

Meeting of the Mobile Home Rent Control Board held on September 27, 2022, beginning at 6:00 p.m. in Hearing Rooms 1 of Ludlow Town Hall.

Members present: Antonio Goncalves, Mary Evangelista, Michael Szlosek, and Joseph Young

Also Present: Attorney Rose Crowley, Attorney Robert Kraus, Tom Lennon

Mr. Goncalves: Welcome to the continuation of a hearing for the rent request for the Hillside Valley LLC Park. We will start the meeting with the Pledge of Allegiance please. Okay if I can get everybody's attention, this is the third session with the Ludlow Mobile Rent Control Boards' hearing on Hillside Valley LLC notice to claim for rent increase. Hillside Valley, LLC owner seeks a rent increase from \$287.97 to \$399.00 a month for each resident use and occupancy of the land in the mobile park. The burden of proof is on the owner. The Board will make a determination whether the increase requested, a lesser increase or no increase is warranted to assure a fair net operating income to the owner. Definition of fair net operating income is that income will yield a return after all reasonable expenses on the fair market value of the property equal to the debt service rate for residential or commercial property generally available from institutional first mortgage lenders. The board on the basis of evidence presented at this hearing may adopt a different rate of return. If such a different rate of return is deemed by this board to be more appropriate to the circumstances of the case before it. Fair market value of the property is defined as to the current assessed evaluation of the property or any evaluation that the board feels more appropriate to the situation. Again, the board's determination of such elements as fair market value, available debt service rate and reasonable operating expenses along with the ultimate question of what if any rent increase is justified will be based on the evidence presented at this hearing by both the owner and the residents. Evidence may be admitted and given probative effect only if it is the kind of evidence of which reasonable persons are accustomed to and can rely on in the conduct of serious affairs. In conducting this hearing, it is our duty to conduct a fair hearing to ensure that the rights of the owner and the residents are protected. This hearing is being conducted pursuant to the requirements of Mass General Law 30A and the adjudicatory rules. Towards that end as Chair of this Board, I'll ask all present to conduct themselves with the quorum. All individuals, including residents, the owner, attorneys, and board members speak one and a time and only speak after being recognized by me, the Chair. Let me repeat that, speak one at a time and only speak when recognized. The meeting is being recorded, it's very important that each speaker be heard clearly, and their identity recognized. So, before speaking please wait to be recognized by the Chair, stand, identify yourself each time for the record and let us know what your interest is in this matter. Any questions so far? Okay some housekeeping, everybody here is signed in, yes? Good. So, could I have the residents, owner and anyone else that will be testifying today please raise your right hand, do you solemnly and sincerely affirm that under the penalties of perjury that the testimony you are about to give shall be the truth, the whole truth and nothing but the truth, yes?

All: Yes.

Mr. Goncalves: Okay, so that's done so we are going to continue with the hearing. Attorney Krause please continue with the presentation of the owner's evidence.

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Attorney Kraus: Thank you Mr. Chairman, to the Board and to the residents. I'm here tonight with Tom Lennon, who is the Manager of Hillside Valley, LLC. My name is Rob Krause as you noted, thank you. I am the attorney for the park. As you know Mr. Chairman, we during the last substantive hearing we were tasked to provide additional documents for evidence to the Board and we provided it in a timely fashion by evidence from your counsel we provided it by the date required. It's supplemented, 58 pages long, it is date stamped in the bottom right hand corner. It's HV001 all the way to 58, that's the total pages. Let me go through it very quickly,

Mr. Goncalves: I don't have it, do you, have it?

Attorney Kraus: Do you have this supplement? I have a receipt from you counsel that you received it.

Attorney Crowley: I did receive and we asked for copies to be brought down here and that's what we thought these folders were but they don't appear to be those folders. So, we don't have copies of, you have your copy you can submit into evidence, but we don't have copies.

Attorney Kraus: Okay, I'll submit my copy into evidence. Let me just look at my notations. It's bookmarked so it will be easier for you. There's nothing....on it. Alright, so, having submitted it properly to the Board as requested. What it does is supplement what has been previously submitted to the Board. That is the notice of claims, certificate of service, important notice, financial statement, insurance receipt, waste receipt, Eversource billing information, landscaping receipt information, plowing and sanding receipt,

Attorney Crowley: Excuse me, Mr. Krause, I apologize, we need to get the paperwork straightened out. Can you possibly come up here just so we make sure we are all on the same page?

Mr. Goncalves: What's your third page look like?

Attorney Kraus: Yes.

Mr. Goncalves: Right but let's go down a little.

Attorney Kraus: Oh, so then you do have it.

Attorney Crowley: So, did you incorporate exhibits that had already been submitted as evidence?

Attorney Kraus: No, my memo to you just proposed to send proposed new exhibits.

Attorney Crowley: Okay.

Attorney Kraus: Oh, actually let me see, wait a minute I might be mistaken. I think 38, no I incorporated all of them. They're all there.

Attorney Crowley: Okay.

Attorney Kraus: Zero to fifty-eight represents the totality of the documents including the,

Mr. Goncalves: So, some were already submitted previously?

Attorney Kraus: Right.

Mr. Goncalves: Okay.

Attorney Kraus: You just asked us to supplement. Do you want to make a copy of this now?

Attorney Crowley: We have copies of those documents. So, you are starting, the last exhibit that was marked was Exhibit K, summary legal accounting...

Attorney Kraus: Yes, and then I started with L on the proposed from September 1, which we did. So, you do have it, that's good.

Attorney Crowley: Okay, so you intend to enter in exhibits L forward?

Attorney Kraus: Yes. Yes. So, for the record what I submitted, what we submitted it,

Attorney Crowley: And just for the record, excuse me, you mentioned that the document that you submitted was date stamped?

Attorney Kraus: Yes, that's what I have.

Attorney Crowley: Okay because I'm at exhibit L and there is no date stamp at the bottom of the page which is what I think,

Attorney Kraus: Well, I will go through each and every one of them.

Attorney Crowley: Yes, okay. Just so that we're,

Attorney Kraus: Just so that we are all set on the documents, yes. Okay, and I'll re-transmit them. I'm not going to submit anything that I don't have any new documents to submit tonight other than what I already transmitted to the Town.

Attorney Crowley: We do have your package. The only thing, when you said that it was date stamped, these are not date stamped from Exhibit L forward and...

Attorney Kraus: Got it. Got it. No Problem.

Attorney Crowley: We thought we had the wrong documents.

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Attorney Kraus: Thank you. Thank you, counsel. I'll go to the documents that we are proposing tonight, and I'd like to move them into evidence. Exhibit L is an email from Brian Denton relating to the interest rates attributable to a purchase of a park and compliant with the regulations and he testifies or the evidence is 7-8. That's probably old, the interest rates are climbing as we speak. I don't have to tell everybody that, hopefully you are aware of that. M is a real estate management company that is out of Ludlow I believe,

Attorney Crowley: So, would you like to move L into evidence?

Attorney Kraus: I'm going to move them all into evidence. I'll go through them L, M, N, O, P, Q, R and S. However, you would like to do it counsel?

Attorney Crowley: If you hear anything you don't want him to admit just let him know.

Mr. Goncalves: Okay, alright. Good.

Attorney Kraus: All, everything I am talking about tonight is compliant with the regulations and addresses questions that the Board raised. So, M, which is composed of three pages, talks about or addresses the issue of management fees; actually, Hillside Valley or Tom Lennon's company is low with 5%. As you see this starts at silver 7.9% and goes up to 11.9% for platinum with respect to all aspects of real estate management. So, 5% is clearly within the purview of a rational expense. N is the revised financial statement showing the 6% rate of return and I will return to that in a second as revised. O is the water fees and we've indicated the adjustments in the details and then that goes on for several pages and let's see the next one is P, which is the sewer figures, which were requested and that goes on for several pages, about four pages. Then Q is repair maintenance breaking down the \$12,600 associated with the maintenance fees. R is the occupancy issues that you asked about. S is the house and the garage taxes that you asked about and it's on the pages that follow and that is it. So, I'm asking since the exhibits interest rate, management fee, financial statement adjusted, the water cost, sewer cost, repairs maintenance information, vacancy rate, and taxes; I'm going to ask that that be introduced into the record for tonight's hearing and for purposes of the consideration of the Board for the petition for the notice of claim that's been submitted. Mr. Chairman may I proceed with the presumption that these are in the record.

Mr. Goncalves: Yes, please. We are marking them in right now. I see no problem. Anybody object to any of these being put into the record? Yes?

Resident: Is the sewer bill and the water bill, is it the most recent because he didn't have that in his packet?

Mr. Lennon: It is the most recent one I've received from the Town.

Resident: May 2nd?

Attorney Krause: It should probably be through you Mr. Chairman.

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Mr. Goncalves: Yes.

Attorney Kraus: So, we'll respond that this is the most recent information that we have. You are free to verify that this is the document that we received from the Town.

Mr. Goncalves: Okay.

Resident: I have copies.

Attorney Kraus: So, I'll proceed Mr. Chairman.

Mr. Goncalves: Yes, we'll get to that.

Resident: One of the copies they mailed us they omitted,

Mr. Goncalves: Okay, hold on here. The petitioner is submitting their evidence etcetera now so go ahead.

Attorney Kraus: Thank you Mr. Chairman. Under the formal rules of adjudication and the bylaws of the community, this Board, we have provided substantive evidence associated with the regulations and Chapter 12 of the bylaws regulating mobile home parks in the Town of Ludlow and as you quoted Mr. Chairman under definition section 2 what a fair net operating income is. There's really three elements, there's the value of the property, first position cost of money and our expenses. Three different calculations that go into the quotations, into the formula and I think we've been through this before but if you look at my memo that was submitted our expenses on our financial statement are \$228,867. The fair market value of the property is \$2,150,000 according to Cushman and Wakefield. It doesn't get any bigger or better than that, they are one of the biggest in the country. The interest rates and this was about a month ago, on a manufactured home to purchase and particularly with rent control because the rents are subject to this Board, therefore banks charge, they see it riskier, with 7 and 8% then. I dare say we didn't update it given what's happening in marketplace and the feds you're able to take judicial notice of it, I think the rates have gone up 3% in the last 90 days and I think about 75 basis points, about 1% in the last month. Ergo, you see the changes in the marketplace and the Dow Jones falling like a dead weight. So, if you do the calculations and feel free to run them; at 7% with 73 units, the math works out to \$433 per month without the Town fees, which is \$12, and rent is defined as the number without the fee to the Town; that's what you're determined. At 8%, with 73 units it's \$458 a month. That's not why we're here, that's not the basis of our claim. As you heard, the exact number, what \$399.97 whatever the number is,

Mr. Goncalves: \$399.00 even.

Attorney Kraus: Yes. It's shy of \$400 and this doesn't even include the expenses for the capital work that's previously been submitted, which was over \$200,000. So, having said all of that Mr. Chairman, we are happy to answer any questions you have and as you well know the rent hasn't increased in a very long

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time. In fact, this is sort of de ja vu all over again because we were here over a year ago. Well Tom was here over a year ago, where he got this very same increase but because of notice issues the petition was withdrawn, the monies that were paid to the tune of the increase were withdrawn. The information and the testimony that we provided, provide you again substantial evidence on every category that is demanded by the bylaws and the expenses and we're happy to answer any questions that that Board has. But at 6% rate of return, which is very reasonable and that's without again the expenses do not include the \$200,000 plus, which Mr. Lennon has put in since he's owned the park, just over a year ago. So, we're asking respectfully for an increase of the maximum allowable rent to \$399 please.

Mr. Goncalves: And that's calculated at 6%?

Attorney Kraus: That's a 6% rate of return.

Mr. Goncalves: And what was your number at 7?

Attorney Kraus: At 7% if you did the math, based on our expenses, at 7% we would be entitled to \$433 a month in pure rent.

Mr. Goncalves: And it was \$458 at 8%?

Attorney Kraus: Correct and it's in my memo. It is a simple calculation of \$228,667 times 7% then add \$2,150,000 divide by 73, divide by 12 and you get the monthly figure. It's simple math. That's how it's calculated. That's how the bylaws run. That is the formula that the town uses and in fact frankly I have done these all over the state. That's the formula, I don't know, there's only one rent control board that does it differently and that's in Rockland, Massachusetts, but they still have the formula but once they had an increase, they changed the formula based on years of litigation.

Mr. Goncalves: So, from the standpoint of the residents is there anything that anybody would like to submit in to us regarding a refutation of any of the evidence that has been submitted? Yes, your name could you stand up, your name.

Ms. Valenti: My name is Marilyn Valenti. I'm a resident at the Miller Street trailer park. I just want to submit the water bills that were not in his package that we received, and I highlighted where they had a water increase back in October of 2014.

Attorney Kraus: Can I see them before they are submitted Mr. Chairman?

Mr. Goncalves: Two thousand what?

Ms. Valenti: 2014 is when Wilbraham Water Department had a rent increase, a water increase.

Attorney Kraus: Are these the same Miss?

Ms. Valenti: Yes, they are. There's four of each in there.

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Attorney Crowley: Sorry.

Ms. Valenti: No worries. But this is, well here, I will also give you this with it, this is what I got from the Wilbraham Water Department.

Attorney Kraus: Thank you. Do you have anything else, Miss?

Ms. Valenti: No, but umm did you fix the taxes?

Attorney Kraus: Mr. Chairman can we review this information because that is all we are addressing right now is this water?

Mr. Goncalves: Yes, yes. Right now, let's take a look at this water.

Attorney Kraus: The submission of this exhibit.

Ms. Valenti: Okay.

Attorney Crowley: So, just this is the documents that we're talking about?

Ms. Valenti: Yes. Yes.

Attorney Crowley: Okay and it's three pages?

Ms. Valenti: It's four pages because there's four meters.

Attorney Crowley: Okay.

Ms. Valenti: And I highlighted where on each one of them where the water rate went up and you can actually see how one of them right on queue of 2016 when we had every trailer was basically occupied.

Attorney Crowley: So, if this is admitted, it would be exhibit 2.

Attorney Kraus: Ms. Valenti also provided, this is submitted I suggest, well according to Ms. Valenti to substantiate what the rates are from the Town. It's not on the stationery of the Town, I think you as the Board can substantiate it yourself. I don't know where this comes from, it's not on the letterhead.

Ms. Valenti: They just gave that to me when I asked for the, I asked what the rate was and if they had had an increase after one of the meetings. When they had talked about the water possibly going up, I asked them, and they sent that with the bill.

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Attorney Kraus: I'm only, I'm not questioning what you're saying, I'm questioning the document. It's not on the letterhead of the Town. No offense, I could have typed this up. I have no idea where it comes from.

Mr. Goncalves: It looks a lot like yours though.

Attorney Crowley: Yes.

Mr. Goncalves: If we compare it to this portion here that was submitted.

Attorney Kraus: I'm just talking about this. This piece of paper with the rates.

Mr. Goncalves: Okay.

Attorney Kraus: Yes, I don't know where it,

Mr. Goncalves: Those are generalized rates they don't have anything specifically to do with your park, your four meters right?

Attorney Crowley: Ms. Valenti?

Ms. Valenti: Pardon me?

Mr. Goncalves: This page are just, what are the rates from the Town right? Nothing to do with the actual,

Ms. Valenti: Yes, they were just giving me what they thought.

Attorney Kraus: Yes, no I'm just saying; this is not a court of law, it's administrative law under the formal rules of adjudication. Evidence rules sort of apply. I do enough of it to get a headache about it. So, again my only concern is it would be subject to verification and again the Board can do that. So, I want to note my reservations.

Mr. Goncalves: We can take it in and do a comparison, right?

Attorney Crowley: Yes, you can admit it and determine the weight of it, the creditability.

Mr. Goncalves: Okay, we are going to take this into our evidence. Okay. It's marked exhibit 2.

Attorney Crowley: And that's the other page.

Mr. Goncalves: This one will be exhibit 3. Okay anybody else?

Resident: I have a question.

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Mr. Goncalves: Yes.

Resident: On the paperwork that he sent us in the mail, each person, I don't know if it had anything to do with the rent or anything,

Attorney Kraus: Can he state his name?

Resident: Walter Christian.

Mr. Goncalves: Okay.

Mr. Christian: He was saying in that paperwork about a maintenance guy that I've never even seen in the park. So, he's paying so much a month or a year,

Mr. Goncalves: So, the maintenance person is that separate or is your maintenance person included withing the fee that you're getting here?

Mr. Lennon: It's included.

Mr. Goncalves: Okay. Alright.

Mr. Chrisitan: So, I've never even seen a maintenance guy.

Mr. Goncalves: Right, somebody is doing the maintenance because it's not, somebody has got to be doing it.

Mr. Christian: I've seen landscaping companies coming in. I've seen crews going in working on trailer homes in there. That's it but I've never seen,

Mr. Goncalves: But in the letter Mr. Lennon had stated that he is charging a 5% management fee or maintenance fee, whatever it is. He said that withing the realm of whatever maintenance fees are charged that that's reasonable. That's what he is saying to our Board, and I think now we are saying that that maintenance man is within that 5%. So, any maintenance that is done there that's probably not landscaping or plowing is withing that 5%. Would you argue with that?

Mr. Christian: A friend of mine told me that he seen their website for trailers being sold and that right now anybody that buys a trailer there has to pay \$399 a month. Is that legal?

Mr. Goncalves: I don't know. That's not what we're here for. Anything that doesn't have to do with what has been presented and what is in this package right now, what we are looking at are numbers. It's the law, the law says this is how we handle it, right.

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Mr. Chrisitan: The snow removal, I haven't seen any snow removal other than plowing. I used to do plowing and snow removal.

Mr. Goncalves: Right and if it snowed more, these numbers would probably be bigger. So, it's good it hasn't snowed much in the last couple of years. That's good for everybody. Yes, name?

Mr. Kelley: John Kelley. I've got a problem. He says the house isn't included in any of this stuff okay. Well, how many meters to the park?

Mr. Goncalves: Four from what I can tell.

Mr. Kelley: That's right and the house is included in that. Unless I see a bill separate for the house for water and sewer, the house is included in that. I know somebody that lived in that house, I've been in the basement, the water meter that feeds half the park, feeds the house. You know and then the second thing as far as the landscaping, I spoke to landscape guy. I like the way they worded up their estimate you know, a lot across from A4, A5; well, it's not a lot across from A4, A5, it's the backyard to the house. Then I spoke to the landscape guy, he told me he would charge \$150 to mow the back hill and along the pike. I said well then why are you charging Tom so much money? Well because he's got me mowing all of his properties. Why should we pay for him mowing his properties that,

Mr. Goncalves: Who's properties?

Mr. Kelley: his properties, the mobile homes he has there for sale. Why should we pay for that when he is going to sell those homes and make a profit.

Mr. Goncalves: I'm not sure what they are but I have got to guess that the park is comprised of all the units whether he owns them or he doesn't. If he owned half the units, he would be entitled to the same maintenance as the balance and he would have to pay the same amount as the balance.

Mr. Kelley: They're not mowing my yard.

Mr. Goncalves: Okay. So, is that your choice or?

Mr. Kelley: No. No, they don't mow nobody's yard except for Tom's properties.

Mr. Christian: Yes, Tom's trailer homes that he owns, are the only properties they mow.

Mr. Goncalves: And how many trailers is that?

Mr. Christian: I don't know, ask him.

Attorney Kraus: So, wait a minute Mr. Chairman, I presume you're running the meeting, right?

Mr. Goncalves: Yes, that's why I asked the question.

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Attorney Kraus: So, would you like him to respond?

Mr. Goncalves: Yes, Mr. Lennon.

Mr. Lennon: Alright, I got a lot of questions. So, why don't we start at the top with the,

Mr. Goncalves: How many trailers do you own right now?

Mr. Lennon: six.

Mr. Goncalves: And how long have you owned them?

Mr. Lennon: Since we bought the park in June of last year.

Mr. Goncalves: So, it's 6 out of 73?

Mr. Lennon: It's a moving number Mr. Chairman because there's always some more that we get in and we sold some of them. So, I'd probably answer it better if I...let me just say this, the first thing is like when we are talking about the landscaping behind the house; I don't know if everyone is familiar with it, you got the brick house; I'll start with the water, there's four meters that cover the whole park. That brick house is part of the whole park. So, for tax purposes I took the assessed value of the house and the garage, and I took what they did for a tax rate and I minused that out. So, I took the assessed value and I minused out the house and the garage, I took that assessed value out and I multiply it by what the tax rate is. So, I minus that out so the taxes for the whole lot including the house was this much, I minused out the portion of the house and the garage so I only have an expense, just the whole thing minus the house and the garage. So, that's the tax thing. The water thing is there is 73 homes plus the brick house. When I originally came here, I included the brick house because it seemed to have made since because it's all part of it but then I got some pushback on it so I just went with the flow and I switched out. I said okay, they don't want the house in, I'll take the house out. So, I took the house out. There's 73 homes plus the brick house. There's four meters. There's a single guy that's living in the brick house over there. I don't have any way of saying let's take one meter with 73 home and take out 1/78 of the water or 1/74 of the water. A lot of these houses have 2, 3, 4, 5, 6 people living in them, the brick house has just one single guy living in it. So, I couldn't minus off the water. I don't have a number. He works all of the time. He's never home.

Attorney Crowley: I apologize. We need to halt for a moment and wait for the Chairman to return.

Mr. Young: Is he alright?

Attorney Crowley: I think so. I think he'll be back.

Mr. Christian: That didn't sound good, that bang.

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Resident: I got a question to ask, I know I don't live in the park but...

Attorney Crowley: Not yet, you have to wait for the Chairman to return.

Resident: No, is this going to be the last meeting for all of this stuff though? Yeah, good.

Mr. Goncalves: Sorry about that.

Mr. Young: Are you alright?

Mr. Goncalves: Yes. Okay Tom, one guy living in the park or in the house, sorry.

Mr. Lennon: Just to reiterate what we were going through, there's 73 homes altogether, about 65 of them are occupied. There's 4 meters to the entire park. I minused out the, I don't have a way, there's a single guy living in the brick house who works full time. He's hardly ever there. It's one single guy as opposed to other homes having 3, 4, 5, 6 people living in them and I didn't have a way to just isolate. If the town gave me a separate meter for that, I'd gladly take that off of the thing. So, this isn't some little trick I'm trying to pull. I have 4 meters going to the entire park one of them is that brick house. I had a way to isolate the taxes because it showed an assessment on it. I didn't have a way to just isolate, take off a portion of the water for it. And it wasn't fair to say let's take 1/74 of the water bill because there's only one single guy living in it and he's hardly ever there. A lot of these people are home and they're always driving around the park, their home, all the time and there's a substantial amount of water being used, they're home all the time.

Attorney Kraus: So, we think that addresses that concern Mr. Chairman.

Mr. Goncalves: Yes, okay let's move onto the next one. Let's talk about the landscaping.

Mr. Lennon: Okay the landscaping is, again where the brick house is, there's a large field behind it. That's not for the use of the brick house, anyone that want to hang out over there is more than welcome to go hang out on that field. That's a field that's the community, that's part of the community just like the hill is and over by the Mass Pike is and all along D row and in between H row and you have right behind the brick house is this large field that's not the guy that lives there. He has this little patch of grass that he mows himself. My landscaper does not mow the patch of grass in the front. Everyone that has their own home mows their own, is responsible for mowing their own grass and my vacant homes that I have, he's mowing that for me. That has absolutely nothing to do with what the, that's something separate that I'm paying him on that. So, I have a community area behind the brick house. John drives around in his truck all day long. He sees all of these things, but I see it as well.

Mr. Kelley: Yes, I do.

Mr. Lennon: So, what happens is, behind the brick house is a large field and anyone in the community can use it and that's what that portion is mowed along with the other places. And then everyone else does

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their own lawn. My vacant houses that I have as I'm turning them over and trying to renovate them and beautifying the park, those I have someone on the side they mow it. Of course, it makes sense to have the same guy, that's something separate I have him mowing. That estimate that I submitted isn't part of mowing all of these others, like these 6 or 8 or 10 lots that I have right now.

Attorney Kraus: It's the common areas Mr. Chairman.

Mr. Lennon: The common areas, exactly.

Attorney Kraus: And it shouldn't be lost on the Board, there's not testimony here but I think you can take judicial note of it as the case may be, that many of the departments in the community have complimented Mr. Lennon and his management of the park from once what it was to what it is presently and that investment shows up day in and day out when you go into the community. We've heard, you know Mr. Lennon's heard from the Fire Department and the Police Department and many of the Boards and different groups within the community how much better it is under his direction and control.

Mr. Goncalves: Thank you Attorney Kraus.

Mr. Lennon: And I'll also, if I could just add one other thing to piggyback off of that, you see Facebook feeds a lot of people come in and say kudos to the guy that bought that park, he's been doing a lot of work. I mean I know not everyone in the park says it but a lot of people in the park do come up to me. Fortunately, not the people here tonight but there's a lot of people that do come up and thank me all the time for what I've done to it and it's brought the values of the homes substantially up. I get a lot of people in that neighborhood, I forget what it's called, stop and come up to me. I've gotten phone calls off of my sign-up front saying hey we live up in the back and I just want to say you're doing an amazing, amazing job on it. So, I do get a lot of compliments on it from people, and I know there's probably a little bit of conflict, if that's the right word to use for the people inside the park because no one wants the price to go up but everyone wants it to be maintained. The previous owner, not to poo-poo on him but he owned it for 15 years, he never stepped foot in the park once. I think everyone can attest, I'm there at least once a week, usually there twice a week. I put my heart and soul into that park, I truly do, and I think it shows.

Mr. Goncalves: So, we've addressed the landscaping, we've addressed the water, which will automatically address the sewer if there's any effect of any kind. Was there something else?

Mr. Szlosek: Can I address the water?

Mr. Goncalves: Sure.

Mr. Szlosek: What I see was done with the water, exhibit D, which we received some time ago shows water based on actual bills, water and sewer based on actual bills. And today we received exhibit N and what you've done is adjusted that to include anticipating filling of 10 units?

Mr. Lennon: Yes.

Mr. Szlosek: Okay. Now what I want to clarify is that 10 units will bring it up to 73, correct?

Attorney Kraus: Correct.

Mr. Szlosek: So, that is, you've adjusted this, so the water and sewer bills are anticipate full use, full occupancy but you still have not, the income is based on an 8% vacancy.

Mr. Lennon: Well, there's always vacancy, there's always,

Mr. Szlosek: I understand that but then when those units are vacant then they're not using water and sewer.

Mr. Lennon: There's always turnover in every community.

Mr. Szlosek: Yes, I understand that but what you're saying is your anticipating an 8% vacancy now 8% would be,

Mr. Goncalves: Six units.

Mr. Szlosek: Approximately 6 units. I don't know, what I'm saying is I don't think you should have adjusted it for full vacancy. You should have adjusted it for to add 4 units back in not 10.

Attorney Kraus: The problem is, it's a snapshot in time.

Mr. Szlosek: Absolutely.

Attorney Kraus: Right. It's not, you know this is under your bylaws we can only do this once every 12 months period. So, we take it as a snapshot with the best estimate based on, Mr. Lennon's owned the park or his company has owned the park for a year and he's doing a remarkable,

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Mr. Szlosek: I agree, I agree, and I understand that all of these expenses are historical and I know what's happening, I think...just asked for a 60% rate increase and all sorts of other things are going to happen. We may well be here next year looking at the coming years historical rates and there not going to be the same as this.

Attorney Kraus: no. We know it's going to increase, and I think Mr. Lennon's been very fair in his adjustments given what he's dealing with and the remodeling as I understand it from Tom he gave away one or two units,

Mr. Lennon: Five.

Attorney Kraus: five units to people at any cost?

Mr. Lennon: Nothing, zero.

Attorney Kraus: Five homes that he gave to individuals who wanted them in the park to renovate and they profited from it. He didn't have to do that, but he did because that sped up the modernization, if you will, of the park and that improves everybody's value and everybody's life. There's nothing worse than vacant homes in a mobile home park because it's just not, it doesn't serve anybody's purpose including the owner or the tenants.

Mr. Kelley: I'd like to say one more thing on the landscaping, I believe Tom just said the landscape guy doesn't mow the front of the house. Well, I wish I didn't forget my phone because I will go to Walgreens tomorrow and I will print the picture of that guy mowing the front of the house tonight. He was in there mowing and I snapped a picture of it. So,

Mr. Goncalves: Alright, Mr. Lennon.

Mr. Lennon: Well, I don't know, he's not mowing it for me, so there's a very small strip of land, you agree John, there's an incredibly small strip,

Attorney Krause: Wait, wait,

Talking over each other.

Mr. Goncalves: So, let me ask you a question, in relationship to the entire thing that he mows there, how much of this strip of the whole thing?

Mr. Kelley: Well, I don't know. See the thing that bothers me is the landscape guy said he would come in there and mow the D row hill and the back hill, which is really the only common areas that we have. We have no laundry room; we have no community room. We have nothing but a small piece of property we rent for our home, and he told me he would mow that for \$150 every other week. Well then why are you charging Tom so much, well because he's got me mowing all his properties. Not only is he mowing all his properties, but he's also taking all of his trash out of there.

Attorney Kraus: I'm going to play lawyer for a minute, I'm going to move to strike. There's no substantiation to that. The fact is that this guy is, that Mr. Kelley is talking to this guy; there are people including this single gentleman in the brick house that may pay this guy.

Mr. Goncalves: Right.

Attorney Kraus: The testimony...

Mr. Goncalves: In other words, I think that we got a piece of paper here that tells us that this is what he pays for whatever,

Mr. Kelley: Our town bylaws state that we have a right to see an actual bill, well I'd like to see an estimated bill of what this guys doing.

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Mr. Goncalves: Is it in this package?

Mr. Kelley: No, it's not.

Attorney Kraus: There's nothing in, the evidence presented could have been...there's nothing in the bylaw that says a bill or invoice or otherwise, the substantial evidence is based upon the submission of what's in this packet. If Mr. Kelley or anybody else in this room after going through a year of this process wanted to contest something that was clearly in this record, they had a full and fair opportunity to do that. It is unfair to Mr. Lennon and Hillside Valley to contest these submissions based upon hearsay, supposition, feelings, conversations out of a back of a truck. That's not evidence. That is just not evidence. Even and particularly under the formal rules of adjudication. If we were under the informal rules of adjudication, then possibly you could get away with it but this formal rules of adjudication 801c...101 dictates that there is some formality to this and we have submitted it. It's upsetting in the sense that you know we followed the rules, it's been a year and a half since we've done this, we've submitted it, there's adjustments reflecting everything that has been raised by the residents, everything. In fact, the \$399 would be, if it's granted, or whatever increase would be for a year. We couldn't come back for a year. We can't come back for a year. That's under your bylaws. So, your bylaws says to address hardships and inequities both to the residents and to the owner and I submit to you the inequities fall squarely on this side given what he's done and the expenses that he's incurred. That's in your bylaws.

Mr. Goncalves: Thank you, Attorney Krause.

Attorney Kraus: Thank you sir.

Mr. Goncalves: So, I'm not familiar with the park so I'm going to read what this estimate from the grass service is so all grass in the common area along the rock hill bottom areas between rows D & H the back area near the Mass Pike, the open area on the hill across from A2 and A3, mailbox area, front entrance area. No individual yards of any tenants.

Mr. Kelley: Right and the open area across from A4 and A5 is the backyard to the house.

Mr. Goncalves: A2 and A3 it says.

Mr. Kelley: Right A2 and A3, it's the backyard to the house.

Mr. Goncalves: But is that an area that Mr. Lennon, you said that area is a common area?

Attorney Kraus: Here why don't you show it Tom to address this.

Mr. Lennon: I'm going to show you what we are talking about here.

Attorney Kraus: We'll submit this as an exhibit if you don't mind Mr. Chairman. This will be exhibit, this would be exhibit T. Okay, T is a diagram of the park.

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Mr. Lennon: I'll just show you, these guys want to see it all together. As you pull in, you pull in where the mailboxes are, here is where the brick house is here.

Mr. Goncalves: Yes.

Mr. Lennon: This guy doesn't even go by here. You know, so what happens is mow,

Attorney Crowley: Mr. Lennon, could you possibly do it so the residents can see it and they can see it? So, you don't have to go through it twice.

Mr. Lennon: Okay, let me show it to you first so I can explain it to you. This is the rock area at the bottom of the hill, they mow that area. There's not a lot there. This is in between row D & H, they mow this area. This is up along the Mass Pike area; they mow this area and this is an open field area over here where they mow this area as well. This isn't for the brick house.

Mr. Goncalves: Where's A2 and A3?

Mr. Lennon: A2 and A3 is right here.

Mr. Goncalves: Okay.

Mr. Lennon: This is a field across the way, anyone in the park can use it. Anyone in the park can use this. By the way, including the guy in the brick house, he doesn't even use it, he's a single guy, he's never even there. This isn't like his backyard. This is, anyone can use it. In fact, he never uses it. No one really uses it.

Attorney Kraus: How much land is in question?

Mr. Lennon: I don't know how much land it is. It's this field. If I didn't mow it, it would look horrible.

Mr. Szlosek: This area right here? This area you're talking about.

Mr. Lennon: Yes, correct. And it's not like it's part of the, you know it's like open space that the town has. It's like saying hey no one uses it well I have to maintain it If not the weeds would be growing up and it would look terrible. I have it mowed. It's not for anyone specifics benefit. Anyone over there wants to have a cookout, lay out there, get a suntan, play, whatever you want to do. Anyone can do anything they want in this area, it's a community area.

Attorney Kraus: Show it to the camera for a second and just mark what you're pointing at in the diagram.

Mr. Lennon: Okay so this is where you pull in, these are the mailboxes, the bottom of the hill all along between D and H row, all along the backup hill along the Mass Pike and also this field over here across

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from A2 and A3 behind the brick house. This area is for anyone in the park wants to use it, you have full permission to use this anytime that you want in the back as long as you keep it clean. You want to do whatever you want, do it, just keep it clean. This is for everyone in the parks benefit to use this grass. This grass field.

Mr. Szlosek: That area, I've been by there it no more than a ¼ or 1/3 of an acre. No more than that.

Mr. Goncalves: Across the front?

Mr. Szlosek: No, this back yard. It's no more than a 1/3 of an acre.

Mr. Goncalves: In relation to the entire area that's being mowed is probably 5%.

Mr. Szlosek: Yes.

Mr. Lennon: It's a green, it's an open space area, I don't know what to do.

Attorney Kraus: If we let it go to....and just grow up, you've been hearing a lot more complaints about it.

Mr. Goncalves: Yes, and is it beautification for the whole park or is it just for one person?

Mr. Lennon: Yes, everyone in the whole park and everyone that drives by can see it.

Talking over each other.

Attorney Crowley: Mr. Lennon, for the purpose of the record, there are four circles on that diagram and those four circles are the areas that are mowed?

Mr. Lennon: Absolutely.

Attorney Crowley: And that's what you just indicated.

Mr. Lennon: Yes. That's what I have my estimate on for it.

Attorney Crowley: Okay.

Mr. Lennon: Okay.

Attorney Kraus: Thank you Tom. Thank you, Mr. Chairman.

Mr. Goncalves: Alright what else did we miss?

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Ms. Hutchinson: I have a question, my name is Gail Hutchinson, the property management fees you mentioned.

Mr. Goncalves: Yes.

Ms. Hutchinson: They're based on the gross annual income times 5%?

Mr. Goncalves: Yes.

Ms. Hutchinson: It just seems kind of high.

Mr. Goncalves: And I think what was submitted was in comparison to other companies out there that they're 7.5, 10, 12,

Ms. Hutchinson: Other companies?

Mr. Goncalves: other companies and I can tell you quite honestly from my own personal experience, stepping out of the chair, 5% is very and I would love if I had properties to find somebody,

Ms. Hutchinson: Wasn't he supposed to go by three years prior expenses?

Mr. Goncalves: and I can tell you that 5% ten years ago was really cheap personally. If someone thinks it's cheaper out there or if they want to do some management for 5% you probably might get a lot of people.

Ms. Hutchinson: Where is he getting these numbers from?

Attorney Kraus: So, Mr. Chairman, exhibit M, I would suggest to the Board that 7.9% is silver service. It's M, you can see it. This is a Ludlow company. It's on 563 Center Street, Ludlow, MA, RPM Baystate West Management. The highest end is 12% and I will suggest to you that Mr. Lennon and his management company do more than the platinum level. Meaning that he would be entitled to greater than 11.9 but he's lower than all three of these. Right and then there's the second one, page two, which is 10% and then so,

Mr. Goncalves: Again, I think unless you have something that tells me that you can get it done for 1 or 2 or 3% and a piece of paper to that effect then there's got to be an assumption that the 5% is fair based on what has been presented to this Board. You folks understand we're dealing with a section of the law and we can talk all day but what we need is a piece of paper because at the end of the day we can end up in front of a judge and the judge is going to listen to your testimony and say I believe you John but I don't believe you Walter and that makes sense but that doesn't make sense. It's going to be you had an opportunity to present a piece of paper to this Board, people have presented pieces of paper and now there's an opportunity to rebut that, but it's got to be with evidence that we can take in and submit to our files.

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Ms. Hutchinson: Then where did he get the \$349,524, where did he come up with the gross annual income of that much?

Mr. Goncalves: Well, let's find out. What number was that?

Mr. Lennon: That's on the financial sheet Mr. Chairman.

Mr. Goncalves: No, I'm looking at the property management. No, so the total rent is \$349,524 annually at 5%.

Resident: Yeah, and where's he getting that?

Mr. Goncalves: That's got to be all of the income for the projects, \$349,524. Gross annual income. That would be the 73 units at whatever is being paid at 12 months.

Mr. Kelley: One other question on the estimate?

Mr. Goncalves: Your name again?

Mr. Kelley: John Kelley.

Mr. Goncalves: Okay.

Mr. Kelley: He's submitting to you people an estimate saying the park is worth \$2.1 million

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Mr. Goncalves: Right.

Mr. Kelley: Well, how come the Town is says it's only worth 8.45?

Mr. Goncalves: Well, there's an assessed value and appraised values. Dare I say that if we were to go, nobody in this Town today would ever sell their property for their assessed value because the two are so far apart. One is a tax function so that you can get to the right amount of money you need to run the Town and create the right levy,

Mr. Kelley: Right and the next thing that bothers me is we're paying for everything he's done there but yet he's going to profit. He paid \$850,000 for it, now he's going to get a percentage on \$2.1 million not even a year later.

Mr. Goncalves: That's the law though. That's not us. That's the state of Massachusetts and how the calculation has to be done.

Mr. Kelley: You people also have the right to go by his or go by the estimated value of the Town.

Mr. Szlosek: No, we don't.

Mr. Goncalves: As a Board we are going to look at everything that was submitted to us and decide what we think and is fair and that it's believable and a normal person or a court would say yes, you've used reasonable amount of care in making the determination based on what was presented.

Ms. Hutchinson: In the packet that he mailed us, I'm looking at a Town of Ludlow Fiscal Year 2022 tax bill and it says the current owner is Mountainview in the corner.

Mr. Goncalves: It can be anything. I'm not really sure how that works or,

Attorney Kraus: The Assessors usually catch up.

Mr. Goncalves: Yes, the Assessors are way behind sometimes.

Attorney Kraus: Yes.

Ms. Hutchinson: Well, how come it says transfer history and then it's got Hillside Valley? It does have Hillside Valley, but it has it under transfer and not in the right place.

Mr. Goncalves: Yes, see the top here on the location is done correct, that he bought the property on 6/3/21. Are you, is there someone in New York that's paying your bills? Your accountant or anybody up in New York? So, that's the previous owner?

Mr. Lennon: That's the previous owner.

Mr. Goncalves: So, it just didn't catch up yet. That's the Town, it has nothing to do with him. That's our Assessors office that's a little bit behind or Warren Group whoever is populating this for the Assessor's office.

Ms. Hutching: Well, when Mountainview owned the park they had a manager, Zach that lived in the brickhouse and now Tom's saying he's the owner and then he's saying he's the manager, he's both?

Talking over each other.

Mr. Goncalves: If you look at the next page in the packet that was mailed to you, and you see assessment report and that's got Hillside Valley on top. It's proper here.

Attorney Kraus: And Mr. Chairman may I add to your definition of fair market value, the definition in your bylaws says "shall mean the current assessed valuation of the property or any other valuation the Board feels more appropriate to the situation. This will be determined by the Board based on the evidence presented to it".

Mr. Goncalves: Isn't that what I said.

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Attorney Kraus: I just want to make sure it's for the record.

Mr. Goncalves: I wasn't as elegant though Mr. Krause but it was,

Attorney Kraus: Oh, Mr. Chairman you're more, you're much more elegant than me. I just think these are, you know to have this assessed value is,

Mr. Goncalves: Yes, assessed value and what actual value is are totally different.

Attorney Kraus: Thank you Mr. Chairman. Sorry about that.

Mr. Goncalves: Yes. One is just a function just to get to the amount of money that you need to run the town and if they needed 10% more than they would just turn around and theoretically increase all the assessed values by 10%.

Mr. Lennon: Can I add another thing, if we do and we're all in this together, I think, if the Town catches up on it and the tax assessors are watching this right now and he says hey let's bring the value up. Everything has skyrocketed, value, let's assess this at \$2.25 million, next year we're going to be here and one of my line items is going to be look the taxes tripled last year. I want to bring the rate down more so we're all in this together. I'm kind of hoping that you guys aren't saying this too loud or someone's hearing it but the assessor's door is open,

Mr. Goncalves: The assessments down low, you don't want it going up.

Mr. Lennon: Exactly, it's going to backfire on you guys and me.

Mr. Goncalves: And we have proposition 2 ½ here so they can never increase the total levy by more than 2 ½%. So, we have a safeguard unless town meeting votes 2/3, which will never happen in this town, but that's a different story. Yes, Ms. Valenti?

Ms. Valenti: Yes, okay are we talking about this now because I want to bring it to your attention,

Mr. Goncalves: Hold on, what are we talking about here?

Ms. Valenti: The Cushman and Wakefield appraisal.

Mr. Goncalves: Okay, so you'd like to, you have a copy of that, and you'd like to talk about it?

Ms. Valenti: Yes.

Mr. Goncalves: Okay, shoot.

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Ms. Valenti: On it, it has that it contains 82 homes and double-wides, which is doesn't and then it says apply only as the affected date indicated and then on another page,

Mr. Goncalves: Hold on one sec, I want to catch up to you.

Attorney Crowley: Was the appraisal a part of the original filing?

Attorney Kraus: Yes. It's page six, it starts at page six of my,

Mr. Goncalves: Package?

Attorney Kraus: Yes. It's two pages signed by Shawn T. Finnerty, the appraiser.

Mr. Goncalves: Alright, let's go. Go ahead.

Ms. Valenti: Okay, so they say there's 82 sites, there isn't 82 sites. They say there's double-wides in their appraisal. There are no double-wides in the mobile home park.

Mr. Goncalves: Where are you seeing the double-wides?

Ms. Valenti: Right here...property Mountainview MHP...manufactured housing community. So this was done for Mountainview.

Mr. Goncalves: Okay, so this was previous. Okay.

Ms. Valenti: Yes, so it has 82 mobile home sites and then down here it is, the site mix is generally typical for this suburban submarket, having a blend of single-wide and double-wide. There's no double wide.

Attorney Kraus: It also has a 78.1% occupation rate and then it says there's an intention of investing some money in renovating the park, which has been done. So, the proposed market value opinion as of April 20, 2021, prior to the work being done and now the work has been done, is \$2,150,000. In some there are hypothetical conditions as you can see what this is, but this reflects the park as it can be based upon the improvements that Mr. Lennon was going to do and has in fact done.

Ms. Valenti: And it also includes the rent being \$399.

Attorney Kraus: Not yet, but,

Ms. Valenti: In this appraisal it does.

Attorney Kraus: the appraisal,

Ms. Valenti: Or whatever this is. Yes.

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Attorney Kraus: Cushman and Wakefield gave an appraisal based on MAI reasonable foundation. There is no controverting evidence that other than the assessed value, which you correctly stated Mr. Chairman, is a non-realistic figure and I didn't mean to correct you or to supplement what you stated because you said much more eloquently than me. Okay. I'll get past that. This is an appraisal from Cushman and Wakefield that reflects work to be done. There's evidence in the record that the work was done and in fact this may be undervalued, but to get an appraisal like this, as you well know, costs a ton of money. I would suggest to the Board that the \$2,150,000 is a fair and accurate representation of the value of the park currently.

Mr. Lennon: Also, if I could add two things to piggyback off of that, I didn't pick the \$399 rate, that's Cushman and Wakefield. They went with what a market rate is. They're the ones that plucked that number out of the air. They did their research. They're a worldwide organization that does appraisals on large properties. They're the ones that came up with that number. Number two, when I did it, I don't expect everyone to understand this but the cap rate was at an 8. If now that we've done all the work, we've done a substantial amount of work for the park, that would probably lower the cap rate, which would make the multiplier factor, make that number even skyrocket higher and the real estate market in the last year has incredibly bonkers. It's gone way up. I bet you if I did go and get one now, with the condition of the park, with the cap rate being lower and because of the condition of the park and with the real estate prices I would almost guarantee that number would come in substantially higher as well. Again, that would probably cost \$4,000 to get an appraisal.

Attorney Kraus: So, let the record reflect as well that Mr. Lennon is a real estate broker as well and has been involved in real estate. So, the opinion is not just conjecture because he knows mobile home parks, he knows real estate and he's very familiar with the area because since buying the park last June of 2021; how many times would you say you've been in the park?

Mr. Lennon: Well over a hundred times and the values of everyone's homes roughly were probably \$20,000 to \$30,000, now the homes are selling for \$80,000 to \$100,000.

Attorney Kraus: And that's the result of the beautification, it's the result of all the work that's been done. So, having said that thank you Mr. Chairman.

Mr. Goncalves: Yes, Marilyn.

Ms. Valenti: Do you have this page?

Mr. Goncalves: What's the number on top?

Ms. Valenti: It doesn't have, page four.

Mr. Goncalves: What does it say?

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Ms. Valenti: I want to say, the buyer has indicated that the Ludlow Rent Control Board and approximately thirty-five existing residents have approved the rent increase from \$299 to \$399 per month. The appraisal has you approving this rent.

Attorney Kraus: Mr. Chairman there was,

Attorney Crowley: Could you show us that document so that we could identify it in the packet? And you pulled this from where?

Ms. Valenti: Right here.

Attorney Crowley: But I mean,

Mr. Goncalves: Yes, that's on the second page that we have.

Attorney Crowley: This?

Mr. Goncalves: Yes.

Ms. Valenti: This is number two here, so.

Attorney Kraus: Again Mr. Chairman, I'd like to submit the resident's commitment,

Attorney Crowley: Hold on one second, just let us catch up.

Attorney Kraus: so that you understand. If we are going to submit it, I'll get the original back.

Mr. Goncalves: Okay and Marilyn, your point is what there please?

Ms. Valenti: They, on the appraisal it has you approving the rent control, the rent increase.

Mr. Goncalves: Right, but it also goes into; we have assumed the new rental rate and reserve the right to amend our conclusions if the assumption are found to be untrue or whatever and the buyer is indicated,

Attorney Kraus: Can I see it Mr. Chairman before you,

Mr. Goncalves: Yes.

Ms. Valenti: \$299 to \$399 right there. It says the buyer has indicated,

Mr. Goncalves: No, I have the line also, that approximately 35, so I think maybe what that was, and I don't know but it might have been the last time we got together once upon time was there was a lot of people in the room that didn't have a problem with the rent increase whatever.

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Ms. Valenti: This is back on April 20, 2021.

Mr. Goncalves: Probably the last time we were here.

Attorney Kraus: I can easily explain it. Hold on we have too many conversations going on. Tom, do you want to and then, well Mr. Chairman.

Mr. Goncalves: Yes.

Attorney Kraus: This is an original signed questionnaire whether people would object to the \$399. This was done in June of 2021. I think in connection with last year's rent control board.

Mr. Lennon: No, if you don't mind, when I went to buy the park there were three or four people, other buyers that were coming in. They didn't buy the park for different reasons whether it was neglected, it was the rent control that... a lot of things. They didn't want to come in, there was a law suit going on, like a lot of other investors didn't want to come in and purchase the park. I don't know if I'm crazy or whatever is, I'm the guy that came through, got to the finish line. I met with all of the residents two or three times prior to owning the park. I live an hour and a half away. I made a lot of commitments prior to even owning the park. I came up and met them prior to buying the park. I believe this was April?

Attorney Kraus: June.

Mr. Lennon: June, this is April. I met with everyone in April. I bought the park in June, and I told everyone look it, we are all in this together because I have a substantial investment I'm going to put up and you guys have all of your homes. They were trying to sue the previous owner for \$2.1 million. There was a lot of moving parts to this whole thing and when I came in, I said look it, I'm going to come in, I'm going to sink a tremendous amount of money into the park, it's going to cost me a lot of money. I'm taking my money out of here, it's not being funded by the residents in the park a substantial amount is coming out of my pocket to do it and I said it's going to be a big commitment. So, this isn't any official thing, but I'm asking unofficially do you guys and what I had was we the...residents of Mountain View Mobile Home Park, that's what it was called at the time, want the park to be sold to Tom Lennon and allow him to transform our community, which I absolutely did. We are committed and on board with our monthly lot rent being updated and increased to \$399 per month effective July 1, 2021, allowing our community to be saved. I have 64 different people signed this. There are no forged signatures. These are all legit signatures. Unfortunately, the majority of the people in this park, in this meeting, they're not the ones that signed this because they don't want it to go up. I want to go have lobster and only pay \$2. Why do I want it to go up to \$20. They didn't want it, but I did what the majority of the people wanted. I moved forward. I know this wasn't in the official rent increase thing; it's just an unofficial poll if you want to call it that. I have all of these people that signed this saying that they did not mind if I went up to \$399. So, I went to my bank, and I got my funding. My bank, which has nothing to do with this said wow we like the commitment, we like what you're doing, it hasn't been raised in x amount of years. My bank said it likes that we are all in this together. If the park declines or the park gets shut down it's not good for anybody here, by the way it's not good for me either. We're all in this together. So, that's why I just did an unofficial

poll and I have 64 people that signed that, they committed to going to \$399. Then I came in front of the Board in November. I know it got weird, but we agreed to it on the \$399 in November as well.

Mr. Goncalves: Great. Marilyn, are you done?

Ms. Valenti: Yes.

Mr. Goncalves: We're good on that point? Good.

Ms. Evangelista: How many residents do you have there now?

Mr. Lennon: Well, there's 73 homes in there, I don't know a lot of people,

Ms. Evangelista: 73 and 64 people signed it?

Mr. Goncalves: No units.

Mr. Lennon: Well, what there is Mary, is a total of 73 homes, which I'm basing the income off of. I've only brought in income off of 63 homes since the day I bought it and so I'm basing this income off of all of them. I've been funding a lot of this. So, what happens is a lot of homes that have 2, 3, 4, 5, 6 people living in them. So, some homes very rarely have one, but most have them 2, 3, 4. I went around and we brought this around when we had the meeting up there, you know they just came up and they were all signing it. There were some nay-sayers who didn't want it to go and that's okay. I get it. You can't please everyone, but 64 residents of the park signed that saying they wanted me to go ahead and do it and that's what I have right here. I'll give it to the Board for evidence if,

Mr. Goncalves: No, that's okay. John?

Mr. Kelley: I'd like to respond to that letter. As a matter of fact, I'm one that signed that letter, but it was presented differently to us. He wanted the \$399 and we went along with it saying yes, if you can prove to the Rent Control Board that's what you deserve all fine and dandy. Now as far as 63 residents signing it, yeah there probably are but there's probably a matter of 20 homes because 3 or 4 people from the same home signed that list.

Mr. Goncalves: Gail?

Ms. Hutchinson: I have a problem with him mentioning keep using estimates because I have a copy of the purchase and sale agreement and I think I mentioned this at the last meeting. He was provided with three years' worth of park expenses including utilities and a list of any park owned property and equipment. Now why, did he use that in his numbers? He's using other estimates here.

Mr. Goncalves: I don't, that's a part of negotiations for whatever reason and it's not the way that this Board has to compute his ability to either get a rent increase or decrease or nothing happens. There's a set of rules and again it's not discretionary, we can't guess,

Ms. Hutchinson: I mean, he has to follow the rules.

Mr. Goncalves: It's the Attorney General. It's a section of the Mass laws. Right. So, how would,

Ms. Hutchinson: Right...and he was provided with that. It's in the purchase and sale agreement.

Mr. Goncalves: If they provided him with a million dollars it would have no bearing on what we need to do here and what we're talking about.

Ms. Hutchinson: How can it not?

Mr. Goncalves: Because it's the expenses that he incurs and will incur.

Ms. Hutchinson: He's using other, he's using estimates.

Mr. Goncalves: He can use estimates because he doesn't know the future. He doesn't know the water and he can base it on what he's used in the past. The law is specific as to how it's calculated and whether I like a portion of it or you like it, it doesn't make a difference.

Ms. Hutchinson: They have to go by actual numbers though and estimates aren't actual real numbers.

Mr. Goncalves: There can be estimates in place of a real number if there are circumstances Gail. Yes. Listen we can sit here and knit pick and throw darts and hope we pop a balloon and win a prize, the bottom line is that I got a giant packet of papers with numbers and facts on it and I need stuff from you people if you want to submit it to contradict these numbers and if you don't have anything then this Board has to decide if those numbers make sense, don't make sense, they're inflated, they're not inflated and do the calculation according to whatever the law says. I mean do you folks have anything?

Ms. Hutchinson: He was provided from Mountain View; Mountain View provided him with three years' worth of expenses. It's in the purchase and sale agreement. Do you need to see it?

Mr. Goncalves: I understand. The purchase and sale agreement is not part of what we need to calculate a rent increase if he's due one. Do you see what I'm saying? If he won the lottery, he wouldn't need anybody's money and I couldn't say no you're not going to get rent increase because you won the lottery. You know?

Ms. Hutchinson: They used three years' worth of prior...

Mr. Goncalves: Gail I'll look at that okay you know. Is it part of our package?

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Ms. Hutchinson: It's the purchase and sales agreement.

Mr. Goncalves: Okay, then I'll take a look at that and I'm going to see how it applies to what the law is. Gail, I have it here, it's okay.

Ms. Hutchinson: Page 18 and 19.

Attorney Kraus: Mr. Chairman, the purchase and sale has nothing to do, and I object to the purchase and sale coming in. There is no requirement from Mass General Laws Chapter 140 or the regulations 940 CMR 10.00 relating to three years of financials. Your bylaws speak to financials but he is only, but this entity has only owned this park for one year. The expenses of an inoperable, a contested operator, someone or some entity that everyone claims did nothing cannot be the basis of expenses for someone who is doing something. So, the fact is we only, he's only owned it for a year. We had provided you financials based on his, the entities' operational expenses.

Mr. Goncalves: Okay, thank you, Attorney Kraus. The documents that Gail was talking about, do we have a copy of it in our package?

Attorney Kraus: No, we didn't submit a purchase and sale.

Mr. Goncalves: So, how'd you get that?

Ms. Valenti: Because we get them when...

Attorney Kraus: They had the right of first refusal Mr. Chairman.

Mr. Goncalves: Okay, can I see that then? Gail, can I have that, and I will take that in as evidence.

Mr. Szlosek: I don't know if it's relevant or not.

Mr. Goncalves: I think we should just take it, if they want to present it as evidence and then make a determination afterwards.

Attorney Kraus: Okay, it's under 32R, section A, B and C Mr. Chairman that the residents had a right of first refusal. That they could have bought it at the same price that Mr. Lennon bought the park at. Therefore, they could have controlled their own expenses, they could have cut their own expenses, they could have cut the lawns, they could have done the landscaping, they could have done whatever they want. It's not relevant but if you want to take it into evidence so be it.

Talking over each other.

Mr. Goncalves: No, I got you, I got you Attorney Kraus.

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Attorney Kraus: It's not relevant, it's just not relevant. But Mr. Chairman for the purposes of completeness if you want to include it in your record so be it. Okay?

Mr. Lennon: Yes, absolutely. If I could add one other thing to it is the Attorney General is the one that overlooks Mobile Home Park ownership, they overlook it all so all the residents in any park in Massachusetts has right of first refusal. So, once we get it under agreement it's still subject to the residents and they get a large package in the mail which they all did which includes the purchase and sales agreement and they could purchase it and there are a lot of communities that do purchase theirs. Most of them don't and I do think if they did come and purchase their own and they had it together I will guarantee you, their numbers would be a lot higher. They'd all get together and say this isn't working guys, we need to bring the rent up substantially higher than \$399 because they'd all be footing what I've been footing for the last year.

Attorney Kraus: Right and I'm going to tell you just for the record Mass General Laws Chapter 140 Section 32R, sub-section small either e or f; when it was sold to Mr. Lennon the seller had to represent that everyone in the park got a right to first refusal and the documentation and they did. It may be what you're looking at.

Ms. Hutchinson: No, it's not.

Mr. Lennon: That's the P & S, that's part of the package that they got. That's the P & S.

Mr. Goncalves: Gail, what page did you say it was on?

Ms. Hutchinson: 18?

Attorney Kraus: Can I see that Mr. Chairman?

Mr. Goncalves: No.

Attorney Kraus: Oh, you're being bad.

Mr. Goncalves: Purchase and sales agreement for mobile home park.

Attorney Kraus: Yes, I don't know,

Ms. Hutchinson: Do you have the right page?

Mr. Goncalves: I'm open to page 18 now, I'm reading it really quick. I'm doing my Evelyn Woods speed reading. I don't see it. Hey, Gail, you want to come up? Can you show me where,

Attorney Kraus: Because of due diligence probably.

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Mr. Goncalves: I think it's three years of park expenses including utilities; I don't think that was a credit for the money. I think that was what exactly that is for the purpose of record keeping what three years of expenses were.

Ms. Hutchinson: Yes.

Mr. Goncalves: But not that that money was being conveyed over. It's a list of what the expenses are and a list of the equipment etc. that was going to be conveying, but if you want me to keep this and look over it I will.

Ms. Hutchinson: Okay.

Mr. Goncalves: And I'll get back to you, okay?

Ms. Hutchinson: Okay.

Mr. Goncalves: Alright.

Mr. Lennon: What is included in there if I could add one more thing, there is rent arrearage, a lot of residents hadn't paid the rent in many years, and it was about \$400,000 worth of rent arrearage which became part of the park and part of my thing. There was over \$400,000 in rent arrearage from a lot of the residents that withheld, didn't pay, and I waived that. Part of my thing when I talked to them, I'm going to waive that, I waived that \$400,000. That was part of my asset when I purchased it. I could have went after everyone like a debt collector and got it all. I told everyone I'm waiving it. I've never asked or received one penny of that \$400,000 in rent arrearage.

Mr. Goncalves: Alright, thank you.

Mr. Kelley: Can I speak to that? John Kelley. I'm one of them on that list that didn't pay it because the day that our attorney got ahold of us and told us we won a judgment against them. You're damn right I'm not going to pay them people, when they owe me. That's why I'm on that list.

Mr. Goncalves: Right, so that's kind of ironic now. So, you owed the other guy money, or you didn't want to pay him,

Mr. Kelley: No, the other guy owed us money.

Mr. Goncalves: Right.

Mr. Kelley: So, why should I pay him when he owes me. I had a court judgement stating that he owed me this much. The lot rent was illegal. So, I withheld it and,

Mr. Goncalves: So, just for ha has after Mr. Lennon bought it, you guys are all, everybody is square?

Mr. Kelley: Oh yeah, clear slate you know and if they felt I owed them money believe me they would have dragged my ass into court in a heartbeat. They knew.

Mr. Goncalves: Just curious. Yes, Ms. Valenti?

Ms. Valenti: Marilyn Valenti. If you look at page two and three of that sales agreement, you will also see that it says for rent owed or utilities not paid. So, he had plus or minus on that that he was going to be,

Ms. Hutchinson: Pro-rated.

Mr. Goncalves: Right so just out of curiosity then along those lines you got credited money, but did you have to pay that when you bought it?

Mr. Lennon: No, I got no credit. It was pro-rated at the day of closing. Whatever the thing was, boom prior owner took that and I took it from the day forward and went forward with it.

Mr. Goncalves: Okay.

Attorney Kraus: No offense Mr. Chairman, none of this is,

Mr. Goncalves: No, its curiosity, that's all.

Attorney Kraus: I get it. I get it.

Mr. Lennon: It's like any closing in the USA. The previous owner, if I closed on it today, the previous owner pays from today back, I pay tomorrow forward and that's what it was. That's all its showing is credits, if there were fuel adjustments or anything like that.

Attorney Kraus: The fact of the matter is anyone could have bought it at that price, most particularly the residents but,

Mr. Lennon: And everyone walked away from it and three or four investors did as well.

Attorney Kraus: That's what you can take away from I think, that purchase and sale.

Mr. Goncalves: Alright, so anything else pertaining to the numbers that have presented to us that we are supposed to absorb and make calculations based on? Yes, Marilyn Valenti?

Ms. Valenti: Thank you. I also noticed that lawyer fees have gone up \$10,000. I believe Attorney Kraus is charging \$10,000 to represent at this hearing, which he tried to do prior with Mountain View as he was their attorney too. I don't know if he comes with the park or what but,

Attorney Kraus: No, I'm chained to it, I'm chained to the park.

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Ms. Valenti: Yes, that's true. You are part of the park. I think you're the one that owns it.

Attorney Kraus: I can assure you I don't.

Mr. Goncalves: Yes, if we don't get this done soon it's going to be \$11,000.

Mr. Lennon: By the way there's a snapshot of it like I said before there's a snap shot and my bills kept going up every time we keep coming back. I would love if he could do this pro bono. If you guys want, I'll take a vote on that tonight. I'd love that one. These attorney fees they go with it. I wish there weren't any you know, but there are. Every time we come back there's,

Talking over each other.

Attorney Kraus: Mr. Chairman my fees are associated with the operations of the park, period.

Mr. Gomes: Mr. Chairman my name is Josue Gomes....

Mr. Goncalves: Unfortunately, that's not part of the Attorney General's formula Mr. Gomes. If you won, the lottery we wouldn't want you to pay \$1,200 either.

Ms. Hutchinson: Why should we have to pay attorney fees at a Rent Control Board Hearing?

Mr. Goncalves: Because it's the cost of doing business.

Talking over each other.

Ms. Hutchinson: Why should tenants have to pay...

Mr. Goncalves: What if there's a fire and it burns two or three units, his insurance is going to triple, and you are all going to pay for it.

Ms. Hutchinson: We can't afford to pay for a lawyer but we're going to pay for the manager's lawyer? We can't afford our lawyer but we're going to pay for his lawyer?

Mr. Goncalves: It's an expense that is allowable under the law, you know. It's a legitimate expense. So, anything else guys?

Mr. Young: Speak up, this is the time to do it.

Mr. Kelley: I'd like to just say that out of all the parks around here, the highest park in the area is in Ware on Monson Road, it's a co-op. They pay \$363 and then they get two free months every year because they

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have such a surplus. But yet that's the highest rent around and it's only \$553. Now, the next thing is, I know he's going after West Street after this hearing, how is he coming after them for the same amount, \$399? That puzzles me.

Mr. Goncalves: That has nothing to do with this hearing John.

Mr. Kelley: Yes, that puzzles me how he wants the same amount out of them people.

Mr. Goncalves: Yes, that's neither here nor there with regards to this.

Mr. Kelley: Well, like I said I just hope that you people do your due diligence because we do have an attorney that is going to look everything over after everything is said and done.

Mr. Goncalves: We've got a big pile of stuff that we are going to have to go through, there's no question. We're probably aware of that too. That's why every T will be crossed, and I will be dotted.

Mr. Christianson: I have one question.

Mr. Goncalves: Walter, right?

Mr. Christianson: Walter Christianson.

Mr. Goncalves: Christianson, okay, I'll say your name for you.

Mr. Christianson: He said that he sent everybody in the park the big thick package.

Mr. Goncalves: Yes.

Mr. Christianson: I never got one. The only packages that I've been getting from him is for the water bill. That's it.

Mr. Goncalves: So, I can give you a package and you're here now. If you'd like a package.

Mr. Christianson: Yes please. I mean like I said, I haven't seen any of it.

Mr. Kelley: Here you want mine, I don't need it.

Mr. Christianson: I mean these last two meetings I've know about because my neighbor told me about them. I never even got a letter for these meetings.

Mr. Kelley: Can I just speak to something in the parks too?

Mr. Goncalves: Yes John.

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Mr. Kelley: You know all of these other parks have community rooms. Some of them have pools and tennis courts and stuff. We have absolutely nothing but the little piece of land that he rents to us. We pay all of the bills, water, sewer, electric. We have nothing else. We have no community room, we have no washroom, we have nothing.

Mr. Goncalves: And those types of items get included into the expenses if there are any and they're taken into whatever calculations they're doing there.

Mr. Kelley: Like I'm saying, it's just funny, all of these other parks have pools and everything and their rent is lower than what he's asking for.

Mr. Goncalves: I mean if you know anyone that owns parks, take a look at their financials if they'll share them. Maybe you could figure it out that way.

Mr. Young: We don't have a pool; we have a mud puddle.

Talking over each other.

Mr. Young: But even if that was included, it would bring up the expense.

Mr. Lennon: Absolutely.

Mr. Kelley: It brings up their expense but yet they can offer it for less than what he wants and then still at the end of the year everybody gets two free months off because there's such a surplus,

Mr. Young: And what town is this?

Mr. Kelley: This one is Monson. A buddy I know that lives there. It's actually Ware off of Monson Road.

Mr. Young: And I think they're cheaper on the water and everything else.

Mr. Kelley: Yes, yes.

Mr. Goncalves: Their taxes could be a lot less money. Their water could be a lot less money.

Mr. Kelley: You're right and I don't know the situation. All I know is what he's paying and what they have versus what we have and what he wants to charge us.

Resident: And being out in Monson, they will most likely will have septic. So, you save your sewer costs right there.

Mr. Goncalves: There could be a lot of things. That's why I'm saying if you look at their financial statement, you'll have an idea.

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Mr. Kelley: I'm just saying.

Mr. Goncalves: So, just for ha-ha's and it's absolutely no bearing on what this Board is going to do for a decision, in the last year has most of your trailers increased in value? It's not going to change what we are doing here.

Mr. Kelley: I don't know. I haven't had mine appraised.

Mr. Christian: I haven't had mine appraised.

Mr. Goncalves: Anyone sold in the last 6 months, 8 months?

Resident: I know in my park I've seen some trailers that he's renovated, and other people have sold their trailers. Yes, the cost of mobile homes has gone up dramatically.

Mr. Goncalves: Anyone around you guys sold their trailer?

Mr. Kelley: No, just Tom. Tom sold one.

Mr. Christianson: Yes, Tom sold one.

Mr. Goncalves: Everybody likes it that much?

Mr. Lennon: I gave your son two free homes. He's made a substantial amount of money off those as well.

Mr. Kelley: No, one of them he still has. He hasn't sold yet. The other one,

Mr. Lennon: Just for the record if we're talking about comps and stuff, I gave Mr. Kelley's son two homes for free. I'm not Jeff Bezos. I gave his son two free homes. One of the was G4, I gave it to him free. He put about \$40,000 into it and sold it for \$85,000. Made \$45,000 profit off of it. I got none of it. During the time he owned it, I didn't get any lot rent. Never asked him for it nor did I ever get any. Then I also gave him A6 over there and I gave him that one for free. He sunk about \$40,000 and they have it on the market for \$99,900 now. So, there is going to be about \$60,000 profit,

Mr. Kelley: I differ with that, he sunk about \$50,000 up in the G row and got lucky and sold it quick and the thing is you would have had to do it because every one of these had no roofs,

Mr. Goncalves: Alright, I just asked a general question,

Talking over each other.

Mr. Kelley: that's the only reason he gave them away. He didn't give them away and you turned around and sold it, you had to put thousands of dollars into it to get anything out of it.

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Mr. Goncalves: Right, but that has no bearing on any of this.

Mr. Kelley: You're right, then why is he bringing it up?

Mr. Szlosek: Mr. Chairman, this isn't relevant.

Mr. Goncalves: Yes, because I'm really curious from my standpoint,

Mr. Szlosek: I understand but I think we need to focus on,

Talking over each other.

Mr. Kelley: Next time a neighbor comes up to me and tells me he's slandering me; I'm going to sue his ass because I'm sick of people coming up to me and telling me he's running his mouth about people.

Mr. Goncalves: John that's different and nothing to do with us here.

Mr. Kelley: You're right, it doesn't but I want people to be aware.

Mr. Goncalves: Alright, any other questions here?

Talking over each other.

Mr. Goncalves: Okay, Gail, Gail that's no, no, no we are no soap opera here. We're financial, we're accountants today okay.

Mr. Kelley: It's just his character.

Mr. Goncalves: The Board, Joe questions?

Mr. Young: None.

Mr. Goncalves: Michael, Mr. Szlosek?

Mr. Szlosek: No.

Mr. Goncalves: Mary?

Ms. Evangelista: No.

Mr. Goncalves: Counsel?

Attorney Crowley: No.

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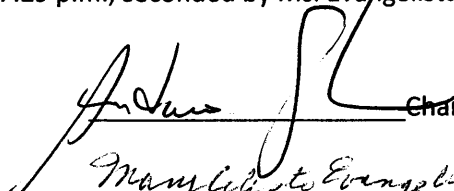
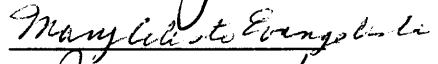
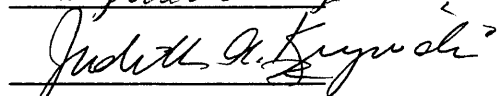

Mr. Goncalves: Okay if that's all we have, Mr. Kraus, Tom?

Mr. Lennon: No, thank you everyone.

Mr. Goncalves: Okay, can I get a motion to close the public hearing please?

Moved by Mr. Szlosek to close the public hearing, seconded by Ms. Evangelista. Vote 4-0. All in favor.

Moved by Mr. Szlosek to adjourn the meeting at 7:29 p.m., seconded by Ms. Evangelista. Vote 4-0. All in favor.


Chairman



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