

Supplemental Memorandum for the 11/21/2023 Continued Hearing

Prepared for: Fresno Mobilehome Park Rent Review and Stabilization Commission

Prepared by: La Hacienda Mobile Estates, LLC

Just and Reasonable Rate of Return

The California Supreme Court in *Kavanau v. Santa Monica Rent Control Board* (1997) 16 Cal.4th 761 stated that in determining a fair return, the court must focus on whether the regulatory agency took relevant investor interests into account. *Id.* at 771 citing *Permian Basin Area Rate Cases* (1968) 390 U.S. 747, 770 (citations omitted). An investor would demand a **“return...commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to...attract capital.”** *Kavanau, supra*, citing to *Power Comm’n v. Hope Natural Gas Co.* (1944) 320 U.S. 591, 603.

Under *Kavanau*, a rent control ordinance must look at relevant investor interests, which includes a return on investment sufficient to attract capital. *Kavanau*, 16 Cal.4th at 771- 772. **Investors are not entitled to a rate of return that is merely high enough to maintain a property—they are in fact entitled to a rate of return that encourages good management and incentivizes capital investment.** “[T]o be ‘just and reasonable’ a rate of return must be high enough to encourage good management including adequate maintenance of services, to furnish a reward for efficiency, to discourage the flight of capital from the rental housing market, and to enable operators to maintain and support their credit. **A just and reasonable return is one which is generally commensurate with returns on investments in other enterprises having corresponding risks.**” *Carson Harbor Village, Ltd. v. City of Carson Mobilehome Park Rental Review Bd.* (1990) 70 Cal.App.4th 281, 288-289.

Rate of Return Analysis:

Exhibit A presents a summary of the rate of return analysis prepared by Brian Eid of Level Advisors. His CV is attached as **Exhibit B**.

- **Column: Actual 12 Months Ending 9/30/23:**
 - This column shows the actual income and expenses for the 12-month period ending September 30, 2023. With interest and depreciation included, the net loss is \$525,418. Adding back interest and depreciation produces an operating loss of \$114,160, resulting in a -6.5% return on investment.
 - This column is derived, with reductions, from the Profit and Loss Statement attached as **Exhibit C**. Please note that Exhibit C is attached in both spreadsheet and PDF format. The backup for the expenses reflected in Exhibit C can be found in Exhibit 2 of the supplemental hearing documents sent to the City on November 13, 2023.

- **Column: Stabilized Occupancy and Expenses (\$300 Rent):**
 - “Stabilized” refers to both income and expenses. For income, “stabilized” means 95% occupancy, which is expected to take at least three years to accomplish. For expenses, “stabilized” means expected normalized expenses, which, most notably, reflects reductions in legal fees and repairs and maintenance. Because the “stabilized” period is three years in the future, expenses have been adjusted for inflation (see, two notes at the bottom of the page).
 - With interest and depreciation included, \$300 rents result in a net loss \$389,506.07. Adding back interest and depreciation produces an operating income of \$29,902, resulting in a 1.7% return on investment.
- **Column Stabilized Occupancy and Expenses (\$585 Rent):**
 - “Stabilized” has the same meaning described in the foregoing paragraph.
 - With interest and depreciation included, \$585 rents result in a net loss \$208,336.08. Adding back interest and depreciation produces an operating income of \$211,072, resulting in a 12% return on investment.
 - A 12% return on investment is low end of Dr. Somekh analysis discussed below).
- **Constitutional Standard for Just and Reasonable Return:**
 - “A just and reasonable return is one which is generally commensurate with returns on investments in other enterprises having corresponding risks.” *Id.*
 - Attached as **Exhibit D** is a letter analysis by Dr. Babak Somekh done recently for another park. Dr. Somekh’s CV is attached as **Exhibit E**. Dr. Somekh concludes that “a fair and reasonable rate of return for an illiquid mobile home park investment is in the range of **12% to 20%.**” This is based, among other things, on the following:
 - The current “risk-free rate of return,” based on short-term treasuries, is 5.28%.
 - Passive investments in “manufactured housing REITS have delivered a 15.13% average annual total return.
 - The risks associated with owning an actual (not shares in REIT) mobilehome park.

Comparable Rents:

- In addition to the comparable rent information contained in the Owner’s rent increase application, the Residents submitted a report on comparable properties in the context of the hearing on the sufficiency of the Owner’s closure impact report. The Resident’s comparable properties analysis is attached as **Exhibit F** and establishes comparable rents at \$649 per month.

Rehabilitation Costs:

- Attached as **Exhibit G** is a spreadsheet with summary and backup for the rehabilitation costs incurred.

RATE OF RETURN ANALYSIS

	Actual 12 Months Ending 9/30/23		Stabilized Occupancy and Expenses (\$300 rent)		Stabilized Occupancy and Expenses (\$585 rent)	
Total Investment^^	\$1,762,479		\$1,762,479		\$1,762,479	
Monthly Rent	\$300		\$300		\$585	
Rental Spaces	60		60		60	
Occupancy Rate	APPROX. 50%		95%		95%	
Monthly Rent	8,790		17,100		33,345	
Annual Income	\$105,475	100.0%	\$205,200	100.0%	\$400,140	100.0%
Expenses						
Taxes	\$ 16,120.00	15.3%	\$ 22,861.36	11.1%	\$ 23,318.59	5.8%
Offsite Management	\$ 12,354.00	11.7%	\$ 10,260.00	5.0%	\$ 20,007.00	5.0%
Insurance	\$ 14,580.00	13.8%	\$ 15,704.74	7.7%	\$ 16,098.62	4.0%
Repairs and Maintenance **	\$ 38,725.00	36.7%	\$ 19,388.57	9.4%	\$ 19,874.84	5.0%
Garbage	\$ 13,272.00	12.6%	\$ 14,295.84	7.0%	\$ 14,654.38	3.7%
Water/Sewer ^	\$ 24,644.00	23.4%	\$ 26,545.11	12.9%	\$ 27,210.86	6.8%
Gas and Electric	\$ 1,278.00	1.2%	\$ 1,376.59	0.7%	\$ 1,411.11	0.4%
Permits	\$ 4,936.00	4.7%	\$ 5,316.78	2.6%	\$ 5,450.12	1.4%
Onsite Management	\$ 27,606.00	26.2%	\$ 29,735.60	14.5%	\$ 30,481.37	7.6%
Legal **	\$ 57,490.00	54.5%	\$ 20,517.42	10.0%	\$ 21,031.99	5.3%
General and Administrative*	\$ 8,630.00	8.2%	\$ 9,295.74	4.5%	\$ 9,528.88	2.4%
Interest	\$ 49,055.00	46.5%	\$ 57,205.32	27.9%	\$ 57,205.32	14.3%
Depreciation/Amortization	\$ 362,203.00	343.4%	\$ 362,203.00	176.5%	\$ 362,203.00	90.5%
Total Expense	\$ 630,893.00	598.1%	\$ 594,706.07	289.8%	\$ 608,476.08	152.1%
Net Income	\$ (525,418.00)	-498.1%	\$ (389,506.07)	-189.8%	\$ (208,336.08)	-52.1%

Add Back:

Interest	\$49,055	\$57,205	\$57,205
Depreciation/Amortization	\$362,203	\$362,203	\$362,203
Operating Income	<u>-\$114,160</u>	<u>\$29,902</u>	<u>\$211,072</u>

Return on Investment	-6.5%	1.7%	12.0%
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^ Water/Sewer reduced in 9/30/23 column by \$12,888 related to a backflow preventer installation.

* General and administrative reduced in 9/30/23 column by \$27,000 related to commissions on purchase of the park.

** Amounts from submittal are more representative of ongoing expense levels than are the actual numbers from the 9/30/23 column.

Note: Property taxes are calculated based on the park purchase price times the tax rate of 1.267222% and inflated at 2% per year.

Note: Other expense inflation is assumed at 2.508% as per the 3 year inflation expectation average published by the St. Louis Fed.

<https://fred.stlouisfed.org/series/EXPINF3YR>



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Brian Eid, CPA, MAFF, MBA

As of March 17, 2023
LEVEL ADVISORS
DANA POINT, CA
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Areas of Expertise

- Business valuation
- Corporate Finance & Accounting
- Forensic Accounting
- Economic damages/lots profits
- Process Development/Improvement
- Management Reporting
- Investor Reporting
- Team Development
- Due Diligence
- M&A and Integration
- International Operations
- International Operations
- IT Management
- HR Management
- Risk Management
- Budgeting/Forecasting/Modeling
- Project Accounting
- Cost Accounting
- Economic Damages & Valuation
- Treasury Management
- Internal Controls
- Negotiation

Summary of Experience

Mr. Eid possesses over 20 years of experience in the construction, real estate, private lending, and manufacturing industries along with an MBA from the Graziadio School of Business at Pepperdine University. He is a certified public accountant (CPA), financial analyst, and chief financial officer (CFO), with particular expertise in the real estate and construction industry. He holds the Master Analyst in Financial Forensics (MAFF) designation from the National Association of Certified Valuators and Analysts (NACVA), a specialized credential reserved for experts in litigation-related valuation.

Mr. Eid developed subject matter expertise in real estate finance and valuation as the Chief Financial Officer (CFO) of Center Street Lending Corporation, a residential real estate lending company with operations in 11 states and \$220MM of annual loan originations. Prior to that, he served as VP of Finance at RSI Holding LLC, a California-based homebuilder with 120 employees and 1,500 residential home sites.

Earlier in his career, Mr. Eid served as a Senior Associate and Senior-in-Charge at RSM, LLP (previously McGladrey & Pullen, LLP), an international public accounting firm providing assurance, tax, and consulting services to mid-sized companies around the world. RSM's US operations employed more than 5,000 professionals in more than 100 offices. Mr. Eid was frequently assigned to first-time and unique audit engagements due to his analytical aptitude.



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Positions Held

People's OC and ThirtyOne Labs, LLC, Orange County, CA

A mid-size cannabis company with operations across all verticals within the industry (cultivation, manufacturing, distribution, retail).

CFO

Oversee the Finance, Accounting, IT, and HR functions. Relevant responsibilities include: monthly financial reporting, cash management, investor relations, capital markets, vendor negotiations. Key member of executive team focused on business strategy and direction in a rapidly developing industry.

Center Street Lending Corporation, Irvine, CA

One of the largest and fastest growing private money lenders to professional residential investors. Funded by private and institutional investors, the Company has institutionalized a historically highly fragmented industry and now lends in 11 states across the US. Annual originations of over \$220MM.

CFO

Reporting to the CEO and Board of Directors, oversaw the Finance, Accounting, IT, HR, Insurance, Investor Relations, QC, and Compliance functions of the management entity and its 15 other funds, subsidiaries, and joint ventures. As the head of administration and an officer of all entities, relevant responsibilities included: board presentations, investor relations, capital markets (including warehouse line management, debt and equity offerings), compensation design, employee benefits, IT design and strategy, and all standard functions of finance and accounting.

RSI Holding LLC, Newport Beach, CA

A rapidly growing and highly innovative, start-up manufacturer and homebuilder focused on reducing waste in construction. The Company has taken the proven manufacturing and supply chain practices of its sister company and applied them to the home building industry. The Company had approximately 120 employees in four facilities and controlled 1,500 lots in Southern California, Austin, and San Antonio.

V.P. of Finance

Reporting to the founder/Chairman and EVP Administration, with CFO responsibility, oversaw the Finance, Accounting, IT and HR functions of a holding company and its 10 subsidiaries and joint ventures. Mentored and developed staff in these departments. Oversaw the high-net-worth owner's tax planning and compliance as well as his nine-figure investment portfolio. Was the lead financial figure and an officer of all entities.

Orthodyne Electronics Corporation, Irvine, CA

The leading global manufacturer of large-wire ultrasonic wedge bonders used in the semiconductor manufacturing process. An ESOP company with revenues in excess of \$110 million and more than 280 employees in four international offices. Compound annual growth rate of over 20% over 5 years, with operations throughout the world.



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Controller

Reporting directly to the CFO, prepared monthly and annual consolidated financial statements and management reporting packages. Prepared worldwide budget and various forecasts. Managed Accounting staff and Facilities department. Reviewed and negotiated contracts. Established and maintain standard costs. Oversaw annual audit and tax return. Developed and improved business processes across all departments. Managed ESOP compliance.

RSM, LLP (previously McGladrey & Pullen, LLP), Anaheim, CA

International public accounting firm providing assurance, tax, and consulting services to mid-sized companies around the world. US operations employed more than 5,000 professionals in more than 100 offices.

Senior In-charge/Senior Associate

Frequently assigned to first-time and unique audit engagements due to my successful track record of high performance and leadership. Developed an audit budget tool which was adopted by the firm's national office for distribution to other offices throughout the firm.

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants
- National Association of Certified Valuators and Analysts (NACVA)
- Beta Gamma Sigma business honor society

Education & Certifications

- Master of Business Administration, Finance (2006), *Pepperdine University*
- BA in Accounting, (1999), *California State University, Fullerton*
- Certified Public Accountant (2001)
- Master Analyst Financial Forensics (2022)

Profit & Loss 12 Month Recap

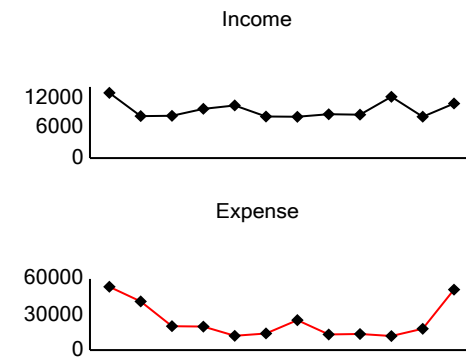
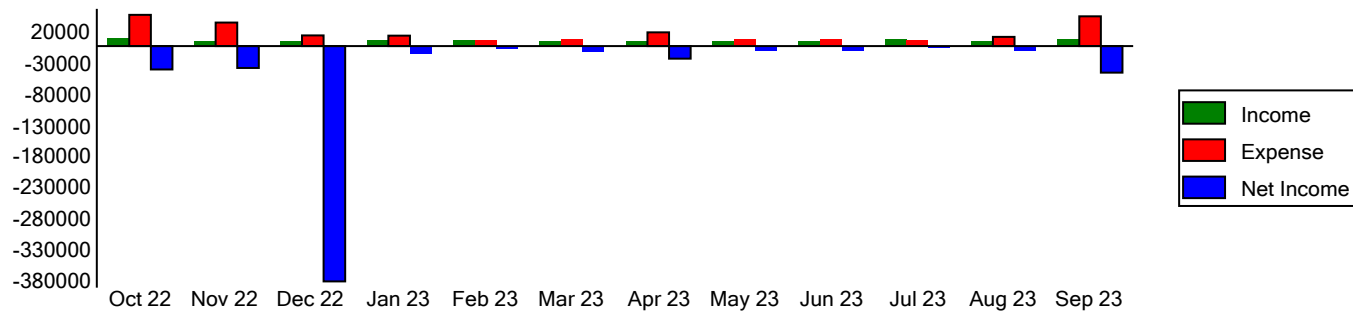
Property: La Hacienda Mobile Estates, LLC

Monthly recap 10/01/22 - 09/30/23 (cash basis)

	OCT 22	NOV 22	DEC 22	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	TOTAL
INCOME													
40000 INCOME													
40002 Rental Revenue	12,140.00	7,495.00	7,595.00	8,990.00	9,090.00	7,425.00	7,425.00	7,900.00	7,350.00	11,315.00	7,260.49	9,918.51	103,904.00
40006 Late Fees	0.00	60.00	20.00	0.00	220.00	50.00	0.00	25.00	195.00	50.00	100.00	50.00	770.00
40010 Application Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-35.00	-35.00	-70.00
40000 Total INCOME	12,140.00	7,555.00	7,615.00	8,990.00	9,310.00	7,475.00	7,425.00	7,925.00	7,545.00	11,365.00	7,325.49	9,933.51	104,604.00
40020 UTILITY INCOME													
40022 Electric Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00	0.00	0.00	300.00
40023 Garbage Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36.94	38.13	75.07
40026 Sewer Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.22	42.22	84.44
40028 Water Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.86	30.86	61.72
40020 Total UTILITY IN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00	110.02	111.21	521.23
40040 INCOME OTHER													
40056 Eviction Fees Inc	0.00	0.00	0.00	0.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00
40040 Total INCOME C	0.00	0.00	0.00	0.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00
TOTAL INCOME	12,140.00	7,555.00	7,615.00	8,990.00	9,660.00	7,475.00	7,425.00	7,925.00	7,845.00	11,365.00	7,435.51	10,044.72	105,475.23
EXPENSE													
60000 OPERATING EXPENSE													
60001 Advertising and	0.00	0.00	0.00	1,218.44	0.00	180.00	0.00	240.00	0.00	0.00	60.00	0.00	1,698.44
60003 Application Fees	0.00	0.00	0.00	0.00	0.00	70.00	0.00	0.00	0.00	0.00	0.00	0.00	70.00
60011 Bank Service Ch	0.00	0.00	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50
60013 Business Licenc	633.00	0.00	0.00	127.34	1,611.23	0.00	0.00	0.00	0.00	392.00	0.00	0.00	2,763.57
60022 Commission Exp	27,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,000.00
60031 Dues and Subsc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	383.25	0.00	0.00	383.25
60066 MH Titling & Reg	0.00	0.00	0.00	0.00	0.00	101.00	0.00	0.00	588.00	0.00	1,392.00	0.00	2,081.00
60097 Management Fe	0.00	0.00	0.00	4,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
60100 Office Supplies	0.00	0.00	230.89	38.13	0.00	0.00	0.00	0.00	0.00	0.00	248.96	0.00	517.98
63016 Legal Fees	162.50	6,337.50	1,968.00	1,193.00	37.50	0.00	0.00	0.00	270.00	650.00	5,572.50	41,299.00	57,490.00
60000 Total OPERATIN	27,795.50	6,337.50	2,200.39	6,576.91	2,648.73	1,351.00	1,000.00	1,240.00	1,858.00	2,425.25	8,273.46	42,299.00	104,005.74
60080 INSURANCE EXPENSE													
60084 Commercial Proj	7,366.82	5,204.38	0.00	0.00	170.00	0.00	0.00	0.00	1,839.05	0.00	0.00	0.00	14,580.25
60080 Total INSURANCE	7,366.82	5,204.38	0.00	0.00	170.00	0.00	0.00	0.00	1,839.05	0.00	0.00	0.00	14,580.25
61000 OFF SITE MANAGE													
63011 Supplemental OI	88.88	0.00	0.00	0.00	0.00	89.51	0.00	0.00	49.00	126.35	160.50	0.00	514.24
61000 Total OFF SITE	88.88	0.00	0.00	0.00	0.00	89.51	0.00	0.00	49.00	126.35	160.50	0.00	514.24
62000 ON SITE MANAGE													

	OCT 22	NOV 22	DEC 22	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	TOTAL
62002 On Site Manage	1,953.10	1,953.10	1,953.10	2,414.65	1,953.10	1,953.10	1,953.10	2,444.65	1,461.55	2,414.65	1,953.10	1,953.10	24,360.30
62003 On Site Manage	107.54	107.54	107.54	161.31	107.54	107.54	107.54	161.31	53.77	161.31	73.69	70.62	1,327.25
62005 On Site Manage	10.00	0.40	9.22	23.92	0.71	10.30	10.58	15.49	5.47	16.62	10.75	10.80	124.26
62006 On Site Manage	138.00	138.00	138.00	207.23	138.00	138.00	138.00	207.00	69.00	207.00	138.00	138.00	1,794.23
62000 Total ON SITE M	2,208.64	2,199.04	2,207.86	2,807.11	2,199.35	2,208.94	2,209.22	2,828.45	1,589.79	2,799.58	2,175.54	2,172.52	27,606.04
64000 REPAIR AND MAINT													
64004 Landscaping & C	0.00	0.00	1,340.28	0.00	0.00	0.00	0.00	350.00	0.00	0.00	0.00	0.00	1,690.28
64006 General R&M	15,740.88	7,913.86	3,430.21	423.37	588.50	3,660.19	0.00	2,058.17	1,752.22	85.25	780.89	88.67	36,522.21
64007 Sewer/Septic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	205.74	0.00	0.00	0.00	0.00	205.74
64008 Small Tools and	0.00	0.00	0.00	0.00	0.00	306.61	0.00	0.00	0.00	0.00	0.00	0.00	306.61
64000 Total REPAIR A	15,740.88	7,913.86	4,770.49	423.37	588.50	3,966.80	0.00	2,613.91	1,752.22	85.25	780.89	88.67	38,724.84
65000 TAXES													
65004 Permits	0.00	0.00	0.00	5.00	0.00	0.00	0.00	85.89	0.00	0.00	0.00	0.00	90.89
65005 Property Tax	-5,608.79	0.00	5,969.72	0.00	0.00	0.00	15,668.56	0.00	0.00	0.00	0.00	0.00	16,029.49
65000 Total TAXES	-5,608.79	0.00	5,969.72	5.00	0.00	0.00	15,668.56	85.89	0.00	0.00	0.00	0.00	16,120.38
66000 UTILITIES													
66002 Electric	0.00	-710.14	427.05	675.87	23.97	0.00	0.00	0.00	0.00	3.49	21.82	22.58	464.64
66004 Garbage	1,039.68	433.07	1,512.40	1,126.95	1,126.95	1,166.75	1,126.95	1,126.95	1,126.95	1,126.95	1,087.68	1,087.68	13,088.96
66005 Gas	0.00	50.32	45.55	704.39	4.12	0.00	0.00	0.00	0.00	0.60	3.85	3.98	812.81
66007 Sewer/Septic	0.00	12,888.00	12.46	12.46	12.46	12.46	0.00	1,312.42	1,299.96	1,299.96	1,299.96	1,299.96	19,450.10
66010 Water	0.00	2,229.00	0.00	4,458.00	2,229.00	2,229.00	2,229.00	941.50	941.50	941.50	941.50	941.50	18,081.50
66012 Recycle	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91.63	91.63	183.26
66000 Total UTILITIES	1,039.68	14,890.25	1,997.46	6,977.67	3,396.50	3,408.21	3,355.95	3,380.87	3,368.41	3,372.50	3,446.44	3,447.33	52,081.27
68150 Travel Expense	1,799.28	1,488.26	0.00	0.00	0.00	0.00	0.00	0.00	97.39	0.00	85.35	0.00	3,470.28
TOTAL EXPENSE	50,430.89	38,033.29	17,145.92	16,790.06	9,003.08	11,024.46	22,233.73	10,149.12	10,553.86	8,808.93	14,922.18	48,007.52	257,103.04
OTHER EXPENSE													
70100 OTHER EXPENSE													
60006 Accounting Expe	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
60096 Loan Fees	-2,879.79	0.00	2,879.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
65001 LLC Taxes & Fe	0.00	90.00	90.00	0.00	25.00	300.00	0.00	75.00	0.00	0.00	0.00	0.00	580.00
70110 Depreciation & A	0.00	0.00	362,203.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	362,203.00
70120 Mortgage Interes	2,306.66	4,767.11	4,613.34	4,767.11	4,767.11	4,305.78	4,767.11	4,613.33	4,767.11	4,613.34	0.00	4,767.11	49,055.11
70140 Franchise Tax B	0.00	0.00	0.00	0.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	800.00
70150 Donations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	540.00	0.00	0.00	540.00
70100 Total OTHER E	-573.13	4,857.11	369,786.13	4,767.11	5,292.11	4,605.78	5,567.11	4,688.33	4,767.11	5,153.34	0.00	4,767.11	413,678.11
TOTAL OTHER EXPENS	-573.13	4,857.11	369,786.13	4,767.11	5,292.11	4,605.78	5,567.11	4,688.33	4,767.11	5,153.34	0.00	4,767.11	413,678.11
NET INCOME	-37,717.76	-35,335.40	-379,317.05	-12,567.17	-4,635.19	-8,155.24	-20,375.84	-6,912.45	-7,475.97	-2,597.27	-7,486.67	-42,729.91	-565,305.92

	OCT 22	NOV 22	DEC 22	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUN 23	JUL 23	AUG 23	SEP 23	TOTAL
NET INCOME SUMMARY													
Income	12,140.00	7,555.00	7,615.00	8,990.00	9,660.00	7,475.00	7,425.00	7,925.00	7,845.00	11,365.00	7,435.51	10,044.72	105,475.23
Expense	-50,430.89	-38,033.29	-17,145.92	-16,790.06	-9,003.08	-11,024.46	-22,233.73	-10,149.12	-10,553.86	-8,808.93	-14,922.18	-48,007.52	-257,103.04
Other Income & Expense	573.13	-4,857.11	-369,786.13	-4,767.11	-5,292.11	-4,605.78	-5,567.11	-4,688.33	-4,767.11	-5,153.34	0.00	-4,767.11	-413,678.11
NET INCOME	-37,717.76	-35,335.40	-379,317.05	-12,567.17	-4,635.19	-8,155.24	-20,375.84	-6,912.45	-7,475.97	-2,597.27	-7,486.67	-42,729.91	-565,305.92





Dr. Babak Somekh
Baruch College, CUNY
Department of Economics & Finance

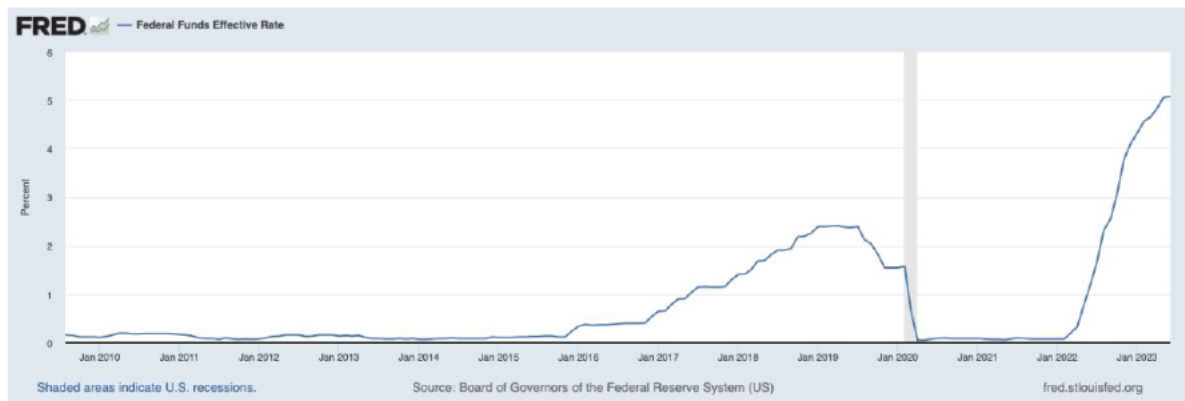
August 1st, 2023

Re: Little Woods Mobile Home Park, Petaluma, Sonoma County, CA

To Whom It May Concern,

I have been asked to briefly discuss the appropriate rate of return for an illiquid mobile home park investment such as Little Woods Mobile Home Park, based on fundamental economic principles. I present the trade-offs faced by investors with regards to risk and liquidity, and how that depends on the current economic environment.

Beginning in March 2022, the United States Federal Reserve Bank has been raising interest rates to fight inflation¹.

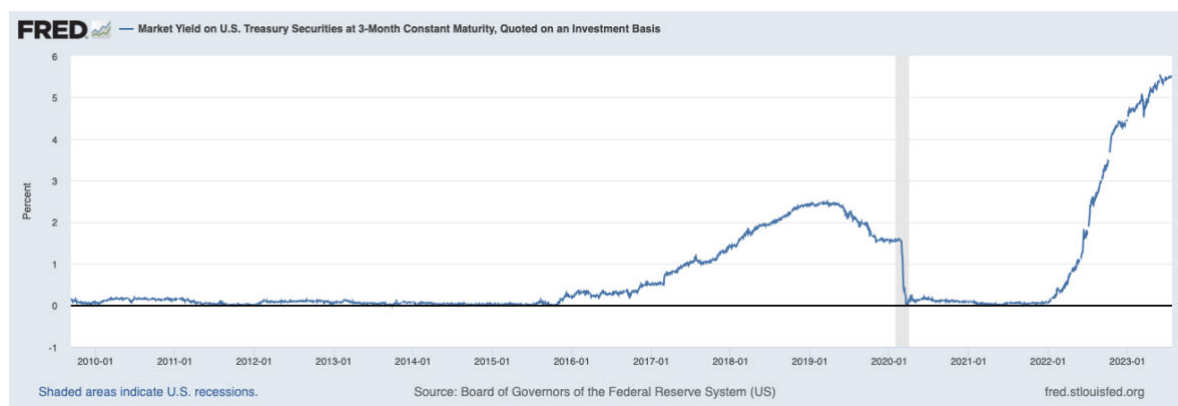


This is relevant to Little Woods Mobile Home Park because the Federal Reserve's actions have led to a historically high interest rate environment, and so increased the required rate of return expected by investors. Taking into account the current interest rate environment, the risk associated with investing in illiquid real estate assets such as Little Woods, and the potential difficulty in selling off the investment in the future, I believe the appropriate rate of return for an illiquid investment in a mobile home park is between 12-20% per year.

A basic law of economics is that investors require a "risk premium" (i.e. a return in excess of the risk-free rate of return) in order to invest in risky assets. The riskier the investment, the higher the risk premium that the market will demand. A good way of thinking about this risk/return trade-off is to consider the different options that are available to an investor with available cash. They can keep their money in cash, but then they get zero return.

¹ Please see attached figure or: <https://fred.stlouisfed.org/series/FEDFUNDS#>

Alternatively, they can use their cash to buy short-term United States treasuries. These are three-month loans to the United States government. Short-term U.S. treasuries are as close as we have to a risk-free investment, and the three-month rate is currently at a historically high level of 5.28%².



Going up the risk-ladder, the investor can choose to lend their money to large, established, U.S. corporations. These types of assets are called “investment grade” bonds. They represent a low-level of risk and are very easily bought and sold. The average return on these investments are currently 5.5%³. Further up the risk ladder are loans to higher risk corporations. These higher risk bonds are called “high-yield” bonds, and have robust trading markets, so are easily bought and sold. The average return on these investments currently range between 7.5 – 13.5%³.

An investor who wishes to invest in U.S. real estate assets can buy shares in publicly-traded Real Estate Investment Trusts (REITs), which are investments vehicles that own U.S. real estate assets. REITs are structured as liquid stock market investments that can be instantly bought and sold by investors. There are three REITs in the U.S. whose underlying assets are mobile home parks (ELS, SUI, and UMH). Over the 10 year period ending July 24, 2023, these 3 manufactured housing REITs have delivered a 15.13% average annual total return⁴.

A law of economics is that investors require an “illiquidity premium” in order to invest in illiquid assets. In other words, if there is an asset (“Asset A”) yielding a 10% annual return that can be instantly bought and sold at a transparent price (giving investors the ability to quickly reallocate capital based on individual needs or market conditions), and another asset (“Asset B”) yielding a 10% annual return which may take months or years to sell (at a price that cannot be determined in advance), no rational investor would invest in Asset B if they also have the option to invest in Asset A. In order to invest in Asset B, the market demands a higher return from Asset B than from Asset A. This is what is known as the illiquidity premium.

In the present case, an investor wishing to invest in mobile home parks can obtain a roughly 15% average annual return over a 10 year period. They can invest by sitting at their computer, opening an online brokerage account with Fidelity or Charles Schwab, and buying REIT shares which are completely liquid and which can be bought or sold at any time at a transparent price.

² Please see attached figure or: <https://fred.stlouisfed.org/series/DTB3>

³ <https://www.wsj.com/market-data/bonds/benchmarks>

⁴ <https://www.reit.com/sites/default/files/returns/DomesticReturns.pdf>, page 4.

In contrast, an investor who goes out into the real world, and who buys an actual mobile home park such as Little Woods, with all of the risks inherent in a real estate investment (e.g. wildfire risk, environmental contamination risk, title risk, insurability risk, slip and fall risk, interest rate risk, zoning risk, etc.), also has to face a lack of immediate liquidity options and no known price if they wish to exit the investment. For this investor to choose to allocate their cash to buying a mobile home rather than a REIT, will require an illiquidity premium over and above the returns available from investing in a liquid Real Estate Investment Trust.

In summary, for an illiquid mobile home park investment such as Little Woods to attract investment capital, it must generate a significantly higher return than U.S. treasury bonds, investment grade bonds, high-yield bonds, or public REIT shares. Therefore, I conclude that a fair and reasonable rate of return for an illiquid mobile home park investment such as Little Woods is in the range of 12% to 20%.

Yours faithfully,

Babak Somekh

E-mail: babak.somekh@baruch.cuny.edu

DR. BABAK SOMEKH

babak.somekh@baruch.cuny.edu

Education

UNIVERSITY OF OXFORD, Keble College

Doctor of Philosophy in Economics, *March 2012*

Thesis: Income Inequality and Consumer Markets

Supervisor: Sir Tony Atkinson

UNIVERSITY OF OXFORD, Keble College

Master of Philosophy in Economics, *September 2008*

Thesis: The Effect of Income Distribution on Price Dispersion

Supervisor: Sir Tony Atkinson

NEW YORK UNIVERSITY, Graduate School of Arts and Sciences

Master of Arts in Economics, *May 2006*

Thesis: Real Inequality, Prices Adjusted Income Distribution

Supervisor: Professor Edward Wolff

NEW YORK UNIVERSITY, Leonard N. Stern School of Business

Bachelor of Science, *May 1999*

Double Major: Economics and Information Systems with Honors

Minor: Mathematics

Current Employment

BARUCH COLLEGE, New York, NY

Lecturer, Department of Economics and Finance, *January '22 - Present*

- *Lecturer (Introduction to Macroeconomics):* Responsible for a first-year undergraduate course with 350 registered students. Develop the content, deliver lectures, set exams and manage the recitations.

IMPACTED, London, UK

Associate Researcher, *September '17 - Present*

- *Impact evaluation:* Advise state schools and academic institutions on designing and running impact studies. Conduct on-site observations of pupils and partners. Implement best-practice impact evaluation based on available data and evaluation design.
- *Non-cognitive research:* Create material for schools on a wide set of academic metrics, including non-cognitive skills. Develop research material for each skill identifying best available measure, malleability, and long-term life impact.

Publications

“Access to Banking and the Role of Inequality and the Financial Crisis”, **The B.E. Journal of Economic Analysis & Policy**, October 2021. (With Mauro Caselli).

“Lockdown Lessons: Pupil learning and wellbeing during the Covid-19 pandemic”, **ImpactED special report**, February 2021. (With Owen Carter and Chris Wilson).

“Reimagining staff appraisal: trialing a collaborative approach to school-based professional learning”, **CollectiveED**, November 2018, Issue 6, pp 42 – 51. (With Owen Carter and Gary Handforth).

“Real Economy Effects of Short-term Equity Ownership”, **Journal of International Business Studies**, February 2016, Volume 47, Issue 2, pp 233–254. (With John Thanassoulis)

Previous Academic Employment

UNIVERSITY OF BRISTOL, Bristol, UK

Senior Lecturer (Associate Professor), School of Economics, *August '16 – Present*

- *Unit director (Math for Economics)*: Responsible for a first-year course for up to 350 undergraduate students. Develop the content, deliver lectures, set exams and manage the class teachers and material. Set and mark formative assignments.
- *Lecturer and class teacher (Applied Microeconomics (undergraduate), Law & Economics (grad))*: Develop and deliver lectures and class material. Set and mark exams, as well as formative and summative assignments.
- *Widening participation and Equality & Diversity*: Responsible for organizing and delivering outreach lectures to minority, low-income and other under-represented students nationally. Organize diversity and inclusion events. Manage student and professional mentoring scheme for under-represented students. Member of Athena Swan committee.

UNIVERSITY OF HAIFA, Haifa, Israel

Lecturer (Assistant Professor), Department of Economics, *March '12 – October '15*

- *Graduate Elective Courses*: Created and taught weekly masters level lectures on *Financial Economics* and *Economics of Inequality*. Advised students on term papers, set and marked assignments and final exams and held regular office hours.
- *Undergraduate Elective Course*: Created and taught a weekly lecture on *Social and Economic Networks*.
- *Undergraduate Final Year Essays*: Advised final year undergraduate students on topics related to Income Inequality.

UNIVERSITY OF BUCKINGHAM, Buckingham, UK

Visiting Lecturer, Department of Economics, *March '11 – June '11*

- *Development Economics*: Organized and taught weekly masters level classes. Set and marked final exams.

UNIVERSITY OF OXFORD, Oxford, UK

Class Teacher, Oxford Department of International Development, *October '10 – June '11*

- *Quantitative Methods and Macroeconomics*: Organized and taught weekly classes of 30 graduate students. Advised students on extended essays, marked weekly assignments and held regular office hours.

UNIVERSITY OF OXFORD, Oxford, UK

Department Teaching Associate, Economics Department, *October '08 – June '11*

- *Introductory and Core Microeconomics, Core Macroeconomics*: Organized and taught 2-3 person tutorials for 28 students at Jesus and Keble colleges. Assigned and marked weekly assignments. Administered and marked exams.
- *Introduction to Mathematical and Statistical Methods*: Taught weekly classes of 10 students. Marked assignments and held regular office hours.
- *Thesis Supervisor*: Supervised undergraduate thesis of a student at St. Hugh's college.

NEW YORK UNIVERSITY, New York, NY

Teaching Assistant, Economics Department, *September '04 – May '06*

- *Elementary Macro and Micro-Economics*: Taught two weekly recitation classes of 50 – 60 students. Held additional 1-2 hours of office hours per week along with scheduled tutoring. Participated in grading of exams and projects.

YUZAWA CITY GOVERNMENT, Yuzawa, Japan

English Teacher, Department of Planning, *May '97 – August '97*

Taught English to government employees. Published a short English guidebook of Yuzawa. Studied Japanese.

Private Sector Experience

THE BRILLIANT CLUB, London, UK

Associate Researcher, *February '16 – September '18*

- *Teacher toolkit (non-cognitive skills)*: Participated in the development of an impact evaluation toolkit for teachers at state-schools. Research a range of cognitive and non-cognitive skills, their measurement, malleability and impact.
- *Think Uni*: Participated in the development of a university selection application used by secondary school students working with the Brilliant Club. Developed a matching algorithm using student preference and attainment.

HIGH FREQUENCY ECONOMICS, Valhalla, NY

Economics Research Analyst, May '05 – May '06

- *Economic Forecasting:* Using STATA, built forecasting models for all major European economic indicators. Forecasts were published in daily economic newsletters circulated to over 200 financial institutions.

MORGAN STANLEY, New York, NY

Financial Analyst, Commodities Group, August '01 – July '03

- *Debt-Equity Relative Value Trading:* Researched opportunities in bond, preferred and equity markets based on relationship with commodity prices. Built cash flow and valuation models for oil & gas, shipping and gold companies. Built and managed equity/commodity trading book based on statistical relationship between the two markets.
- *Telecommunications/Bandwidth Trading:* Developed pricing models used to value "point to point" contracts in highly illiquid bandwidth trading market. Assisted in developing a business plan to launch a telecommunications asset fund and presented plan to senior firm management. Evaluated opportunities to acquire distressed telecom assets.

Financial Analyst, Global High Yield, July '99 – August '01

- *High Yield Research, Telecommunications:* Assembled financial and operational database for 40 risky telecommunication companies. Created financial and operating models for entire sector, including detailed debt and cash flow analysis for severely distressed companies.
- *High Yield Research, Oil & Gas:* Created financial model for oil services sector. Participated in the writing and publication of analysis and recommendations on debt securities of all companies within energy sector.

Academic Presentations and Summer Schools

- Applied Microeconomics Seminar, University of Zurich, Fall 2014
- 20th and 23rd Jerusalem Summer School in Economic Theory on “Contract Theory” and “Inter-temporal Public Economics” (Chaired By Dr. Eric Maskin), Hebrew University, Summer 2009 and 2012
- 4th and 5th meetings of the Society for the Study of Economic Inequality (ECINEQ), Catania 2011 and Bari 2013
- 4th World Conference on Remedies to Racial and Ethnic Economic Inequality, Minneapolis, Summer 2012
- International Conference on Global Economy, CSAEM, London, Summer 2012
- Irish Society of New Economists Conference, Dublin 2011 and Cork 2012
- Measurement and Wellbeing Seminars, LSE, Spring, 2010
- Gorman Workshop in Economics, University of Oxford, Fall 2009
- Oxford Poverty & Human Development Initiative Seminars, University of Oxford, Fall 2009

Activities and Honors

- Mellon Sawyer Studentship '08 awarded by the Oxford Institute For Global Economic Development
- Doctoral Studentship Scheme '08-'11 awarded by the Economics Department, University of Oxford
- Oxford Cavaliers American Football Team, Defensive Lineman '08-'10
- Keble College: Treasurer of Film Society. Member of college social committee, football club, and rugby seconds
- Hillel Tzedek Mission to Israel: Organized winter camp for underprivileged Bedouin children in the Negev '04
- Morgan Stanley Richard B. Fisher Scholarship and Internship awarded by Morgan Stanley '98-'99
- Stern Student Council: President '99, Vice President '98, Sophomore Class President '97
- Stern University Scholars Studentship and Travel Grant awarded by New York University '95-'99

Other Information

- Languages: Fluent in Farsi, conversant in French and Hebrew, elementary understanding of Japanese
- Interests: Billiards, chess, traveling, PADI certified open water advanced scuba diver
- Citizenship: United States

APPENDIX B

MOBILEHOME MARKET RESEARCH TABLE

Location	Jurisdiction	Size Home	Year Built	Price	Space Rent	Restrictions	Utilities Included?	Insurance Required?	Listing Source
1001 Sylmar Ave Unit 111	Clovis	2 bed, 2 bath	1973	\$135,000	700	Age restricted	No	Yes	Redfin
1001 Sylmar Ave Unit 162, Clovis, CA	Clovis	2 bed, 2 bath	1974	\$105,000	718	Age restricted	No	Yes	Redfin
1001 Sylmar Ave, Unit 128, Clovis	Clovis	2 bed, 2 bath	1980	\$117,500	716	Age restricted	No	Yes	Redfin
1001 Sylmar Ave, Unit 211, Clovis, CA 93612	Clovis	2 bed, 2 bath	1972	\$80,000	718	Age restricted	No	Yes	Redfin
1724 Minnewawa Ave Unit 57, Clovis	Clovis	2 bed, 1 bath	1977	\$79,950	436	Age restricted	No	Unknown	Redfin
221 W Herndon Ave, Unit 138	Fresno	2 bed, 2 bath	1977	\$135,000	744	Age restricted	Yes	Yes	ReMax
221 W Herndon Ave, U nit 213	Fresno	2 bed, 2 bath	1975	\$139,000	744	Age restricted	Yes	Yes	ReMax
2575 S. Willow Ave, Unit 246, Fresno	Fresno	2 bed, 2 bath	1983	\$140,000	710	All ages	No	Yes	Redfin
2575 S. Willow Ave, Unit 798	Fresno	2 bed, 2 bath	1980	\$75,000	620	All ages	No	Yes	Redfin
2581 E. Central Ave, Unit 61, Fresno, CA	Fresno	3 bed, 2 bath	1996	\$95,000	450	All ages	No	Yes	Redfin
2706 W Ashlan Ave, Unit 30, Fresno, CA	Fresno	2 bed, 2 bath	1993	\$120,000	660	Age restricted	No	Yes	Redfin
2706 W Ashlan Ave, Unit 329, Fresno, CA	Fresno	2 bed, 2 bath	1976	\$124,000	660	Age restricted	No	Yes	Zillow
2706 W Ashlan Ave, Unit 61	Fresno	2 bed, 2 bath	1973	\$125,000	605	Age restricted	No	Yes	Redfin
2706 W. Ashlan Ave, Unit 100	Fresno	3 bed, 2 bath	1990	\$84,900 \$111,096	605 649	Age restricted	No	Yes	Redfin

<i>GL</i>	<i>05/2022 - 09/2022</i>		<i>10/2022 - 09/2023</i>	
64006 - General R&M	\$	136,626.36	\$	36,522.21
64030 - R&M Wages	\$	186,712.98	\$	-
64001 - Equipment Rental	\$	5,077.89	\$	-
Total GL Expenses				
Asphalt				
Total				
Purchase Credit				

Total	
\$ 173,148.57	See 64006 Detail worksheet for detail
\$ 186,712.98	See 64030 Detail worksheet for detail
\$ 5,077.89	See 64001 Detail worksheet for detail
<hr/>	
\$ 364,939.44	
<hr/>	
\$ 34,738.00	
\$ 399,677.44	
\$ (300,000.00)	
<hr/>	
\$ 99,677.44	
<hr/>	

Property: La Hacienda Mobile Estates, LLC
Detail 05/01/22 - 09/30/23 (cash basis)

Detail 05/01/22 - 09/30/23 (cash basis)

[illegible]

07/27/22	CHKITM	1030
08/03/22	CHKITM	1031
08/03/22	CHKITM	1031
08/03/22	CHKITM	1031
08/03/22	CHKITM	1031

[illegible]

10/02/22	CHKITM	1056
10/02/22	CHKITM	1056
10/02/22	CHKITM	1056
10/02/22	CHKITM	1056
10/03/22	CHKITM	1054
10/05/22	CHKITM	1055
10/07/22	CHKITM	1058
10/07/22	CHKITM	1059

10/10/22	CHKITM	1060
10/19/22	CHKITM	1066
10/19/22	CHKITM	1067
11/01/22	CHKITM	1071
11/07/22	CHKITM	1075
11/08/22	CHKITM	1076
11/08/22	CHKITM	1076
11/08/22	CHKITM	1076
11/08/22	CHKITM	1076
11/08/22	CHKITM	1076
11/08/22	CHKITM	1076
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11/08/22	CHKITM	1076
11/08/22	CHKITM	1076
11/08/22	CHKITM	1076
11/08/22	CHKITM	1076
11/16/22	CHKITM	1077
11/16/22	CHKITM	1077
11/18/22	CHKITM	AV29
12/02/22	CHKITM	1079
12/02/22	CHKITM	1080
12/02/22	CHKITM	ACH
12/09/22	CHKITM	AV33
12/19/22	CHKITM	ACH
12/19/22	CHKITM	ACH
12/27/22	CHKITM	ACH
12/28/22	CHKITM	ACH
12/28/22	CHKITM	ACH
01/25/23	CHKITM	ACH
01/25/23	CHKITM	ACH
02/03/23	CHKITM	1084
02/26/23	CHKITM	ACH
02/28/23	CHKITM	ACH
03/15/23	CHKITM	AV62
03/20/23	CHKITM	ACH
03/20/23	CHKITM	ACH
03/20/23	CHKITM	ACH
03/20/23	CHKITM	ACH
03/28/23	CHKITM	AV64
03/31/23	CHKITM	ACH
05/02/23	CHKITM	AV69
05/12/23	CHKITM	AV72
05/18/23	CHKITM	1098
05/26/23	CHKITM	1101
05/31/23	CHKITM	AV78
06/21/23	CHKITM	AV83
06/30/23	CHKITM	AV90
07/28/23	CHKITM	AV102
08/28/23	CHKITM	AV110
09/26/23	CHKITM	AV119

64006 General R&M

Description	Debit	Credit
Stewart Technical Services: Trails End MHP	11,016.49	
Andreas Gonzalez: Out of Town over 100-Miles @\$25/night, * Trails End x 6days	150.00	
Jordan English: Out of Town over 100-Miles @\$25/night, * Trails End x 6days	150.00	
Harmony Communities, Inc.: CREDIT CARD PE 05/10/22	361.13	
Harmony Communities, Inc.: CREDIT CARD PE 05/10/22	30,672.27	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PPM-M Park Inspection W/E 02/06/22	680.00	
Harmony Communities, Inc.: Repairs	2.90	
Harmony Communities, Inc.: Dumpster rehab park	4.29	
Harmony Communities, Inc.: Dumpster rehab park	16.50	
Harmony Communities, Inc.: Dumpster rehab park	20.74	
Harmony Communities, Inc.: Rehab park	21.89	
Harmony Communities, Inc.: Meals	26.95	
Harmony Communities, Inc.: Lunch for crew	28.46	
Harmony Communities, Inc.: Dumpster rehab park	32.89	
Harmony Communities, Inc.: Rehab park	34.97	
Harmony Communities, Inc.: Dinner for crew	48.33	
Harmony Communities, Inc.: Copy of Reports	49.64	
Harmony Communities, Inc.: Rehab park	58.16	
Harmony Communities, Inc.: Rehab park	60.19	
Harmony Communities, Inc.: Repairs	74.35	
Harmony Communities, Inc.: Dinner for crew	83.18	
Harmony Communities, Inc.: Lunch for crew	87.14	
Harmony Communities, Inc.: Dumpster rehab park	87.23	
Harmony Communities, Inc.: C/B for site	101.31	
Harmony Communities, Inc.: Repairs	106.52	
Harmony Communities, Inc.: Repairs	107.32	
Harmony Communities, Inc.: Repairs	121.46	
Harmony Communities, Inc.: Repairs	152.27	
Harmony Communities, Inc.: Repairs	157.05	
Harmony Communities, Inc.: Repairs	158.25	
Harmony Communities, Inc.: Dumpster rehab park	165.00	
Harmony Communities, Inc.: Repairs	189.01	
Harmony Communities, Inc.: Repairs	208.44	
Harmony Communities, Inc.: Storage container	269.64	
Harmony Communities, Inc.: Repairs	303.03	
Harmony Communities, Inc.: Repairs	349.11	
Harmony Communities, Inc.: Repairs	476.45	
Harmony Communities, Inc.: Repairs	500.64	
Harmony Communities, Inc.: Repairs	530.15	
Harmony Communities, Inc.: Rehab park	547.16	
Harmony Communities, Inc.: Dumpster rehab park	618.20	
Harmony Communities, Inc.: Dumpster rehab park	618.20	
Harmony Communities, Inc.: Dumpster rehab park-rental	618.20	
Harmony Communities, Inc.: Dumpster rehab park	657.80	
Harmony Communities, Inc.: Dumpster rehab park	657.80	
Harmony Communities, Inc.: Dumpster rehab park	657.80	
Harmony Communities, Inc.: Dumpster rehab park	657.80	
Harmony Communities, Inc.: Dumpster rehab park	657.80	
Harmony Communities, Inc.: Dumpster rehab park	1,315.60	
Harmony Communities, Inc.: Dumpster rehab park-rental	1,315.60	
Stewart Technical Services: Trails End MHP	13,361.60	
Andreas Gonzalez: Out of town over 100 Miles \$25/night Trail End, 6/20, 6/21,6/22,	75.00	
Jordan English: Out of town over 100 Miles \$25/night Trail End, 6/20,6/21, 6/22	75.00	
PPM-Maintenance: ADMIN PPM CREW P/E 7/8/22 -Danielle	150.00	
United Rentals (North America), Inc.: Invoice #206024732-001 Trailer Tilt per John G	347.57	
PPM-Maintenance: FRESNO PPM CREW P/E 6/24/22 -(228.5hrs)	11,425.00	

PPM-Maintenance: Josh's work crew (PPM) W/E 07/01/22 La Hacienda ,3hr Admin	150.00
Harmony Communities, Inc.: Dumpsters	17.16
Harmony Communities, Inc.: Repairs parts Wilcox mobile mini	19.26
Harmony Communities, Inc.: Rehab park	22.17
Harmony Communities, Inc.: Dumpsyers	25.74

Harmony Communities, Inc.: Dumpsters	27.89	
Harmony Communities, Inc.: Rehab Park	28.11	
Harmony Communities, Inc.: Park repairs	31.01	
Harmony Communities, Inc.: Dumpsters	36.47	
Harmony Communities, Inc.: Rehab Park	43.63	
Harmony Communities, Inc.: Dumpsters	46.48	
Harmony Communities, Inc.: Rehab Park	54.20	
Harmony Communities, Inc.: Dumpsters	54.78	
Harmony Communities, Inc.: Rehab Park	55.72	
Harmony Communities, Inc.: Rehab Park	61.44	
Harmony Communities, Inc.: Rehab Park	62.46	
Harmony Communities, Inc.: Gas line Tags	89.33	
Harmony Communities, Inc.: Rehab Park	120.30	
Harmony Communities, Inc.: Park repairs	160.83	
Harmony Communities, Inc.: Dumpsters	174.63	
Harmony Communities, Inc.: Dumpsters	333.19	
Harmony Communities, Inc.: Park repairs	347.25	
Harmony Communities, Inc.: Dumpster		608.00
Harmony Communities, Inc.: Dumpsters	618.20	
Harmony Communities, Inc.: Dumpster	618.20	
Harmony Communities, Inc.: Park repairs	630.81	
Harmony Communities, Inc.: Base Rock Rehab Park	798.25	
Harmony Communities, Inc.: Base Rock Rehab Park	837.71	
Harmony Communities, Inc.: Dumpsters	1,315.60	
Harmony Communities, Inc.: Dumpsters	1,315.60	
PPM-Maintenance: Josh's work crew (PPM) W/E 07/15/22 Trails End, J.G.	1,020.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 07/22/22 La Hacienda, Admin-Danielle	255.00	
Stewart Technical Services: Trails End MHP	7,869.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 07/29/22 La Hacienda Park J.G., Admin	1,350.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 08/12/22 Trails End Park, Patio Post, Post, & Admin	6,280.00	
PPM-Maintenance: FRESNO PPM CREW P/E 8/12/22 -La Hacienda (40Hrs)	2,000.00	
PPM-Maintenance: FRESNO PPM CREW P/E 8/19/22 -La Hacienda (40Hrs)	2,000.00	
PPM-Maintenance: FRESNO PPM CREW P/E 8/5/22 -La Hacineda (20Hrs)	1,000.00	
Andreas Gonzalez: Out of town over 100 Miles \$25/night Trails End 8/15- 8/17	75.00	
Jordan English: Out of town over 100 Miles \$25/night Trails End 8/15- 8/17	75.00	
Harmony Communities, Inc.: Dumpster	2.86	
Harmony Communities, Inc.: Park repairs	14.15	
Harmony Communities, Inc.: Repairs	34.12	
Harmony Communities, Inc.: Dumpster	45.05	
Harmony Communities, Inc.: Dumpster	47.19	
Harmony Communities, Inc.: Dumpster	618.20	
Harmony Communities, Inc.: Dumpster	618.20	
Harmony Communities, Inc.: Dumpster	646.80	
Harmony Communities, Inc.: Dumpster	660.00	
Harmony Communities, Inc.: Plumbing	1,041.70	
Harmony Communities, Inc.: Awnings & supports 60 pieces	5,206.19	
PPM-Maintenance: Josh's work crew (PPM) W/E 08/19/22 Trails End , awning post	4,940.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 08/26/22 Trails End John G, & Admin	1,580.00	
PPM-Maintenance: FRESNO PPM CREW P/E 09/02/22 Trails End, La Hacienda	4,000.00	
Andreas Gonzalez: Out of town over 100 Miles \$25/night Trails End 9/5-9/7	75.00	
Jordan English: Out of town over 100 Miles \$25/night Trails End 9/5-9/7	75.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 09/16/22 Trails End John G	1,190.00	
PPM-Maintenance: FRESNO PPM CREW P/E 09/16/22 Trails End, La Hacienda 50hrs	5,000.00	
Harmony Communities, Inc.: Park repairs	17.28	
Harmony Communities, Inc.: Dinner	49.31	
Harmony Communities, Inc.: Park repairs	53.89	
Harmony Communities, Inc.: Dumpster	74.58	
Harmony Communities, Inc.: Park repairs	75.26	
Harmony Communities, Inc.: Dumpster	77.88	
Harmony Communities, Inc.: Dumpster	89.76	
Harmony Communities, Inc.: New Copy Documents	91.39	
Harmony Communities, Inc.: Dumpster	165.00	

Harmony Communities, Inc.: Park repairs	184.67
Harmony Communities, Inc.: Park repairs	245.40
Harmony Communities, Inc.: Dumpster	618.20
Harmony Communities, Inc.: Dumpster	742.50
Christopher Macias: Reimb. Cash & Personal card purchase per Danielle	35.76
PPM-Maintenance: Josh's work crew (PPM) W/E 09/23/22 Trails End Last List, and Admin	5,415.00
Andreas Gonzalez: Out of town over 100 Miles \$25/night Trails End 9/19-9/21	75.00
Jordan English: Out of town over 100 Miles \$25/night Trails End 9/19-9/21	75.00

PPM-Maintenance: FRESNO PPM CREW P/E 09/30/22 La Hacienda 100hrs	5,000.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 09/30/22 Trails End Park Repairs and Admin	1,890.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 10/7/22 Trails End JG	765.00	
PPM-Maintenance: Repairs & Maintenance	250.00	
PPM-Maintenance: Repairs & maintenance	1,500.00	
Harmony Communities, Inc.: Plumbing	12.45	
Harmony Communities, Inc.: Dinner	13.93	
Harmony Communities, Inc.: Pair repairs	45.49	
Harmony Communities, Inc.: Dinner	53.99	
Harmony Communities, Inc.: Plates electric panel	59.90	
Harmony Communities, Inc.: Pair repairs	87.10	
Harmony Communities, Inc.: Plumbing	105.83	
Harmony Communities, Inc.: Pair repairs	106.29	
Harmony Communities, Inc.: Pair repairs	114.72	
Harmony Communities, Inc.: Dumpster	138.00	
Harmony Communities, Inc.: Dumpster	223.58	
Harmony Communities, Inc.: Park repairs	287.06	
Harmony Communities, Inc.: Plumbing	480.02	
PPM-Maintenance: Repairs & maintenance administration	100.00	
PPM-Maintenance: Repairs & maintenance	340.00	
Stewart Technical Services: Spc # 46, 47, 48 , 27	3,995.50	
Christopher Macias: Reimbursement - UHAUL Park Cleanup	56.70	
Christopher Macias: Reimbursement - Mid Valley Disposal, Park cleanup	280.00	
PPM-Maintenance: Repairs & maintenance	255.00	
City of Fresno: Street Cleaning	85.81	
Harmony Communities, Inc.: Roof repair #27	20.99	
Harmony Communities, Inc.: Repairs	36.71	
PPM-Maintenance: Repairs & maintenance	595.00	
PPM-Maintenance: Administration	100.00	
PPM-Maintenance: Park dump run & clean up	2,000.00	
Harmony Communities, Inc.: Park clean up	80.92	
Harmony Communities, Inc.: Tow Signs	342.45	
Christopher Macias: January mileage reimbursement	88.50	
PPM-Maintenance: Maintenance & cleaning	250.00	
PPM-Maintenance: Cleaned park	250.00	
Republic Services: Roll off for rehabs	467.69	
Harmony Communities, Inc.: Park cleanup/fence	65.93	
Harmony Communities, Inc.: Fence Repair	280.12	
Harmony Communities, Inc.: Park fence repairs	1,213.09	
Harmony Communities, Inc.: Fence repairs	1,295.46	
Republic Services: Roll off for rehabs	87.90	
PPM-Maintenance: Park maintenance & cleanup	250.00	
Republic Services: Roll off for rehabs	458.83	
Republic Services: Roll off for rehabs	436.98	
Appraisal Guy, Inc.: Project Retainer fee	500.00	
Christopher Macias: Reimbursement for Uhal and dump charges	174.50	
Republic Services: Roll off for rehabs - May	487.86	
Republic Services: Roll off for rehabs - May	933.25	
Republic Services: Roll off for rehabs - Jun	818.97	
Republic Services: Roll off for rehabs - Jul	85.25	
Republic Services: Roll off for rehabs - Aug	780.89	
Republic Services: 09/01/23 - 09/30/23 Roll off for rehabs	88.67	
Beg Bal:	173,756.57	608.00
	173,756.57	608.00

Balance

0.00

11,016.49

11,166.49

11,316.49

11,677.62

42,349.89

43,029.89

43,032.79

43,037.08

43,053.58

43,074.32

43,096.21

43,123.16

43,151.62

43,184.51

43,219.48

43,267.81

43,317.45

43,375.61

43,435.80

43,510.15

43,593.33

43,680.47

43,767.70

43,869.01

43,975.53

44,082.85

44,204.31

44,356.58

44,513.63

44,671.88

44,836.88

45,025.89

45,234.33

45,503.97

45,807.00

46,156.11

46,632.56

47,133.20

47,663.35

48,210.51

48,828.71

49,446.91

50,065.11

50,722.91

51,380.71

52,038.51

52,696.31

53,354.11

54,669.71

55,985.31

69,346.91

69,421.91

69,496.91

69,646.91

69,994.48

81,419.48

81,569.48
81,586.64
81,605.90
81,628.07
81,653.81

81,681.70
81,709.81
81,740.82
81,777.29
81,820.92
81,867.40
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82,032.10
82,093.54
82,156.00
82,245.33
82,365.63
82,526.46
82,701.09
83,034.28
83,381.53
82,773.53
83,391.73
84,009.93
84,640.74
85,438.99
86,276.70
87,592.30
88,907.90
89,927.90
90,182.90
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109,681.90
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111,593.47
112,211.67
112,858.47
113,518.47
114,560.17
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124,706.36
126,286.36
130,286.36
130,361.36
130,436.36
131,626.36
136,626.36
136,643.64
136,692.95
136,746.84
136,821.42
136,896.68
136,974.56
137,064.32
137,155.71
137,320.71

137,505.38
137,750.78
138,368.98
139,111.48
139,147.24
144,562.24
144,637.24
144,712.24

149,712.24
151,602.24
152,367.24
152,617.24
154,117.24
154,129.69
154,143.62
154,189.11
154,243.10
154,303.00
154,390.10
154,495.93
154,602.22
154,716.94
154,854.94
155,078.52
155,365.58
155,845.60
155,945.60
156,285.60
160,281.10
160,337.80
160,617.80
160,872.80
160,958.61
160,979.60
161,016.31
161,611.31
161,711.31
163,711.31
163,792.23
164,134.68
164,223.18
164,473.18
164,723.18
165,190.87
165,256.80
165,536.92
166,750.01
168,045.47
168,133.37
168,383.37
168,842.20
169,279.18
169,779.18
169,953.68
170,441.54
171,374.79
172,193.76
172,279.01
173,059.90
173,148.57

173,148.57

Property: La Hacienda Mobile Estates, LLC
Detail 05/01/22 - 09/30/23 (cash basis)

Detail 05/01/22 - 09/30/23 (cash basis)

64030 Repair & Maintenance - Wages

Description	Debit	Credit
Giancarlo Troiani: Final Pay	2,433.83	
Marcus Singanoh: Final Pay	803.40	
Harmony Communities, Inc.: PR REIMB 05/02/22 - 05/15/22	31.70	
Harmony Communities, Inc.: PR REIMB 05/02/22 - 05/15/22	1,082.05	
Harmony Communities, Inc.: PR REIMB 05/02/22 - 05/15/22	1,123.95	
Harmony Communities, Inc.: PR REIMB 05/02/22 - 05/15/22	6,936.75	
PPM-Maintenance: Josh's work crew (PPM) W/E 04/22/22 *Trails End	8,000.00	
Harmony Communities, Inc.: PR REIMB 05/16/22 - 05/29/22	20.00	
Harmony Communities, Inc.: PR REIMB 05/16/22 - 05/29/22	517.53	
Harmony Communities, Inc.: PR REIMB 05/16/22 - 05/29/22	853.98	
Harmony Communities, Inc.: PR REIMB 05/16/22 - 05/29/22	5,693.20	
PPM-Maintenance: Josh's work crew (PPM) W/E 04/29/22 *Trails End Park	12,120.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 05/06/22 *Trails End park	8,000.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 05/13/22 *Trails End Park	8,000.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 05/20/22 *Trails End Park	8,000.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 05/27/22 *Trails End Park	8,570.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 06/03/22 *Trails End Park	2,720.00	
Harmony Communities, Inc.: PR REIMB 05/30/22 - 06/12/22	15.24	
Harmony Communities, Inc.: PR REIMB 05/30/22 - 06/12/22	399.78	
Harmony Communities, Inc.: PR REIMB 05/30/22 - 06/12/22	783.90	
Harmony Communities, Inc.: PR REIMB 05/30/22 - 06/12/22	5,226.00	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 Extra hours, water Leak	1,126.93	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PPM-M Rehab labor	1,308.12	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PR 03-20-22	4,631.99	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PPM-M Rehab W/E 03/25/22	5,520.00	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PPM-M Rehab W/E 04/15/22	6,500.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 03/20/2022 *Trails End Park	7,040.00	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PPM-M Rehab W/E 04/01/22	7,080.00	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PR 04/01/22 to 04/17/22	7,802.11	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PPM-M Rehab W/E 04/08/22	8,000.00	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PR 03/21/22 to 04/03/22	8,790.58	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PR 05/02/22 to 05/15/22	9,174.45	
Harmony Communities, Inc.: Reimb Harmony for *Trails End 12/8/21 to 5/18/22 PR 04/18/22 to 05/01/22	9,967.49	
PPM-Maintenance: PPM Work Crew, La Hacienda (228.5 hours) , Christopher, Demetrius, Jonathan	11,425.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 06/10/22 *Trails End	5,400.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 06/17/22 * Trails End	5,400.00	
PPM-Maintenance: Josh's work crew (PPM) W/E 06/24/22 *Trails End	6,215.00	
Beg Bal:	186,712.98	0.00
	186,712.98	0.00

Balance
0.00
2,433.83
3,237.23
3,268.93
4,350.98
5,474.93
12,411.68
20,411.68
20,431.68
20,949.21
21,803.19
27,496.39
39,616.39
47,616.39
55,616.39
63,616.39
72,186.39
74,906.39
74,921.63
75,321.41
76,105.31
81,331.31
82,458.24
83,766.36
88,398.35
93,918.35
100,418.35
107,458.35
114,538.35
122,340.46
130,340.46
139,131.04
148,305.49
158,272.98
169,697.98
175,097.98
180,497.98
186,712.98
186,712.98

General Ledger

Property: La Hacienda Mobile Estates, LLC
Detail 05/01/22 - 09/30/23 (cash basis)

64001 Equipment Rental (Expense)			
	Date	Type	Reference
	06/07/22	CHKITM	1014
	07/15/22	CHKITM	AV6
	07/15/22	CHKITM	AV7
	07/20/22	CHKITM	AV7
	08/16/22	CHKITM	AV10
	09/02/22	CHKITM	AV14
	64001 Equipment Rental		

Description	Debit	Credit	Balance
			0.00
United Rentals (North America), Inc.: Rental Equipment Mini Excavator *Trails End MHP	2,034.46		2,034.46
United Rentals (North America), Inc.: Equipment Rental	990.28		3,024.74
United Rentals - Big Dog Builders: Skid Steer Rental Equipment	990.28		4,015.02
United Rentals - Big Dog Builders: Skid Steer Rental Equipment		990.28	3,024.74
United Rentals (North America), Inc.: Equipment Rental	194.50		3,219.24
United Rentals (North America), Inc.: Equipment Rental	1,858.65		5,077.89
Beg Bal:	6,068.17	990.28	5,077.89
	6,068.17	990.28	