

DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY

1675 S. State Street
Dover, Delaware

Minutes of December 12, 2013

IN ATTENDANCE:

Authority: Mitch Crane
Andy Strine
Bill Dunn
John Morris
Susanne Lantz (Executive Director)
Kevin Carroll

Absent: George Meldrum

Legal Counsel: William Denman

Compliance Investigator: Ed Speraw

Other Attendees: Leonard Sears, Tenant Briarwood Manor
Jill Fuchs, Tenant Barclay Farms
Bobbie Hemmerich, Tenant McNicol Place
John Walsh, Tenant Colonial East
Robert Tunnell III, Owner Pot-Nets Communities

I. CALL TO ORDER:

Mr. Crane called the meeting to order at 1.30 p.m.

II. REVIEW AND APPROVAL OF MINUTES:

Mr. Crane asked the Board to approve the October 10, 2013 meeting minutes. Mr. Morris made the motion to accept the October 10, 2013 meeting minutes. Mr. Strine seconded the motion. The Board approved the October 10, 2013 meeting minutes unanimously.

III. EXECUTIVE DIRECTOR REPORT

Ms. Lantz stated she had to send out a second notice to 54 parks that were still not registered. In the meantime, since sending the reports to the Board Members, she was actually down to 3 parks that have not registered. Ms. Lantz stated she has done everything possible, called, emailed, faxed and sent letters to no avail. Ms. Lantz did not know what else to do to get these parks to comply. Mr. Denman questioned if those parks were paying into the Trust Fund? Ms. Lantz stated Granada was late, but just sent a payment in, the other two she was not sure about.

Ms. Lantz created a work order for the Compliance Investigator to go out and take a look at Briny Breezes and Pine Ridge MHP.

Ms. Lantz received the mileage reimbursement request from Mr. Crane, Mr. Morris, Mr. Dunn and Mr. Meldrum for the October 10, 2013 Board Meeting. Ms. Lantz approved the requests and forwarded them to be paid to BDO.

Ms. Lantz had also received some correspondence in regards to the Camelot Meadows and Bon Ayre Mobile Home Parks which, after discussion with Mr. Crane and Mr. Denman, were forwarded to the appropriate attorneys.

Ms. Lantz stated she received the final payments from Little Creek Properties. A payment plan had been approved in February and as of this week; they were paid up to date. Ms. Lantz asked Mr. Denman if there was anything else that needed to be done in this regard. Mr. Denman explained that as long as they were in compliance there was nothing that needed to be done.

Ms. Lantz received several arbitration payments for arbitration petitions in the mail and deposited those checks into the Operating Account. Ms. Lantz also sends the appointment letter to the appropriate arbitrator and copied the petitioners and respondents on those.

Ms. Lantz keeps receiving rent increase notices which some of them are still not the way they are supposed to be, but once Ms. Lantz lets the parks know, they usually comply. The only one she has had problems with was Riverdale and that was turned over to the Attorney General's Office. Ms. Lantz never heard anything back. Mr. Carroll questioned how long ago that was. Ms. Lantz stated she emailed that information two months ago.

Ms. Lantz did some research on Shady Dell Park which will be discussed later.

Ms. Lantz also requested documentation from Briny Breezes MHP whose owner states they are and have always been a seasonal park.

Ms. Lantz has received 6 arbitration requests, 18 rent increase notices above the CPI-U and 31 rent increase notices that are below or consistent with the CPI-U, since the October Board Meeting. Ms. Lantz had to get in touch with some of the parks who did not automatically send her the sign-in sheets after the rent increase meetings.

Ms. Lantz has also sent delinquent letters out to parks and received check amounts that are not correct. Ms. Lantz has left messages, but has not been called back yet.

Mr. Crane thanked Ms. Lantz for her report.

IV. CHAIRMAN'S REPORT:

Mr. Crane stated that since the Rent Justification was implemented, it takes a lot of Ms. Lantz's time and also Mr. Crane's time. Mr. Crane said since the Authority is overseeing the process, but not enforcing it, all the questions come to the Authority. Mr. Crane stated the Authority cannot answer and is not allowed to answer legal questions. Mr. Crane said the Authority was not in a position to look at a lease and determine if it falls under the law or not. The Authority was not in

a position to look at a rent increase and determine if it is proper and the Authority is also unable to determine what a market rent is. Mr. Crane stated we are stuck with a law which is unlawful in many ways and is a result of a compromise, SB 33 is a compilation, and it was amended until the last minute. Mr. Crane stated usually you can go to the maker of a law and find out what the intent is, you cannot do this here, as he is not sure how many fathers this law has. Mr. Crane stated one of the biggest problems with the law is the last line of the bill stating that "this shall be effective for all leases renewing after November 30, 2013". Mr. Crane it means if you signed a lease starting on November 1, 2013 and it expires on November 1, 2013, this lease renews after November 30, 2013. Obviously from a logical viewpoint, this was not the intent and the Authority is not in a position saying that. The other problem is what the market rent is, and this was not dealt with in the law. Mr. Crane stated there are a lot of complaints in regards to the CPI-U because we are using the CPI-U for the Philadelphia-Wilmington-Atlantic City region, but that is what the law dictates, this is the way it is. Mr. Crane further stated that people are looking for issues on both sides. Mr. Crane stated there are problems with one park owner who claims everything is unconstitutional and is threatening lawsuits. Mr. Crane stated not matter what issues the Authority is presenting, the opposite approach is taken. Mr. Crane said the attack now is that the Authority selects private attorneys as arbitrators instead of a government official. Mr. Crane further noted that this is creating problems for Ms. Lantz as everything requires a response. Mr. Crane said the arbitrations have been filed for and the issues have been raised which may or may not fall under the Jurisdiction of the arbitrator. Mr. Crane has discussed this with the Division of Justice and it was decided that the arbitrator will rule if it falls or doesn't fall under the arbitrator's jurisdiction. For example, the issue with the long term leases who had no informal meeting, the arbitrator will then rule if it is a case for arbitration.

Mr. Crane the first arbitration was a rather simple one. The arbitrator was selected, is an intelligent person and had no conflict hearing this case and the person was appointed. There was criticism that this person is new and so on and so on.

Mr. Crane stated the second series came about, because there are issues that could be appealed, and the Authority was lucky to get a former Judge and Attorney General from New Castle County to hear this case. Then there was a second and third petition with similar issues and Mr. Crane appointed the same person to arbitrate as there was a chance to consolidate all three. Mr. Crane stated this law is being tested and a lot of questions need to be answered. The arbitrator can make a record and in case there is an appeal, the Judge at the Superior Court can rule based on that record. Mr. Crane asked, why not have an arbitrator that can make the best possible record, is learned, objective and thorough and whose decisions and ruling will have some weight as he has the respect of the legal community.

Mr. Crane the last matter was a Kent County matter and an arbitrator from Kent County was selected and has the respect from all sides.

Mr. Crane the Authority doesn't want the questions regarding the Authority's objectivity, Mr. Crane and Mr. Strine will be observing the initial arbitrations to make sure the process is done properly and recommend changes in our procedures, if necessary.

Mr. Dunn asked if there was going to be a reevaluation of the bill that late in the process? Mr. Crane stated he had a conference call with Representative Baumbach a few weeks ago and Representative Briggs-King. Mr. Crane believed that there would be a bill introduced to clarify a few issues with the bill, the implementation of the effective date of the bill, they may address the issue what the intent was in regards to the market rates and other things that may be evaluated. Mr. Dunn asked if in Mr. Crane's opinion it was just word-smything and maintenance? Mr. Crane stated his discussions with those legislators involved in the leadership of the majority party, there is no desire to reopen this bill. Mr. Crane stated to be fair; they want to see how this

process rolls out. The understanding was something is being done albeit not perfect and they will make it fairer for everybody.

Mr. Morris questioned if the Emergency Regulations would be renewed for a period of time?

Mr. Crane stated the Emergency Regulations can be renewed for 60 days, at some point they need to be made permanent. Once we see how the experiences with the arbitrations go, then we can start looking at what changes need to be made. Ms. Lantz has compiled a list of changes for our procedures; Mr. Crane and Mr. Strine have also reviewed this. Mr. Denman stated the Emergency Regulations need to be renewed for another 60 day period, but also publish proposed Regulations for public comment and then adopt permanent regulations. The Authority needs to have permanent regulations in place when the Emergency Regulations expire. Mr. Strine stated the Emergency Regulations were put in place September 10, 2013, which would put us at January 10, 2014. Mr. Denman the Emergency Regulations were published November 1, 2013 to take effect 10 days after that, the 120 day period would start November 10, 2013. Mr. Strine stated his copy said September 10, 2013, Ms. Lantz stated that was what her document said also. Mr. Crane stated it could have been September 1, 2013 which would mean it started on September 11, 2013, this would be a problem. Mr. Denman stated he would check.

Mr. Morris asked what the general topics for the arbitration had been and was this information available? Mr. Crane stated the arbitrations deal with issues such as the increase of rent above 1.9 % and that long term leases are not long term leases and renew annually, which is something the arbitrator has to make an initial determination of. The third issue is the market rent issue.

Mr. Crane stated the park owner has to satisfy the tenants why the rent goes above the CPI-U.

Mr. Crane suggested that the Board Members let Ms. Lantz know if they want to observe arbitration, as per Emergency Regulations, the Authority is allowed to have an observer at an arbitration hearing.

V. UNFINISHED BUSINESS:

1. Proposed Regulations for maximum relocation benefits payable to landlords and tenants:

Mr. Denman stated in order to publish the proposed regulations to the Delaware Registrar for public comment, the Authority needs to discuss and determine several items: 1. The maximum relocation benefits for a tenant for a single-wide home was \$8,000 and multi-section home was \$12,000. 2. The maximum payment to a tenant for a non-relocatable single-wide was \$5,000 and multi section home was \$9,000. 3. The maximum benefits to a landlord for demolition of a single-wide home was \$3,000 and multi section home was also \$3,000. Mr. Denman had some dialogue with Mr. Crane regarding if the amount for the demolition of a multi-section home made sense and the amount was changed to \$5,000. Mr. Crane said what the Board was doing today was review the draft and if the Board was agreeable on that it would be published with the Delaware Registrar. At the next meeting the Board would consider comments received on the proposed regulation and then would amend it and readvertise it based on the comments received. Mr. Crane stated it would not be adopted, just circulated for review. Mr. Crane stated as discussed at the last meeting, in order for the landlord to receive any benefits, they were required to submit all paperwork to the Authority and the Authority would make a determination.

Mr. Morris stated the old amount was \$1,500 which is not mentioned here. Mr. Morris stated he did some studies on his own and the numbers that he was getting from people in the demolishing business is in the \$2,500 - \$3,000 range. Mr. Morris still has two more companies to talk to.

Mr. Crane made the motion to advertise the proposed regulation for public comment.

Mr. Strine seconded the motion. The motion carried.

Mr. Crane stated per Deputy Attorney General Strong the Authority had the right to set up regulations and procedures relative to the Relocation Trust Fund and payment for arbitrations that follows within the law. Mr. Crane did not have it in writing, but there it was. Mr. Carroll stated this was a sound conclusion.

2. Emergency Regulations amendment:

Mr. Crane stated as there was a prior discussion up to this point and he would like to make a motion to allow Mr. Denman to re-promulgate the Emergency Regulations when the time comes.

Mr. Strine made the motion to extend the Emergency Regulations for another 60 days at the appropriate time. Mr. Morris seconded the motion. The motion carried.

Mr. Strine asked that the date needed to be clarified so it can't be challenged. Mr. Denman agreed.

3. Hilltop MHP:

Mr. Carroll asked if that was the park that was referred to the AG's office? Ms. Lantz confirmed this, but had not heard anything. Mr. Carroll stated that he has an investigator that is aware of this. Ms. Lantz stated that Mr. Denman had tried to communicate with the park on Tuesday, she believed. The park has registered, but not submitted any payments regarding the Trust Fund. With them not having submitted any coupons, there is no way to know how much they really owe. Mr. Denman stated the Authority had a judgment against the park and the park has not contributed anything towards the judgment, he knows the park is in severe financial trouble. Mr. Denman stated he has been dealing with the Office Manager and got a sense from the Office Manager that she wanted to get this resolved and he knows Ms. Lantz is staying on top of this. Mr. Denman said there is pending action in the Delaware Court of Chancery, but the Authority had given them every opportunity to get this resolved. Mr. Denman proceeded to read the email he had sent to the Office Manager, Linda Kelley. Mr. Denman said were he on the other end of receiving this email, he would be worried, as we are talking about misappropriation of funds. Mr. Denman said the email clearly states that they need to respond by December 31, 2013 or they risk having a default judgment entered. Mr. Denman said that Vice Chancellor Glasscock had requested an update and Mr. Denman stated he will tell him that the issue was not worked out, he then suggested the Attorney General's Office look into this as based on the Compliance Investigator's report talking to the tenants, the park is collecting the \$1.50 fee from the tenants, but is not turning it over to the Trust Fund.

Mr. Morris was wondering if the \$1.50 collected automatically goes to the Trust Fund?

Mr. Denman stated that each landlord does it differently; some have it as a separate line, other's collect a flat fee. Mr. Carroll stated he emailed Greg Strong and as an update, the Special Investigator will take a look at it. Mr. Crane stated the Authority needed to proceed with what it had. Mr. Denman stated the Authority already had a monetary judgment, but it is a separate violation when they don't file the quarterly reports so the Authority would know how much they owe. Mr. Crane stated the Court could order them to make the quarterly payments. Mr. Denman said the Court could order them to file the quarterly reports, so we would know how much they owe. Denman stated if they don't, there are different venues and if anyone had any other suggestions or recommendations, please let him know. Ms. Lantz stated there have been problems with this park for the last 4 years or so. Mr. Crane wondered did the Board need to make a motion in order to proceed? Mr. Denman denied

this, it was just for information. Mr. Carroll asked if their attorney had contacted the Authority? Mr. Denman denied that. Mr. Crane and Mr. Strine thought the Authority need to proceed on this. Mr. Dunn asked if Mr. Speraw had a copy of the lease? Mr. Speraw stated he had seen them, but was denied a copy. Mr. Dunn remarked that this was flat out theft. Mr. Speraw said the park owner had a mortgage of about 7 million on the land that was only worth 2 million. Mr. Crane asked if there were any additional comments on this? There were none.

4. Pine Ridge MHP:

Ms. Lantz stated at the last Board Meeting it was decided to send out Mr. Speraw to talk to the tenants in regards to the payment of the \$1.50. Mr. Speraw stated he had gone to the park and sent his report to Ms. Lantz. Mr. Speraw had talked to people at length and they all stated they had paid the \$1.50. Ms. Lantz wondered why the rent increase notice that Pine Ridge sent out to the tenants showed several tenants being delinquent on the \$1.50? Mr. Speraw had thought this would come up and had taken a witness. Mr. Sears had asked several people in the community and they stated they had paid the \$1.50 for a relatively long time, going back to about 2008. Mr. Sears stated usually they would pay the Trust Fund assessment in January. Ms. Lantz had talked to Mr. Blevins who advised her that a few years ago they were told by someone from DMHOA not to pay Mr. Hastings for the Trust Fund assessment. Ms. Lantz wondered how can the Authority prove that the \$1.50 was paid without seeing a receipt or looking into the books? Ms. Hastings has been collecting and has been paying, she claims that some tenants flat out refuse to pay the \$1.50. Mr. Strine asked if Ms. Hastings is paying her share? Ms. Lantz confirmed that. Ms. Lantz had spoken to Ms. Hambleton of the Div. of Revenue who confirmed that the amount of about \$800 was a delinquent payment that was attributed to the tenants share. Mr. Strine stated he was confused. Did Ms. Hastings pay her share but she is not paying the tenants share? Ms. Lantz stated this was correct, but she is slowly paying the tenants share. Mr. Morris asked, don't they have to pay the tenants share? Mr. Speraw said in 2009 or 2010 when Mr. Hastings got the letter from Mr. Denman, Mr. Hastings sent a letter to the tenants stating they needed to pay the delinquent \$1.50 over a three month period or they would be evicted. Mr. Speraw went around and asked the tenants again and all tenants paid, about \$135. Mr. Sears confirmed that and stated the people that were not paying the \$1.50 were the ones renting the homes. Mr. Crane stated there is a judgment of over \$15,000 against the park owner. Mr. Denman stated the park was sued before the owner transferred it to his daughter. Ms. Lantz wondered wasn't there a lien against the property? Mr. Denman stated that was true. Mr. Denman asked had Ms. Lantz corresponded with her recently? Ms. Lantz stated that she had talked to the husband in regards to the rent increase letters. Mr. Carroll asked she was not turning over the tenant's money and was that a tacked on fee? Mr. Strine stated it always was a tacked on fee. Mr. Denman asked if she had filed the quarterly reports that show she is paying the tenants share? Ms. Lantz stated she did not see those quarterly coupons, she gets a report from Ms. Hambleton that shows what the tenant paid and what the owner paid. Ms. Lantz stated she has been paying for some of the tenants, not all of them though. Mr. Denman stated the intention of the statute was not that the park owner is liable for the tenants share. The statute says shall collect it from the tenants. Mr. Denman says Mr. Speraw might say the landlord is obligated to pay the tenants share of the \$1.50, but Mr. Denman says he denies that. Mr. Denman stated if she is paying her share and is collecting from some of the tenants, than this is a different situation than the other one. Mr. Denman stated there is a judgment on the park and a lien on the property prior to the transfer to Ms. Hastings. Mr.

Crane made the motion to send a letter to the park to start paying the judgment and come up with a payment plan that is agreeable to the Authority by January 15, 2014. Mr. Speraw replied to Ms. Lantz's question that yes, he did from the maintenance man, Mr. Matthews, who got injured and got free rent. Mr. Crane remarked that this had nothing to do with the motion. Mr. Strine seconded the motion, the motion carried. Mr. Dunn asked if the law says the owner shall have the tenants pay? Mr. Denman explained the landlord shall collect the portion from the tenants and his interpretation is that the landlord is not the guarantor for the tenants share. Mr. Dunn believed that the landlord safeguards the tenant's assessments. Ms. Lantz stated the coupon they send has an attachment that shows which tenants are delinquent. Mr. Crane stated that was a whole different issue. Mr. Morris asked could we ask for a copy of the lease agreement it would put this debate to rest? Mr. Strine stated that the landlord has no legal requirements to do so. Mr. Sears stated he had counted 72 homes, but when he went by there you could visually see that only 64 were occupied. Mr. Sears stated clearly it is obvious she is collecting more than she is submitting to the Authority. Ms. Hemmerich asked that usually there is a late fee tacked on by landowners if the \$1.50 is not paid. Ms. Hemmerich is wondering where that money is going, so if the tenants are not paying, she believes something rotten is going on. Mr. Crane asked Mr. Carroll's department to look into this and let the Authority know. Mr. Crane stated the judgment needed to be dealt with. Mr. Crane advised Ms. Lantz that if Ms. Hastings contacted her to ask her the question in regards to the homes. Ms. Lantz asked who would write the letter, Mr. Crane confirmed Mr. Denman should write the letter to Pine Ridge.

IV. Approval of Financial Activity & Report August, September and October 2013:

Ms. Lantz stated that the financial reports needed to be approved. As of October 31, 2013 the Petty Cash she had available was \$128.34; the money in the Operating Account was about \$17,000 and the Trust Fund was at about \$6.1 Million. As there were no questions Mr. Crane made the motion to approve the financial reports. Mr. Strine seconded the motion. The motion carried.

A. Approval of other Financial Matters:

a) Approval of Legal Counsel Invoice August 2013 and September 2013:

Ms. Lantz stated that Mr. Strine and Mr. Meldrum pre-approved the legal counsel invoices and Mr. Denman has been reimbursed, but the rest of the Board also needs to approve. Mr. Crane noted that he had asked Ms. Lantz to keep tabs on any legal fees spend on SB 33 issues. Mr. Morris asked how much that was to date. Ms. Lantz replied as of this date the Authority has paid about \$6,200 to Mr. Denman for legal issues associated with SB 33. Mr. Strine made the motion to approve the legal counsel invoices as presented and Mr. Morris seconded the motion. The motion carried. Mr. Morris asked if there was a way to show exactly what was spent on Rent Justification? Mr. Crane suggested that this be added to the invoice. Ms. Lantz agreed.

b) Approval of BDO Invoice August and September 2013:

Ms. Lantz stated she received the invoices last minute and has not received the October 2013 invoice yet. Mr. Crane made the motion to approve both invoices. Mr. Strine seconded the motion. The motion carried.

c) Approval of Compliance Investigator Timesheet & Mileage:

Mr. Crane stated the Board needed to approve the timesheet and mileage of the

Compliance Investigator, where there any questions? Ms. Lantz said Mr. Speraw added one hour of administrative work, that was not pre-approved, everything else had been approved.

Mr. Crane made the motion to accept the Compliance Investigators timesheet and mileage. The motion carried.

V. REPORTS:

A. Compliance Matters:

1. Annual Registration Report:

Ms. Lantz explained that as of November 30, 2013 she had 6 parks that were not registered; of these parks three have registered this past week: Appleby, Cloverleaf and Burgundy Villa.. Ms. Lantz had sent a request to Mr. Denman to send out letters to these parks to ask them to comply and register after her attempts failed. Ms. Lantz further explained that Granada Court still had not registered, they have always and remain to be a problem. Ms. Lantz had talked to the Property Manager several times who had asked her to send her the registration form again via email. Ms. Lantz had even offered to stop by as the park is up the street from where she lives, that was three weeks ago and she has heard nothing further. Ms. Lantz stated that the Property Manager had told her that she had mailed the registration form twice. Ms. Lantz never received anything, Mr. Denman sent a letter to the owner, no response. Ms. Lantz stated the park is never paying on time, she always has to go through Bill Denman to get him to pay, same scenario over and over again. Mr. Crane asked, what is the next step? Mr. Denman asked have they paid? Ms. Lantz confirmed they had paid after Mr. Denman sent them notice that they had to pay and were overdue; the park paid for the last 2 or 3 quarters. Mr. Denman asked what do you find out when they register? Ms. Lantz stated the address of the office, how many lots they have. Mr. Crane stated the park is required to register? Mr. Strine wondered if the Authority wanted to spend the legal fees on that? Mr. Crane said they would have to compensate us for the legal fees. The Board discussed the situation. Mr. Carroll thought if this is a recurring problem then he would be inclined to go to court the next time when they don't pay. Mr. Denman thought the Authority had sued them before? Ms. Lantz stated that was correct, although the Authority was never reimbursed for legal fees. Mr. Denman stated the situation occurred before the law changed and the Authority was permitted to seek compensation from parks for legal fees. Mr. Crane stated the ownership could change without the Authority knowing about it. Ms. Lantz confirmed that this had happened several times where she sent out registration and received a phone call saying the park had been sold to a new owner. Mr. Morris stated the registration form is very helpful then and he agrees with Mr. Carroll. Mr. Dunn thought Ms. Lantz could go to the park, Mr. Crane and Mr. Morris did not think that this was a good idea. Mr. Dunn thought the next time they don't pay and we instigate court action we can combine the non-payment with the non-registration. The Board agreed.

Ms. Lantz stated Shady Dell Park is on the agenda, they have not registered because they believe they don't fall under the Authority's jurisdiction.

Ms. Lantz said Shady Oak had not registered, but she has been dealing with a very elderly gentleman who does not understand what is going on; Ms. Lantz has talked to the daughter, but the daughter does not think she can help as her father does not want any help. Ms. Lantz has tried everything she could, but she is at her wits end. Mr. Strine asked if Ms. Lantz could send it to the daughter? Ms. Lantz stated she does not have the address and doesn't think the daughter wants to go there. Mr. Morris said, who is paying the bills and writing

the checks for the park? Mr. Crane stated the situation was the same, should another letter be send again? Ms. Lantz stated Mr. Denman had just sent a letter in November. The Board decided that Mr. Denman send one more letter certified mail return receipt requested and ask that the park owner register.

2. Judgments Filed & Unsatisfied:

Hilltop MHP: Ms. Lantz stated it was already discussed and it was decided that Mr. Denman take the next step.

M&S MHP: Ms. Lantz stated the park is now paid up to date. The park had sent a couple of checks that bounced and the DOR does not resubmit bounced checks for payment. Ms. Lantz stated the park has since replaced the bounced checks. The last payments for the park came in last week. Ms. Lantz stated this also applies for the Village of Grandview. Ms. Lantz hopes that they will now follow suit and start paying on time for the next quarter.

Pine Ridge MHP: Ms. Lantz said the park was already discussed and a letter would go out from Bill Denman requesting Ms. Hastings to reply by January 15, 2014 with a payment plan to pay for the judgment on the park.

The Crossings at Oak Orchard: Ms. Lantz stated she is paying per payment plan of \$200 for the arrears and the current quarters due; there is nothing additional to report.

The Village of Grandview MHP: Ms. Lantz stated the same situation applies to this park as for M&S MHP.

3. Park Compliance Issues Arising & Resolved:

Autumn Woods MPH: Ms. Lantz stated the park was auctioned off at Sherriff's sale and the settlement was in October. The new owner has registered and has set up an account with the Divison of Revenue, but she is not sure if they have paid the outstanding second quarter for the old owner and the third quarter. Ms. Hambleton was on vacation, therefore she had no information on this and as previously stated, it sometimes takes a long time to find out if a park has paid.

Briny Breezes MHP: Ms. Lantz stated the park claims it is a seasonal park.

Shady Dell Park: Ms. Lantz stated Ms. Kauffman has sent her a letter stating she only owns a few lots in the park, she does not own all the lots in the community.

4. Arbitration Matters and Status:

Ms. Lantz stated that page 47 showed all the arbitrations the Authority has received. Mr. Crane stated it had changed in the meantime. Mr. Strine asked, who else has petitioned for arbitration? Ms. Lantz stated Pot-Nets Coveside and Pot-Nets Lakeside has a second petition. Ms. Lantz stated the first arbitration will take place on December 17, 2013. Ms. Lantz said that Bayside, Lakeside and possibly Coveside might be consolidated on December 20, 2013, she was waiting to receive the check from Mr. Tunnell. Mr. Crane stated the third might be merged with the others, but Ms. Lantz could not appoint the arbitrator without receiving the checks for the

arbitration fee. Mr. Strine wondered what the difference between the two Lakeside issues were? Mr. Crane stated one was for the annual renewal and the other for the long-term. Mr. Carroll asked where the arbitrations were being held? Mr. Crane confirmed the Rehoboth Beach one was in the Clubhouse, the Pot-Nets ones were in a law firm in Rehoboth Beach and the Bon Ayre arbitration was going to be held in the arbitrator's office in Dover. Mr. Crane stated the Board Members could request information from Ms. Lantz and he wanted to remind everyone that the arbitration hearings were not open to the public.

B. Investigator's Report (Mr. Speraw)

1. Parks visited since prior Board meeting:

Mr. Crane asked Mr. Strine to give his report on Mason Dixon. Ms. Lantz stated that she did not create a work order form as she was not aware that Mr. Speraw was going, but Mr. Crane could send Mr. Speraw. Mr. Speraw stated he went to Mason Dixon after getting calls that people were staying at Mason Dixon. Mr. Speraw went twice and counted several vehicles in the park. Mr. Speraw reported it to Mr. Crane. Ms. Lantz stated Mason Dixon Park was declared a seasonal park by the Board in March 2013. Ms. Lantz asked did it matter? Mr. Crane stated it did. Ms. Lantz stated that Mason Dixon Park and Annex was a seasonal park, Mason Dixon MHP was not a seasonal park. Ms. Lantz stated that Mr. Morton had presented documentation that it was a seasonal park and had gone to court regarding this. Mr. Crane stated that this did not bind the Authority. Mr. Crane asked, do we send another letter for an explanation? Mr. Strine thought the Authority had enough on their plate as it was. Mr. Carroll asked how were we alerted to this? Mr. Speraw answered he was called by a tenant living there. Mr. Carroll the person living there was living there in violation of their lease? Mr. Speraw confirmed this. Mr. Speraw stated it occurred to him that in the past the utility bills were broken up in four quarters. Mr. Speraw believed if you don't live there, why would you have four quarterly utility bills. Mr. Strine stated and Mr. Crane confirmed that some parks did indeed turn the utilities off, but it was rather costly. Mr. Carroll asked how many lots are we talking about? Ms. Lantz stated concerning Mason Dixon Court and Annex she was not sure as the park no longer had to register, maybe 20 lots, she could not be sure. Mr. Crane asked, when does the season start? Ms. Lantz said the April 1st. Mr. Speraw stated it ended October 1st, Ms. Lantz apologized but made the correction that it ended November 1st. Mr. Morris asked if Mr. Speraw should go to the park again? Ms. Lantz stated that there was no necessity for Mr. Speraw to go to the other Mason Dixon park. Mr. Strine agreed. The Board decided that Mr. Speraw go to the Mason Dixon Court and Annex in February 2014.

Mr. Crane asked if there were any questions from the public before the Authority would go into Executive Session? Mr. Sears stated he received two increases in rent and that was not permitted by law. Mr. Sears stated they made a mistake with the first rent increase leaving the \$1.50 out and then with the second letter added it back in. Mr. Carroll and Mr. Strine looked it over and stated it looked fine to them. Mr. Sears stated it was still two official letters. Ms. Lantz stated the parks in the beginning would use the wrong CPI-U and she had to ask them to make the correction and re-send the letters with the correct CPI-U on the letters. Mr. Sears stated he has a 37-year lease, can you imagine what it looked like? Mr. Sears stated he had a long term lease. Mr. Morris and Mr. Strine confirmed that in Delaware it automatically renews. Mr. Crane asked what Mr. Sears thought the Authority could do for him? Mr. Sears replied it constituted two legal rent increases, despite the mistake they made. Mr. Crane replied that neither of the two increases were above the CPI-U and any legal provisions requiring one rent increase per year was not in the Authority's jurisdiction, there was nothing the Authority could do. Mr. Carroll suggested that

Mr. Sears file a complaint with the Attorney General's office. Ms. Hemmerich passed on a document to Mr. Crane to look at stating that she did not want to waste anyone's time. Mr. Crane explained that the document dealt with exparte communications to an arbitrator and Mr. Crane stated it needed to be revealed to the other party. The arbitrator in question would know how to deal with that, but it happened. Mr. Crane stated the second part dealt with the market rate and that was going to be determined by the arbitrator or by the court. Ms. Hemmerich asked that a manager offered a home on Craigslist for \$100 as a handyman special and that person would probably not worry about paying a higher lot rent. Mr. Strine thought this needed to be brought to the arbitrator's attention. Mr. Morris thought Mr. Strong would be interested in that.

Mr. Crane thanked the visitors for attending the Board Meeting.

VI. EXECUTIVE SESSION:

Mr. Strine made the motion to go into Executive Session at 3.23 p.m. Mr. Morris seconded the motion. Unanimous approval was given by all members present by voice vote.

Mr. Crane made the motion to come out of Executive Session at 3.50 p.m. Mr. Dunn seconded the motion. Unanimous approval was given by all members present by voice vote.

VII NEW BUSINESS:

1. Briny Breezes MHP – seasonal? Ms. Lantz stated Ms. Bennett is the owner of the park who has always been very prompt with her payments. Ms. Bennett sent the registration back stating she has always been a seasonal park. Ms. Lantz then asked her to send documentation that could show that no one is there during the winter months. Ms. Lantz then sent Mr. Speraw out who saw several vehicles there. Ms. Bennett called Ms. Lantz to find out if a decision had been made and stated the vehicles were there because a couple of tenants are renovating the home and she only wants the tenants to do that in the fall. Ms. Lantz said when you look through the papers that show the tenants live out of state. Mr. Crane said he had looked into that and the tenants were not registered to vote in Delaware. Ms. Lantz stated the documentation showed that the tenants are not there during the winter months. Mr. Strine thought the water bill did indeed show that there was no one there during the winter months and made the motion to accept the fact that the park was a seasonal park. Mr. Crane seconded the motion. Ms. Lantz stated she would send a letter. Mr. Crane confirmed that Ms. Lantz needed to include that it should read at this time. Ms. Lantz confirmed that as she had sent a similar letter to Burton's.

2. Shady Dell MHP:

Ms. Lantz stated Ms. Kauffman has sent her a letter stating she only owns a few lots in the park, she does not own all the lots in the community. Ms. Lantz referred to page 64 and 65 that showed the whole park and then the lots that Ms. Kauffman owned. Ms. Lantz also stated that her contact in Sussex County confirmed the park is a subdivision and not a Mobile Home Park., each lot has their own Tax ID Number. Mr. Strine asked, did the Authority not address a similar situation before? Ms. Lantz confirmed yes, L&W Park. Mr. Morris asked if the lots were leased? Mr. Strine stated it did not make a difference. Mr. Crane explained that for example if you put 40 homes on one lot of land, it falls under the Relocation

Authority, if you subdivide that land into 40 individual lots, it does not. Mr. Crane referred to Pot-Nets as an example. Mr. Strine stated it had to be a community, not just a single piece of land. Mr. Crane made the motion to remove the park from the Authority's list as it was not a community. Mr. Strine seconded the motion. Mr. Morris voted against because he did not understand. The motion carried.

IX. NEXT MEETING DATE - ADJOURNMENT:

Mr. Crane suggested February 6, 2014 as the next meeting date. The Board agreed to that date.

As there was nothing else before the Board the meeting was adjourned at 3.50 PM.

Respectfully submitted,

Susanne Lantz
Executive Director