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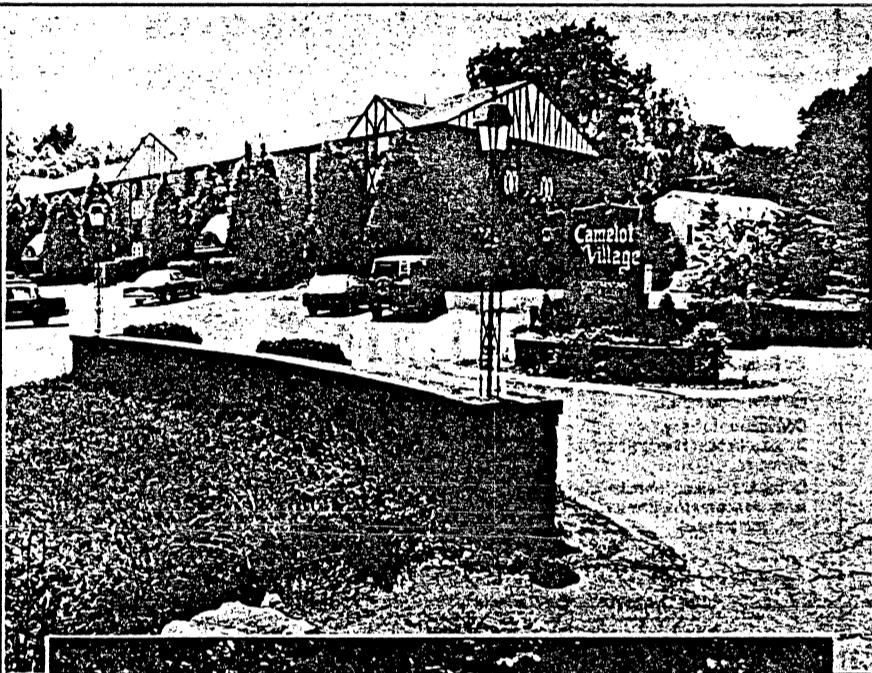
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SUNDAY, JUNE 30, 1991

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## DECLINE AND FALL of A CONDO COMPLEX

To investors, Amesbury's Camelot Village is "a free-falling asset." To residents, it's a dump. And despite last-ditch efforts to save the housing, prospects are bleak.



(Top) Camelot Village in Amesbury, with dumpsters overflowing (center). William Orlandi (right) hopes to rescue the project.

By Dan Landrigan

Dennis Cargill went to look at an apartment in Amesbury's Camelot Village condominium complex last week.

A friend who owns a unit there told Cargill he could move in and stay rent-free.

Cargill, a former Massachusetts developer, isn't in a position to turn down free housing lightly. His involvement in a variety of condominium developments has cost him dearly.

But the unit was mildewed and dirty, he says, and there was evidence that rodents had been around.

"I wouldn't even take it for free," he says.

Other people, however, do live at Camelot — and most of them don't live there for free.

Mark DiTondo, for instance, is living there in a unit he bought three years ago.

"I just want to get out," DiTondo says. But like all the owners at Camelot, DiTondo is trapped, at least for now.

Camelot Village is the worst-case scenario for condominium complexes throughout Massachusetts.

Converted from apartments in 1986, the

Amesbury complex on Clarkes Road is now virtually worthless.

Trash blows through the yard; windows and screens are broken, leaving some hallways open to the rain. Doors don't lock, and the electricity in common areas of the complex was recently shut off temporarily — leaving residents without hot water — for non-payment of the electric bill.

The picture for tenants who live at Camelot Village is bleak.

For the people who own the complex, the picture is worse, if that's possible. Occupancy is barely 30 percent, the units are falling into the hands of the banks, and the town has threatened to condemn the whole place.

To make matters worse, allegations are beginning to surface about criminal wrongdoing in the management of the complex.

Working away in the background is William Orlandi, a developer from York, Maine, who wants to buy all 126 units and convert them back to apartments.

The complex, though, is rapidly being drawn into the spaghetti bowl of lawsuits

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# Decline and fall of a condo complex

Continued from page 1

pending against one of its principal developers, William Walsh of Cambridge.

Those lawsuits show Walsh feuding with banks, his former investors (including Dennis Cargill), the Camelot Condominium Trust and its new manager, Bill Orlandi.

At this point, Amesbury Health Officer Mark Scason calls Orlandi's plan "the last and best hope for Camelot Village." That's better than saying there's no hope at all.

## From Housing To Investments

Camelot's problems began in 1986 when three men, backed by about 40 investors, decided the apartment complex would make a good investment vehicle as condominiums.

Jay Goldman, at the time a non-practicing lawyer from Newton, discovered the property, and he brought it to the attention of Leonard Aronson and Bill Walsh. Together they converted it into condominiums.

Both Aronson and Walsh are political figures in Massachusetts: Aronson was a fundraiser for Michael Dukakis, and Walsh is a lawyer and Cambridge city councillor. They've done numerous condo conversions, both before and after Camelot.

As was their practice, Walsh collected the legal fees for closings on the units, and Aronson's Eric Management got the contract to maintain the property. Both men were investors in the project as well.

At the start, the project was a success, according to Cargill, who worked with Walsh from 1986 to 1988. Though Cargill was not himself an investor in Camelot, he says other investors were eager to get into the high-flying condo market at the time.

Take the case of Mahmood Jafari, for example.

Jafari formed a real estate trust, which bought 25 units in the complex for about \$60,000 per unit. An average of \$48,000 per unit was financed by a bank.

Two years later, the Jafari group sold its units to the individual members of the group — in other words, to themselves — at a profit. Jafari bought five units from his trust, this time obtaining bank financing for an average of \$63,000 per unit.

That meant Jafari's trust profited as the bank upped its stake in the project.

The bank, ComFed Savings of Lowell, is now under the control of federal regulators. And if foreclosure proceedings begun last fall continue, all those units will soon belong to the government.

Whether foreclosure will continue is unclear, though.

George Gross, an official of the Resolutions Trust Corp. now controlling the bank, says he doesn't know if the foreclosure will be continued since it was started before the regulators seized the bank.

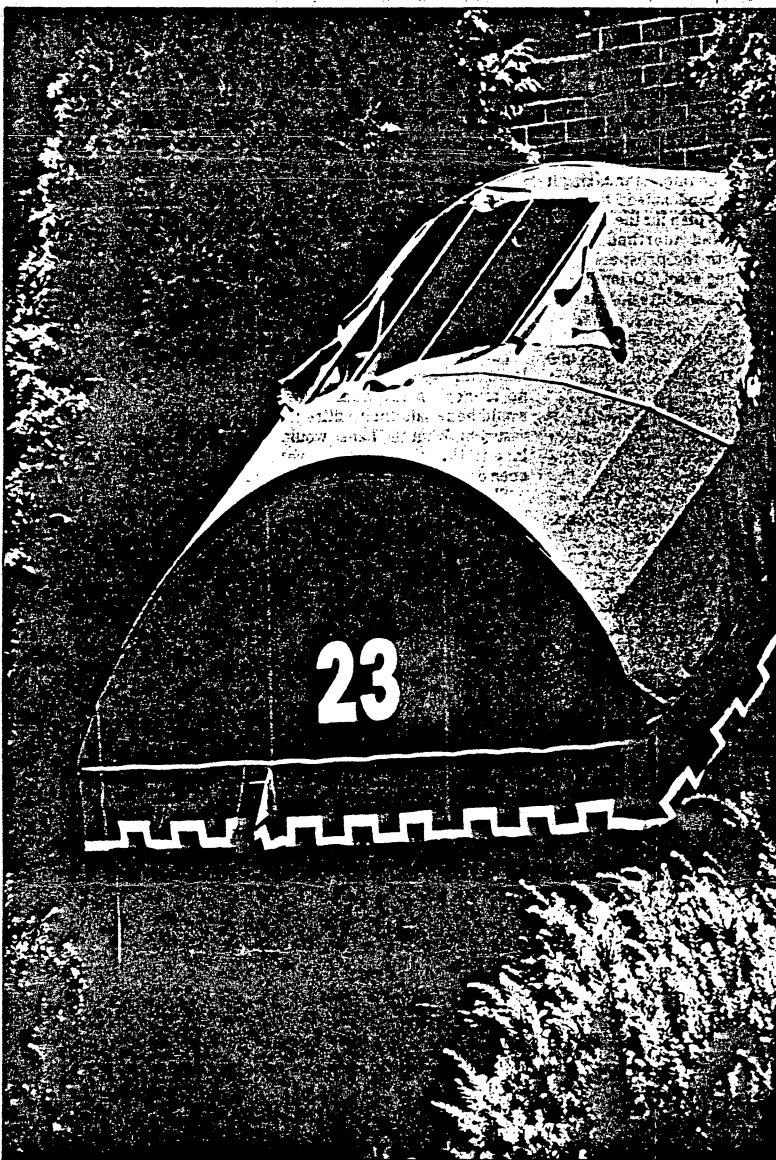
Jafari couldn't be reached for comment. He also hasn't responded to a lawsuit filed against him for non-payment of condo fees at Camelot Village.

All told, the original investors in Jafari's trust owe about \$85,000 in back condo fees, Orlandi says.

But, Cargill says, that's the way money was made on condominiums.



Cambridge City Councilor Bill Walsh is one of three partners who converted Camelot Village from apartments to condominiums. Walsh, a lawyer, is now embroiled in suits and counter-suits involving Camelot and other development projects. The bank has begun foreclosure proceedings on his units, and he owes \$11,000 in unpaid condo fees.



Ripped awnings are among the most visible signs of decline at Camelot Village. The apartment complex, converted to condos to make quick cash for investors during the real estate boom, is rundown and virtually worthless. (Photo by Owen O'Rourke)

## Investor Squabbling

From the very beginning at Camelot, Cargill says, the complex was underfunded. Condominium fees were too low, in his estimation.

That, he says, led to use of the condominium's reserve account for maintenance. The reserve account is supposed to pay for capital improvements in the complex.

Asked about it this week, Walsh, who notes the condominium conversion took place five years ago, at first said there was no reserve account at Camelot Village.

One of his partners, however, Fazal Chowdhry, said indeed there was a reserve account. With a refreshed memory, Walsh reckoned that each unit put about \$250 into that account at the time the conversion was completed.

That money was undoubtedly appropriately spent, he says, but he refers questions to Aronson of Eric Management. Walsh's position as one-time clerk and director of the company didn't keep him in close enough touch so that he knew what was going on.

Cargill says, however, that at Camelot the principals in the deal — Walsh, Goldman and Aronson — couldn't agree on how to pay the bills. The reserve account, he says, was ultimately used to pay for maintenance of the project. Whether it was done with a proper vote of the condominium trustees, no one knows for sure, since the records aren't available.

Orlandi, who has some of the records of the account, concurs that it was spent for maintenance on the project, rather than capital projects like roof repairs.

Cargill, it should be pointed out, has a few axes to grind against Walsh, and vice versa. After a few business deals that went sour, Cargill and Walsh had a falling out.

Walsh now accuses Cargill of stealing money from him. Cargill, who was affiliated with Orlandi as a consultant, has accused Walsh of a variety of things, including promising to use his clout as a city councillor in Cambridge to push a project through the city's regulatory process. Each denies the other's allegations.

But Cargill isn't the only former associate with whom Walsh has problems. He also accuses Goldman of stealing from him.

Goldman contends he was promised \$300,000 to \$400,000 in development fees for the Camelot project. When he got tired of waiting for his money, Goldman took several loan notes from Walsh's offices. The notes were for second mortgages given by Walsh, Aronson and Goldman to certain investors to make down payments on condo units.

While all this behind-the-scenes wrangling was going on, Camelot Village was experiencing a few difficulties of its own. This is now beginning to show up in court records.

## Management Problems

Camelot Court has been under three management companies since it was converted. Eric Management ran it for a time; it was under self-management for a time, operating out of Walsh's office; and it is now being run by Orlandi.

Under all three, one man was hired to be the property manager. Continued on next page

## Decline and fall of a condo complex

Continued from previous page  
er, Socrates Motsis. Motsis left in September of 1990 in a dispute with Orlandi that wound up before the state's labor relations board. Orlandi ultimately won.

But now, with Motsis out, a variety of charges have surfaced about alleged wrongdoing on his part.

Walsh, in an affidavit filed with the Essex County Superior Court, alleges Motsis stole rents from condominium owners.

"Various reports surfaced that Socrates Motsis was renting the units ostensibly on behalf of (the) unit owner, but in actuality never contacted the unit owner, executed leasehold arrangements on their behalf, and kept the rents while an employee of Camelot Village Condominium Trust," Walsh said in an affidavit.

"In one particular case, it was discovered that two of my supposedly vacant units had in fact been rented for over 11 months," he said. "In that particular instance I lost over \$7,500 in potential revenue ..."

He also says that when a tenant was evicted from one unit for non-payment of rent, Motsis would put him in another unit. Though Motsis' job was only to manage the common areas and facilities, Walsh — who wants the condo trustees to take legal responsibility for Motsis' actions — charges that Motsis was in charge of all aspects of Camelot.

"Everything that was done had to go through Soc Motsis. That's just the way it was," he says.

In a letter to Walsh, Orlandi discusses problems at Camelot that surfaced when Motsis left.

"We found many units had been damaged, that appliances were missing from the units making it impossible to rent ... and that slipshod repairs had been done to others," he says.

"Additionally, we discovered that he had charged Coolidge Corner Cooperative Bank \$2,500 for the repairs of two of their units, which upon inspection with Kenneth Billich of that bank were found to be unrentable."

Orlandi said in the letter the charges against Motsis were not proven and that pursuing the

complaints would be futile. Orlandi said he did complain to the Amesbury police.

Motsis could not be reached for comment, though a request for an interview was given to his daughter.

Walsh, however, had this to say for Motsis' defense: "He may have stolen some rents, but at least then you had tenants."

Now, there aren't many tenants to go around.

### A Plan & Obstacles

Bill Orlandi is now in charge of managing Camelot Village. The trustees hired him to take charge when he came up with his plan to convert the project back to apartments last year. Since then, not a lot has improved at Camelot.

In July of 1990, when he took over, the electricity was shut off. This month the power was again cut to the common areas, which includes exterior lighting and water heaters for the condos.

Orlandi corrected some 61 health code violations the town had noted at the complex, but now Massachusetts Electric has issued another notice that on July 18 power will be cut again if further payments aren't made.

Orlandi says he's sent a notice to everyone involved informing them that by July 2, if he hasn't received money to pay the electric bill, he'll begin helping relocate tenants.

Facing that deadline, Orlandi says if the electricity is cut again and the condo complex is condemned, he'll walk away from it.

"I have no interest in taking it over if it's condemned," he says.

Orlandi's plan for the complex is somewhat unorthodox. But faced with the prospect of "a free-falling asset," Orlandi says some banks and investors are listening.

What he proposes is buying all the units for about \$15,000 apiece, though no firm amount has been set.

The typical investor with an outstanding mortgage would get the \$15,000 and forward the money to his bank.

The bank would have to agree to write off the remaining mortgage on the property.

"I have no interest in buying Camelot Village. I'll put that in writing if you like," he says.

Still, his dealings with Orlandi have been cantankerous. Walsh and Pat Maher, who owns five units, have been working together on a plan to fix up 50 to 60 of the Camelot units themselves. They say this is not an alternative to Orlandi's plan, yet they

believe Orlandi sees it as a threat.

Walsh and Chowdry say they were excluded from a meeting of the owners with Orlandi, and Chowdry says he's not impressed with Orlandi.

"This man knows all the names and the titles, but beyond that there's nothing," he says.

## The strange case of the 'nuclear letter bomb'

The lawsuits involving Cambridge City Councilor William Walsh, one of the developers who put together the Camelot Village condominium project in 1986, would easily fill an entire filing cabinet.

Walsh, who still owns several units at the complex with his partners, is involved in suits all over Massachusetts in connection with condo projects that are failing in the weak real estate market.

Yet by far the strangest case involving Walsh is a criminal case dropped last week in Cambridge District Court. And though it doesn't involve Camelot Village, it does give some insight into one of its developers, Bill Walsh.

The story has its roots in — what else? — a lawsuit filed against Walsh by one of the investors in several of his projects.

Conrad Watson of Waltham, who says he was a client of Walsh's and an investor in several condo projects, sued Walsh in connection with some of his real estate developments and won an attachment against Walsh in June, 1990 for \$125,000.

A month later, Watson found himself being summoned to Cambridge District Court for a criminal complaint that initiated with Walsh.

In April of 1990, Walsh received an anonymous letter at his City Council address: "Hi

Bill! You like letter bombs? Some people find them amusing. Sort of like the same way you find it amusing to f— your friends. You're a hot shit!

"Coming Soon! THE NUCLEAR LETTER BOMB. Guaranteed to blow your political career."

Walsh had taken the anonymous letter to police and, believing Watson had written it, sought a criminal complaint against Watson for threatening him in the letter.

But in an affidavit Watson filed with the court, he says Walsh then tried to persuade him to settle the civil suits. In return, Walsh would stop the prosecution, even though the criminal complaint had been filed by police.

In fact, he even drew up a 10-part agreement that included the condition that "Walsh shall take immediate steps to have District Attorney's Office withdraw Commonwealth v. Watson," according to Watson.

As arraignment drew near, Walsh promised to have the case postponed from its date of Sept. 6, 1990. The arraignment was carried out, though, with Watson absent, and a warrant was issued for his arrest.

"When I called Mr. Walsh to ask him why the arraignment had not been postponed, he assured me that he could call (Cambridge Police) Chief Polillo ... and have the warrant withdrawn," Watson said in

his affidavit. "Subsequently, I telephoned Chief Polillo, who advised me that Mr. Walsh had indeed called him and that chief Polillo had caused the warrant to be withdrawn."

Coincidentally, Polillo is also an investor in Walsh's projects.

When Walsh and Watson couldn't come to an agreement, Watson was arraigned in January 1991.

"When Mr. Walsh ... manipulates the criminal process as he has done here, the interest of society demands not only dismissal of the complaint but also discipline of the attorney," said Watson's lawyer in a motion to dismiss.

This week, the Middlesex district attorney dismissed the Watson case for lack of evidence.

"There was basically nothing to connect the typewriter that was used to type the letter with the person charged," said Jill Reilly, a spokeswoman for the D.A.'s office.

She didn't know what other evidence, if any, existed to link Watson to the alleged crime.

As for Watson's claim that Walsh used the criminal system to settle a personal dispute, Reilly said she wasn't familiar with the specifics of the case.

— Dan Landrigan

The investor would lose whatever money he'd put into the condo, and the bank would lose whatever it has left on the mortgage. For owner occupants, though, the deal would be slightly different.

The 11 owner occupants, Orlandi has promised, would lose no money on the deal. They would be repaid their entire investment. What the banks would lose in those cases hasn't yet been determined.

"Why should the owner occupants take a hit? They paid their bills, they maintained their property," Orlandi says. "This

isn't their fault."

Orlandi hopes to finance the purchase and a subsequent renovation of the complex with a \$6.7 million loan guaranteed by the U.S. Department of Housing and Urban Development. He also plans to build a 40-to-50-unit elderly housing complex on an unused piece of the land at Camelot.

While a majority of the owners have signed on to Orlandi's deal, at least tentatively, he still has a few obstacles.

Not all the banks are interested; Orlandi says Bank of New England — which would be

asked to forgive mortgage loans to some owners — is dragging its feet. Some, he says, are concerned about his limited development experience and the fact that this process of going from condo to apartment is untried. But, he says, the state of the economy demands new ideas.

"I'd like to know why a bank that lost \$9 billion and had to be taken over by the government is suddenly so conservative about this little plan," he says.

Other banks, though, are interested. Leo Speranza of BayBank in Boston says he's eager to hear the formal proposal.

"If the condominium fails and the town condemns it, then everyone will lose money," Speranza says. "Even if the bank has to accept some losses, it seems the loss might be less."

### More Infighting

But even if the bank agrees to the plan, Orlandi must also convince Walsh to drop a claim against the condominium trust. HUD won't get involved unless the project is free of any lawsuits.

The condominium trustees have sued Walsh for \$11,000 in back condo fees. Walsh has counter-sued, saying Motsis stole his rents, so those should be deducted from any condo fees he owes.

That counterclaim will prevent the HUD mortgage guarantee.

Walsh says if the banks agree to Orlandi's plan, he'll drop his case and sign on the dotted line. In fact, foreclosure proceedings have already started against Walsh for the units he and his partners own, and he says that rumors that he wants to take over Camelot Village again are not true.

Camelot Village. "What's all this going to do for us?" asks Paul Cole, a Camelot resident. "I'm on crutches and I need to make sure there will be lights in the hallways."

"It looks to me like we're getting pushed out," he says.

"All I can promise is that if it looks like this is going to fail, I won't wait until the last minute.

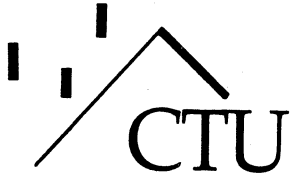
I'll tell the tenants as soon as I can," Orlandi says.

"I'm the eternal optimist, but if the electricity is going to be shut off again and I can't prevent it, I'll let everyone know as soon as I know, and we'll provide what assistance we can in helping people relocate."

And then, Orlandi says, he'll be out, too.

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CAMBRIDGE MA.



CAMBRIDGE TENANTS UNION

August 7, 1991

Cambridge City Council  
Cambridge City Hall  
795 Massachusetts Avenue  
Cambridge, MA 02139

1991 AUG -7 PM 4:30  
CITY CLERK  
CITY HALL  
CAMBRIDGE MA.

To the Honorable; the City Council:

The attached articles describe the demise of a large--126 units--housing development in Amesbury, Massachusetts. The Cambridge Tenants Union (CTU) is forwarding these materials to the City Council because one member of the Council played a central role in the demise and loss of this housing.

CTU deploras and condemns the housing speculation and greed which has now caused forty families to lose their homes with only five to thirty days notice.

Built in the 1960s, Camelot Village in Amesbury was "a well-kept garden apartment [complex] bustling with young families and some retired people" (Boston Globe, 8/4/91, p. 33).

In 1986, speculators, including Councillor William Walsh and some of his "core investors", descended on Camelot Village. In an all too familiar process described in court papers for another Walsh condominium conversion scheme, many renters could not afford to buy and vacated their homes. "Investors" bought most of the units. How much did the "developers" who converted Camelot Village to condominiums rake in? Whatever the answer, Camelot Village was left with a crushing burden of mortgage debt to finance speculative condo sales and without adequate equity and cash to operate and maintain the property in decent condition.

This week, the last remaining residents, a few resident owners and tenants renting from absentee "investors", lost their homes when the property was condemned. The Amesbury Board of Health apparently acted because electricity bills of less than \$250.00 per unit went unpaid, leaving Camelot Village without hot water, emergency lighting, and full fire protection. These electricity bills and other regular operating expenses could not be paid because "investors", including Councillor Walsh, had not paid their assessed condominium fees for "about two years".

One hundred twenty-six apartments will soon stand vacant, a monument to waste and greed.

Unfortunately, Camelot Village is not alone. CTU requests the City Council to consider how the pattern of housing "abuse" now evident in the "projects" of City Councillor William Walsh can best be investigated to determine how Cambridge can avoid any potential loss of housing stemming from this kind of speculative conversion to condominiums.

Respectfully submitted,

*Michael H. Turk*

Michael H. Turk,  
Co-chair  
Cambridge Tenants Union

# Amesbury health board condemns condo units

B6

By Amy Sessler  
SPECIAL TO THE GLOBE

AMESBURY - The Board of Health has condemned a 126-unit condominium complex in town, forcing 40 families to find new homes within the month.

The board took the action Friday night because Camelot Village, which is 90 percent owned by investors, was unable to pay common operational bills, such as electricity. Fees are paid by all unit owners for maintenance and insurance.

Massachusetts Electric last Monday discontinued power to the common areas of the complex after the condominium association failed to pay a \$29,000 bill, leaving the buildings without hot water, emergency lighting or adequate fire protection. It was the fourth such shutoff since last summer.

Real estate specialists say the problems at Camelot Village are indicative of what the future may hold for other investor-owned complexes. As the condominium market continues to slump, investors are falling behind on maintenance fees and thus properties cannot be operated.

Rep. Marc Draisen (D-Boston), who is working on legislation to address the problem said, "Many people saw condominiums as a way to start the homeownership game, but their investments are deteriorating because of the investor owners."

Some of the Camelot Village residents had electricity temporarily restored Wednesday under a Department of Public Utilities regulation that allows tenants to pay a projected bill. Attorney William Brainard of Merrimack Valley Legal Services Inc. said the move will give tenants decent living conditions while they find another place to live.

Residents of the two buildings with power have 30 days to leave the complex, according to the Board of Health ruling. Those in the three buildings without electricity must be out within five days.

"This is obviously not a problem that is going away," said Bernard Flynn, chairman of the board of health. "We have agonized over this

and it is not something we have done lightly."

David Smith, who rents a unit, said he was upset by Friday's news and didn't know if he would be able to raise the money needed to move and get into a new apartment within five days.

"If I didn't pay my bills someone would come after me," he said. "Now, for someone else's goof, I lose my home."

Florence Viens, a 60-year-old retired nurse, is one of a small group of owner-occupants. She used a portion of her life's savings for her down payment.

"I'm very disappointed and will have to continue to pay my mortgage in addition to paying for a new place to live," she said.

Built 28 years ago, Camelot Village was a well kept garden apartment bustling with young families and some retired people.

In 1985, developers converted the complex to condominiums. It was then that Viens, who had lived there since 1977, bought her unit.

"It was a really nice place. Who would have ever thought this would happen," said Viens.

Today, the complex has fallen into such disrepair that windows are broken, canopies are torn, the grass hasn't been cut in weeks, junk cars litter the parking lot and garbage collection is erratic at best.

The problems began about two years ago when a group of investors who owned 25 units stopped paying condominium fees, causing the complex to run short of cash to pay its utility bills and maintenance fees.

Last year, William Orlandi, a York, Maine, developer, took over the management of the complex as part of a plan to convert the condominium back to apartments. He wanted to pay owner-occupants the price they had paid for their units and have investor-owners and banks take a loss. But he did not get the necessary approval from the banks.

"I couldn't continue to manage the complex and ask people to live that way and I couldn't get support from the banks for my plan," said Orlandi.

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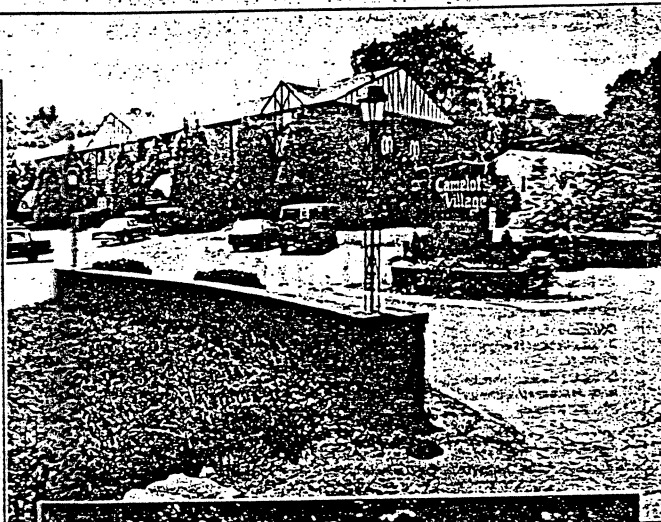
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But the unit was mildewed and dirty, he says, and there was evidence that rodents had been around.

"I wouldn't even take it for free," he says.

Other people, however, do live at Camelot — and most of them don't live there for free.

Mark DiTondo, for instance, is living there in a unit he bought three years ago.

"I just want to get out," DiTondo says. But like all the owners at Camelot, DiTondo is trapped, at least for now.

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Amesbury complex on Clarkes Road is now virtually worthless.

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For the people who own the complex, the picture is worse, if that's possible. Occupancy is barely 30 percent, the units are falling into the hands of the banks, and the town has threatened to condemn the whole place.

To make matters worse, allegations are beginning to surface about criminal wrongdoing in the management of the complex.

Working away in the background is William Orlandi, a developer from York, Maine, who wants to buy all 126 units and convert them back to apartments.

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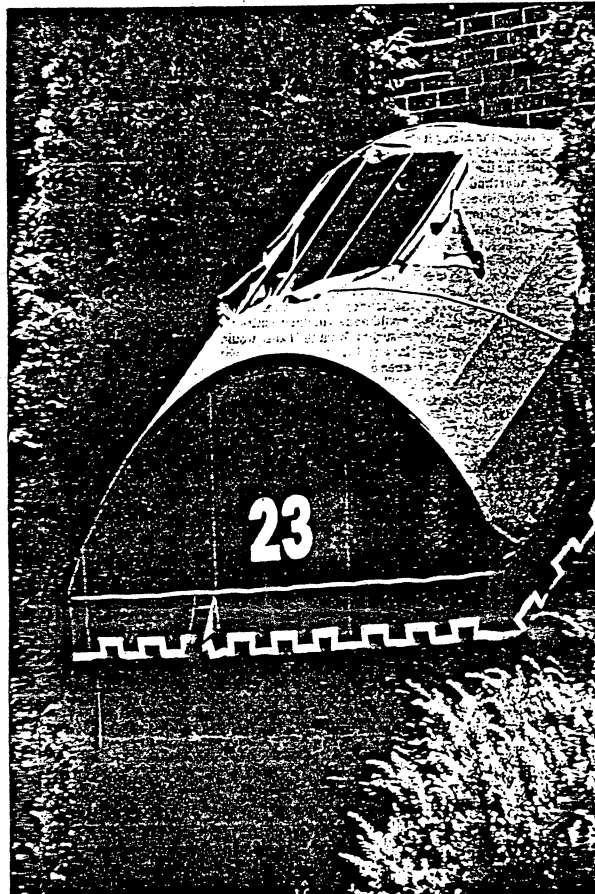
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But, Cargill says, that's the way money was made on condominiums.



Cambridge City Councilor Bill Walsh is one of three partners who converted Camelot Village from apartments to condominiums. Walsh, a lawyer, is now embroiled in suits and counter-suits involving Camelot and other development projects. The bank has begun foreclosure proceedings on his units, and he owes \$11,000 in unpaid condo fees.



Ripped awnings are among the most visible signs of decline at Camelot Village. The apartment complex, converted to condos to make quick cash for investors during the real estate boom, is rundown and virtually worthless. (Photo by Owen O'Rourke)

## Investor Squabbling

From the very beginning at Camelot, Cargill says, the complex was underfunded. Condominium fees were too low, in his estimation.

That, he says, led to use of the condominium's reserve account for maintenance. The reserve account is supposed to pay for capital improvements in the complex.

Asked about it this week, Walsh, who notes the condominium conversion took place five years ago, at first said there was no reserve account at Camelot Village.

One of his partners, however, Fazal Chowdhry, said indeed there was a reserve account. With a refreshed memory, Walsh reckoned that each unit put about \$250 into that account at the time the conversion was completed.

That money was undoubtedly appropriately spent, he says, but he refers questions to Aronson of Eric Management. Walsh's position as one-time clerk and director of the company didn't keep him in close enough touch so that he knew what was going on.

Cargill says, however, that at Camelot the principals in the deal — Walsh, Goldman and Aronson — couldn't agree on how to pay the bills. The reserve account, he says, was ultimately used to pay for maintenance of the project. Whether it was done with a proper vote of the condominium trustees, no one knows for sure, since the records aren't available.

Orlandi, who has some of the records of the account, concurs that it was spent for maintenance on the project, rather than capital projects like roof repairs. Cargill, it should be pointed out, has a few axes to grind against Walsh, and vice versa. After a few business deals that went sour, Cargill and Walsh had a falling out.

Walsh now accuses Cargill of stealing money from him. Cargill, who was affiliated with Orlandi as a consultant, has accused Walsh of a variety of things, including promising to use his clout as a city councillor in Cambridge to push a project through the city's regulatory process. Each denies the other's allegations.

But Cargill isn't the only former associate with whom Walsh has problems. He also accuses Goldman of stealing from him.

Goldman contends he was promised \$300,000 to \$400,000 in development fees for the Camelot project. When he got tired of waiting for his money, Goldman took several loan notes from Walsh's offices. The notes were for second mortgages given by Walsh, Aronson and Goldman to certain investors to make down payments on condo units.

While all this behind-the-scenes wrangling was going on, Camelot Village was experiencing a few difficulties of its own. This is now beginning to show up in court records.

## Management Problems

Camelot Court has been under three management companies since it was converted. Eric Management ran it for a time; it was under self-management for a time, operating out of Walsh's office; and it is now being run by Orlandi.

Under all three, one man was hired to be the property manager.

Continued on next page

# Decline and fall of a condo complex

Continued from previous page  
er, Socrates Mosis. Mosis left in September of 1990 in a dispute with Orlandi that wound up before the state's labor relations board. Orlandi ultimately won. But now, with Mosis out, a variety of charges have surfaced about alleged wrongdoing on his part.

Walsh, in an affidavit filed with the Essex County Superior Court, alleges Mosis stole rents from condominium owners.

"Various reports surfaced that Socrates Mosis was renting the units ostensibly on behalf of (the) unit owner, but in actuality never contacted the unit owner, executed leasehold arrangements on their behalf, and kept the rents while an employee of Camelot Village Condominium Trust," Walsh said in an affidavit.

"In one particular case, it was discovered that two of my supposedly vacant units had in fact been rented for over 18 months," he said. "In that particular instance I lost over \$7,500 in potential revenue."

He also says that when a tenant was evicted from one unit for non-payment of rent, Mosis would put him in another unit. Though Mosis' job was only to manage the common areas and facilities, Walsh — who wants the condo trustees to take legal responsibility for Mosis' actions — charges that Mosis was in charge of all aspects of Camelot.

"Everything that was done had to go through Socrates Mosis. That's just the way it was," he says.

"In a letter to Walsh, Orlandi discusses problems at Camelot that surfaced when Mosis left."

"We found many units had been damaged, that appliances were missing from the units making it impossible to rent ... and that slipshod repairs had been done to others," he says.

"Additionally, we discovered that he had charged Coolidge Corner Cooperative Bank \$2,500 for the repairs of two of their units, which upon inspection with Kenneth Billich of that bank were found to be unrentable."

Orlandi said in the letter the charges against Mosis were not proven and that pursuing the

complaints would be futile. Orlandi said he did complain to the Amesbury police.

Mosis could not be reached for comment, though a request for an interview was given to his daughter.

Walsh, however, had this to say for Mosis' defense: "He may have stolen some rents, but at least then you had tenants."

Now, there aren't many tenants around.

### A Pits & Obstacles

Bill Orlandi is now in charge of managing Camelot Village. The trustees hired him to take charge when he came up with his plan to convert the project back to apartments last year. Since then, not a lot has improved at Camelot.

In July of 1990, when he took over, the electricity was shut off. This month the power was again cut to the common areas, which includes exterior lighting and water heaters for the condos.

Orlandi corrected some 61 health code violations the town had noted at the complex, but now Massachusetts Electric has issued another notice that on July 18 power will be cut again if further payments aren't made.

Orlandi says he's sent a notice to everyone involved informing them that by July 2, if he hasn't received money to pay the electric bill, he'll begin helping relocate tenants.

Facing that deadline, Orlandi says if the electricity is cut again and the condo complex is condemned, he'll walk away from it.

"I have no interest in taking it over if it's condemned," he says.

Orlandi's plan for the complex is somewhat unorthodox. But faced with the prospect of "a free-falling asset," Orlandi says some banks and investors are listening.

What he proposes is buying all the units for about \$15,000 apiece, though no firm amount has been set.

The typical investor with an outstanding mortgage would get the \$15,000 and forward the money to his bank.

The bank would have to agree to write off the remaining mortgage on the property.

# The strange case of the 'nuclear letter bomb'

The lawsuits involving Cambridge City Councillor William Walsh, one of the developers who put together the Camelot Village condominium project in 1986, would easily fill an entire filing cabinet. Walsh, who still owns several units at the complex with his partners, is involved in suits all over Massachusetts in connection with condo projects that are failing in the weak real estate market.

Yet by far the strangest case involving Walsh is a criminal case dropped last week in Cambridge District Court. And though it doesn't involve Camelot Village, it does give some insight into one of its developers, Bill Walsh.

The story has its roots in — what else? — a lawsuit filed against Walsh by one of the investors in several of his projects.

Conrad Watson of Waltham, who says he was a client of Walsh's and an investor in several condo projects, sued Walsh in connection with some of his real estate developments and won an attachment against Walsh in June, 1990 for \$125,000.

A month later, Watson found himself being summonsed to Cambridge District Court for a criminal complaint that initiated with Walsh.

In April of 1990, Walsh received an anonymous letter at his City Council address: "Hi

Bill! You like letter bombs? Some people find them amusing. Sort of like the same way you find it amusing to f--- your friends. You're a hot shit!"

"Coming Soon! THE NUCLEAR LETTER BOMB. Guaranteed to blow your political career."

Walsh had taken the anonymous letter to police and, believing Watson had written it, sought a criminal complaint against Watson for threatening him in the letter.

But in an affidavit Watson filed with the court, he says Walsh then tried to persuade him to settle the civil suits. In return, Walsh would stop the prosecution, even though the criminal complaint had been filed by police.

In fact, he even drew up a 10-part agreement that included the condition that "Walsh shall take immediate steps to have District Attorney's Office withdraw Commonwealth v. Watson," according to Watson.

As arraignment drew near, Walsh promised to have the case postponed from its date of Sept. 6, 1990. The arraignment was carried out, though, with Watson absent, and a warrant was issued for his arrest.

"When I called Mr. Walsh to ask him why the arraignment had not been postponed, he assured me that he could call (Cambridge Police) Chief Polillo ... and have the warrant withdrawn," Watson said in

his affidavit. "Subsequently, I telephoned Chief Polillo, who advised me that Mr. Walsh had indeed called him and that chief Polillo had caused the warrant to be withdrawn."

Coincidentally, Polillo is also an investor in Walsh's projects.

When Walsh and Watson couldn't come to an agreement, Watson was arraigned in January 1991.

"When Mr. Walsh manipulates the criminal process as he has done here, the interest of society demands not only dismissal of the complaint but also discipline of the attorney," said Watson's lawyer in a motion to dismiss.

This week, the Middlesex district attorney dismissed the Watson case for lack of evidence.

"There was basically nothing to connect the typewriter that was used to write the letter with the person charged," said Jill Reilly, a spokeswoman for the D.A.'s office.

She didn't know what other evidence, if any, existed to link Watson to the alleged crime.

As for Watson's claim that Walsh used the criminal system to settle a personal dispute, Reilly said she wasn't familiar with the specifics of the case.

— Dan Ladrignon

The investor would lose whatever money he'd put into the condo, and the bank would lose whatever it has left on the mortgage. For owner occupants, though, the deal would be slightly different.

The 11 owner occupants, Orlandi has promised, would lose no money on the deal. They would be repaid their entire investment. What the banks would lose in those cases hasn't yet been determined.

"Why should the owner occupants take a hit? They paid their bills, they maintained their property," Orlandi says. "This

isn't their fault."

Orlandi hopes to finance the purchase and a subsequent renovation of the complex with a \$6.7 million loan guaranteed by the U.S. Department of Housing and Urban Development. He also plans to build a 40-to-50-unit elderly housing complex on an unused piece of the land at Camelot.

While a majority of the owners have signed on to Orlandi's deal, at least tentatively, he still has a few obstacles.

Not all the banks are interested; Orlandi says Bank of New England — which would be

asked to forgive mortgage loans to some owners — is dragging its feet. Some, he says, are concerned about his limited development experience and the fact that this process of going from condo to apartment is untried. But, he says, the state of the economy demands new ideas.

"I'd like to know why a bank that lost \$9 billion and had to be taken over by the government is suddenly so conservative about this little plan," he says.

Other banks, though, are interested. Leo Speranza of BayBank in Boston says he's eager to hear the formal proposal.

"If the condominium fails and the town condemns it, then everyone will lose money," Speranza says. "Even if the bank has to accept some losses, it seems the loss might be less."

### More Infighting

But even if the bank agrees to the plan, Orlandi must also convince Walsh to drop a claim against the condominium trust. HUD won't get involved unless the project is free of any lawsuits.

The condominium trustees have sued Walsh for \$11,000 in back condo fees. Walsh has counter-sued, saying Mosis stole his rents, so those should be deducted from any condo fees he owes.

That counterclaim will prevent the HUD mortgage guarantee.

Walsh says if the banks agree to Orlandi's plan, he'll drop his case and sign on the dotted line. In fact, foreclosure proceedings have already started against Walsh for the units he and his partners own, and he says that rumors that he wants to take over Camelot Village again are not true.

"I have no interest in buying Camelot Village. I'll put that in writing if you like," he says.

Still, his dealings with Orlandi have been cantankerous. Walsh and Pat Maher, who owns five units, have been working together on a plan to fix up 50 to 60 of the Camelot units themselves.

They say this is not an alternative to Orlandi's plan, yet they

believe Orlandi sees it as a threat.

Walsh and Chowdry say they were excluded from a meeting of the owners with Orlandi, and Chowdry says he's not impressed with Orlandi.

"This man knows all the names and the titles, but beyond that there's nothing," he says.

Orlandi, meanwhile, has accused Maher of seeking special treatment for several buyers he brought into the condo deal. And neither Walsh nor Maher is paying condo fees.

Maher says he can't see spending another dime on Camelot Village in its current condition.

All of this, of course, is little comfort to the residents at

Camelot Village. "What's all this going to do for us?" asks Paul Cole, a Camelot resident. "I'm on crutches and I need to make sure there will be lights in the hallways." "It looks to me like we're getting pushed out," he says. "All I can promise is that if it looks like this is going to fail, I won't wait until the last minute."

"I'll tell the tenants as soon as I can," Orlandi says. "I'm the eternal optimist, but if the electricity is going to be shut off again and I can't prevent it, I'll let everyone know as soon as I know, and we'll provide what assistance we can in helping people relocate." And then, Orlandi says, he'll be out, too.

Consent Comm. #24 S-949

Comm. from Michael H. Turk, Co-Chair,  
Cambridge Tenants Union, regarding  
the loss of housing due to the con-  
version to condominiums.

In City Council,

Sept. 16, 1991

*Placed on file*