

**CITY OF SAN JOSE, CALIFORNIA
MOBILEHOME RENT ORDINANCE**

Case No. #13133-R

In re OAK CREST MHC, LP	DECISION
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INTRODUCTION

Oakcrest Estates Mobilehome Park is a 158 space¹ mobilehome park located within the City of San Jose and is subject to the City of San Jose Mobilehome Rent Ordinance, Chapter 17.22 of the San Jose Municipal Code. There are only 157 rental units, as one of the spaces is reserved for the on-site manager. At the time the petition was filed, all 157 rental units at the park were covered by the Ordinance; none were subject to a long term lease.

The mobile home park's base year was originally 1985. A prior park landlord received a rent increase in excess of the annual adjustment by administrative award dated March 15, 1995, amended April 5, 1995. Ex. 12.

The park landlord does not own the underlying land on which the park is operated. When it purchased the park in 2008, the park landlord assumed the remainder of a 72 year ground lease with the landowner, Charles J. Sylvia. The ground lease expires on March 23, 2066. Ex. 33, Appendix D.

The ground lease to the park is now owned by OAK CREST MHC, LP (park landlord). The mobilehome park is managed by Investment Property Group (park manager).

This park landlord received rent increases in excess of the annual adjustment by administrative awards dated October 15, 2012 and November 1, 2012. Ex. 13.

PROCEDURAL HISTORY

On December 19, 2014, The San Jose Housing Department received this Landlord Rent Petition requesting a rent increase in excess of the amounts specified in §17.22.450. The petition was on the form prescribed by the mobilehome advisory commission established in Part 26 of Chapter

¹ When the park was built, the developer apparently skipped some space numbers for reasons that are unknown, so there are no Space Numbers 50, 88, 89, 90, 91 or 92. Exhibit 4: California Department of Housing and Community Development Summary for Oakcrest, showing it is permitted for 158 spaces; Exhibit 1: Rent Increase requested at 157 Spaces at Park, but not at Space Numbers 21, 50, 88, 89, 90, 91 and 92; Exhibit 15: Address Labels for Service List, indicating there are no Space Numbers 50, 88, 89, 90, 91 and 92; Exhibit 9: Summary of Capital Improvements, showing Space No. 21 is the onsite manager's home (See also Fisher Decl, Pg. 02442).

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2.08 of Title 2 of the San Jose Municipal Code. The petition was accompanied by 16 exhibits and included the documentation required by the Mobilehome Rent Ordinance §17.22.700. The petition sought a rent increase 103 days later, on April 1, 2015.

All the mobilehome owners in the 157 rental spaces are parties to this proceeding. Petition Ex. 1.

Suzanne K. Nusbaum has been appointed as the administrative hearing officer.

On January 19, 2014, Sally K. Armstrong, space 100, filed a service reduction claim about the cypress trees in the back of the property.

On February 2, 2015 Alan C. Hinman, space 9, filed a service reduction claim for trees falling onto homes and property.

On February 6, 2015, Alan C. Hinman, space 9, filed a service reduction claims that the pool had not been heated, no care for the swimming pool during "off" season, the gas meter support bracing was removed, driveways and cement pads for gas and electric meters were damaged, utility interruptions, no training for the manager, utilities not read on time, electrical meter issues, rat and mice problems, debris from tree trimming behind the wall, overgrown ivy, manager Arlan Murry was not professional.

On February 11, 2015, mobilehome owners in spaces 7, 18, 80, 138 and 155, represented by Bruce Stanton, filed various service reduction claims.

A prehearing conference was held on February 23, 2015, pursuant to the City of San Jose Mobilehome Rent Ordinance, §17.22.785. The following persons appeared, representing parties:

Anthony C. Rodriquez for the park landlord
Bruce Stanton for some of the mobilehome owners
Alan C. Hinman Jr. for some of the mobilehome owners

No one else appeared and desired to be heard.

The mobilehome owners represented by Bruce Stanton filed a motion to dismiss the petition for late filing. The base year and the year claimed in the petition begin and end with the same months. The landlord could have, but was not required by the Ordinance, to file its petition sooner. It was not prohibited from waiving its claim to a rent increase prior to the claimed date of April 1, 2015. It complied with the time provisions of the Ordinance, set forth in § 17.22.710. The petition was not "late filed" and therefore the motion to dismiss for late filing was denied.

After the prehearing conference, the administrative hearing officer issued Prehearing Conference Order # 1, determining the agenda and procedure for the administrative hearings. The hearings were ordered to be open to the public.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

A park walk-through and additional preliminary hearing were held on March 13, 2015. The park landlord moved to have that day's hearing closed to the public. The motion was granted, allowing homeowners and their invitees to attend the hearing. The party representatives showed the administrative hearing officer all areas of the park where service reductions were claimed.

Colleen Barnes, space 16, filed three service reduction claims involving disability access issues under the Americans with Disabilities Act. By agreement of the parties, those claims have been separately adjudicated and were denied on April 10, 2015.

Testimonial Hearings on the rent increase and the service reduction claims were held on March 20, 2015, March 27, 2015, April 2, 2015, and April 3, 2015.

The following witnesses were sworn and testified under oath:

Amber Monte, Investment Property Group (IPG) President
Michael St. John
Kenneth Barr
Colleen Barnes
Alan C. Hinman, Jr.
Michelle Crisostomi
John Joseph Vogel
Cheryl Brown

The following exhibits were offered and admitted:

Ex. #	Description
1	90-Day Rent Increase Notice
2	First American Title Insurance –Buyer's Final Settlement Statement
3	California Secretary of State Debra Bowen-Business Entity Detail
4	Mobilehome and RV Parks Listing
5	Investment Property Group-Rent Roll for Oakcrest MH Park
6	Oakcrest Estates-Profit and Loss from 10-2013 to 09-2014
7	Oakcrest P& L Detail from 10-2013 to 09-2014
8	Oakcrest Estates Net Operating Income Analysis Table 1
9	Oakcrest Estates Transactions by Account As of 9-30-2014
10	BLS-Gov.-Consumer Price Index- from 1985 to 2014
11	Oakcrest Estates MNOI Analysis (1985, 1995, 2011, & 2014)
12	City of San Jose, Administrative Hearing Award dated 4-5-1995
13	City of San Jose, Administrative Hearing Award dated 11-1-2012
14	City of San Jose, Order After Telephone Conferences dated 9-10-2012
15	Oakcrest Residents addresses

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

Ex. #	Description
16	Oakcrest Invoices, pgs 1-2528
17	Oakcrest Estates Rules and Regulations, 7 pages
18	Advertising Computer and Software (6010-6030)
19	Mortgage Expense and Loans and Costs and Fees (6050-6270)
20	Gate Repairs (Crew) (6331)
21	Equipment & Tool Rental PUC and Equipment & Tool Purchase (6340-6350)
22	Payroll Expenses (6400)
23	History of San Jose Living Wages Rates
24	Oakcrest Estates Payroll Summary
25	Worker's Compensation & Liability Insurance (6700-6720)
26	Oakcrest Estates Account QuickReport Oct. 2012 to Sept. 2013
27	Painting & Cabinetry (6844-6846)
28	Cabinetry & Flooring (6846-6848)
29	Chapter 1 City of San Jose Tree Care & Management
30	Email from Amber Monte dated Oct. 26, 2012 re: survey
31	Email from Russ Walker dated Feb. 4, 2013 re: recent visit
32	Email from Ronda Aldridge dated Dec. 4, 2014 re: Crane Pest Control Oakcrest Proposal
33	Notebook of photos taken before and after work done
34	Resume of Michael St. John
35	Analysis of Oakcrest Mobilehome Park Fair Return Application by Dr. Kenneth Barr. February 2012 re land lease expense
36	Oakcrest Estates Operating Income Analysis Table 1
37	Letter dated March 3, 2012 from St. Johns & Associates
38	Analysis of Oakcrest MH Park Fair Return Application 3/13/2015
39	Comparison Annual Maintenance & Repair & Landscaping Expenses from 10/2010 to 9/2014
40	Operating Expenses Comparison
41	NOI Adjustment Calculations
42	Explanation of Adjustments Base Year & Current Year
43	Oakcrest Estates Ration of Operation Expenses to Income with Imputed Rent of \$842.79 per Month vs. Market Rent of \$1,500 per Month
44	Public Housekeeping Industry Effective 07/1/2002 as amended
45	Oakcrest Wages in Western States
46	Oakcrest CA Wages by Geographic Area
47	Oakcrest Apartment Rents in Western States
48	Small Business Reporter-Mobilehome Parks- Bank of America
49	ADA Compliance Document List
50	Picture of two people dancing
51	US Codes 12181 Definitions-Commercial facilities- Legal Information Institute

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Ex. #	Description
52	IRS- Depreciation of Rental Property
53	Westlaw- Supreme Court of California, In Bank. Bruce Cohen et al., Plaintiffs and Appellants v. Board of Supervisors of the City and County of San Francisco et al., Defendants and Respondents
54	Tree Issues
55	7 Resident complaint Forms from unit site #14
56	Email dated June 18, 2012
57	The Rodent Issue- Complaint Forms
58	Service Report from Trane Pest Control dates 2/24/15
59	Pest World Information from website
60	Map of Oakcrest MH Park
61	Google Arial Earth Map of Oakcrest MH Park
62	Google Arial Map of
63	Bay Area Tree Specialists Estimate dated 3/16/2015
64	Bay Area Tree Specialists Estimate dated 2/24/2015
65	Documents Re: Swimming Pool Chemicals
66	Documents Re: Pool & Spa Heating
67	Coral Pool & Spa dated 4/15/2015
68	Meter Issues- Complaint Form from unit site #9
69	Declaration of Jeff Fisher with attachments, pgs. 02529 to 03010

The park landlord filed a motion to disqualify Alan C. Hinman, Jr., who is not an attorney, from acting as a party representative for some other mobilehome owners. The Mobilehome Rent Ordinance, 17.22.800, specifically provides that “[t]he representative need not be an attorney.” The motion to disqualify was denied on April 2, 2015.

Subsequent to the close of the evidentiary hearing, the parties were permitted to submit post-hearing briefs, which the administrative hearing officer has carefully read and reviewed.

A tentative decision was presented to the parties’ representatives for comment and correction. The park landlord responded with corrections by letter dated May 22, 2015. I made some of the suggested changes and issued a new tentative opinion on May 26, 2015. The parties made additional comments. I made additional revisions in response.

LEGAL STANDARDS

Section 17.22.820 places the burden of proving the reasonableness of a rent increase on the park landlord and the burden of proving service reductions on the mobilehome owner.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

Pursuant to § 17.22.840, this decision is final and binding on the mobilehome owners of all 157 rental spaces.

Under the Mobilehome Ordinance, §§ 12.22.155 and 17.22.450, a park landlord may, without administrative review, annually increase the rent for a mobilehome space by a percentage equal to seventy-five percent of the increase in the Consumer Price Index measured from the April of the calendar year preceding the year in which the increase is effective to the April of the calendar year in which the increase is effective, but in no event greater than seven percent nor less than three percent. Here the parties agree that the amount of rent adjustment allowable without review is three percent.

Pursuant to § 17.22.450 A, this annual adjustment permitted by § 17.22.450 is presumed to be sufficient to account for any increased costs of operation and maintenance, debt service, capital improvements and/or rehabilitation incurred by a park landlord and to permit the landlord to receive a fair and reasonable return.

Pursuant to § 17.22.460 B, any rent increase in excess of the § 17.22.450 annual adjustment is subject to this administrative hearing process, and cannot be collected until the excess is approved by this administrative hearing officer.

The park landlord is entitled to a fair and reasonable return. § 17.22.470.

The park landlord has filed this petition claiming that the annual adjustment permitted by §17.22.450 does not provide it with a fair and reasonable return. In this proceeding, pursuant to §17.22.470 C, I determine the amount of rent increase necessary to provide the park landlord with a fair return.

ISSUES IN DISPUTE:

The parties agree that the annualized gross income is \$1,694,672.3. They dispute the amount of the operating expenses for the fiscal year October 1, 2013 to September 30, 2014.

The parties have provided the following table of income and expenses. The dollar items that have been agreed to are in "regular text." The dollar items that are disputed are in "bold text" and are highlighted.

	Item	Original Application	Park landlord Adjustments	Mobilehome Owner Adjustments
	INCOME			
4000	RENTAL INCOME			

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	Item	Original Application	Park landlord Adjustments	Mobilehome Owner Adjustments
4010	Site Rent	1,587,817.80	1,587,817.80	1,587,817.80
4020	Late Fees	1,458.14	1,458.14	1,458.14
4025	Rent Ordinance Fees	1,352.00	1,352.00	1,352.00
4030	NSF Fees	377.16	377.16	377.16
4055	Gate Key	354.87	354.87	354.87
4100	Sewer Income	43,754.56	43,754.56	43,754.56
4110	Trash Income	59,257.90	59,257.90	59,257.90
4120	Water Income	0.00	0.00	0.00
4130	Electricity Income	0.00	0.00	0.00
4135	Gas Income	0.00	0.00	0.00
4245	Cleaning Fees	170.00	170.00	170.00
4280	Forfeited Security Deposits	30.00	30.00	30.00
	SUBTOTAL	\$1,694,572.43	\$1,694,572.43	\$1,694,572.43
4300	OTHER INCOME			
4310	Laundry	36.25	36.25	36.25
4320	Vending	63.33	63.33	63.33
4330	Miscellaneous	0.30	0.30	0.30
	SUBTOTAL	\$99.88	\$99.88	\$99.88
	TOTAL INCOME	\$1,694,672.31	\$1,694,672.31	\$1,694,672.31
	EXPENSES			
6000	ADMINISTRATIVE			
6005	Automotive	837.56	808.76	808.76
6010	Advertising	375.00	375.00	375.00

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

	Item	Original Application	Park landlord Adjustments	Mobilehome Owner Adjustments
6030	Computer & Software	936.50	936.50	936.50 ⁹
6060	Education & Training	1,760.99	219.99	219.99
6080	Licenses & Permits	10,532.50	10,021.00	10,021.00
6090	Management Fees	77,525.08	77,525.08	77,525.08
6100	Office Supplies & Equipment	5,834.63	5,834.63	5,834.63
6120	Postage and Delivery	1,240.62	1,240.62	1,240.62
6140	Tenant Screening	139.40	139.40	139.40
6150	Tenant Bonus & Incentives	0.00	0.00	0.00
6160	Activities & Events	1,133.14	18.14	18.14
	SUBTOTAL	\$100,315.42	\$97,119.12	\$97,119.12
6220	PROFESSIONAL FEES			
6210	Legal Fees	11,002.50	11,002.50	5,755.50
6230	Accounting	1,541.04	1,541.04	1,541.04
6240	Survey	13,450.00	13,450.00	2690.00
	SUBTOTAL	\$25,993.54	\$25,993.54	\$9,986.54
6250	MORTGAGE EXPENSE			
6270	Loan Costs & Fees	\$550.00	\$500.00	\$0.00
6275	GROUND LEASE	\$206,215.45	\$206,215.45	\$0.00
6300	MAINTENANCE & REPAIRS			
6313	Landscaping (Contract)	7,195.00	7,195.00*	1,470.00*
6314	Gas Maintenance (Contract)	900.00	00.00	00.00

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

	Item	Original Application	Park landlord Adjustments	Mobilehome Owner Adjustments
6315	Plumbing (Contract)	700.00	700.00	700.00
6316	Pool/Spa (Contract)	1,155.98	1,155.98	1,155.98
6318	Street Sweeping (Contract)	3,495.00	3,495.00	3,495.00
6319	Janitorial (Contract)	2,369.16	2,208.16	2,208.16
6321	Electric (Crew)	9,469.68	9,469.68	7,474.98
6322	HVAC (Crew)	2,976.75	2,976.75	2,976.75
6323	Landscaping (Crew)*	22,144.10	22,144.10*	19,328.66*
6324	Gas Repairs PUC (Crew)	0.00	0.00	0.00
6325	Plumbing (Crew)	7,903.38	7,903.38	6,553.38
6326	Pool/Spa (Crew)	15,916.01	15,916.01	15,916.01
6327	Septic/Sewer Repairs (Crew)	24,482.38	24,482.38	\$5,608.48
6328	Street Repairs (Crew)	26,426.50	26,426.50	26,426.50
6331	Gate Repairs (Crew)	3,723.93	3,371.93	3,371.93
6332	Clubhouse Repairs (Crew)	1,513.73	313.73**	313.73**
6340	Equipment & Tool Rental	573.25	573.25	64.50
6340	Equipment & Tool Rental PUC	0.00	0.00	0.00
6350	Equipment & Tool Purchase	7,302.05	7,302.05***	7,302.05***
6360	Landscaping M & R	56,487.66	56,487.66*	19,328.65*
6370	General Supplies	11,729.97	11,579.99	11,579.99
6380	Vehicle M & R	2,195.10	2,195.10	2,195.10
6390	Septic Service	17,257.14	17,257.14	14,982.00
	SUBTOTAL	\$225,916.77	\$223,153.79	\$152,451.85
6400	PAYROLL EXPENSE			
6410	Payroll	89,407.46	71,906.37	49,198.31
6420	Payroll Taxes	6,370.56	6,370.56	6,370.56

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	Item	Original Application	Park landlord Adjustments	Mobilehome Owner Adjustments
6430	Payroll Processing	1,210.45	1,210.45	1,210.45
	SUBTOTAL	\$96,988.47	\$79,487.38	\$56,779.32
6500	UTILITIES			
6510	Electric (Common Area)	18,262.48	18,262.48	18,262.48
6520	Gas (Common Area)	5,671.88	5,671.88	5,671.88
6530	Water (Common Area)	5,800.31	5,800.31	5,800.31
6540	Sewer	44,233.68	44,233.68	44,233.68
6550	Trash	63,555.92	63,555.92	63,555.92
6570	Telephone	2,386.22	1,880.35	1,880.35
6580	Utility Billing	3,621.60	3,621.60	3,621.60
	SUBTOTAL	\$143,532.10	\$143,026.22	\$143,026.22
6600	TAX EXPENSE			
6630	State	800.00	800.00	800.00
6640	Property	193,178.46	193,178.46	193,178.46
	SUBTOTAL	\$193,978.46	\$193,978.46	\$193,978.46
6700	INSURANCE			
6710	Workers Compensation	4,841.63	4,841.63	4,841.63
6720	Liability Insurance	12,864.54	12,864.54	12,864.54
	SUBTOTAL	\$17,706.17	\$17,706.17	\$17,706.17
6750	TRAVEL EXPENSE			
6760	Travel	7,008.64	6,996.14	6,996.14
6770	Hotel	5,491.05	4,770.92	4,770.92

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

	Item	Original Application	Park landlord Adjustments	Mobilehome Owner Adjustments
6780	Meals	1,251.73	1,250.97	1,250.97
	SUBTOTAL	\$13,751.42	\$13,018.03	\$13,018.03
6840	PARK OWNED HOME			
6841	Utility Connections PUC	0.00	0.00	0.00
6842	HVAC	309.00	309.00	309.00
6843	Landscaping	1,577.88	1,577.88	1,577.88
6844	Painting	1,373.12	1,373.12	1,373.12
6846	Cabinetry	274.03	274.03	274.03
6847	Flooring	213.00	213.00	213.00
6848	Transportation & Setup	11.07	11.07	11.07
6850	Janitorial	176.08	176.08	176.08
6851	Appliances	1,292.06	1,292.06	1,292.06
	SUBTOTAL	\$5,226.24	\$5,226.24	\$5,226.24
7150	Amortization	0.00	0.00	0.00
8000	Depreciation	0.00	0.00	0.00
	TOTAL EXPENSES	\$1,030,174.04	\$1,005,424.40	\$689,291.95
	TOTAL INCOME		\$1,694,672.31	\$1,694,672.31
	TOTAL EXPENSES		(\$1,005,424.40)	(\$689,291.95)
	IMPROVEMENTS (Amortized)		(\$71,132.89)	(\$46,278.67)
	NET OPERATING INCOME		\$618,115.02	\$959,101.69

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

	Item	Original Application	Park landlord Adjustments	Mobilehome Owner Adjustments
	OTHER INCOME/EXPENSE			
	OTHER INCOME			
4540	Capital Improvement Reimb.	0.00	0.00	0.00
	OTHER EXPENSE			
6040	Commission	0.00	0.00	0.00
6410	Payroll	0.00	0.00	0.00
6920	Interest Expense	0.00	0.00	0.00
	CAPITAL IMPROVEMENTS	Actual Cost	Park landlord 5 Yrs, 5%	Mobilehome owner 5 Yrs, 5%
	Manager's Home Dry Rot	10,616.00	2,452.03	0.00
	Lake Restoration	10,800.00	2,494.53	0.00
	Pool & Spa Renovation	24,079.00	5,561.64	5,561.64
	Asphalt & Concrete Work	136,805.00	31,598.51	31,598.51
	Clubhouse Furniture	6,274.99	1,449.36	1,449.36
	Clubhouse Flooring	35,577.00	8,217.39	0.00
	Clubhouse Lighting	10,163.94	2,347.61	2,347.61
	Directory Sign	3,400	769.92	0.00
	Pond Pump	8,160.00	1,884.75	1,884.75
	Clubhouse Roofing	7,103.50	1,640.73	1,640.73
	Manager's Home Landscaping	7,730.00	1,785.44	0.00
	Clubhouse Painting	22,689.87	5,240.79	0.00
	Clubhouse Locks	7,754.41	1,791.07	1,791.07
	Manager Home Remodeling	15,996.12	3,622.32	0.00
	Clubhouse Sheetrock**	1,200.00	271.80**	0.00**

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	Item	Original Application	Park landlord Adjustments	Mobilehome Owner Adjustments
	Total Capital Improvements	\$309,195.33	\$71,132.89	\$46,278.67
	Per Space Per Month		\$37.75	\$24.56

* The mobilehome owners have stated that "Landscaping" expenses from Account Numbers 6313, 6323 and 6360 should be reduced from \$85,826.79 to \$40,127.30. However, the mobilehome owners have not advised how that \$40,127.30 should be allocated. For purposes of the mobilehome owners' column in this table, the Park landlord has reduced Category 6313 from \$7,195 to \$1,470, based on the mobilehome owners' argument at page 12 of their brief. The Park landlord has then subtracted that \$1,470 amount from \$40,127.30, with the \$38,657.30 balance allocated equally between Account Numbers 6323 and 6360, or \$19,328.65 per Account Number. ($\$40,127.30 - \$1,470 = \$38,657.30 \div 2 = \$19,328.65$). As a result, the amounts in Account Numbers 6313, 6323 and 6360 total \$40,127.30, which is consistent with the mobilehome owners' position regarding "Landscaping." ($\$1,470 + \$19,328.65 + \$19,328.65 = \$40,127.30$).

** Clubhouse Sheetrock in the sum of \$1,200 was included as an "expense" item in the Park landlord's application. During the course of the evidentiary hearing the Park landlord agreed to move that item to the "capital expenditure" column.

*** The "mobilehome owner adjustment" column is based on the items that Mr. Stanton and Mr. Hinman have agreed to in their respective briefs. As set forth at Page 1 of Mr. Hinman's brief, Mr. Hinman also objects to the television monitor in the clubhouse and a barbeque grill, but has included no other reference to those items in his brief. The Park landlord is assuming Mr. Hinman is referring to the items at Exhibit 7, Pg. 28, Lines 734 (\$618.77) and 737 (\$768.48). Nevertheless Mr. Hinman did not dispute the amount on this line, to which the other party representatives agreed, and did not provide any calculations with the TV and grill amounts deleted.

I adopt all undisputed amounts as fact.

This rent increase decision is limited to the issues in dispute, highlighted above. I will address each issue in turn, and then will discuss the remaining (non-ADA) service reduction claims.

CALCULATION OF OPERATING EXPENSES

Net operating income is supposed to reflect the operating expenses during the fiscal year immediately preceding the petition. § 17.22.520.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

A legitimate expense incurred in one fiscal year and paid in another may be considered as an operating expense in the year of payment, in a park that uses a cash basis for accounting.

Cash basis accounting is an accounting method in which income is recorded when cash is received, and expenses are recorded when cash is paid.

The park landlord uses a modified cash basis of accounting. It uses a QuickBooks electronic accounting system. As discussed below, I have included in the calculation of operating expenses costs that were actually paid during the fiscal year under review, regardless of when they were billed or the work was done. I have disallowed expenses paid by checks written but held by the park landlord and not mailed to the vendor until after September 30, 2014, because cash for those expenses was not actually paid during the fiscal year under review.

The parties agreed that capital expenditures would be amortized over five years at five percent. I have relied on that stipulation. I have not made an independent decision on how the Ordinance provides for a fair return on capital expenditures.

As discussed below, I have not amortized non-recurring expenses, as the Ordinance does not provide for doing so, except for legal fees.

I have included all costs of operation or maintenance actually paid during the fiscal year under review.

I address each disputed expense in turn.

6210 LEGAL FEES

The Mobilehome Ordinance, § 17.22.540A provides, in pertinent part:

For the purposes of determining net operating income, operating expenses shall include the following:

....

7. Legal expenses limited to attorneys' fees and costs incurred in connection with successful good faith attempts to recover rents owing, successful good faith unlawful detainer actions not in derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the park to the extent such expenses are not recovered from adverse or other parties, subject to the following requirements:

a. Allowable legal expenses which are of a nature that recurs annually shall be considered as elements of operating expenses.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

b. Allowable legal expenses which are not of a nature that recurs annually shall be amortized over a reasonable period of time and at the end of the amortization period, the allowable monthly rent shall be decreased by any amount it was increased because of application of this provision.

Section 17.22.540B prohibits the inclusion in operating expenses of:

1. Mortgage principal or interest payments or other debt service costs.
-
3. Legal expenses, including attorneys' fees and costs, incurred in relation to administrative or judicial proceedings in connection with this chapter and legal expenses, where the pass-through of the expenses would constitute a violation of public policy.

The mobilehome owners object to the bill from Paul Jensen, in the amount of \$1,180, paid on December 20, 2013:

This invoice is labeled as Exhibit 16, page 00321, and contains charges for work performed between June 10, 2013-June 17, 2013. The Park Owner alleges that for some unexplained reason, this bill was not received until December 19th, some six months later, and not paid until December 20, 2013. It alleges that regardless of when the debt was incurred, the check date is the operative date for establishing payment. The Park Owner thus is effectively arguing that if it chooses to pay its bills late, and bunch them into one month, that this is somehow proper. But Tenants should not be subjected to increases in rent based upon this type of business tactic. An examination of the subsequent billing from Mr. Jensen's office dated September 30, 2013, (Exhibit page 00314) shows the prior balance of \$1,180.00 owing and over 90 days past due. It would appear that the significant transition in office personnel which occurred during this period may have contributed to the June bill being overlooked and unpaid. But it was due within thirty days of June 30, 2013; i.e. by July 31, 2013, and therefore was a known debt as of that date which should have been paid. The amount of \$1,180.00 thus pre-dates the "current year", and must be excluded. Stanton Post Hearing Brief p. 11.

The mobilehome owners object to the "in house" legal fees listed in Ex. 7, lines 450, 455, 456, 467 and 470 in a total amount of \$3,447.00:

Although Ms. Monte testified how these fees are spread over all of their parks based upon "economies of scale", each of the bills has been redacted to delete a description of the services rendered. It is thus unclear just what these "self dealing" legal fees might include. Absent clear proof of their purpose and benefit to the Park, they cannot be included. Ordinance section 17.22.540 (A) (7) limits allowable legal expenses to eviction proceedings, or those "necessarily incurred in dealings with respect to the normal operation of the park..." The burden upon the park owner to establish this was simply not meant. (sic) In addition, (A) (7) (b) would require that any such expenses which are

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

non-recurring must be amortized. Given the sanitation of these records, we are unable to tell if these “in house” fees are indeed recurring, or whether they were billed for a one-time purpose. Thus, all of these line items should be excluded. (It should be noted that Ledger line 460 does explain the purpose of the “in house” legal fee billed, and is thus allowable.) Stanton Post hearing Brief, pgs. 15-16.

Although the park landlord argues that the Jensen bill was not received until December 20, 2013, this argument is not persuasive. It is obvious that the bill was received prior to August 26, 2013, when a partial payment was made on it. Ex. 16, pgs. 314, 315. It is not clear why the bill was not promptly paid. However, of itself, that is not a reason to disallow the expense.

Net operating income is supposed to reflect the operating expenses during the fiscal year immediately preceding the petition. § 17.22.520. The legal expense must be of a nature that recurs annually. § 17.22.540 A 7 a, or be amortized pursuant to § 17.22.540 A 7 b. A legitimate expense incurred in one fiscal year and paid in another may be considered as an operating expense in the year of payment, in a park that uses a cash basis for accounting.

IPG, the park manager, uses a modified cash basis of accounting. It uses a QuickBooks electronic accounting system. I am not persuaded that it has “cooked the books” in making this late payment.

The park manager’s president, Amber Monte testified that the Jensen bill was paid in December 2013, and that the services rendered were not incurred in relation to administrative or judicial proceedings in connection with the Mobilehome Ordinance. She admitted on cross-examination that she did not know what the June 2013 services were.

Amber Monte testified that “in house” attorney handled the change of entity from LLP to LC that occurred in 2013. Legal services to change the form of entity for tax purposes does not benefit the mobilehome owners and is not the type of services that recurs annually. The change was finalized on August 15, 2013, prior to the current fiscal year. Ex. 3. She testified that the attorney also handled vendor issues.

Section 17.22.540 B 1 provides that operating expenses shall not include debt service costs. Ms. Monte testified that Oakcrest was refinanced in 2013. It is unclear whether the disputed legal services related to the 2013 refinancing.

The nature of the legal services was blacked out on the invoices in Ex. 7.

The park landlord has the burden of proving that the legal services fall within the provisions provided by the Ordinance, § 17.22.540 A 7. Here the scant evidence regarding the nature of the legal services failed to carry the park landlord’s burden of proof on the disputed items.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

I am unpersuaded that legal bills paid in the current fiscal year in an amount exceeding \$5,755.50 were costs that are includable in operating expenses.

6249 SURVEY

There is no dispute that the park landlord paid surveying expenses of \$13,450.00 during the current fiscal year. Amber Monte testified that the survey was caused by a resident dispute in the park. A majority of the lot line markers could not be located, which was unusual. The surveyor produced a map of the park and reset the missing lot line markers. Amber Monte testified that a survey would not need to be done again very soon.

The mobilehome owners' expert, Kenneth Barr, testified that the survey should be amortized under the Ordinance provisions.

The park landlord claims the entire expense as an operating expense. The mobilehome owners maintain that the expense should be amortized over five years. They do not claim that the survey cost is a "capital improvement" permitted to be amortized pursuant to § 17.22.540 A 5.² Instead, they argue that I have some inherent power to amortize unusual operating costs. I disagree. The Ordinance sets forth a clear and rather simple maintenance of net operating income (MNOI) procedure, which hearing examiners are required to follow.

The entire \$13,450 survey expense qualifies as an operating expense for purposes of determining net operating income.

6270 LOAN COSTS & FEES

The park landlord claims an amount of \$500.00 which, according to Exhibit 19 p. 2, constitutes a loan application fee pertaining to the refinancing of Petitioner's property.

The Ordinance §17.22.540 (B) (1) excludes from the calculation of operating expenses all costs of mortgage principal or interest payments or other debt service costs.

The \$500 loan cost is excluded from operating expenses for purposes of determining net operating income.

6275 GROUND LEASE

The mobilehome owners challenge the inclusion in the calculation of operating expenses of the ground lease annual payment in the amount of \$206,215.45. Ex. 16, pgs. 352-369.

² By email from Stanton dated May 18, 2015, the mobilehome owners reiterated: "To clarify, Tenants do not argue that the survey expense is a capital item, but rather a non-recurring expense which must be amortized as expense item in order to avoid an unfair or unreasonable inclusion of the entire large expense amount within the current year."

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

The Ground Lease is contained in the Analysis of Oakcrest Mobilehome Park Fair Return Application, dated March 13, 2015, Ex. 38, Appendix D. The ground lease was entered on into September 1, 1993, prior to the park landlord's purchase. The park landlord has no control over the amount of the payments. According to Amber Monte, the purchase price paid by the park landlord was affected by the ground lease.

There is no dispute that the park owner and the park landlord are separate entities.

The ground lease payments were treated as operating expenses in the prior rent adjustment case decided in 2012. During the course of that proceeding, the mobilehome owners argued that the park landlord's ground lease payments should not be considered as an expense item, because they were similar to mortgage payments, which are specifically excluded under the ordinance. Ex. 35. The prior hearing examiner rejected this argument and included the then \$173,108.55 ground lease payments as an expense in the calculation of the \$5.60 permanent rent increase awarded in those proceedings. (Exhibit 14, Pg. 4, line 54).

I agree with his decision.

Mobilehome Rent Program Rules and Regulations, § 2.03.01(d)(2) provides that "[r]ent incurred by the landlord and payable to the owner shall be deemed a cost of maintenance and operation of the landlord..."

The ground lease payment in the amount of \$ \$206,215.45 is an operating expense for purposes of determining net operating income.

6313 LANDSCAPING (CONTRACT)

The mobilehome owners dispute landscaping (contract) expenses in the amount of \$5,725 shown in the general ledger, Ex. 7, p. 20, lines 524, 525 and 526; Ex. 16, pgs. 376- 378, paid by checks # 2924, 2926 and 2927 at Ex. 18, Fisher Declaration, p. 2965.9 and 2965.11, and 2964.12.

According to the testimony of Amber Monte, the invoice for \$5410 was received by the accounting office on Tuesday, September 30, 2014, the last day of the fiscal year. Ex. 16, p. 376 indicates that it was paid on the same date by two different checks: 2924 and 2926. Checks numbered 2924 and 2926, totaling \$5140, were for the clubhouse, office, and pool area. They paid for work done to comply with the 2012 Agreement for Settlement of Service Reduction Claims, p. 3, ¶ 6c. Ex. 13. These checks were mailed from the accounting office to the local park office on Friday, October 3, 2014, after the fiscal year under review. No explanation was given for the mailing delay.

The local manager was instructed to hold the second check until the work is completed. It is unclear when after October 3, 2014, the vendor was actually paid. The first check cleared the

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued

park landlord's bank on October 16, 2014, and is labeled as "1/2 down". Fisher Declaration, p. 2965.9. The second check, 2926, did not clear the park landlord's bank until November 14, 2014. Fisher Declaration, p. 2965.11.

The remaining invoice, in the amount of \$585, paid by check 2927, was for removal of pine needles, leaves and old debris along left side as entering from 1st Street from behind flower bed to Unit # 147. Ex. 16 p. 378. This work was required by the 2012 Agreement for Settlement of Service Reduction Claims, p. 3, ¶ 6a. Ex. 13.

This September 30, 2014 invoice, Ex. 16 p. 378, unlike other parts of Ex. 16, is unsigned, and contains no information about when it was actually received and paid. Although check 2927, which paid it, is purportedly dated September 30, 2014, it came after the other checks that were mailed on October 3, 2014. The check did not clear the park landlord's bank until October 16, 2014. Fisher Declaration, p. 2965.12.

The 2012 Agreement for Settlement of Service Reduction Claims specifically provides:

Any and all costs incurred by Owner in connection with this paragraph 6 shall be considered a park maintenance expense for purposes of calculating future Net Operating Income in any administrative rent proceeding. Agreement for Settlement of Service Reduction Claims, p. 3, ¶ 6d. Ex. 13.

Therefore by former agreement of the parties, I am foreclosed from treating these expenses as capital improvements.

Amber Monte testified that the park landlord puts the purchase of vendor services out to competitive bid for every project over \$500. It considers price and the quality of service. I am persuaded that the costs were reasonable.

I am not persuaded that these expenses were actually paid during the fiscal year under review, October 1, 2013 to September 30, 2014. The \$5,725 cost is disallowed as costs of operation and maintenance in this proceeding.³

6321 ELECTRIC (CREW)

The mobilehome owners dispute electric (crew) expenses in the amount of \$1,994.70 paid to Community Controls for the Doorking telephone directory system. Ex. 16, p. 500-501; Ex. 7, p. 22, line 580. The materials were invoiced and shipped on September 12, 2014. They were paid by check 2878 dated September 19, 2014. Fisher Declaration p. 2929-2930. However, Amber Monte testified that the materials still had not been installed as of March 20, 2015.

³ By this decision, the park landlord is not estopped from claiming and proving these expenses as costs of operation and maintenance in a petition for the fiscal year October 1, 2014 to September 30, 2015, if one is filed.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

The mobilehome owners maintain that an expense cannot be included in calculation of net operating income until the materials it purchased are installed. I disagree. The expense of \$1,994.70 is allowed.

6323 LANDSCAPING (CREW)

Information about landscaping (crew) expenses is contained in Ex. 16 pgs. 507 - 556. The claimed costs are listed in the general ledger, Ex. 7, pgs. 22-23, lines 590 to 612. They total \$22,144.10.

The landscaping costs are high due to complaints by the mobilehome owners. After the quality of landscaping was called into question by service reduction claims at the time of the prior petition, the park landlord reacted by providing increased landscaping services so that it will not get another landscaping service reduction claim.

The park landlord has changed the way it is handling landscaping work. In the past, the maintenance crew did landscaping work. In the summer of 2014, the park landlord hired a professional landscaping company. It entered into a monthly service contract for landscaping at the rate of \$490 per month. This will be an ongoing monthly expense.

Many of the claimed landscaping costs relate directly to the obligations undertaken by the park landlord in the 2012 Agreement for Reduction of Service Reduction Claims. In the pond area, the park landlord agreed to:

- Clear pond of weeds, grasses and deleterious materials, to unbury and clear storm drain inlet pipes and the outlet pipe, and to ensure a working pumping system;
- Dredge, re-grade and recombine the pond bed, so as to allow the proper water retention.

In the Agreement, p. 1, ¶ 1.b. the mobilehome owners agreed that this pond work would be considered a park operating expense, and not a capital improvement to be amortized, for purposes of calculating future Net Operating Income, thus allowing the park landlord to claim their full costs in this rent adjustment proceeding.

In the Agreement, p. 3, ¶ 6.a, the owner agreed to investigate and confirm water service to the front entrance of the park, and install and maintain flowers and attractive landscaping in that area once irrigation was available. As previously discussed, in the Agreement, p. 3, ¶ 6.d, the mobilehome owners agreed that this work would be considered a park maintenance expense, for purposes of calculating future Net Operating Income, thus allowing the park landlord to claim their full costs in this rent adjustment proceeding.

Mr. Hinman claims that the park landlord is prohibited as a matter of law by the California Mobilehome Residency Law, § 787.37.5, from including the costs of tree trimming in its operating expenses. Hinman Post-hearing Brief, pgs. 9-10. I disagree.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

If a tree is in the common area of the mobilehome park, the park landlord is responsible for the maintenance of the tree, including "the costs thereof." Civil Code § 798.37.5(b). The park landlord can properly claim such costs as an operating expense. The costs claimed here were for trimming trees in the common areas of the park.

On September 30, 2014, Bay Area Tree Specialists submitted invoice 13916 in the amount of \$4,860 to the regional park manager. Ex. 16, pgs. 553-556. The park landlord paid Bay Area Tree Service for this invoice by check 2915 dated September 30, 2014. Ex. 69, Fisher Declaration p. 2965. It is unclear when the check was actually delivered to the vendor. Instructions were to send the check to the park office. Ex. 16, p. 553. However, unlike other invoices in Ex. 16, there is no indication of the payment date, or the date the check was mailed by accounting to the regional park manager. I am not persuaded this expense was actually paid during the fiscal year under review, October 1, 2013 to September 30, 2014. It is therefore disallowed as a cost of operation and maintenance.⁴

The park landlord is entitled to include \$ 17,284.10 in landscape (crew) operation and maintenance costs in the calculation of its operating expenses.

6325 PLUMBING (CREW)

The mobilehome owners dispute plumbing expenses in the amount of \$ 1,350. They argue:

The invoice for this work is labeled Exhibit page 00621, and dated September 25, 2014. Again, there was no evidence submitted as to when the work started or finished. The terms were 50% down at start and 50% due upon completion. Exhibit page 2953 shows check no. 2901 was written to Veliz Plumbing on September 30, 2014 for "1/2 down". That check cleared Petitioner's bank on October 8, 2014. Exhibit page 2961 shows check no. 2911 written to the same payee for "Final", also dated September 30th. It cleared the bank on October 24th. Based upon this evidence, it appears the project was done, and the payee paid, in October, 2014. This amount should thus be excluded. Stanton Post-hearing Brief, p. 13.

The proposal specifies that \$675 must be paid at the start of the project. Ex. 16, p. 621. Check 2901 was dated September 30, 2014, but there is no information provided about when it was paid to the contractor. Unlike other invoices in Ex. 16, there is no mailing date provided for the payment. The check was cleared by the park landlord's bank on October 8, 2014. Fisher Declaration, p. 2953. The check for the balance was also dated on September 30, 2014 but was not cleared by the park landlord's bank until October 24, 2014.

⁴ By this decision, the park landlord is not estopped from claiming and proving it as a cost of operation and maintenance in a petition for the fiscal year October 1, 2014 to September 30, 2015, if one is filed.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

I am unpersuaded that payment was actually made to the vendor in the current fiscal year. Therefore the sum of \$1,350 is excluded from the calculation of operating expenses.⁵

6327 SEPTIC/SEWER REPAIRS (CREW)

The mobilehome owners argue that that the \$23,592.38 cost of the new grinder pumps, Ex. 16 pgs. 725-728, is a capital improvement that should be amortized:

Unlike the Sewer Pump repair costs allowed in the previous Petition hearing (see Exhibit 13; Partial Award p. 6), this expense “is an addition or replacement of an improvement not just a repair of an existing improvement”. The pump at issue is an enhanced 5 horsepower grinder pump (see Exhibit pp. 00725-00728) which the park owner testified should last a minimum of five years. Whether, as the Park Owner’s brief argues, there is a potential that the pump could break down due to Tenant “misuse” prior to the end of five years is purely speculative, and not relevant for consideration. This is not an annually recurring cost, and is substantial in nature. The total cost is well within the range of items amortized by the Park Owner on its tax return (see Declaration of Jeff Fisher filed by park Owner herein). This item fits the definition of a “Capital Improvement” set forth in Ordinance section 17.22.090, and should therefore be amortized over at least five years, which would reduce the allowable expense amount to \$4,718.48. Stanton Post-hearing Brief pgs. 25-26.

Amber Monte testified that the pumps should last five years or more. She did not know the warranty period for them. In her view, because other pumps had failed in less than five years, this pump cost should be considered a maintenance item, not a capital improvement cost.

The mobilehome owners’ expert, Kenneth Barr, testified that the sewer grinder expense was a capital improvement that should be amortized under the Ordinance. I agree.

The sum of \$23,592.38 is a capital improvement expense that must be amortized pursuant §17.22.540.A.5.c.

6340 EQUIPMENT & TOOL RENTAL

The mobilehome owners dispute the amount of \$508.75 paid to NORCAL Portable Services, Inc. by check dated September 30, 2014, because it allegedly was not paid during the current year.

The invoice was for services rendered after the close of the fiscal year. Ex. 16, p. 838. Although the check 2922 was dated September 30, 2014, it was not actually mailed by accounting until October 3, 2014, as indicated by the date stamp on Ex. 16, p. 838. Payment was to be sent, not to

⁵ By this decision, the park landlord is not estopped from claiming and proving it as a cost of operation and maintenance in a petition for the fiscal year October 1, 2014 to September 30, 2015, if one is filed.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued

the vendor, but to the park office. The check was not cleared by the park landlord's bank until December 12, 2014. Fisher Declaration p. 2965.7.

I am unpersuaded that payment was actually made to the vendor in the current fiscal year. Therefore, the sum of \$508.75 is excluded from the calculation of operating expenses.⁶

6350 EQUIPMENT AND TOOL PURCHASE

Mr. Hinman contests expenses for the wall-mounted monitor in the clubhouse and the BBQ grill. Ex. 7, p. 28, lines 734 (\$618.77 for the grill) and 737 (\$768.48 for the TV). The park landlord contends that those items must be included under the MNOI approach, because they were purchased and paid for during the year in question. (See Exhibit 16, Pg. 897 and Exhibit 21, last two pages; See also Fisher Decl., Pg. 2939). Mr. Stanton provided no comment on this question.

Amber Monte testified that the TV receipt was part of Ex. 16, p. 2402 and the gas grill receipt was part of Ex. 16, p. 898.

Mr. Hinman argues that the wall mounted TV monitor was not connected to any other device. Hinman Post-Hearing Brief, p. 1. However, no evidence was presented supporting that contention. Ms. Monte was asked about the TV and responded that she had not looked at the receipt. The HD TV, a wall mount for it and a 4 outlet surge protector were delivered on September 29, 2014. Ex. 21. No one testified under oath that the TV was inoperable. No service reduction claim was made for the TV.

In his Post-Hearing Brief at p. 1, Mr. Hinman argued that the gas grill has never been delivered to Oakcrest. Yet no evidence was presented to support that allegation. Ms. Monte merely testified that she did not know when the delivery took place. Payment for the grill was authorized by the regional park manager, who was not called to testify. No one testified under oath that the grill had not been delivered. The Home Depot Order Confirmation dated May 2, 2014 indicates that the grill was to be shipped via ground. Ex. 21. I reject the contention that the grill was never delivered.

The request to delete these two expenses from the calculation of operating expenses is denied.⁷

⁶ By this decision, the park landlord is not estopped from claiming and proving it as a cost of operation and maintenance in a petition for the fiscal year October 1, 2014 to September 30, 2015, if one is filed.

⁷ By requesting and obtaining payment for them, the park landlord has now agreed to include a clubhouse TV and grill in Basic Services. If that TV or grill is not provided, then in a future rent increase case, the mobilehome owners may file a service reduction claim based upon that reduction in service.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

6360 LANDSCAPING M & R

The mobilehome owners complain about the \$56,487.66 cost for landscaping expenses for maintenance and repair. Stanton post-hearing Brief, p. 26.

The majority of the work billed in this category was for services required by the 2012 Agreement for Reduction of Service Reduction Claims. Ex. 7, p. 28-29, lines 740-770.

The mobilehome owners demand, and the park requires, a high level of landscaping services. The property contains old growth trees requiring annual trimming. It also contains a pond area with very high maintenance requirements.

The park landlord incurred and paid these expenses during the fiscal year and is entitled to have them included in the calculation of its operating expenses. The sum of \$56,487.66 is included in determining net operating income.

6390 SEPTIC SERVICE

The mobile homeowners contest \$2,275.14 of the Septic System expenses:

There was no testimony as to when this work was accomplished. Significantly, however, the "Check Request" dated August 30, 2013 (Exhibit page 01302) states that the backflow system was "Replaced", indicating a past-tense description of completed work. The type of service involved would necessarily have required immediate work to the septic system, as further indicated upon "The Rooter Service" invoice dated August 27, 2013 (Exhibit page 01303). That invoice indicates that the work was "due and payable upon receipt", and the park manager signed for the work on August 27th. Check no. 2504 (Exhibit page 02567) indicates that it was not written until November 12, 2013 however. Late payment of a bill that was arguable due on August 27th, and in no event after September 27, 2013, cannot be lumped into the "current year", and must be excluded. Stanton post-hearing brief. p. 14.

The work estimate was accepted by the local park manager in the prior fiscal year, Ex. 16 p. 1303 and payment was made in this year. The check cleared the park landlord's bank on November 27, 2014. Fisher Declaration p. 2567. I am persuaded that the cost was actually paid during the current fiscal year.

The sum of \$ 2,275.14 is included in the calculation of net operating expenses.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

6410 PAYROLL

The mobilehome owners claim that the payroll should be reduced to an amount equivalent to the base year CPI adjusted by the CPI. The payroll expenses are detailed in Ex. 16, pgs. 1326-1386. I disagree.

The entire payroll expense of \$ 71,906.37 is included in the calculation of net operating expenses.

REGULAR OPERATING EXPENSE CONCLUSION

I find as a fact and conclude as a matter of law that the non-capital improvement operating expenses for the fiscal year October 1, 2013 to September 30, 2014 were as follows:

	Item	Amount Awarded
	EXPENSES	
6000	ADMINISTRATIVE	
6005	Automotive	808.76
6010	Advertising	375.00
6030	Computer & Software	936.50
6060	Education & Training	219.99
6080	Licenses & Permits	10,021.00
6090	Management Fees	77,525.08
6100	Office Supplies & Equipment	5,834.63
6120	Postage and Delivery	1,240.62
6140	Tenant Screening	139.40
6150	Tenant Bonus & Incentives	0.00
6160	Activities & Events	18.14
	SUBTOTAL	\$97,119.12
6220	PROFESSIONAL FEES	
6210	Legal Fees	5,755.50

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

6230	Accounting	1,541.04
6240	Survey	\$13,450
	SUBTOTAL	\$20,746.54
6250	MORTGAGE EXPENSE	
6270	Loan Costs & Fees	\$0.00
6275	GROUND LEASE	\$206,215.45
6300	MAINTENANCE & REPAIRS	
6313	Landscaping (Contract)	1,470.00
6314	Gas Maintenance (Contract)	00.00
6315	Plumbing (Contract)	700.00
6316	Pool/Spa (Contract)	1,155.98
6318	Street Sweeping (Contract)	3,495.00
6319	Janitorial (Contract)	2,208.16
6321	Electric (Crew)	9,469.68
6322	HVAC (Crew)	2,976.75
6323	Landscaping (Crew)	\$ 17,284.10
6324	Gas Repairs PUC (Crew)	0.00
6325	Plumbing (Crew)	6,553.38
6326	Pool/Spa (Crew)	15,916.01
6327	Septic/Sewer Repairs (Crew)	890
6328	Street Repairs (Crew)	26,426.50
6331	Gate Repairs (Crew)	3,371.93
6332	Clubhouse Repairs (Crew)	313.73
6340	Equipment & Tool Rental	64.50
6340	Equipment & Tool Rental	0.00

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

	PUC	
6350	Equipment & Tool Purchase	7,302.05
6360	Landscaping M & R	\$56,487.66
6370	General Supplies	11,579.99
6380	Vehicle M & R	2,195.10
6390	Septic Service	17,257.14
	SUBTOTAL	\$187,117.66
6400	PAYROLL EXPENSE	
6410	Payroll	\$ 71,906.37
6420	Payroll Taxes	6,370.56
6430	Payroll Processing	1,210.45
	SUBTOTAL	\$79,487.38
6500	UTILITIES	
6510	Electric (Common Area)	18,262.48
6520	Gas (Common Area)	5,671.88
6530	Water (Common Area)	5,800.31
6540	Sewer	44,233.68
6550	Trash	63,555.92
6570	Telephone	1,880.35
6580	Utility Billing	3,621.60
	SUBTOTAL	\$143,026.22
6600	TAX EXPENSE	
6630	State	800.00
6640	Property	193,178.46
	SUBTOTAL	\$193,978.46

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

6700	INSURANCE	
6710	Workers Compensation	4,841.63
6720	Liability Insurance	12,864.54
	SUBTOTAL	\$17,706.17
6750	TRAVEL EXPENSE	
6760	Travel	6,996.14
6770	Hotel	4,770.92
6780	Meals	1,250.97
	SUBTOTAL	\$13,018.03
6840	PARK OWNED HOME	
6841	Utility Connections PUC	0.00
6842	HVAC	309.00
6843	Landscaping	1,577.88
6844	Painting	1,373.12
6846	Cabinetry	274.03
6847	Flooring	213.00
6848	Transportation & Setup	11.07
6850	Janitorial	176.08
6851	Appliances	1,292.06
	SUBTOTAL	\$5,226.24
7150	Amortization	0.00
8000	Depreciation	0.00
	Total of Subtotals:	
6000	Administrative	\$97,119.12

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

6220	Professional Fees	\$20,746.54
6250	Mortgage Expense	0
6275	Ground Lease	\$206,215.45
6300	Maintenance and repairs	\$187,117.66
6400	Payroll Expense	\$79,487.38
6500	Utilities	\$143,026.22
6600	Tax Expense	\$193,978.46
6700	Insurance	\$17,706.17
6750	Travel Expense	\$13,018.03
6840	Park Owned Home	5,226.24
	TOTAL REGULAR EXPENSES	\$963,641.27

CAPITAL IMPROVEMENTS

The prior rent increase proceeding reviewed the fiscal year expenses for the fiscal year October 1, 2010 to September 30, 2011. That proceeding approved capital improvements of \$260,588.60, amortized at \$61,023.71 per year (\$32.39 per space per month). Ex. 14, Order p. 4. Rent was increased to cover that expense, effective March 1, 2012. Ex. 13, Partial Award dated July 10, 2012, p.11; Order dated September 10, 2012. The capital improvements were amortized over 60 months and the increased rent for them expires on March 1, 2017.

In this proceeding, the parties provided the following table listing the claimed capital improvements in the fiscal year October 1, 2013 to September 30, 2014, and their position on each. The disputed items are highlighted and in bold print.

CAPITAL IMPROVEMENTS	Actual Cost	Park landlord 5 Yrs, 5%	Mobilehome owner 5 Yrs, 5%
Septic/sewer pumps ⁸	23,592.38	0	5,342.52

⁸ By email dated May 18, 2015 at 12:03 PM, Stanton clarified that the mobilehome owners were claiming a cost of \$23,592.38 amortized over five years, using an interest rate of 5%. By letter dated May 18, 2015 attached to his May 18, 2015 4:57 PM email, Rodriguez clarified that when \$23,592.38 is amortized over five years at 5%, the principal and interest for that five year period would total \$26,712.60. The annual amortization amount would be \$5,342.52. (\$5,342.52 /157 spaces /12 months = \$2.84 per month)

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

CAPITAL IMPROVEMENTS	Actual Cost	Park landlord 5 Yrs, 5%	Mobilehome owner 5 Yrs, 5%
Manager's Home Dry Rot	10,616.00	2,452.03	0.00
Lake Restoration	10,800.00	2,494.53	0.00
Pool & Spa Renovation	24,079.00	5,561.64	5,561.64
Asphalt & Concrete Work	136,805.00	31,598.51	31,598.51
Clubhouse Furniture	6,274.99	1,449.36	1,449.36
Clubhouse Flooring	35,577.00	8,217.39	0.00
Clubhouse Lighting	10,163.94	2,347.61	2,347.61
Directory Sign	3,400	769.92	0.00
Pond Pump	8,160.00	1,884.75	1,884.75
Clubhouse Roofing	7,103.50	1,640.73	1,640.73
Manager's Home Landscaping	7,730.00	1,785.44	0.00
Clubhouse Painting	22,689.87	5,240.79	0.00
Clubhouse Locks	7,754.41	1,791.07	1,791.07
Manager Home Remodeling	15,996.12	3,622.32	0.00
Clubhouse Sheetrock ⁹	1,200.00	271.80	0
Total Capital Improvements	\$332,787.71	\$71,132.89	\$51,616.19
Per Space Per Month		\$37.75	\$27.40

I adopt all the agreed upon amounts as fact, and address each disputed item.

SEPTIC/SEWER PUMPS

I am not persuaded by the testimony of Amber Monte that these pumps will last less than the normal five years. I adopt her testimony that the pumps normally last five years. ¹⁰

⁹ Clubhouse Sheetrock in the sum of \$1,200 was included as an "expense" item in the Park landlord's application. During the course of the evidentiary hearing the Parkowner agreed to move that item to the "capital expenditure" column and to amortize it over 5 years at 5%.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

I am persuaded by the argument of the mobilehome owners that the expense for the pumps is the cost of a capital improvement as defined by § 17.22.090. Therefore, I adopt the mobilehome owners position that cost of \$23,592.38 should be amortized over five years, using an interest rate of 5%, resulting in an annual amortization amount of \$ 5,342.52.

MANAGER'S HOME DRY ROT

The park landlord claims \$2,452 amortization costs in the current year for capital expenses in the amount of \$10,616.00 incurred prior to October 1, 2013. The mobilehome owners contest this amount on the grounds that the Ordinance makes no provision for claiming capital improvements made in a prior year that were not approved in a prior rent increase proceeding:

this expense falls within a prior Ordinance year. The Park Owner had every opportunity to file a Petition within that prior year, but elected not to do so. It cannot now "bootstrap" a previous year's expense into its current Petition in order to obtain a more favorable increase in the current year. The project labeled as "Manager Dry Rot Repair" was planned, invoiced, and fully paid for more than 45 days prior to the start of the "current year". Therefore, it must be excluded in full. Stanton Post-hearing Brief, p. 8.

I agree.

Section 17.22.460 provides that the annual adjustment permitted by § 17.22.450 is presumed to account for capital improvements and to provide the park landlord with a fair return.

The park landlord implemented a general rent adjustment pursuant to § 17.22.460 for the year in which these expenses were incurred. It failed to file a petition for an increase in excess of the §17.22.450 general adjustment prior to the date it implemented that rent increase. Therefore, pursuant to § 17.22.710, the claim is barred.

LAKE RESTORATION

The park landlord claims \$10,800 for work invoiced on September 9, 2013, prior to the current fiscal year. Although the invoice shows that the invoice was paid on September 30, 2013, the check was not actually mailed to the vendor until October 4, 2013, as indicated by the date stamp on Ex. 16, p. 2383. The check cleared the park landlord's bank on November 8, 2013. Ex. 69, Fisher Declaration p. 2530.

¹⁰ I note that in any event, whether by direct expense or amortization, the mobilehome owners will end up paying for the replacement of the sewer grinders. It is therefore in their self-interest not to abuse their septic disposal system. The mobilehome owners association may wish to provide continuing education to its members about this issue.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

I am persuaded that the \$10,800 cost of this capital improvement should be included in the fiscal year under review, amortized, as agreed, over five years at five percent, at the rate of \$ 2,494.53 per year.

CLUBHOUSE FLOORING

The park landlord claims \$35,577.00 for clubhouse flooring capital improvements.

\$17,788.50 for clubhouse flooring was invoiced on September 23, 2014, within the fiscal year under review. Ex. 16, p. 2409. It was paid by check 2914. Payment was sent to the park office on October 2, 2014, after the fiscal year under review. Ex. 16, P. 2408. Thus there is no doubt that the money did not leave the park landlord's control until after the fiscal year under review ended. The check was cleared by the park landlord's bank on October 27, 2014. Ex. 69, Fisher Declaration, p. 2979.

An additional \$17,788.50 for clubhouse flooring was invoiced on September 23, 2014, within the fiscal year under review. It was paid by check 2900. Payment was sent to the park office on October 2, 2014, after the fiscal year under review. Ex. 16, p. 2410. Thus there is no doubt that the money did not leave the park landlord's control until after the fiscal year under review ended. The check was cleared by the park landlord's bank on October 14, 2014. Ex. 69, Fisher Declaration, p. 2979.

I am unpersuaded that this cost was actually paid during the fiscal year under review. Therefore, the sum of \$35,577.00 is excluded from the calculation of operating expenses.¹¹

DIRECTORY SIGN

The park landlord claims \$3,400 for a Directory Sign. Azores Construction invoiced the sign on September 18, 2014. Invoice # 14108, Ex. 16 p. 2424. On September 29, 2014, the regional park manager requested a check from accounting be sent to the park office. Ex. 16, p. 2423. Accounting wrote the check on September 30, 2014. Ex. 69, Fisher Declaration, Check 2904, p. 2955. Amber Monte testified that this check was actually written in October and was delivered in October, 2014. The check cleared the park landlord's bank on November 19, 2014.

I am unpersuaded that the \$3,400 cost of this capital improvement was actually paid during the fiscal year under review. Therefore, its cost is excluded from the calculation of operating expenses.¹²

¹¹ The park landlord is not precluded by this decision from claiming this expense should it file a rent increase petition for the fiscal year commencing October 1, 2014.

¹² The park landlord is not precluded by this decision from claiming this expense should it file a rent increase petition for the fiscal year commencing October 1, 2014.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

MANAGER'S HOME LANDSCAPING

The park landlord seeks a capital cost of \$7,730 for landscaping the park manager's home. The vendor, Crystal Springs Landscape Company invoiced the job on September 17, 2014, requesting payment within 10 days of completion. Ex. 16, p. 2442. On September 30, 2014, the regional manager requested that accounting issue checks to the park office. Accounting cut two checks: indicating ½ down, check 2923, and final, check 2925. The accounting document indicates that the checks were mailed on October 3, 2014. Ex. 16, p. 2441. Amber Monte testified that the checks were sent to the park office, not to the vendor. Check 2923 was cleared by the park landlord's bank on October 16, 2014. Ex. 69, Fisher Declaration, p. 2965.8. Check 2925 was cleared by the park landlord's bank on November 14, 2014. Ex. 69, Fisher Declaration, p. 2965.10. Based upon the testimony of Amber Monte that it was their practice to deliver checks to the local park but not to give them to the vendor until the work was completed, I find it unlikely that the funds left the park owner's control during the fiscal year under review.

I am unpersuaded that the \$7,730 cost of this capital improvement was actually paid during the fiscal year under review. Therefore, its cost is excluded from the calculation of operating expenses.¹³

MANAGER HOME REMODELING

The park landlord seeks to include in its operating income capital improvement expenses \$15,996.12. On September 30, 2014, CertaPro Painters invoiced \$8,276.88 for clubhouse painting. Ex. 16, Invoice # DF365B000145, p. 2451. One half down was paid by check 2916, dated September 30, 2014, and the balance by check 2919, dated September 30, 2014. Both checks were mailed on October 3, 2014 after the end of the fiscal year. Ex. 16, p. 24511. Check 2916 cleared the park landlord's bank on October 8, 2014. Ex. 69, Fisher Declaration, p. 2965.1. Check 2919 cleared the park landlord's bank on October 16, 2014. Ex. 69, Fisher Declaration, p. 2965.4. Based upon the stamped date of mailing of October 3, 2014, I find it unlikely that the funds left the park owner's control during the fiscal year under review.

I am unpersuaded that the \$15,996.12 capital improvement cost was actually paid during the fiscal year under review. Therefore, its cost is excluded from the calculation of operating expenses.¹⁴

¹³ The park landlord is not precluded by this decision from claiming this expense should it file a rent increase petition for the fiscal year commencing October 1, 2014.

¹⁴ The park landlord is not precluded by this decision from claiming this expense should it file a rent increase petition for the fiscal year commencing October 1, 2014.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

The cost of Clubhouse Sheetrock in the sum of \$1,200 was included as an "expense" item in the park landlord's application. During the course of the evidentiary hearing, the park landlord agreed to move that item to the "capital expenditure" column.

CLUBHOUSE SHEETROCK

The mobilehome owners argue that this expense was not incurred in the fiscal year under review. The invoice was dated September 26, 2014. Ex. 16, p. 787. The park landlord did not submit a check request sheet for this item. A check request sheet normally would show the date the monies were requested, whether they were sent directly to the vendor or to the park office and the date they were mailed by accounting. I have not been given this information. All I have is the cancelled check dated September 30, 2015 or ½ down, which cleared the park landlord's bank on October 6, 2014. Ex. 69. Fisher Declaration, p. 2957. The balance of \$600 was paid by check no. 2912, dated September 30, 2014, which cleared the park landlord's bank on October 8, 2014. Ex. 69. Fisher Declaration, p. 2961.

Because of the other testimony that some checks were sent to the park office and not delivered before the end of the fiscal year, this scant evidence does not persuade me that it is more probable than not that this \$1,200 expense was actually paid during the fiscal year under review.

CAPTIAL IMPROVEMENT COST CONCLUSIONS:

The parties agree that all the allowed costs of capital improvements should be amortized over 60 months at 5%. I accept their stipulation.¹⁵

I find as a fact and conclude as a matter of law that the following capital improvement costs are properly included in the calculation of net operating income for the fiscal year October 1, 2013 to September 30, 2014:

CAPITAL IMPROVEMENTS	Actual Cost	Amortization 5 Yrs, 5%
Septic/sewer pumps ¹⁶	23,592.38	5,342.52

¹⁵ By email dated May 19, 2015 at 2:01 PM, Rodriguez confirmed that the Parkowner has stipulated that all capital improvements listed in its application shall be passed through over five years, at five percent. By email dated May 19, 2015 at 2:31 pm, Stanton stipulated they mobilehome owners agree that as to any capital improvement expense that is stipulated to by the parties or allowed by the administrative hearing officer, amortization will occur over 5 years at 5%.

¹⁶ By email dated May 18, 2015 at 12:03 PM, Stanton clarified that the mobilehome owners were claiming a cost of \$23,592.38 amortized over five years, using an interest rate of 5%. By letter dated May 18, 2015 attached to his May 18, 2015 4:57 PM email, Rodriguez clarified that when \$23,592.38 is amortized over five years at 5%, the principal and interest for that five year period would total \$26,712.60. The annual amortization amount would be \$5,342.52.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

CAPITAL IMPROVEMENTS	Actual Cost	Amortization 5 Yrs, 5%
Manager's Home Dry Rot	10,616.00	0.00
Lake Restoration	10,800.00	2,494.53
Pool & Spa Renovation	24,079.00	5,561.64
Asphalt & Concrete Work	136,805.00	31,598.51
Clubhouse Furniture	6,274.99	1,449.36
Clubhouse Flooring	0	0
Clubhouse Lighting	10,163.94	2,347.61
Directory Sign	0	0.00
Pond Pump	8,160.00	1,884.75
Clubhouse Roofing	7,103.50	1,640.73
Manager's Home Landscaping	0	0
Clubhouse Painting	22,689.87	0
Clubhouse Locks	7,754.41	1,791.07
Manager Home Remodeling	0	0
Clubhouse Sheetrock	0	0
Total Capital Improvements	\$268,039.09	\$54,110.72
Per Space Per Month		\$28.72

CURRENT NET OPERATING INCOME

The current net operating income is determined by subtracting the operating expenses during the immediately preceding fiscal year from the annualized gross income. § 17.22.520.

TOTAL INCOME	\$1,694,672.31
TOTAL REGULAR EXPENSES	\$963,641.27
AMORTIZED CAPITAL IMPROVEMENTS	\$54,110.72

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

NET OPERATING INCOME	\$676,920.32
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FAIR AND REASONABLE RETURN

The Ordinance defines a fair and reasonable return as the amount required for the park landlord to maintain the base net operating income adjusted for inflation. § 17.22.500 A.

The parties agree as follows:

1. The "base year" is the twelve month period from October 1, 2010 to September 30, 2011.
2. The "base year" net operating income was \$772,668, as established by the last rent adjustment proceeding, Ex. 13 and Ex. 14, p. 4, line 142.
3. The consumer price index increased by 8.48% between the date of the last rent adjustment petition and the current petition, from 234.608 to 254.503. Ex. 10 and Ex. 14, p. 4, line 127.

Pursuant to § 17.22.570 B, the inflation adjustment percentage is eighty-five percent. Eighty-five percent of 8.48 % is 7.2 %.

The parties agree that, in order to obtain a fair and reasonable return, the park landlord's net operating income must be increased by 7.2% to \$828,300.10.

The Ordinance requires the administrative hearing officer to set a rent that produces a fair and reasonable return. § 17.22.580.

The park landlord's net operating income was \$ 676,920.32.

To have a fair return, the net operating income must be more: \$828,300.10.

A rent increase of \$ 151,379.78 (\$964.20 per space year; \$80.35 per space per month) is required to produce the required gross income.

SERVICE REDUCTIONS

Some of the mobilehome owners filed service reduction claims:

Space	Proxy	Resident	Claim
9	n/a	Hinman	tree debris; trees need trimming
9	n/a	Hinman	pool unheated, cold
9	n/a	Hinman	swimming pool chemistry
9	n/a	Hinman	gas meter support bracing, damaged driveways and cement pads

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

Space	Proxy	Resident	Claim
9	n/a	Hinman	utility interruptions for 10 days
9	n/a	Hinman	no training for managers
9	n/a	Hinman	meters not read on time
9	n/a	Hinman	security tag on meters removed
9	n/a	Hinman	rat & mice problems
9	n/a	Hinman	debris left by tree trimmers
9	n/a	Hinman	Arlan Murry unprofessional management
16	n/a	Barnes	ADA violations
100	none	Anderson	cypress trees house critters and drop debris; overgrown
138	none	Payes	total lack of management
7	Stanton	Cisco	loss of 10% use of rented space due to falling debris
18	Stanton	Gray	water, gas & electric - lost service multiple times
18	Stanton	Gray	gate access- boards at gate and inside gate should have access numbers and map of park, never finished
18	Stanton	Gray	pool closed for repairs
80	Stanton	Zwijssen & Tran	gate access- their space number is not in the call system at the front gate
155	Stanton	Ha	pond dry, lack of water
155	Stanton	Ha	park space map missing

The claims for which Mr. Stanton was a proxy were not pursued. The ADA claims by Ms. Barnes have already been adjudicated by decision dated April 10, 2015.

This decision is limited to the remaining service reduction claims.

LEGAL STANDARDS

Section 17.22.590 of the Mobilehome Rent Ordinance provides:

A. If the administrative hearing officer finds that service reductions have occurred, the administrative hearing officer shall determine the value of the service reductions and shall offset the allowable rent increase by the value of the service reductions. Service reductions which affect all rental units subject to the proposed rent increase shall be prorated over all such rental units, regardless of the number of residents claiming such service reductions.

The Ordinance, § 17.22.280 defines a service reduction as follows:

"Service reduction" means a decrease or diminution in the basic service level required to be provided by the landlord pursuant to any of the following:

A. California Civil Code Section 1941.1 and 1941.2.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

- B. The Mobilehome Residency Law, California Civil Code Section 798 et seq.
- C. The Mobilehome Parks Act, California Health and Safety Code Sections 18200 et seq.
- D. The landlord's implied warranty of habitability.
- E. An express or implied agreement between the landlord and the resident.
- F. The level of service as implied by the condition of improvements, fixtures, and equipment, and their availability for use by the resident, at the time of the last rent increase.
- G. Applicable rules or regulations of the mobilehome park.

The Mobilehome Rent Program Rules and Regulations, provide, in pertinent part:

2. 02 Service Reductions and Housing Code Violations

A service reduction which occurs without a corresponding decrease in rent is an additional rent increase. ... Mobilehome Parks Act violations must be considered in any determination of what constitutes a reasonable rent increase under the circumstances.

2.02.01 Basic Service Level

The landlord is required to furnish to the tenant a basic level of housing services, herein called the "Basic Service Level." The Basic Service Level for a particular housing service for a particular rental unit is established by:

- (a) Civil Code Sections 1941.1 and 1941.2, the Mobilehome Parks Act and other applicable codes and statutes;
- (b) The landlord's implied warranty of habitability;
- (c) Express or implied agreement between landlord and tenant;
- (d) The level of service consistent with subsections (a), (b), and (c) above and implied by:
 - (1) The nature and quality of original construction of improvements, fixtures, and equipment;
 - (2) The age of the improvements, fixtures, and equipment;
 - (3) The condition of the improvements, fixtures, and equipment at the beginning of the applicable term of tenancy.
 - (4) The landlord's policies of operation and maintenance, repair, and replacement communicated to the tenant at the beginning of the applicable term of tenancy.

2.02.2 Service Reductions

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

A service reduction occurs when the landlord has breached his obligation to furnish to the tenant the Basic Service Level and the tenant's usability of the premises is therefore measurably reduced.

2.02.04 Proof of Service Reductions

The burden of proof of each service reduction is on the person alleging the reduction. A service reduction for a particular service for a particular rental unit shall be proven as follows:

- (a) The person alleging the service reduction shall prove:
 - (1) The Basic Service Level for the particular service for the particular rental unit; and
 - (2) The actual service level for the particular service for the particular rental unit; and
 - (3) That the actual service level is, or was materially lower than the Basic Service Level.
- (b) The burden of proof shall be satisfied by persuading the Hearing Officer that the fact sought to be proven is more probable than some other fact.
- (c) The burden of proof shall be met by using evidence only which has a tendency in reason to prove or disprove a disputed fact of consequence in determining the Basic Service Level, or the actual service level is materially lower than the Basic Service Level.

I address each category of service reduction claim in turn.

TREES NEED TRIMMING; TREE DEBRIS

Mr. Hinman, space 9, and Sally Anderson, space 100, complain about lack of tree service.

John Joseph Vogel testified that he complained to the park landlord about the trees behind the property wall adjacent to his space, and that he received no response from the park manager. The trees behind his space were trimmed, but he thought the trimmer did a poor job.

Mr. Hinman also testified about the problem of falling tree limbs. He complained that the tree trimmer did a poor job; that he trimmed branches facing the exterior boundary and not on the side of the tree facing the mobilehome owners' spaces.

On March 28, 2014, the park landlord wrote to Mr. Hinman advising him to stop dumping shrub and tree clippings from his space over the wall at the back of his lot. Ex. 54. He was asked to clean it up. He did not do so, so the park landlord hired a landscaping company to remove the debris and billed him the cost. Ex. 54, May 13, 2014 letter.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

When I walked that area on the park in March, 2015, there remained considerable tree leaves and limb debris and ivy growing in the area between the perimeter park wall and the park boundary. Clearly work remains to be done in this area. Ongoing tree trimming and debris collection is reasonable and necessary. Pictures of the area between the perimeter wall and the park boundary are contained in Ex. 54.

There is no evidence of any government citation for failure to maintain and trim the trees, or clean up debris, in the common area.

According to Mr. Hinman, there are 67 eucalyptus trees at the back of the park. The park landlord obtained an estimate to have for eucalyptus tree removal of \$2300 per tree. Ex. 63. Mr. Hinman would not answer the question about whether he is willing to have his rent increased to pay the \$ 154,000 cost of having all those trees removed.

The San Jose Tree Ordinance requires a person who removes trees to plant three trees to replace each one that is removed. Mr. Hinman would not answer the question about whether he is willing to have his rent increased to pay the cost of having all those trees planted.

Because of the San Jose Tree Ordinance, it is not economically or legally feasible to remove undiseased old growth trees that are shedding limbs and leaves that are not diseased from the park common areas.

The park landlord has responded to the mobilehome owners' complaints by significantly increasing its landscaping and tree trimming services, as required by the 2012 Agreement for Settlement of Service Reduction Claims. Ex. 13. Michelle Crisostomi testified that the park landlord has obtained an estimate for biweekly landscaping services. Ex. 64.

The other mobilehome owners are clearly unhappy about the increased landscaping costs.

I conclude that landscaping services have increased. I am unpersuaded that tree trimming and tree debris removal services is lower than the Basic Service Level.

LOSS OF GAS

The park suffered a gas leak and the gas was turned off for 10 days in October 2013. The lack of service caused significant discomfort to the mobilehome owners.

The park landlord strove diligently to restore service. The vendor that it hired to find the leak could not locate it. The park landlord then forced PG&E to assist them in locating the source of the problem. Once identified, repair was immediately begun. No code violation citations were issued against the park landlord for the gas leak. It acted in a reasonable manner to address the problem.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

Although the park owner is responsible for gas and electricity, that service is submetered separate from the rent. The park landlord cannot get a rent increase to repair gas lines.

The mobilehome owners' withdrew their service reduction claim on April 3, 2015.

SWIMMING POOL AND SPA TEMPERATURE

Mr. Hinman claims that the pool never reached a temperature that was comfortable for adults:

It was stipulated by Mr. Lowy, the last hearing officer, that the pool be heated all year and at a temperature of 75 to 80°. It was not heated but for one short test. Hinman Service Reduction Claim dated 2/6/15.

Park Rules provide that the pool is not heated from October 1 to April 1 of each year. Ex. 17, p. 2, ¶ 3.

In 2012, to resolve the service reduction claims in the prior rent adjustment proceeding, the park landlord and mobilehome owners entered in to an Agreement for Settlement of Service Reduction Claims. The Agreement provided that:

In exchange for the withdrawal of any and all related claims, OWNER agrees to establish the following hours for Pool and Spa use during the calendar year, and to maintain said facilities as required by law:

- a. The Pool shall be open year round, but shall only be heated from April-September 30 at a temperature of 75-80 degrees.
- b. The Spa shall be heated year round at a temperature of 90-100 degrees.
- c. The gate leading to the Pool/Spa area shall not be padlocked, but will remain locked but accessible to park residents via keys issued to them, year round.

Ex. 13, Agreement for Settlement of Service Reduction Claims ¶ 2. Pool Hot Tub. p. 2.

Amber Monte testified that the swimming pool is open year round but is not heated year round.

Park Rules and Regulations permit the park landlord to close the recreational services from time to time for cleaning and repair. Ex. 17, p. 2, ¶ 3.

The pool was closed for remodeling in March 2014 and reopened July 11, 2014. The remodeling project took longer than expected because of problems with the vendor.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

Due to the remodel, the park landlord extended the time in which the pool was to be heated from September 30, 2014 to November 30, 2014. The park landlord hired a pool service to maintain the pool and spa on a regular basis and upgraded the pool with an automatic pool mechanism. Letter from Eileen Murry, Oakcrest Manager to Homeowners, dated July 1, 2014.

Mr. Hinman produced pictures of the gas meter showing that it did not register any gas flow. The gas meter for the pool was broken last year and failed to reflect gas actually fed to the pool heater.

Mr. Hinman took pool temperature readings. He testified that the pool temperatures last summer never reached 75 degrees between April 1 and September 30. He did not put his record of the temperature readings into evidence, except for a reading in 2011, prior to the last petition. He testified that the spa has never reached 98 degrees and that it is not capable of reaching 100 degrees.

Hundreds of people used the pool last summer. Only three other people complained to park management the pool was too cold.

Michelle Crisostomi, the new assistant park manager, testified that the pool thermostat was set to 77 degrees at the beginning of the summer and then increased to 82 degrees.

Mr. Hinman testified that he reads the spa temperature every day and it has been reading 94 to 96 degrees. This temperature level meets the Basic Service requirements set in the last hearing decision. Mr. Hinman is unhappy with the Basic Service level for heat set in the last case and wants it changed.

At the time of the park walk through on March 13, 2015, the spa temperature was 102 degrees. On April 3, 2015, Mr. Hinman measured the spa temperature at 102 degrees.

The park landlord turned the pool heater on for the season on March 30, 2015. The heater turned on. On March 31, 2015, the heater turned off, so the park manager called Coral Pool Service. The pool service said that the heater was broken so the park landlord ordered a new one on April 1, 2015. The invoice for that service is Ex. 67.

I am unpersuaded that the pool and spa temperatures fell below the Basic Service level set forth in any express or implied agreement between the park landlord and the mobilehome owners.

I am unpersuaded that there was a reduction in service of pool and spa heat.

SWIMMING POOL CHEMISTRY

Mr. Hinman complains that pool chemistry maintenance was deferred during the winter months, resulting in the pool and spa being closed by Santa Clara County several times for weeks at a

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

time. He failed to present any government citations supporting this claim. In fact, the county inspected the pool in March 2014 and found deemed it usable. Ex. 65.

The pool was tested by Leslie's Swimming Pool Supplies Store on March 17, 2014, July 11, 2014, July 29, 2014. Chemical levels were not in proper balance. Ex. 65.

The pool was tested by Sterling Pool Supplies & Services, Inc. It issued a report on July 16, 2014. It found the chlorine level too low. Cyanic Acid was low. PH was high. It recommended action. Ex. 65.

Michelle Crisostomi, the new assistant park manager, testified that the pool and spa were inspected in July 2014 and again recently, and passed.

In response to the mobilehome owners' complaints, the park landlord has hired an outside pool service to handle the chemical. They come three times a week. In addition, daily, Josh inspects the pool and tests the water with a test kit.

I conclude that, in response to the service complaints, the park landlord has increased pool chemical services.

I am unpersuaded that the Basic Service Level for pool chemistry has been reduced.

RODENTS

Some mobilehome owners have complained about rodents. In response, the park landlord hired a professional exterminator. The exterminator set up traps in the area near the exterior wall and baited them. It did not catch any rodents. Ex. 58.

The exterminator inspected Alan Hinman's home and concluded that rodents were being attracted to it by the bird seed that his family put out. Mr. Hinman's roof was rat infested. Ex. 32.

Cheryl Brown, who lives with Mr. Hinman, testified about the terrible problem they have had with roof rats. The problem began when Levi Stadium construction began. She used to have bird seed outside. She started feeding the birds last summer. Now she has stopped. The rat problem is subsiding.

The park landlord has increased, rather than decreased services in response to the rodent service reduction complaints.

I am unpersuaded that there has been a reduction in the Basic Service Level for rodent control.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

GAS HOOKUPS AND METERS

Some mobilehome owners have complained that the hookups to their mobilehomes are illegal. At the park walk through, I was shown some hook ups. I informed the parties that I was not a specialist in this area, and that they should present expert testimony on their concerns. No one presented any code citations or other proof of safety violations.

The meter issues are listed in Ex. 68.

On April 3, 2015, the mobilehome owners withdrew the service reduction claims for these meter issues.

POND LACKS WATER

The pond in the park is part of a flood control system. It cannot be kept full of water year round. The park manager explored having the pool lined, but it would cost a million dollars and could not be guaranteed to successfully keep the pond filled. The mobilehome owners' association did not want the park landlord to undertake this work.

I am unpersuaded that there has been a reduction in the Basic Service Level for the pond water level.

IMPROPER MANAGEMENT BY ARLAN MURRY

According to the documents attached to this service reduction complaint, in October 2013, after a gas leak at the park, the park landlord held a meeting with the mobilehome owners. Arlan Murry, the park maintenance man, was present. At the meeting there was a confrontation between Mr. Hinman and Mr. Murry. Mr. Hinman said that he had reported the smell of a gas leak around space 147, three weeks before it was addressed. Mr. Murry said that was not true and told Mr. Hinman to shut up and sit down. Mr. Murry approached close to Mr. Hinman and called him a faggot.

In the spring of 2014, Mr. Murry called another resident a faggot in response to complaints of excessive tree trimming.

On another day, Mr. Hinman was walking his dog. Mr. Murry was speeding through the park on a golf cart and almost hit Mr. Hinman.

Mr. Hinman filed a complaint with park management about Mr. Murry's rude behavior towards residents. He called Amber Monte and asked her to remove Mr. Murry from the community. By letter dated February 3, 2014, Mr. Hinman asked Amber Monte and Brian Fitterer to make a local visit to address the problems with Mr. Murry's behavior.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

On April 5, 2014, Mr. Hinman filed a written complaint about Mr. Murry's conduct.

Amber Monte testified that she told Arlan Murry that he was going to be terminated and so he resigned instead.

Mr. Murry's conduct is below the required service level for park employees. Employees of the mobilehome park should not be engaging in such conduct.

I am unpersuaded that Amber Monte took an unreasonable amount of time in deciding to terminate Mr. Murry.

I have not been presented with valuation evidence required by Regulation 2.02.05, and thus am unable to determine a monetary value for any reduction in employee service.

Therefore, I do not order a credit against the rent increase.

SERVICE REDUCTION CONCLUSION

No credits are awarded against the approved rent increase for service reductions.

FINAL AWARD

The maximum allowable rent includes \$ 32.39 per space per month for capital improvement amortization costs awarded in 2012, which shall be removed from the maximum allowable rent as of February 28, 2017.

The park landlord may increase the monthly rent by \$80.35 per space per month, as of April 1, 2015. A rent roll, in unit number order, is attached hereto as Appendix 1.

\$ 28.72 of the approved rent increase is for capital improvement cost amortization, which shall be deleted from the maximum allowable rent on March 31, 2020, the end of its five year amortization period.

The arrearage for the three months increase prior to July 1, 2015 is \$241.05 per space. ($\$80.35 \times 3 \text{ months} = \241.05). The mobilehome owners may pay the retroactive amount in four installments, beginning on July 1, 2015, as follows: July 2015 \$60.27; August 2015 \$60.26; September 2015 \$60.26 and October 2015 \$60.26. ($\$241.05 / 4 \text{ months} = \60.2625).

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

SO ORDERED.

Oak Crest MHC, LP Rent Increase, Case No. 13133R, continued.

Dated: June 2, 2015

Suzanne K
Nusbaum

Digitally signed by Suzanne K Nusbaum
DN: cn=Suzanne K Nusbaum, o=Impartia,
ou, email=snusbaum@impartia.com, c=US
Date: 2015.06.02 12:52:21 -07'00'

Administrative Hearing Officer

APPENDIX 1

Properties: Oak Crest MHC, LP
Fair Return Rent Increase April 1, 2015

Unit	Name	Current Base Rent	Base Rent Increase	New Base Rent	Capital Improvement Rent Increase No. 1 Until February 28, 2017	Capital Improvement Rent Increase No. 2 Until March 31, 2020	Adjusted Total Rent as of April 1, 2015
1		\$822.63	\$51.63	\$874.26	\$32.39		
2		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.37
3		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$935.56
4		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
5		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
6		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
7		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
8		\$1,022.72	\$51.63	\$1,074.35	\$32.39	\$28.72	\$1,135.46
9		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
10		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
11		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
12		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
13		\$967.91	\$51.63	\$1,019.54	\$32.39	\$28.72	\$1,080.65
14		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
15		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
16		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
17		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
18		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
19		\$798.85	\$51.63	\$850.48	\$32.39	\$28.72	\$911.59
20		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
22		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
23		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
24		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
25		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
26		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
27		\$912.52	\$51.63	\$964.15	\$32.39	\$28.72	\$1,025.26
28		\$1,022.72	\$51.63	\$1,074.35	\$32.39	\$28.72	\$1,135.46
29		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
30		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
31		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
32		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
33		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
34		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
35		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
36		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
37		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
38		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
39		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
40		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
41		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
42		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
43		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
44		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
45		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
46		\$1,022.72	\$51.63	\$1,074.35	\$32.39	\$28.72	\$1,135.46
47		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
48		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
49		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
51		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
52		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
53		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
54		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05

Properties: Oak Crest MHC, LP
 Fair Return Rent Increase April 1, 2015

Unit	Name	Current Base Rent	Base Rent Increase	New Base Rent	Capital Improvement Rent Increase No. 1 Until February 28, 2017	Capital Improvement Rent Increase No. 2 Until March 31, 2020	Adjusted Total Rent as of April 1, 2015
55		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
56		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
57		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
58		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
59		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
60		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
61		\$900.64	\$51.63	\$952.27	\$32.39	\$28.72	\$1,013.38
62		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
63		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
64		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
65		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
66		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
67		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
68		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
69		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
70		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
71		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
72		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
73		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
74		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
75		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
76		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
77		\$1,309.29	\$51.63	\$1,360.92	\$32.39	\$28.72	\$1,422.03
78		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
79		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
80		\$924.66	\$51.63	\$976.29	\$32.39	\$28.72	\$1,037.40
81		\$1,271.33	\$51.63	\$1,322.96	\$32.39	\$28.72	\$1,384.07
82		\$799.02	\$51.63	\$850.65	\$32.39	\$28.72	\$911.76
83		\$991.51	\$51.63	\$1,043.14	\$32.39	\$28.72	\$1,104.25
84		\$965.43	\$51.63	\$1,017.06	\$32.39	\$28.72	\$1,078.17
85		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
86		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
87		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
93		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
94		\$900.64	\$51.63	\$952.27	\$32.39	\$28.72	\$1,013.38
95		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
96		\$952.21	\$51.63	\$1,003.84	\$32.39	\$28.72	\$1,064.95
97		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
98		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
99		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
100		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
101		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
102		\$994.21	\$51.63	\$1,045.84	\$32.39	\$28.72	\$1,106.95
103		\$900.64	\$51.63	\$952.27	\$32.39	\$28.72	\$1,013.38
104		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
105		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
106		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
107		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
108		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
109		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
110		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
111		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
112		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05

Properties: Oak Crest MHC, LP
 Fair Return Rent Increase April 1, 2015

Unit	Name	Current Base Rent	Base Rent Increase	New Base Rent	Capital Improvement Rent Increase No. 1 Until February 28, 2017	Capital Improvement Rent Increase No. 2 Until March 31, 2020	Adjusted Total Rent as of April 1, 2015
111		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
112		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
113		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
114		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
115		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
116		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
117		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
118		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
119		\$798.67	\$51.63	\$850.30	\$32.39	\$28.72	\$911.41
120		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
121		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
122		\$1,078.88	\$51.63	\$1,130.51	\$32.39	\$28.72	\$1,191.62
123		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
124		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
125		\$874.84	\$51.63	\$926.47	\$32.39	\$28.72	\$987.58
126		\$1,021.06	\$51.63	\$1,072.69	\$32.39	\$28.72	\$1,133.80
127		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
128		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
129		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
130		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
131		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
132		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
133		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
134		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
135		\$905.23	\$51.63	\$956.86	\$32.39	\$28.72	\$1,017.97
136		\$967.91	\$51.63	\$1,019.54	\$32.39	\$28.72	\$1,080.65
137		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
138		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
139		\$1,348.39	\$51.63	\$1,400.02	\$32.39	\$28.72	\$1,461.13
140		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
141		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
142		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
143		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
144		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
145		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
146		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
147		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
148		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
149		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
150		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
151		\$1,348.39	\$51.63	\$1,400.02	\$32.39	\$28.72	\$1,461.13
152		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
153		\$822.63	\$51.63	\$874.26	\$32.39	\$28.72	\$935.37
154		\$924.66	\$51.63	\$976.29	\$32.39	\$28.72	\$1,037.40
155		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
156		\$816.69	\$51.63	\$868.32	\$32.39	\$28.72	\$929.43
157		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
158		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
159		\$946.94	\$51.63	\$998.57	\$32.39	\$28.72	\$1,059.68
160		\$822.82	\$51.63	\$874.45	\$32.39	\$28.72	\$935.56
161		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
162		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
163		\$847.31	\$51.63	\$898.94	\$32.39	\$28.72	\$960.05
164		\$1,004.41	\$51.63	\$1,056.04	\$32.39	\$28.72	\$1,117.15
		\$136,263.73	\$8,105.91	\$144,369.64	\$5,085.23	\$4,509.04	\$153,963.91