



## News Alert for Mobilehome Park Owners

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Gilchrist & Rutter just became aware of a new California Court of Appeal case that could impact parks in rent controlled cities or counties.

The case involves a park in Capitola that was ordered by the Court to refund a portion of the rents paid over a 79-month period to tenants because a clubhouse was not always available, cable television service was not timely upgraded, and management services were inadequate.

The City had ordered a rent refund because the park owner had reduced those "services" in the park. The park owner argued to the Court that the City did not have the power to require rent refunds in those circumstances. The Court disagreed.

If you own a park in a rent controlled jurisdiction, the case is important to you because you may be penalized for problems outside your control and your definition of "services" may differ from the city's or the Court's definition.

Before a park's services or amenities are changed (voluntarily or involuntarily), the legal implications and risks need to be assessed.

If you have any questions or want a copy of the case, please contact Susy Forbath at (310) 393-4000 or [sforbath@gilchristutter.com](mailto:sforbath@gilchristutter.com).

Richard Close