen as far as the sort of
25 stable investment given -- given the fact that there's low

1 vacancy rates at mobile home parks in general. So just a
2 little bit more on my rationale on why I would support as
3 reasonable 50 percent CPI as the indexing amount. Thank
4 you.

5 MR. WERTHEIMER: Thank you.

6 Ms. Feldman.

7 MS. FELDMAN: I feel kind of lonely up here. I support
8 40 percent CPI simply because Mr. Bar -- Dr. Bar had said
9 that that has gone through the courts. So since it has, I
10 support 40 percent indexing. On the other hand, when 75
11 percent of CPI is used to calculate the rents, the -- the
12 park owner certainly wants to recover the 25 percent that
13 isn't covered. But the equity that the resident has put
14 into the home has to be accounted for, and that is why we
15 have 75 of CPI.

16 That's what the folks in the past decided and the
17 court, the ninth circuit, or the ninth district court of
18 appeals supports that there is equity for the homeowner that
19 must be supported. As a matter of fact, they conclude that
20 the equity that the homeowner has is more than the equity of
21 the park owner. So that says a lot. And I think 75 percent
22 of CPI is appropriate.

23 And if we're going for an overage of that, we
24 should certainly not go more than 40 percent if that has
25 been upheld in court. Thank you.

Page 29

1 MR. HEHIR: Excuse me, Mr. Chair, if I may comment on
2 that really quick. And I -- and I appreciate your comments,
3 Commissioner Feldman. I -- I do want to point out that the
4 courts in -- in Mr. Bar's comments -- and you heard it with
5 Mr. Coldrin (phonetic spelling), attorney talking back and
6 forth with Mr. Bar and with Staff about the Burger case, I
7 think is the case that was brought. I know we were talking
8 about 100 percent, and 60 percent, 40 percent, and there was
9 a discussion about that case and what that case really held.

10 I have looked at that case, and two points that I
11 want to bring out to all the commissioners that I think
12 is -- is very important now that you mentioned 40 percent is
13 we have Staff recommendations of 50, 75, and 100. Those are
14 the various -- the Staff's recommendation is 50 percent, but
15 they -- they give you various options including 50 percent,
16 75 percent, and 100 percent of CPI.

17 One of the findings in the Burger case is that the
18 board in that case -- here it would be the commission -- the
19 board got in trouble with the court because what they did is
20 they didn't go with the recommendation of the consultant. I
21 believe in that case it was Mr. Bar in that particular case,
22 the Burger case.

23 What they did is they took a bunch of various
24 options and -- and then they mixed them together and then
25 divided them by that number. So they had three different

1 appropriate rents or rents that they were suggested and then
2 they said, oh, let's just put them together and we'll divide
3 by three and we'll come up with a number.

4 And so the first problem that the court had with
5 that is that wasn't following any recommendation, it wasn't
6 following a consultant's advice, it wasn't following
7 anyone's advice. And so they didn't have any findings.
8 That was the problem with that.

9 So, again, I'm -- I'm not saying you can't use 40
10 percent. It's just that we don't have the findings for 40
11 percent and there was no recommendation for 40 percent. So
12 we'd actually have to go through the whole process of trying
13 to come up with the rationale why we would use 40 percent.
14 And so my recommendation would be not to do that. Would be
15 use to -- at least use 50 percent or 75 percent or 100
16 percent because those are all the different recommendations
17 and analysis that were provided in the testimony and the
18 information that we have.

19 The second aspect of Burger was -- and this is
20 another element of the Burger case -- was that the court
21 found that it wasn't constitutionally required to give -- to
22 give a 100 percent. It -- it was not required to give 100
23 percent of CPI. So, again, one of the things that the --
24 the Burger court critique was that the board, in this case
25 the commission, did not follow the recommendations and

1 didn't have any analysis to support that, which is
2 something when we do a resolution, we need to have them
3 based upon the findings, the information that we obtained
4 from the public, from the consultants, from Staff, from
5 owners, experts, et cetera.

6 And the second thing is to -- to let you know that
7 it doesn't necessarily have to be 100 percent under the
8 Burger case. It said that it needs to make sure that it's
9 not a taking. So, again, it doesn't necessarily mean it has
10 to be 100 percent, which is what -- which is what owner
11 requested, 100 percent.

12 MR. WERTHEIMER: You have some more?

13 MS. FELDMAN: If that was addressed to me, I believe
14 that was, I still hold that 40 percent is appropriate. I'm
15 sorry. I do based on what you said. Simply because there
16 was no study -- your reasoning being that they didn't --
17 Dr. Bar didn't present 40 percent. Therefore, we haven't --
18 we're not given the option to choose it. I -- I don't agree
19 with that.

20 MR. HEHIR: Okay. I mean, my -- my point is that we
21 don't have the 40 percent analysis to do it.

22 MS. FELDMAN: Okay.

23 MR. HEHIR: And that's what it would have to be.

24 MS. FELDMAN: I have no problem with that. Thank
25 you.

1 MR. WERTHEIMER: Thank you.

2 Mr. Sheldon.

3 MR. SHELDON: Thank you. I -- I agree with the Staff's
4 recommendations. I think that the -- the 50 percent
5 adjustment is a nice way of balancing the intention of what
6 the rent control laws are with the need to provide a just
7 and reasonable return. And so I agree with the -- the 50
8 percent. Thank you.

9 MS. FERRUZZA: Obviously, I would like to see 75
10 percent but because I think so many of the commissioners
11 feel 50 percent is just, I'll go along with that.

12 MR. WERTHEIMER: Thank you. Based on what I read and
13 with the ordinance and the prevent -- and the findings, I do
14 recommend 75 percent. It -- it goes in parallel with the
15 ordinance of the -- the cost of living accelerations
16 annually, and so I'd recommend 75.

17 MS. FERRUZZA: I will support that.

18 MR. WERTHEIMER: Do we have any more discussions up
19 here on the -- on what we've just been --

20 MS. FELDMAN: Okay. So right now do I understand there
21 are two for 75, two -- two for 50, and one for 40? I
22 changed mine to 50 percent.

23 MR. WERTHEIMER: Thank you.

24 Any other comments from panel? Okay.

25 A little summation on what we've come -- what

1 we've done so far. We -- point number one, I think we have
2 a consensus that we will use the MNOI as the standard.
3 Number two, we've had a consensus of using the base year of
4 1986. Third point, we've come to a consensus recommended by
5 the Staff of the increase of 298. And on the -- number
6 four, the base year operating expenses, we've come -- we
7 have a consensus taking the Staff's recommendation. And on
8 CPI, the last one, number five, I believe our consensus
9 is it'll be 50 percent. Do we -- we're done.

10 Ms. Feldman.

11 MR. HEHIR: No. If I may -- if I may just make sure
12 we're clear. I'm sorry.

13 MR. WERTHEIMER: This is not a resolution, just a --

14 MR. HEHIR: Correct.

15 MR. WERTHEIMER: -- conversation up here.

16 MR. HEHIR: Okay.

17 MR. WERTHEIMER: Ms. Feldman, would you like to say
18 something?

19 MS. FELDMAN: No. I think in lieu of what has just
20 happened up here, I think to say that I support the 50th
21 percentile is a good idea. Okay.

22 MR. WERTHEIMER: Questions of the panel about taking a
23 break to see if we give this Staff some time to drop a
24 resolution. I think we're --

25 MR. HEHIR: Chair, if I -- if I may, I believe Staff

1 provided in supplemental a draft resolution. I would
2 suggest that we take some time actually, not in the break,
3 but just take some time to review it and then maybe take a
4 break. But I would suggest we just take a few minutes and
5 go through this resolution. I actually believe that if
6 you're going with the 50 percent CPI, that the resolution
7 actually it is basically following Staff's recommendation.

8 MR. WERTHEIMER: Okay.

9 MR. HEHIR: So the resolution that Staff presented,
10 again, is actually hitting 1986 as a base year with an MNOI
11 and the price level adjustments. The analysis for changing
12 it at -- for inflation to match 2009 and then, of course,
13 the CPI of 50 percent. So I would recommend that you take
14 some time to review this.

15 Again, the -- when we do our resolution and for
16 the future as well, our goal is to at the end of our
17 deliberations create a resolution that establishes our
18 position with all the findings that throughout the documents
19 and testimony, et cetera. So what Staff -- what Staff has
20 done now is given you a -- a -- a packet for you to review
21 that.

22 MR. WERTHEIMER: So Staff, as said by Mr. Hehir, we do
23 have a supplement to review. And do we have any comments on
24 that since our consensus is what the staff has
25 recommended.

1 MS. FELDMAN: I believe that everything that is on the
2 new Staff report supports everything that was on the old
3 Staff support except that it changes the rent from -- at the
4 50th percentile of -- from \$65 month to \$62 a month. And I
5 think that's the only change. So I, personally, I think
6 that it is appropriate to accept the Staff's report at this
7 point.

8 MR. WERTHEIMER: If I may, I think it went the other
9 way. I think it went from 62 to 65. No? It went down.

10 MS. FELDMAN: Down.

11 MR. WERTHEIMER: Oh, sorry. Dyslexic. You're right.

12 MR. HEHIR: And -- and if I may, Mr. Chair, there --
13 there was a recommendation, and I will check the -- and I
14 apologize if I -- I do not recall if it's in the resolution.
15 The phase is over two years. That is something --

16 MR. SILACCI: It is --

17 MR. HEHIR: -- we need to discuss as well.

18 MR. WERTHEIMER: Part of the -- the final part of the
19 Staff recommendation is that this \$62 be implemented
20 starting 90 days from the date of the resolution and then
21 split in half to where 31 of it per month for the first 12
22 months and then another \$31 starting with the 13th month to
23 the 20th and then on. Any comments on that?

24 MR. SILACCI: I -- I -- I just have a question on that.
25 Maybe Mr. Hehir can help me. I -- I believe that the

1 two-year phase in is reasonable, but I'm wondering could it
2 be phased in over a longer period. Does it get to a point
3 where it's just not reasonable? I -- I'm -- I mean, I guess
4 I'm looking for your guidance on any standard there may --
5 there may be.

6 MR. HEHIR: I think -- I don't know if there's a
7 standard. What my -- I think there is a 90-day time in
8 which you make a decision and then you start any rent
9 increase. As far as two years or one and a half years or
10 three years, I probably would not go over two years just
11 because of you get to a point where you're not -- he's
12 not actually -- the owner's not receiving the benefit of
13 this increase. And so that's why I think Staff recommended
14 the -- a two-year phase in to assist the residents so that
15 they actually get it over two years instead of all at one
16 time. But also to make sure that we don't wait too long
17 before the owner receives the benefits of this rent
18 increase.

19 MR. SILACCI: Thank you. I -- I -- I'm definitely in
20 favor of spreading this over two years to -- to, you know,
21 ease the burden, if you will, from a tenant perspective.
22 But I appreciate your -- your counsel on whether we might be
23 able to go beyond that. Thank you.

24 MR. WERTHEIMER: Ms. Feldman.

25 MS. FELDMAN: Yeah. I think that Dr. Bar states that

1 to do it over more than two years in his statement. He --
2 and he says if it's a large increase. Well, I'll tell you,
3 these folks certainly think \$62 is a large increase. So I
4 think we need to go more than two years as Dr. Bar
5 recommends. So I would say four years would be appropriate.

6 MR. WERTHEIMER: Okay. Thank you.

7 Mr. Sheldon.

8 MR. SHELDON: I -- I support the two years. Thank
9 you.

10 MS. FERRUZZA: I support the two years. And I have a
11 question.

12 MR. WERTHEIMER: Okay.

13 MS. FERRUZZA: Will this gentleman also be able to take
14 the regular annual increase, too, that he would get by 75
15 percent of the CPI in his base? Will he be able to add that
16 to his -- which would come up in September of next -- of
17 this year?

18 MR. HEHIR: Well, as -- as you read the last page or
19 second to last page of the -- actually, it is the last page,
20 excuse me, of the resolutions since the last two pages are
21 the errata sheet, the way that this resolution is reading at
22 this time is that the rent would be over a two-year period
23 of time not to exceed \$31 per space per month with a date of
24 the initial increase to be 90 days from the date of formal
25 notice of such increase is provided to the tenants and the

Page 38

1 date of the subsequent increase shall not be sooner than 365
2 days from the date of the initial increase. So it would be
3 within one -- one year would be the next one.

4 MR. WERTHEIMER: I think -- I think she's asking if
5 also, too, the -- the standard cost of living acceleration
6 clause would hit along with \$31 per year.

7 MS. FERRUZZA: That is what I'm asking. Because
8 ordinarily when the city sends out in May the rent increase,
9 they will -- they would automatically then in September be
10 able to rent -- get a rent increase on their base.

11 MR. HEHIR: I -- I don't have an actual answer for you
12 on that one then. I do not have an answer for you on that
13 particular question.

14 MR. WERTHEIMER: If I was sitting on one side of this
15 contract, your -- your answer would be no. But that's just
16 an assumption. It doesn't say, but the words seem to limit
17 it --

18 MR. HEHIR: Well, I -- if you will --

19 MR. WERTHEIMER: -- to the contract --

20 MR. HEHIR: As you ask me that question, my job is now
21 to scramble and try to look through our ordinance and see
22 how it reads. I -- I don't see anything prohibiting that
23 automatic adjustment. So I would say that it -- it would be
24 possible for him to do that. Again, this is just my brief
25 interpretation of this.

1 Again, I -- I'm reading Staff's recommendation as
2 far as this particular hearing is concerned and this
3 particular adjustment is concerned. But as far as that
4 administrative adjustments, I do not see anything here at
5 this time that would indicate that I -- that he would be
6 not -- he would be prohibited -- that he would not be
7 prohibited.

8 MS. FERRUZZA: Thank you.

9 MR. WERTHEIMER: Any other -- any other staff questions
10 or any other questions from the other staff. I don't know
11 if we take a break.

12 MR. HEHIR: Now, again, if -- if you have reached a
13 consensus, you're certainly welcomed to -- to vote at this
14 time on the resolution if you want. I'm not trying to --
15 the reason for the break was just so you had time -- I mean,
16 break here so you had time to read it, but if you guys are
17 comfortable with Staff's recommendation and want to follow
18 that, then you can certainly take that step now if you want
19 to.

20 MS. FELDMAN: I move that we accept the Staff report in
21 its entirety.

22 MR. HEHIR: It -- it -- it would be actually you move
23 to adopt the resolution for the rent --

24 MS. FELDMAN: Okay. I so move.

25 MR. WERTHEIMER: We are going to adopt the

1 resolution.

2 MR. HEHIR: There's another question.

3 MS. FERRUZZA: Did we make a decision -- are they go-
4 -- are they going -- is the recommendation to phase this in
5 over two years?

6 MR. WERTHEIMER: Yes.

7 MR. HEHIR: So just to make sure I'm clear, the motion,
8 if I'm clear, is to adopt the resolution --

9 MS. FELDMAN: Yes, adopt -- adopt the resolution as
10 proposed by the Staff.

11 MR. WERTHEIMER: Are we going to vote on this
12 resolution?

13 MS. FELDMAN: I'm sorry. I don't know what's going on
14 right now.

15 MR. HEHIR: We're voting.

16 MS. FELDMAN: Oh. Thank you.

17 MS. VAUDREUIL: Motioned passed, 5-0.

18 MR. WERTHEIMER: Just a reminder that there is an
19 appeal period of 14 days to be filed with the -- with the
20 city clerk on -- on this resolution.

21 MR. HEHIR: Chair, again, if anyone wants to appeal
22 this process, the pro- -- the process you would do is within
23 14 days you would file the appeal papers with the city
24 clerk.

25 MR. WERTHEIMER: Would the recording secretary announce

1 any public comments that we would have.

2 MS. FELDMAN: May I make a -- may I have one moment of
3 your time please. There were two memoranda given to the
4 commission when we first received papers from the City.
5 They were written by the rent adjustment committee.

6 MR. HEHIR: I have -- excuse me for a second. If -- if
7 you're talking about something that's been on this
8 resolution, we're -- we're done with that and we --

9 MS. FELDMAN: No. I'm not speaking on that resolution.

10 MR. HEHIR: Okay.

11 MS. FELDMAN: I'm speaking on something else.

12 MR. HEHIR: Okay. There's a --

13 MS. FELDMAN: You opened it for public comments.

14 MR. HEHIR: Right. There's another session for
15 commission comments that's after public comments.

16 MS. FELDMAN: I will wait.

17 MR. HEHIR: Okay. Thank you.

18 MR. WERTHEIMER: Recording secretary, do we have any
19 public comments?

20 MS. VAUDREUIL: Now is the time for public comments.
21 At this time any person may address the commission regarding
22 any matter under the authority of the rent adjustment
23 commission that is not on this evening's agenda.

24 Should the commission wish to discuss an issue
25 raised by a member of the public, the issue will be referred

1 to Staff for scheduling on a future agenda. Anyone who
2 would like to speak public comments must complete a
3 speaker's card and file it with the recording secretary
4 before the public comment portion of the agenda is called.

5 The speaker's remarks should be addressed to the
6 commissions as a whole and not to an individ- -- individual,
7 commissioner, or a Staff member. Speakers are limited to
8 two, three minutes. The light above the timer will turn
9 yellow when you have one minute remaining. The speaker must
10 conclude all remarks when the red light is displayed.

11 MR. WERTHEIMER: Thank you. We have a Hat and Heck
12 Author.

13 Don't want to speak. Okay.

14 Any -- any -- any other comments? Anybody else?
15 Okay.

16 Any comments from the commissioners?

17 MS. FELDMAN: Yes. I have -- we all received
18 two memoranda when we received the RAC reports and
19 everything else. They were separate reports, and they were
20 made by the rent committee -- the rent adjustment committee
21 to the city council. We were provided these two memoranda.
22 They're dated 1983 and 1986, and I think this is good
23 background material for the commission and the public. And
24 I would wish that the public would have this as well as --
25 especially those representing future mobile home parks. So

1 I'm saying I request that these put into -- these are put
2 into public record. Thank you.

3 MR. WERTHEIMER: Thank you.

4 Any other comments from the commissioners?

5 MR. PRESCOTT: Mr. --

6 MR. WERTHEIMER: Yes.

7 MR. PRESCOTT: I just -- if I may, I just think it
8 maybe beneficial to let the audience know what -- what the
9 final outcome here is, and that is that the rent adjustment
10 commission has adopted a resolution that allows a \$62 a
11 month increase, \$31, 90 days from now and the other \$31 a
12 year after that.

13 That decision can be appealed to the city council
14 by anybody, and that if somebody wants to appeal, they must
15 file with the city clerk within 14 days. But that is --
16 just wanted everybody to be sure they understood what
17 decision the commission made. And we will have -- our
18 office will have copies of the resolution available.

19 Patrick, when -- do you have an idea when we can
20 have the signed copies? Probably since they adopted it
21 without change, we can have those by tomorrow.

22 MR. HEHIR: I would agree with that.

23 MR. PRESCOTT: Okay.

24 MR. WERTHEIMER: We -- with -- with that, we're going
25 to adjourn the meeting to Mond- -- this meeting to be

1 adjourned. And the next one will be Monday, January 24th at
2 4:00 p.m., and it will be a public hearing of the Ranch
3 Mobile Home Park rent adjustment application.

4 Thank you.

5 (The proceedings adjourned at 7:14 p.m.)

6 * * *

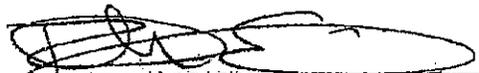
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I Rpsa Mora, CSR NO. 13016, do hereby certify that the within and foregoing transcript is a full, true, and correct transcript of my shorthand notes thereof and a full, true, and correct statement of the testimony of proceedings had in said cause.

DATE: February 7, 2011



ROSA E. MORA, CSR No. 13016

Word Index

[& - adopt]

&	2009 18:10,19,23	553 4:14	accounted 29:14
& 2:17	19:8,12,15,18,19	554 4:15	accounts 27:6
0	22:24,25 24:19,25	580 18:13,15	accurate 12:15
01 6:19	26:24 27:6 28:7,11	581 22:6	achieve 6:21
1	35:12	6	acknowledge 4:1
1 1:25	2010 6:19	60 30:8	7:12
1,000 28:7,8,8	2010-01 1:7	62 36:4,9,19 38:3	actual 18:11 26:10
1,039 18:19	2011 1:17 3:1,6 4:21	44:10	39:11
1.24 9:12	6:17 46:9	65 36:4,9	ad 15:14
1.48 9:12	205 16:11	6:02 1:17 3:2	add 14:22,24,25
100 27:12,13 28:23	20th 36:23	7	15:1 28:20 38:15
30:8,13,16 31:15,22	2100 1:15	7 6:17 14:4 46:9	additional 23:6,9
31:22 32:7,10,11	21st 10:3,3	714 2:23	address 42:21
10th 4:21 6:4,17	22 4:12	75 23:11 27:13,22	addressed 32:13
12 36:21	24th 45:1	28:22 29:10,15,21	43:5
13016 1:18 46:3,17	25 17:10 29:12	30:13,16 31:15 33:9	adjourn 44:25
13th 36:22	260.62 6:21	33:14,16,21 38:14	adjourned 45:1,5
14 7:19 41:19,23	277 15:6	79 14:3	adjust 14:6 15:23
44:15	298 15:9,9,24 34:5	7:14 45:5	27:5
15 23:12	3	8	adjusted 15:10 19:2
167,392 18:19	30,878 18:18	80s 10:5	21:3 24:20,21,24
18 1:17 3:1	31 36:21,22 38:23	86 4:9	26:22
18th 3:6	39:6 44:11,11	9	adjustment 1:8,14
19 19:8 26:23	34,000 23:4	90 36:20 37:7 38:24	5:9 6:1,18 8:25
1979 12:10,17 14:4	34,888 23:6	44:11	13:22,24 14:8,9,20
23:2	365 39:1	92707 2:22	15:8,8,14,19 16:6
1980 9:25 10:1,18	4	98,000 23:2,9	16:16,18,24 17:13
14:16,23	40 29:8,10,24 30:8	a	18:2,4,24 20:2,7
1983 43:22	30:12 31:9,10,11,13	a.v.m.g.h. 6:20	22:13 24:18 26:23
1986 12:10,19 13:13	32:14,17,21 33:21	ability 8:14 14:25	28:6,7,13 33:5
13:17 14:3,7,10,16	432-8700 2:23	16:8	39:23 40:3 42:5,22
14:23,23 15:3,6,10	442 18:20	able 12:12 17:2 24:1	43:20 44:9 45:3
15:14 17:10,12,13	46 1:25	37:23 38:13,15	adjustments 7:22,24
18:6,9,18,23,25	4:00 45:2	39:10	13:8,16,18,20 14:16
19:4,9,11,14,15,17	5	absent 3:23,25	14:22 15:1,17,21
24:23 26:23 28:6,10	5-0 5:5 41:17	14:24	17:2 18:1,5 28:22
34:4 35:10 43:22	50 23:10 26:9,12,13	ac 12:15	35:11 40:4
1996 25:16,24	27:2,13 28:15,21	acceleration 39:5	administration
2	29:3 30:13,14,15	accelerations 33:15	18:17 19:9
2.11 18:7	31:15 33:4,7,11,21	accept 36:6 40:20	administrative 18:8
2.304 15:8	33:22 34:9 35:6,13	account 8:2	19:1,3 20:3 23:3,13
200 2:20 6:19	50th 34:20 36:4		24:19 40:4
			adopt 40:23,25 41:8
			41:9,9

<p>adopted 25:24 44:10 44:20</p> <p>adoption 5:8</p> <p>advanced 9:4</p> <p>advice 31:6,7</p> <p>agency 24:3</p> <p>agenda 5:14,14 42:23 43:1,4</p> <p>ago 24:7</p> <p>agree 8:11 11:16 12:23 13:3,3,5 17:3 24:14 25:7 32:18 33:3,7 44:22</p> <p>agreed 11:5 24:11</p> <p>agrees 24:13</p> <p>aicp 2:9</p> <p>allegiance 3:7</p> <p>allow 8:13</p> <p>allowed 15:18 17:8</p> <p>allows 11:8 44:10</p> <p>alternate 3:22,24</p> <p>alternative 4:9 9:4 9:11</p> <p>amount 6:21 15:9 15:24 23:5,8 29:3</p> <p>ana 2:22</p> <p>analysis 7:7 13:14 14:18,25 18:12,16 18:16,23 19:7,7,22 19:22 20:9,17,25,25 22:4,6,11 23:18 24:16,22 25:6 27:17 31:17 32:1,21 35:11</p> <p>analyze 10:7,8</p> <p>announce 41:25</p> <p>annual 38:14</p> <p>annually 33:16</p> <p>answer 15:25 19:24 39:11,12,15</p> <p>anybody 43:14 44:14</p> <p>anyone's 31:7</p> <p>apartment 9:19</p> <p>apologize 25:4 26:17 36:14</p>	<p>appeal 41:19,21,23 44:14</p> <p>appealed 44:13</p> <p>appeals 5:20 29:18</p> <p>appearances 2:1,15</p> <p>applicant 2:16 5:12 5:25 6:4,20 9:4 11:16 12:8 24:10,12 24:17 25:1,9</p> <p>applicant's 5:21</p> <p>application 1:9 5:15 6:9,18 17:2 25:22 27:24 45:3</p> <p>applications 11:8</p> <p>apply 11:7 14:11 25:21</p> <p>appraiser 5:17</p> <p>appreciate 21:5,8 30:2 37:22</p> <p>approach 9:5 23:12</p> <p>appropriate 10:9 15:17 21:3,12 29:22 31:1 32:14 36:6 38:5</p> <p>approval 4:22,23</p> <p>approving 5:8</p> <p>approximately 18:20 23:8</p> <p>area 7:1 18:15</p> <p>argue 21:13</p> <p>arrived 16:14</p> <p>arrives 22:8</p> <p>asked 15:2,23 16:21</p> <p>asking 27:12 39:4,7</p> <p>aspect 31:19</p> <p>assess 9:6</p> <p>assist 37:14</p> <p>assistant 2:10,11</p> <p>assuming 7:15 11:23</p> <p>assumption 19:10 39:16</p> <p>attachment 14:18</p> <p>attorney 2:10,11,19 30:5</p>	<p>attributed 23:10</p> <p>audience 44:8</p> <p>author 43:12</p> <p>authority 42:22</p> <p>automatic 14:15 27:19,20 39:23</p> <p>automatically 39:9</p> <p>available 10:6,8 12:16 44:18</p> <p>average 15:6,7</p> <p style="text-align: center;">b</p> <p>baar 2:12</p> <p>back 9:24 10:14 20:19 30:5</p> <p>backed 19:9</p> <p>background 28:16 43:23</p> <p>balanced 21:13</p> <p>balancing 21:20 33:5</p> <p>bar 5:17 10:10 18:11,13,15,21 19:20,22 20:8 21:25 24:16 27:13 29:8,8 30:6,21 32:17 37:25 38:4</p> <p>bar's 4:14,18 9:15 14:18 19:6 25:6 30:4</p> <p>base 7:21,21,24 8:1 12:1,1,3,10,11,13,19 13:7,13,15,16,20,21 14:3,6,10,11,12,24 15:13,14 17:10,14 17:25 18:6,9,24 20:4,9 22:13,14,16 22:17,19,21,22 23:2 23:4,6 26:20,21,21 26:25 34:3,6 35:10 38:15 39:10</p> <p>based 4:8,18 6:8 8:23 9:18 11:20 12:6,17,17 13:6,6 13:21 15:7 17:9,11</p>	<p>17:12 18:3 21:6 32:3,15 33:12</p> <p>basically 11:9 19:20 35:7</p> <p>basis 22:8,9</p> <p>beatrice 2:7</p> <p>beginning 18:13</p> <p>belief 9:1</p> <p>believe 12:18 17:21 18:21 20:2,6 30:21 32:13 34:8,25 35:5 36:1,25</p> <p>beneficial 44:8</p> <p>benefit 5:20 37:12</p> <p>benefited 5:21</p> <p>benefits 37:17</p> <p>best 16:16 19:24 20:19 21:2 23:18 24:21</p> <p>beyond 37:23</p> <p>bhill 2:24</p> <p>binder 5:14 18:14 22:6</p> <p>bit 21:19,22 29:2</p> <p>board 30:18,19 31:24</p> <p>books 19:5</p> <p>boulevard 1:15</p> <p>boyd 2:18</p> <p>break 34:23 35:2,4 40:11,15,16</p> <p>brenda 2:6</p> <p>brey 5:17</p> <p>breybrant 5:17</p> <p>brief 13:25 39:24</p> <p>bring 20:19 30:11</p> <p>brought 20:16 30:7</p> <p>buildings 9:19</p> <p>built 9:19,21</p> <p>bunch 30:23</p> <p>burden 37:21</p> <p>burger 30:6,17,22 31:19,20,24 32:8</p> <p>business 24:2</p>
--	---	--	---

[butchered - dated]

<p>butchered 8:23 button 5:2 buy 10:12,13</p>	<p>changes 26:22 36:3 changing 35:11 charm 16:4 check 36:13 choose 32:18 chris 2:11 circuit 29:17 circular 11:5 circulatory 10:11 city 1:2 2:3,10,11,12 5:16 11:4 27:18 39:8 41:20,23 42:4 43:21 44:13,15 city's 4:12 claims 18:17 clarification 21:5 clarity 8:14 clause 39:6 clear 12:16 24:15 34:12 41:7,8 clerk 41:20,24 44:15 closed 6:4,16 closing 6:2 code 14:15 15:19 27:21 codes 15:18 coldren 2:17 coldrin 30:5 come 10:22 31:3,13 33:25 34:4,6 38:16 comfortable 40:17 commencing 1:16 comment 25:8 30:1 43:4 comments 20:4,11 20:14 30:2,4 33:24 35:23 36:23 42:1,13 42:15,15,19,20 43:2 43:14,16 44:4 commission 1:14 5:13,19,23 7:1 8:25 10:6 17:8 21:8 27:18 28:2,15 30:18 31:25 42:4,15,21,23 42:24 43:23 44:10</p>	<p>44:17 commission's 6:12 commissioner 3:12 3:14,16,22,24 4:21 30:3 43:7 commissioner's 5:7 commissioners 4:6 5:11 6:6 7:2 8:20 20:5,11 30:11 33:10 43:16 44:4 commissions 43:6 committee 8:15 42:5 43:20,20 community 2:9 compare 19:5 24:23 comparing 24:19 comparison 18:22 complete 12:12 43:2 complies 3:9 computed 22:9 concerned 40:2,3 conclude 29:19 43:10 concludes 10:19 concrete 20:24 conditions 14:7,13 14:13 15:4 conejo 6:19 confused 25:10 consensus 8:8 11:18 11:22 13:6 17:22 34:2,3,4,7,8 35:24 40:13 consider 5:8 23:25 consideration 17:18 consistently 11:8 constant 28:12 constitutionally 31:21 consultant 21:2 30:20 consultant's 31:6 consultants 5:20 32:4</p>	<p>contract 39:15,19 control 33:6 conversation 34:15 conversely 22:16 copies 44:18,20 correct 4:15,18 8:18 8:19 34:14 46:4,6 corresponding 22:13,19,20,22 cost 19:10 33:15 39:5 council 43:21 44:13 counsel 2:15 37:22 couple 15:16 27:4 course 26:24 35:12 court 28:14 29:17 29:17,25 30:19 31:4 31:20,24 courts 28:3 29:9 30:4 cover 25:2 covered 29:13 epi 17:12 19:10,12 19:17 22:10 23:7 26:6,13 27:12 28:5 28:12,23 29:3,8,11 29:15,22 30:16 31:23 34:8 35:6,13 38:15 create 35:17 creates 10:11 critique 31:24 csr 1:18 46:3,17 current 8:4 18:10 19:2 20:3 22:10,18 22:24 23:10,12 24:22,24 27:11,11</p>
		d	
		<p>dash 4:10 6:19 data 10:6,7 date 36:20 38:23,24 39:1,2 46:9 dated 43:22</p>	

<p>dates 22:10 day 16:5 23:17 37:7 days 36:20 38:24 39:2 41:19,23 44:11 44:15 debt 9:24,25 10:18 decade 10:3 decades 16:21 decide 7:7,12 decided 29:16 decision 6:12 9:13 16:14 37:8 41:3 44:13,17 definitely 37:19 delib 18:2 delibera 5:7 deliberate 5:7 6:6 8:6 19:23 20:12 deliberated 18:2 deliberating 7:3 deliberations 6:24 35:17 delivered 6:10 detail 12:15 21:22 determine 7:21,21 7:23 8:1,3,17 9:1 12:1,3 13:15,20,23 17:25,25 18:5 26:24 determining 8:16 developement 2:9 different 27:17 30:25 31:16 difficult 11:7 direct 20:23 directly 20:15 director 2:9 disagree 9:10 discretion 21:8 discuss 5:8 6:6,13 6:13 7:3 27:13 36:17 42:24 discussed 18:10 discusses 18:15 discussion 12:4 14:4 26:20 30:9</p>	<p>discussions 33:18 displayed 43:10 district 29:17 divide 31:2 divided 30:25 documents 19:15 35:18 doing 7:7 18:23 20:17,18 21:1,2 23:17 24:22 25:22 28:5,12 dollars 19:2 23:12 24:21,23,24 dr 5:17 9:15 10:10 29:8 32:17 37:25 38:4 draft 35:1 drafted 6:8 drop 34:23 due 28:8 dyslexic 36:11</p> <hr/> <p style="text-align: center;">e</p> <p>e 1:18 2:24 46:17 ease 37:21 east 2:20 effect 10:20 effort 5:16 eight 20:10,20 21:11 21:14,20,20 22:11 22:12,14,17 23:1,13 24:11,17,18 25:11 25:14 either 20:9 elaborate 13:4,24 element 7:17 8:8,9 31:20 elements 7:20,20,25 8:6 enclosed 6:10 ensure 14:10,21 15:2 18:22 entirety 40:21 equal 19:5</p> <hr/> <p style="text-align: center;">e</p>	<p>equity 11:6 29:13,18 29:20,20 errata 4:11,15 38:21 especially 43:25 establishes 35:17 et 32:5 35:19 evening 3:5 4:2,5 5:6 6:10,14 evening's 42:23 evens 20:23 everybody 44:16 example 28:7 exceed 38:23 exceeds 22:11 excess 22:11 excessive 28:23 excuse 10:12 25:10 26:14 30:1 38:20 42:6 expenditure 22:21 expense 12:15 18:17 22:10,13,25 expenses 7:24 18:6,8 19:1,3,9 20:3 21:14 21:21 22:9,16,18,18 22:19 23:3,13 24:6 24:20 34:6 expert 2:12 experts 32:5 explain 4:3 21:19 explained 19:6 20:8 extremely 10:2 eyes 10:2</p> <hr/> <p style="text-align: center;">f</p> <p>fact 10:14 12:11 21:6 28:25 29:19 fair 10:24 11:4 21:3 21:15 24:8 fairness 14:21 far 26:13 28:22,24 34:1 37:9 40:2,3 favor 20:21 25:9 37:20</p>	<p>favorable 25:2 february 46:9 feel 13:10 16:25 24:8 29:7 33:11 feldman 2:6 3:12,13 9:9,10 12:22,23 16:20 21:10,11 25:3 25:10,23 29:6,7 30:3 32:13,22,24 33:20 34:10,17,19 36:1,10 37:24,25 40:20,24 41:9,13,16 42:2,9,11,13,16 43:17 fer 11:13 ferruzza 2:7 3:14,15 11:13,14 13:2,3 17:6,7 23:23,24 33:9,17 38:10,13 39:7 40:8 41:3 ferruzzi 13:2 figure 24:11 figures 19:4 figuring 17:15 file 41:23 43:3 44:15 filed 41:19 final 6:12 23:7 36:18 44:9 finally 5:24 financial 12:12,14 find 23:20 findings 6:11,12 30:17 31:7,10 32:3 33:13 35:18 first 4:8 7:6,12 8:8 8:15 9:16 11:25 12:11 13:11 31:4 36:21 42:4 five 4:20 9:1 25:15 25:17 34:8 floor 2:21 folks 10:3 25:23 29:16 38:3 follow 9:6 22:5 31:25 40:17</p>
--	---	---	---

[following - justification]

<p>following 31:5,6,6 35:7</p> <p>foregoing 46:4</p> <p>form 6:2,7</p> <p>formal 38:24</p> <p>formalized 6:7</p> <p>formula 7:7,9,10,13 7:14,16,18,18 11:24 11:25 14:12 17:21</p> <p>forth 30:6</p> <p>forward 11:22</p> <p>found 4:12 31:21</p> <p>four 4:25 11:18 26:18 34:6 38:5</p> <p>fourth 2:21 7:25</p> <p>frozen 28:4</p> <p>full 46:4,5</p> <p>fully 11:10</p> <p>function 22:18</p> <p>further 9:3,24 10:19</p> <p>future 35:16 43:1,25</p>	<p>going 11:19,23 17:20 19:11 22:4 23:20 27:11 28:8 29:23 35:6 40:25 41:4,11,13 44:24</p> <p>good 3:5 4:5 17:13 22:1 34:21 43:22</p> <p>gross 23:1</p> <p>guess 24:21 28:20 37:3</p> <p>guidance 7:2 37:4</p> <p>guys 40:16</p>	<p>helpful 7:16</p> <p>higher 24:7</p> <p>hill 2:18</p> <p>hit 39:6</p> <p>hitting 5:2 35:10</p> <p>hkclaw.com 2:24</p> <p>hold 32:14</p> <p>home 1:7 5:10,13 6:18 9:20 17:9,14 29:1,14 43:25 45:3</p> <p>homeowner 29:18 29:20</p> <p>honest 20:4</p> <p>huge 10:15 18:14</p>	<p>increasing 10:13</p> <p>index 26:5,9,13</p> <p>indexed 8:2 23:7 26:25</p> <p>indexing 23:8,11 29:3,10</p> <p>indicate 40:5</p> <p>individ 43:6</p> <p>individual 43:6</p> <p>inflation 8:2 19:2 24:20,21,24 26:23 27:7 28:9 35:12</p> <p>information 8:23 12:7,8,12,14 20:19 20:24 28:24 31:18 32:3</p> <p>initial 38:24 39:2</p> <p>inputted 22:19</p> <p>instance 10:19,20</p> <p>intended 4:13</p> <p>intent 19:21</p> <p>intention 33:5</p> <p>interpret 25:20</p> <p>interpretation 39:25</p> <p>investment 9:17 10:8,14,21 11:6 28:25</p> <p>investments 9:12</p> <p>issue 8:15 17:21 20:16 42:24,25</p> <p>issues 7:4 27:5</p> <p>it'll 34:9</p> <p>item 4:8,11,20 6:15 13:7</p> <p>items 4:7</p>
<p>g</p> <p>games 11:9</p> <p>general 14:7,13 29:1</p> <p>generally 15:4</p> <p>gentleman 24:5 38:13</p> <p>gentlemen 3:5</p> <p>give 7:2 10:24 13:25 20:5 30:15 31:21,22 31:22 34:23</p> <p>given 4:2 28:24,25 28:25 32:18 35:20 42:3</p> <p>go 9:24 12:3,4 17:20 19:12,17 21:21 27:11 28:1 29:24 30:20 31:12 33:11 35:5 37:10,23 38:4 41:3</p> <p>goal 27:5 28:9,11 35:16</p> <p>goes 10:10,14 33:14</p>	<p>h</p> <p>half 36:21 37:9</p> <p>hand 29:10</p> <p>happened 34:20</p> <p>happy 13:24 19:24</p> <p>hart 2:17</p> <p>hat 43:11</p> <p>heard 5:11,23 7:8 14:2,4,4 27:3 28:2 30:4</p> <p>hearing 1:14 6:3,3 6:16 12:7 14:2 40:2 45:2</p> <p>hearings 7:5</p> <p>heck 43:11</p> <p>hehir 2:10 6:23,25 8:11,17,19 11:21 12:2 13:12 14:2 16:2 17:22,24 20:13 21:6,23,25 22:3 24:15 25:4,19 26:4 26:14,17 28:18,19 30:1 32:20,23 34:11 34:14,16,25 35:9,22 36:12,17,25 37:6 38:18 39:11,18,20 40:12,22 41:2,7,15 41:21 42:6,10,12,14 42:17 44:22</p> <p>held 30:9</p> <p>help 36:25</p>	<p>i</p> <p>i.e. 5:9</p> <p>idea 17:13 34:21 44:19</p> <p>ignoring 15:17</p> <p>implemented 36:19</p> <p>important 7:12 10:2 10:23 22:3 28:3 30:12</p> <p>improvements 28:1</p> <p>inappropriate 16:22 21:14</p> <p>included 5:15 25:24 25:25</p> <p>including 30:15</p> <p>income 8:2,4 9:3 18:11 22:15,23 23:4 23:7,9 26:25 27:6 27:10 28:4</p> <p>incorrect 4:13,17</p> <p>increase 5:9 6:20 10:16,22 16:8 17:9 17:15 18:18,19,20 22:9,22 27:19,20 34:5 37:9,13,18 38:2,3,14,24,25 39:1,2,8,10 44:11</p> <p>increased 23:5</p> <p>increases 9:18 15:9 17:11</p>	<p>j</p> <p>james 5:17</p> <p>january 1:17 3:1,6 4:21 6:4,17 45:1</p> <p>job 39:20</p> <p>john 2:9</p> <p>jumping 26:17</p> <p>justification 6:1</p>

<p>k</p> <p>keep 6:13 ken 2:12 5:17 kept 28:12 kind 16:13 28:20 29:7 king 2:17 klussman 3:24 know 7:7 15:20 20:8 20:14 27:16 30:7 32:6 37:6,20 40:10 41:13 44:8</p>	<p>lonely 29:7 long 37:16 longer 24:9 37:2 look 4:16 7:19 10:2 15:5,15 16:25 18:14 19:13 39:21 looked 14:15 30:10 looking 12:17 37:4 lot 10:7 27:3 29:21 low 28:25 lower 23:12</p>	<p>mentioned 8:18 21:21 27:15 30:12 met 19:20 method 7:11,11,11 9:18 10:9,11,21,23 11:10,19 21:1 25:22 27:16 mike 2:8 8:21 mind 6:13 mine 33:22 minute 43:9 minutes 4:22,23 35:4 43:8 mixed 30:24 mnoi 7:9,14,15,16 7:17 8:18,21 9:2,5 10:5,24 11:4,10,14 11:16,23,25 12:20 17:21 22:11 23:8,10 23:11 34:2 35:10 mobile 1:7 5:10,12 6:18 9:20 17:9,14 29:1 43:25 45:3 mohr 2:6 moment 42:2 mond 44:25 monday 45:1 month 6:21 15:7 36:4,4,21,22 38:23 44:11 months 36:22 mora 1:18 46:3,17 motion 4:22,25 5:5 41:7 motioned 41:17 move 4:23 8:8 11:22 40:20,22,24 moved 4:24</p>	<p>19:5 32:2 33:6 36:17 38:4 needs 20:2 32:8 negative 10:20 neither 9:3 net 8:1,4 9:2 22:15 22:22 23:4,6,9 26:25 27:6,10 28:4 new 36:2 nice 33:5 ninth 29:17,17 normal 28:22 norman 2:11 4:3,5 noted 18:1 notes 46:5 notice 15:6 38:25 number 4:16,17,17 4:18,20 9:20 19:18 30:25 31:3 34:1,3,5 34:8 numbers 4:11,13,15 numerous 5:23</p>
<p>l</p> <p>ladies 3:5 landlord's 16:12 large 5:13,24 38:2,3 largely 22:12 law 2:19 laws 33:6 lead 22:20 left 4:16 level 8:3 13:18,22,24 14:8 15:3,8 16:6,18 18:2 21:4 22:12,14 22:17,21 27:9 35:11 levels 22:25 lies 21:8 lieu 34:19 life 8:23 light 43:8,10 lilia 2:13 limit 39:16 limited 6:20 23:1,13 43:7 listed 7:10 27:21 little 10:6 21:19,22 25:10 29:2 33:25 live 24:12 living 10:3 33:15 39:5 lloyd 2:4 location 6:19 logically 8:15</p>	<p>m</p> <p>mail 2:24 maintenance 9:2 major 14:18 making 15:22 28:6 manage 24:1,9 management 18:8 18:17,25 19:3,8 20:2 22:25,25 23:3 23:13 24:19 managing 24:4 manhattan 9:16,19 manner 6:11 14:6 28:2 market 14:7,13,13 15:4 16:16 match 35:12 material 43:23 materials 19:7 matter 5:6,15 6:7,14 7:5 29:19 42:22 maxwell 2:5 mean 7:18 26:21 28:14 32:9,20 37:3 40:15 meeting 4:21 5:11 6:4,5 44:25,25 member 42:25 43:7 members 4:6 6:25 7:1 memoranda 42:3 43:18,21</p>	<p>n</p> <p>nature 11:6 necessarily 32:7,9 necessary 6:11 7:23 need 6:13 7:6 8:1,16 9:6 13:15 15:14</p>	<p>o</p> <p>o0o 3:3 oaks 1:2,7,15,16 3:1 5:10 6:17 9:20 ob 9:25 obtain 16:22 obtained 9:25 32:3 obviously 13:13 26:9 33:9 occurred 10:18 office 44:18 offset 22:12 offsets 23:9 oh 25:3 31:2 36:11 41:16 okay 5:3 8:22 21:5 32:20,22 33:20,24 34:16,21 35:8 38:6 38:12 40:24 42:10 42:12,17 43:13,15 44:23</p>

<p>old 17:10 36:2 older 24:5 once 7:25 17:24 opened 42:13 operating 7:24 8:1,4 9:2 18:6 22:15,22 23:4,7,9 26:25 27:6 27:10 28:4 34:6 opinion 9:21 28:23 opportunity 5:19,25 opposed 5:1 option 32:18 options 30:15,24 order 8:2 ordinance 7:10 8:24 10:17 13:22 14:7 15:15 16:8 18:4 19:21 21:7,12 23:16 24:11,13 25:11,13 25:15,16,21,24,25 26:9 27:15,20 33:13 33:15 39:21 ordinarily 39:8 original 9:12,17 10:8,14 outcome 44:9 outcomes 23:11 outside 24:3 overage 29:23 overall 21:1,3 22:20 overview 14:1 owner 7:8 10:21,25 11:9 14:16,20,21 15:2,20 16:7 18:16 20:21 24:1 27:12 29:12,21 32:10 37:17 owner's 5:15 37:12 owners 10:12 32:5</p>	<p>packet 4:12 18:14 35:20 page 4:12,14 7:19 18:15 22:6 38:18,19 38:19 pages 1:25 18:13 38:20 paid 24:7 panel 33:24 34:22 papers 41:23 42:4 parallel 33:14 park 1:8 5:10,13 6:18 10:12,20,25 11:9 24:1,4,4,9 29:12,21 45:3 parks 9:20 10:13 17:9,14 29:1 43:25 part 14:25 36:18,18 particular 27:16 30:21 39:13 40:2,3 parties 11:5 pass 13:10 passed 4:25 5:5 25:16 41:17 patrick 2:10 13:25 21:19 44:19 pay 24:6 penalize 24:2,8 penalizing 24:4 percent 9:12,13 17:11,12 18:20 20:10,20 21:11,15 21:21 22:11,12,14 22:17 23:1,7,11,11 23:14 24:11,17,18 25:11,14 26:9,13 27:2,12,13,13,14,22 28:16,21,23,23 29:3 29:8,10,11,12,21,24 30:8,8,8,12,14,15,16 30:16 31:10,11,11 31:13,15,15,16,22 31:23 32:7,10,11,14 32:17,21 33:4,8,10 33:11,14,22 34:9</p>	<p>35:6,13 38:15 percentage 18:11 19:17 23:17 26:10 percentages 23:19 25:13 percentile 34:21 36:4 period 23:4 37:2 38:22 41:19 person 42:21 personally 20:7 36:5 perspective 37:21 phase 36:15 37:1,14 41:4 phased 37:2 phonetic 5:18 30:5 picked 13:13,17 14:10 24:17 place 9:16 play 11:9,9 please 3:6,11 4:4 6:15 14:1 42:3 pledge 3:6 plus 23:2 po 8:7 point 17:7,20,22 22:4 24:8 25:1,2 26:5,18 30:3 32:20 34:1,4 36:7 37:2,11 points 30:10 policies 16:12 policy 25:20 portion 6:3 43:4 position 28:20,21 35:18 possible 14:22 21:22 39:24 possibly 8:7 preferred 7:10,11 prepared 5:16 prescott 2:9 3:8 21:24 44:5,7,23 present 3:13,15,17 3:19,21 6:1,23 32:17</p>	<p>presentation 7:8 presented 35:9 prev 5:25 prevent 33:13 price 13:18,22,24 14:8 15:3,8 16:6,18 18:2 35:11 priceable 15:18 pro 41:22 probably 8:6 17:13 37:10 44:20 problem 10:10 31:4 31:8 32:24 proceed 8:14 11:24 proceedings 45:5 46:6 process 8:13 20:18 20:18 25:20 26:19 27:7 31:12 41:22,22 profit 28:7,10,11 prohibit 26:11 prohibited 40:6,7 prohibiting 39:22 property 10:16 proportion 24:23 proportionate 19:2 24:20 propose 4:22 9:11 proposed 4:8 6:9 9:11,13 10:5 41:10 protect 10:24 protected 9:23 provide 18:24 21:3 28:3,16 33:6 provided 4:7 5:25 8:24 12:7,8 23:8 31:17 35:1 38:25 43:21 provides 20:23 public 1:14 4:6 5:13 5:24 6:3,3,16,16 7:1 32:4 42:1,13,15,19 42:20,25 43:2,4,23 43:24 44:2 45:2</p>
p			
<p>p.m. 1:17 3:2 45:2,5 package 4:2,3,7 5:14</p>			

<p>purpose 27:7 purposes 16:12 pursuant 14:14 18:3 put 12:2 29:13 31:2 44:1,1</p>	<p>26:11 27:10 29:3 33:7 37:1,3 reasoned 23:21 reasoning 19:10 24:1 32:16 rebuttal 6:2 recall 4:9 36:14 received 5:13 42:4 43:17,18 receives 37:17 receiving 37:12 recommend 8:5 9:17 11:21 33:14,16 35:13 recommendation 4:9 7:13 8:9,12 13:17,21 14:19 15:22 16:6,15,18 17:17 18:3,3 23:22 23:24 24:16 25:5,8 26:8,12 27:2 28:15 30:14,20 31:5,11,14 34:7 35:7 36:13,19 40:1,17 41:4 recommendations 6:9,24 17:4 23:21 25:15 30:13 31:16 31:25 33:4 recommended 7:9 11:16 15:11 26:6 34:4 35:25 37:13 recommends 38:5 record 44:2 recording 2:13 3:10 41:25 42:18 43:3 recover 29:12 red 43:10 redo 5:3 reduced 22:17 23:2 23:3 reduces 22:14 reduction 22:19,20 referred 42:25 reflect 14:6</p>	<p>reflective 14:12 regarding 6:17 42:21 regular 38:14 regulations 12:9 20:9 21:7 26:10 remaining 43:9 remark 25:2 remarks 6:2 43:5,10 reminder 41:18 removing 21:20 rent 1:8,14 5:9,9 6:1 6:18,20 7:21 8:3,25 9:18 10:1,22 13:16 13:20,21 15:3,6,9 15:10,10 16:17 17:8 17:9,11,12,15 26:20 26:21 27:9 28:22 33:6 36:3 37:8,17 38:22 39:8,10,10 40:23 42:5,22 43:20 43:20 44:9 45:3 rental 16:12 rents 10:7 13:7 23:1 29:11 31:1,1 report 4:14,19 5:16 7:19 9:15 14:17,17 15:5 18:12,13,21 19:23 20:22 26:12 36:2,6 40:20 reporter's 46:1 reports 5:20 43:18 43:19 represent 16:16 representative 5:22 representatives 5:22 5:24 representing 43:25 request 6:20 27:24 44:1 requested 6:1 32:11 requesting 18:18 require 15:15 required 18:22 31:21,22</p>	<p>requirements 18:24 requires 23:16 resident 29:13 residents 5:9,12,22 9:23 10:24 37:14 resolution 4:8 5:8 6:8,8,10 12:18 27:22 32:2 34:13,24 35:1,5,6,9,15,17 36:14,20 38:21 40:14,23 41:1,8,9 41:12,20 42:8,9 44:10,18 resolutions 8:25 25:19 38:20 resolve 6:7 rest 20:5 return 6:22 8:17 9:2 9:6,11,17 10:7,25 11:4,6,6 33:7 revenue 12:15 reverse 19:14,19 review 5:14,19 8:24 12:9 35:3,14,20,23 reviewed 12:16 right 4:18 14:5 18:24 23:19 33:20 36:11 41:14 42:14 road 6:19 role 3:11 rosa 1:18 46:17 rpsa 46:3 running 20:7 24:3</p>
<p>q</p> <p>question 5:21 15:25 20:14,15 36:24 38:11 39:13,20 41:2 questions 13:23 19:24 26:2 28:17 34:22 40:9,10 quick 13:13 30:2</p>	<p>r</p> <p>ra 25:21 raa 1:7 6:19 rac 12:17 15:7 16:10 18:7 21:7 25:14,17 43:18 racs 25:19,24 raised 7:4 42:25 ranch 45:2 rate 8:1 26:25 27:16 27:20 rates 29:1 ratio 22:11,13 rationale 28:20 29:2 31:13 reached 40:12 read 9:14 14:17 16:10 18:15,16 19:6 20:22 22:3 25:12 26:12 33:12 38:18 40:16 reading 21:7 38:21 40:1 reads 16:11 39:22 realize 28:3,22 realizing 28:10 really 13:13 22:6 28:8 30:2,9 reason 28:5 40:15 reasonable 6:22 8:3 8:17 9:2,6 11:4</p>	<p>s</p> <p>sandpointe 2:20 santa 2:22 saying 21:13 31:9 44:1 says 10:17 29:21 38:2 scheduled 6:5 scheduling 43:1 school 6:19</p>	

[schutz - things]

<p>schutz 3:22 scramble 39:21 second 4:11 7:15 27:23 31:19 32:6 38:19 42:6 secretary 2:13 3:11 6:15 41:25 42:18 43:3 section 12:18 16:11 18:7 22:4 sections 12:18 see 14:19 25:13,14 25:18 33:9 34:23 39:21,22 40:4 seen 28:24 select 12:1 sell 10:12,13 sellers 10:12 sends 39:8 sense 15:4,21 21:3 separate 43:19 september 38:16 39:9 service 9:24,25 10:18 session 42:14 seven 23:12 sheet 4:11,16 38:21 sheldon 2:5 3:18,19 11:2,3 12:25 13:1 13:25 16:1,23,24 21:18,19 22:2 23:20 33:2,3 38:7,8 shorthand 46:5 show 4:16 shows 4:18 20:22 side 20:10 39:14 sides 17:1,18 signed 44:20 silacci 2:8 3:16,17 4:23 8:21,22,22 12:5,6,24 13:9,10 16:3,4 19:25 20:1 21:5 26:7,8,15 27:15 28:19 36:16</p>	<p>36:24 37:19 silacci's 20:13 26:18 simply 15:18 16:20 29:8 32:15 sir 26:7 sitting 39:14 situation 10:11 solace 21:6 somebody 44:14 sooner 39:1 sorry 25:3 32:15 34:12 36:11 41:13 sort 16:16 28:24 south 6:19 space 6:21 15:7 18:20 38:23 speak 43:2,13 speaker 43:9 speaker's 43:3,5 speakers 43:7 speaking 42:9,11 specifically 4:14 specify 26:10 27:16 spelling 30:5 spellings 5:18 split 36:21 spreading 37:20 stable 28:25 staff 4:7 5:12,15,16 6:8 7:9,19 11:15 13:17,21 14:14,17 15:5,10,22 16:6 18:12,21 21:2 24:14 26:3 30:6,13 32:4 34:5,23,25 35:9,19 35:19,22,24 36:2,3 36:19 37:13 40:9,10 40:20 41:10 43:1,7 staff's 4:8,17 16:15 16:18 17:3,17 18:3 24:15 25:5,8 26:8 27:2 28:21 30:14 33:3 34:7 35:7 36:6 40:1,17</p>	<p>stand 3:6 standard 8:16 9:1,5 11:17 34:2 37:4,7 39:5 start 8:20 19:14 37:8 starting 12:4 19:11 36:20,22 state 1:1 stated 25:18 statement 38:1 46:6 states 9:16 37:25 stating 9:12 step 13:19 15:12,13 15:13 18:5 26:18,24 40:18 steps 11:25 stipulates 18:7 struggle 20:16 study 32:16 subsequent 10:1,18 39:1 substantiate 12:13 suggest 11:20 35:2,4 suggested 14:3 31:1 summation 33:25 supplement 35:23 supplemental 4:2,7 35:1 support 9:14 11:3 11:10,14 16:5,17,20 16:24 17:17 23:21 23:24 26:8,12 29:2 29:7,10 32:1 33:17 34:20 36:3 38:8,10 supported 6:12 29:19 supporting 16:15 28:21 supports 29:18 36:2 sure 10:20 14:2 15:23 17:24 19:16 19:20 21:23 23:16 23:18 24:23 25:5 26:22 28:9,11 32:8</p>	<p>34:11 37:16 41:7 44:16</p> <hr/> <p style="text-align: center;">t</p> <hr/> <p>table 4:12 tables 4:14 tackle 8:16 take 7:17 8:6,12 20:19 21:6 35:2,3,3 35:4,13 38:13 40:11 40:18 taken 1:15 17:18 talk 27:4 talking 27:1 30:5,7 42:7 talks 15:12,17 taxes 10:16 tell 38:2 telling 23:25 tenant 37:21 tenants 5:23,23 9:4 9:11 12:9 38:25 testimony 5:12 27:4 31:17 35:19 46:6 thank 3:10 4:19,20 5:4 6:25 8:9,11 9:7 9:8 10:25 11:1,3,11 11:12,15,17 12:6,20 12:21 16:1,2,4,19 16:22 17:4,5,16,24 21:9,16,17 23:20 24:10 25:9 26:1,2 26:15 28:18 29:3,5 29:25 32:24 33:1,3 33:8,12,23 37:19,23 38:6,8 40:8 41:16 42:17 43:11 44:2,3 45:4 theory 11:23 thereof 46:5 thing 7:15 9:14,23 17:7 32:6 things 7:6 9:14 28:1 31:23</p>
---	---	---	---

<p>think 7:16 8:12 9:10 9:21 10:9,23 11:8 12:14,14 16:21 17:1 17:18 20:18 21:11 21:12,14 22:3 25:23 29:21 30:7,11 33:4 33:10 34:1,19,20,24 36:5,5,8,9 37:6,7,13 37:25 38:3,4 39:4,4 43:22 44:7 thinks 9:22 third 7:23 16:4 27:25 34:4 thought 21:1 thoughts 20:5,11 thousand 1:2,15,16 3:1 9:20 three 18:5 27:17,17 30:25 31:3 37:10 43:8 thunderbird 1:7 5:10 6:17 time 7:3,18 8:7,13 14:12 15:4 24:8 25:2 34:23 35:2,3 35:14 37:7,16 38:22 38:23 40:5,14,15,16 42:3,20,21 time's 16:4 timer 43:8 today 25:17 tomorrow 44:21 tonight 7:2 total 18:17 20:6 totaled 18:18 totally 12:23 transcript 46:4,5 trouble 30:19 true 46:4,5 try 39:21 trying 18:21 23:15 28:10 31:12 40:14 tuesday 1:17 3:1,6 turn 22:14 23:2 43:8</p>	<p>two 4:7,10 8:25 12:18 14:3,19,24 15:1,12,13,21 16:7 16:10 17:12 18:7 25:14,17 30:10 33:21,21,21 34:3 36:15 37:1,9,10,14 37:15,20 38:1,4,8 38:10,20,22 41:5 42:3 43:8,18,21 type 27:23,24 28:2 types 27:17</p> <p>u</p> <p>unable 24:5 understand 8:14 15:22 20:14 22:2 33:20 understanding 9:3 understood 44:16 unfortunately 19:4 upheld 29:25 upward 22:13 use 7:13,14 10:17,23 11:10,17,19,24 14:11 17:13,14 31:9 31:13,15,15 34:2</p> <p>v</p> <p>vacancy 29:1 vague 16:13 vari 7:5 various 7:4 12:18 30:14,15,23 vaudreuil 2:13 3:12 3:14,16,18,20,22 4:25 5:3,5 6:16 41:17 42:20 vega 14:5,5 vice 2:5 3:18 view 9:5 12:10 20:6 vote 4:24 40:13 41:11 voting 41:15</p>	<p>w</p> <p>wait 37:16 42:16 want 7:13 13:14 14:10 17:7 20:15 22:5 23:18 25:5 30:3,11 40:14,17,18 43:13 wanted 7:2 19:20 25:24 27:4 28:16 44:16 wants 29:12 41:21 44:14 way 8:7 19:11,13,18 23:18 24:21 33:5 36:9 38:21 we've 27:3,3 33:19 33:25 34:1,3,4,6 welcome 20:4,10 welcomed 40:13 went 36:8,9,9 wertheimer 2:4 3:5 3:10,20,21 4:1,20 4:24 5:1,2,4,6 6:23 6:25 8:11,20 9:8 11:1,12,15 12:2,21 12:25 13:2,4,12 16:2,23 17:5,16 19:25 21:10,17 23:23 24:10 25:1,7 26:2,15 28:18 29:5 32:12 33:1,12,18,23 34:13,15,17,22 35:8 35:22 36:8,11,18 37:24 38:6,12 39:4 39:14,19 40:9,25 41:6,11,18,25 42:18 43:11 44:3,6,24 wise 25:20 wish 42:24 43:24 witness 5:16 witnesses 5:21 wondering 37:1 words 9:25 16:10 39:16</p>	<p>work 19:11 worth 28:8 writes 22:24 written 42:5 wrong 5:2 wrote 25:23</p> <p>y</p> <p>yeah 21:24 37:25 year 7:21,21,24 8:1 8:4 12:1,1,4,11,13 12:19 13:7,13,16,16 14:6,10,11,12,24 15:14 17:14,25 18:6 18:9,10,25,25 19:3 20:3,4 22:8,13,15 22:16,18,18,19,21 22:22 23:6 24:22,24 26:21,25 27:11,12 34:3,6 35:10 37:1 37:14 38:17,22 39:3 39:6 44:12 years 12:10 14:4,19 14:24 15:1,13 16:7 16:21 17:10 24:2,7 36:15 37:9,9,10,10 37:15,20 38:1,4,5,8 38:10 41:5 yellow 43:9 yield 8:3 27:10</p>
---	---	--	---

