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HOUSE OF REPRESENTATIVES
150th GENERAL ASSEMBLY

HOUSE BILL NO. 45

AN ACT TO AMEND TITLE 25 OF THE DELAWARE CODE RELATING TO MANUFACTURED HOME COMMUNITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend Chapter 70, Title 25 of the Delaware Code by making deletions as shown by strike through and
2 insertions as shown by underline as follows:

3 Chapter 70. Manufactured Homes and Manufactured Home Communities Act.

4 Subchapter I. Manufactured Home Owners and Community Owners ~~Act~~ Purpose, definitions, enforceability.

5 Section 2. Amend § 7001, Title 25 of the Delaware Code by making deletions as shown by strike through and
6 insertions as shown by underline as follows:

7 § 7001. Purposes and policies; enforceability.

8 (a) ~~This subchapter~~ Subchapters I through V of this chapter must be liberally construed and applied to promote it's
9 the following underlying purposes and policies, which are: policies:

10 (1) To clarify and establish the law governing the rental of lots for manufactured homes as well as the rights
11 and obligations of manufactured home community owners (landlords), manufactured home owners (~~tenants~~) (tenants),
12 and residents of manufactured home ~~communities~~; and communities.

13 (2) To encourage manufactured home community owners and manufactured ~~home~~ owners home owners, and
14 residents to maintain and improve the quality of life in manufactured home communities.

15 (b) ~~This subchapter applies~~ Subchapters I through V of this chapter apply to all rental agreements for manufactured
16 home lots and regulates and ~~determines~~ determines the legal rights, ~~remedies~~ remedies, and obligations of all parties to a
17 rental agreement, wherever executed, for a lot for a manufactured home in a manufactured home community within this State.

18 A provision of a rental agreement which conflicts with a provision of ~~this subchapter~~ Subchapters I through V of this chapter

19 and is not expressly authorized herein is unenforceable. The unenforceability of a provision does not affect the enforceability
20 of other provisions of a rental agreement which can be given effect without the unenforceable provision.

21 Section 3. Amend § 7001A, Title 25 of the Delaware Code by making deletions as shown by strike through and
22 insertions as shown by underline as follows:

23 § 7001A. ~~The Delaware Manufactured Housing Alternative Dispute Resolution Act.~~ [Reserved].

24 Section 4. Amend § 7002, Title 25 of the Delaware Code by making deletions as shown by strike through and
25 insertions as shown by underline as follows:

26 § 7002. Jurisdiction.

27 (a) Any person, whether or not a citizen or resident of this State, who owns, holds an ownership or beneficial interest
28 in, uses, ~~manages~~ manages, or possesses real estate situated in this State submits to the jurisdiction of the courts of this State
29 as to any action or proceeding for the enforcement of an obligation or right arising under ~~this subchapter~~. Subchapters I
30 through V of this chapter.

31 (b) A summary proceeding to recover the possession of a rented lot, pursuant to Chapter 57 of this title, may be
32 maintained in the Justice of the Peace Court in the county where the property is located.

33 (c) In the absence of a provision in ~~this subchapter~~ Subchapters I through V of this chapter governing the relationship
34 between a manufactured home owner (tenant) and a manufactured home community owner (landlord), the Residential
35 Landlord-Tenant Code set forth in Code, under Part III of this title, governs the relationship. The Residential Landlord-
36 Tenant Code also governs the rental of manufactured homes. In the event of conflict between the provisions of ~~this subchapter~~
37 Subchapters I through V of this chapter and those of the Residential Landlord-Tenant Code, ~~this subchapter governs~~
38 Subchapters I through V of this chapter govern issues pertaining to the rental of lots in manufactured home communities.

39 Section 5. Amend § 7003, Title 25 of the Delaware Code by making deletions as shown by strike through and
40 insertions as shown by underline as follows:

41 § 7003. Definitions.

42 Unless otherwise expressly stated, if a word or term is not defined under this section, it has its ordinarily accepted
43 meaning or means what the context implies. ~~In this subchapter, the following definitions apply. For purposes of this chapter:~~

44 (1) "Agreement" means a written rental agreement.

45 (2) "Authority" means the Delaware Manufactured Home Relocation Authority.

46 (3) "Common area" means shared land or facilities within a manufactured home community over which the
47 landlord retains control.

48 (4) "Community owner" or "landlord" means the owner of 2 or more manufactured home lots offered for rent.
49 It includes a lessor, sublessor, park ~~owner~~ owner, or receiver of 2 or more manufactured home lots offered for rent, as
50 well as any person, other than a lender not in possession, who directly or indirectly receives rents for 2 or more
51 manufactured home lots offered for rent and who has no obligation to deliver such rents to another person.

52 (5) "Guest" or "visitor" means a person who is not a tenant or resident of a manufactured home community and
53 who is on the premises of the manufactured home community with the express or implied permission of a tenant or
54 resident of the community.

55 (6) ~~"Hold over" means to retain possession of a rented lot in a manufactured home community after the~~
56 ~~termination, nonrenewal, or expiration of a rental agreement governing the rented lot.~~

57 (7) "Holdover" means ~~an act of retaining~~ or a tenant who retains possession of a rented lot in a manufactured
58 home community after the termination, nonrenewal, or expiration of a rental agreement governing the rented lot.

59 (8) "Home owner" or "tenant" means an owner of a manufactured home who has a tenancy of a lot in a
60 manufactured home community; a lessee.

61 (9) "Landlord" or "community owner" means the owner of 2 or more manufactured home lots offered for rent.
62 It includes a lessor, sublessor, park ~~owner~~ owner, or receiver of 2 or more manufactured home lots offered for rent, as
63 well as any person, other than a lender not in possession, who directly or indirectly receives rents for 2 or more
64 manufactured home lots offered for rent and who has no obligation to deliver such rents to another person.

65 (10) "Lease" or "rental agreement" means a written contract between a landlord and a tenant establishing the
66 terms and conditions whereby a manufactured home is placed upon or is allowed to remain upon a rented or leased lot
67 in a manufactured home community.

68 (11) "Manufactured home" means a factory-built, single-family dwelling:

69 a. Transportable in 1 or more sections, which is either 8 body feet or more in width and 40 body feet or
70 more in length, or, when erected on site, has more than 400 square feet in living area; and

71 b. With or without a permanent foundation and designed to be used as a year-round dwelling when
72 connected to the required utilities; and

73 c. If manufactured since June 15, 1976, built in accordance with manufactured home construction
74 requirements promulgated by the federal Department of Housing and Urban Development (HUD) or by other
75 applicable codes. "Manufactured home" is synonymous with "mobile home", "trailer", and similar terms used
76 elsewhere in this title.

(12) "Manufactured home community" means a parcel of land where 2 or more lots are rented or offered for rent for the placement of manufactured homes. Manufactured home community is synonymous with "mobile home park", "trailer park", and "trailer court".

(13) "Notice" means a written announcement, warning or other communication delivered to or served upon a person, as designated in statute.

(14) "Premises" means the rented lots in a manufactured home community, the structures upon them, and the facilities and appurtenances thereon, as well as the grounds, common ~~areas~~ areas, and facilities held out for the use of the tenants ~~and/r~~ and residents generally or whose use is contracted for between landlord and tenant.

(15) "Related party" means any of a person's parents, spouse, children, and siblings of the whole and half-blood.

(16) "Standing water" means motionless water, not flowing in a stream, tide, or current, that has not dissipated within 48 hours after cessation of precipitation.

(45) (17) "Quiet enjoyment" includes the peaceful possession of the premises in a manufactured home community without unwarranted disturbance.

(16) (18) "Recreational vehicle" means a travel trailer, camping trailer, park trailer, camper, camper motor home or similar accommodation which is primarily designed as temporary living quarters for recreational camping or for seasonal or travel use and which either has its own motor power or is mounted on or drawn by another vehicle.

(17) (19) "Rent" means money paid by a tenant to a landlord for the possession, use and enjoyment of a rented lot and other parts of the premises in a manufactured home community pursuant to a rental agreement. For purposes of summary possession, rent includes late fees for rent, other fees and charges, including utility charges, and the tenant's share of the Delaware Manufactured Home Relocation Trust Fund assessment.

(18) (20) "Rental agreement" or "lease" means a written contract between a landlord and a tenant establishing the terms and conditions whereby a manufactured home is placed upon or is allowed to remain upon a rented or leased lot in a manufactured home community.

(19) (21) "Resident" means a person who resides in a manufactured home located in a manufactured home community. A resident may or may not be a tenant.

(20) (22) "Seasonal property" means a parcel of land operated as a vacation resort on which 2 or more lots are rented or offered for rent for the placement of manufactured homes or other dwellings used less than 8 months of the year. A seasonal property is characterized by a lack of availability of year-round utilities and by the fact that its tenants have primary residences elsewhere.

(21) (23) "Tenant" or "~~home owner~~" "homeowner" means an owner of a manufactured home who has a tenancy of a lot in a manufactured home community; a lessee.

(22) (24) "Tree" for the purpose of this chapter means a woody, perennial plant at least 25 feet in height or with a main stem a minimum of 6 inches in diameter.

(23) (25) "Trust Fund" means the Delaware Manufactured Home Relocation Trust Fund.

(24) (26) "Utility charge" means a charge by a landlord or others to a tenant for a ~~commodity~~ service, such as water, sewer, electricity, fuel, propane, cable ~~television~~ television, or trash.

(25) (27) "Utility service" means a service provided by a landlord or others to a tenant for a ~~commodity~~ service, such as water, sewer, electricity, fuel, propane, cable television, or trash.

Section 6. Amend § 7004, Title 25 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 7004. Exemptions.

(a) The rental of ground upon which a recreational vehicle is placed, including any facilities or utilities thereon, is exempt from the requirements of ~~this subchapter~~, Subchapters I through V of this chapter and nothing in ~~this subchapter~~ Subchapters I through V of this chapter may be construed as determining, ~~regulating~~ regulating, or governing the legal rights of parties to any lease or rental agreement for the ground on which a recreational vehicle is situated.

(b) The rental of ground within the category of seasonal property is exempt from the requirements of ~~this subchapter, Subchapters I through V of this chapter~~ and nothing in ~~this subchapter~~ ~~Subchapters I through V of this chapter~~ may be construed as determining, regulating, or governing the legal rights of parties to any lease or rental agreement for the rental of ground within the category of seasonal property.

Section 7. Amend § 7025, Title 25 of the Delaware Code by transferring § 7025 to § 7005 of Title 25 and then by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 7025. § 7005. Enforcement.

(a) It is the duty and obligation of the Consumer Protection Unit, or its successor, of the ~~Attorney General's Office~~ Department of Justice to enforce the provisions of ~~this subchapter~~. Subchapters I through V of this chapter. A violation of any provision of ~~subchapter~~ Subchapters I through V of this chapter by a landlord is within the scope of enforcement duties and powers of the Consumer Protection Unit, or its successor, of the ~~Attorney General's Office~~ Department of Justice.

(b) Whenever the Consumer Protection Unit, or its successor, of the Attorney General's Office Department of Justice has reasonable cause to believe that any landlord is engaged in a pattern or practice of violating or failing to comply with the terms of any provision of a rental agreement covered by this chapter, the Attorney General may commence a civil action in

136 any court of competent jurisdiction and seek such relief as the ~~Attorney General's Office~~ Department of Justice deems
137 necessary to enforce and to ensure the compliance with the terms of such agreement.

138 Section 8. Amend Chapter 70, Title 25 of the Delaware Code by creating a new Subchapter II after § 7005 of Title
139 25 and by creating a new Subpart I before § 7006 of Title 25 by making deletions as shown by strike through and insertions
140 as shown by underline as follows:

141 Subchapter II. Landlord-tenant relationship.

142 Subpart I. General provisions.

143 Section 9. Amend § 7005, Title 25 of the Delaware Code by making deletions as shown by strike through and
144 insertions as shown by underline as follows:

145 ~~§ 7005.~~ § 7006. Requisites for rental of a manufactured home lot.

146 A landlord shall not rent a lot in a manufactured home community without first delivering to the prospective tenant
147 a copy of the proposed rental agreement, a copy of the rules, ~~standards~~ standards, and fee schedule of the manufactured home
148 community, a copy of this ~~subchapter~~, chapter, and a summary of this ~~subchapter~~ chapter written by the ~~Office of the Attorney~~
149 General Department of Justice and made available to all landlords prior to January 1, 2012, all of which shall be delivered to
150 the prospective tenant at the time the prospective tenant obtains from the landlord an application for tenancy in the
151 community. The prospective tenant shall acknowledge such delivery by signing a receipt.

152 Section 10. Amend § 7020, Title 25 of the Delaware Code by transferring § 7020 to § 7007 of Title 25 and then by
153 making deletions as shown by strike through and insertions as shown by underline as follows:

154 ~~§ 7020~~ § 7007. Manufactured home standards.

155 (a) *Standards for manufactured homes of new tenants.* —

156 (1) A landlord shall adopt reasonable written standards regarding the size, age, quality, appearance,
157 construction, ~~materials~~ materials, and safety features for a manufactured home entering the landlord's manufactured home
158 community.

159 (2) A landlord may refuse to allow the placement of a manufactured home on a lot in the manufactured home
160 community if the manufactured home does not comply with the reasonable written standards adopted ~~pursuant to~~ under
161 paragraph (a)(1) of this section.

162 (b) *Standards for manufactured homes not for sale.* — A tenant who is residing in a manufactured home community
163 at the time a standard is promulgated must bring the tenant's own manufactured home into compliance with the standard
164 within 9 years of the promulgation of the standard or be subject to a summary possession proceeding under Chapter 57 of
165 this title. However, if a change in a manufactured home is necessary to protect life or for other safety reason, the landlord

166 may require that the change be made in less than 9 years. Once work begins on the manufactured home, the necessary change
167 must be completed within a reasonable time.

168 (c) *Standards for manufactured homes for resale or transfer of title and retention in the manufactured home*
169 *community.* —

170 (1) A landlord shall adopt reasonable written standards regarding the resale or transfer of title of a
171 manufactured home intended for retention in the landlord's manufactured home community. The standards must
172 relate only to appearance, maintenance, ~~safety~~ safety, and compliance with state and local housing, ~~building~~ building,
173 or health codes, and the 1976 HUD Code. A landlord may not issue standards in which the age of a manufactured
174 home is the exclusive or dominant criterion prohibiting the home from being sold and retained in the community
175 after the sale is consummated.

176 (2) If a manufactured home does not meet a landlord's written standards for resale or transfer of title and
177 retention in the manufactured home community, a tenant may attempt to bring the home into compliance with the
178 standards. The landlord shall, within 10 days of a written request from the tenant, reevaluate the home in a reasonable
179 and fair manner.

180 (d) A standard promulgated ~~pursuant to subsection~~ under subsections (a), ~~(b)~~ (b), or (c) of this section may not be
181 arbitrarily or capriciously enforced. A landlord may choose not to enforce a standard based upon the documented special
182 needs or hardship of a tenant without waiving the right to the later enforcement of the standard as to that tenant or any other
183 tenant.

184 (e) A landlord may at any time establish or amend a standard promulgated ~~pursuant to subsection~~ under subsections
185 (a), ~~(b)~~ (b), or (c) of this section, but an established or amended standard promulgated ~~pursuant to subsection~~ under
186 ~~subsections~~ (b) or (c) of this section is not effective until the date specified in the established or amended standard or 60 days
187 after the landlord delivers to the tenant written notice of the established or amended standard, whichever is later.

188 (1) Within 10 days of the landlord's notice of the established or amended standard, a committee, not to
189 exceed 5 members, may be chosen by any method agreed to by the tenants of the manufactured home community.

190 (2) The committee shall meet with the landlord at a mutually convenient time and place to discuss the
191 established or amended standard.

192 (3) At the meeting, the landlord shall disclose and explain all material factors and present any supporting
193 documentation for the established or amended standard.

194 Section 11. Amend § 7006, Title 25 of the Delaware Code by transferring § 7006 to § 7008 of Title 25 and then by
195 making deletions as shown by strike through and insertions as shown by underline as follows:

196 § 7006. § 7008. Provisions of a rental agreement.

197 (a) All new and renewing rental agreements, including those rental agreements whose original term has expired, for
198 a lot in a manufactured home community must contain: all of the following:

199 (1) Specific The specific identification and location of the rented lot within the manufactured home
200 community; community.

201 (2) A stipulation of the The total amount of annual rent for the lot; lot.

202 (3)a. A stipulation of the The term of the rental agreement and the agreement.

203 (4) The terms of for payment of rent, which rent.

204 a. Rent shall be in monthly increments, unless the parties agree otherwise as noted below. In addition,
205 rental under paragraph (a)(4)c. of this section.

206 b. Rental payments shall be paid by the tenant to the owner/landlord community owner or landlord in
207 equal dollar amounts, or as close thereto as possible, and shall be extended equally, pro rata on a monthly
208 basis, over a calendar year.

209 c. Any provision in a rental agreement or otherwise which requires rental payments or rental increases
210 to be paid in one lump sum shall be null and void. Nothing herein shall preclude However, a tenant from
211 requesting, may request and the owner/landlord community owner or landlord from agreeing may agree
212 thereto, that rental payment be made in a 1-time lump sum payment by the tenant.

213 b. d. The provisions of this section shall be prospective in nature.

214 e. e. The monthly rental amount, as aggregated, must not exceed the annual rental amount and such
215 monthly rental amount shall be determined by dividing the total annual into 12 equal payments, to be made
216 on a monthly rental schedule.

217 (4) f. The amount of rent due for each term of payment each month and the date on which each the
218 monthly rent payment is due; due.

219 (5) The amount of any late-payment fee for rent and the conditions under which the fee may be imposed;
220 imposed.

221 (6) A listing of each other fee or charge in a manner that identifies the service to be provided for the fee or
222 charge in accordance with the provisions of § 7008 of this title; under § 7020 of this title.

223 (7) The name and address of the landlord or the person authorized to receive notices and accept service on
224 the landlord's behalf; behalf.

225 (8) The name and location of the federally insured financial institution where the landlord's security-
226 deposits account is located; located.

227 (9) A services rider which contains a description of each utility, facility facility, and service provided by
228 the landlord and available to the tenant, tenant. The services rider must clearly indicate the financial
229 responsibility of the tenant and the landlord for installation and maintenace, maintenance of each service, and for
230 the related fees or charges that may be imposed upon the tenant by the landlord; for each service.

231 (10) A rental agreement summary which that must contain a all of the following:

232 a. A brief description of the manufactured home, the home.

233 b. The rented lot, rental amount, term, lot.

234 c. The amount of the annual rent and monthly rental payment.

235 d. The duration of the rental agreement.

236 e. The landlord's mailing address, address.

237 f. The name, address, and phone number of the property manager.

238 g. The tenant's mailing address, fees, security deposit, information address.

239 h. Fees.

240 i. The amount of the security deposit.

241 j. regarding rent adjustment, community status and method of notice; in addition, the summary must
242 include the

243 k. The amount of rent charged for the lot for the 3 most recent past years. If the amounts are unknown
244 after a diligent search or if the lot was not rented, a statement to that effect must be included. The rent
245 history provided pursuant to this paragraph may not be used as a predictor of future rent increases, nor may
246 it be used against the community owner/landlord owner or landlord in any way; way.

247 (11) The grounds for termination, as described in this subchapter; Subchapters I through V of this chapter.

248 (12) A specific reference to this subchapter as the law governing the relationship between the landlord and
249 the tenant regarding the lot rental; rental.

250 (13) Provisions requiring the landlord to: to do all of the following:

251 a. Maintain and regrade the lot area where necessary and in good faith, as permitted by law, to prevent
252 the accumulation of standing water thereon and to prevent the detrimental effects of moving water if such
253 efforts shall do not cause the creation of any new accumulations of standing water or detrimental effects of
254 moving water on another lot area. "Standing water" shall be understood to mean motionless water, not

255 flowing in a stream, tide or current, that has not dissipated within 48 hours after cessation of precipitation.
256 Areas defined by local, state, or federal regulations as wetlands, flood plains, tidal areas, water recharge
257 areas, or recorded drainage systems are exempt from this provision. paragraph.
258 b. Maintain the manufactured home community in such a manner as will protect the health and safety
259 of residents, visitors and guests; vistors, and guests.
260 c. Identify each lot area in the community in such a way that each tenant can readily identify that
261 tenant's own area of responsibility; responsibility.
262 d. Maintain the community, including common areas and rental lots not under rent, keeping it free of
263 species of weeds or plant growth which are noxious or detrimental to the health of the residents; residents.
264 e. Make a good faith effort to exterminate insects, rodents, vermin vermin, or other pests which are
265 dangerous to the health of the residents when an infestation exists in the common areas of the community;
266 community.
267 f. Maintain all water, electrical, plumbing, gas, sewer, septe septic, and other utilities and services
268 provided by the landlord in good working order, repairing these utilities and services within the earlier of
269 48 hours after written notification of a utility or service problem, or as soon thereafter as is practicable if a
270 repair within 48 hours is not practicable; practicable.
271 g. When applicable, specify whether septic systems are to be maintained by the landlord or by the
272 tenant; tenant.
273 h. Respect the privacy of residents and agree not to enter into, under under, or on the manufactured
274 home without the permission of the tenant or an adult resident unless emergency circumstances exist and
275 entry is required to prevent injury to person or damage to property. However, the landlord may, with 72
276 hours' notice, inspect any utility connections owned by the landlord or for which the landlord is responsible;
277 responsible.
278 i. Maintain all roads within the community in good eondition; condition.
279 j. Comply with all federal, State State, and local building eodes; codes.
280 k. Allow the tenant freedom of choice in the purchase of goods and services other than utilities and
281 related services subject to the limitations in paragraph (b)(13) of this section; section.
282 l. Maintain, care for for, and remove, if necessary, trees on any lot, including common areas, if the tree
283 is at least 25 feet in height or has a main stem/trunk stem or trunk larger than 6 inches in diameter. Such
284 maintenance, eare care, and removal means those steps required to maintain a live and healthy tree

285 condition per standard horticultural practices in accordance with the standards as set forth by the American
286 Association of Nurserymen.

287 1. Nothing contained in ~~this subsection shall require paragraph (a)(13)l. of this section requires~~
288 the landlord to remove leaves, needles, pine cones, sap, pods, seed containers, or any such material
289 normally produced by the tree as part of its life cycle.

290 2. The landlord must respect the privacy of the tenant and not enter the rented lot to maintain, care
291 for, ~~and/or or~~ remove trees without the permission of the tenant or an adult resident unless emergency
292 circumstances exist and entry is required to prevent injury to person or damage to property.

293 (14) Provisions requiring the tenant ~~to: to do all of the following:~~

294 a. Keep the exterior of the manufactured home and the rented lot in a clean and sanitary ~~condition;~~
295 condition.

296 b. Refrain from storing outside on the lot occupied by the tenant's manufactured home building
297 materials, ~~furniture~~ furniture, or similar items usually not stored outside a home by a property owner in a
298 residential ~~area;~~ area.

299 c. Dispose of all rubbish, ~~garbage~~ garbage, and other waste materials in a clean and sanitary ~~manner;~~
300 manner.

301 d. Abide by all reasonable written rules concerning use, ~~occupation~~ occupation, and maintenance of
302 the premises, ~~and amendments thereto, as provided for in § 7019 of this title; under § 7018 of this title.~~

303 e. Abide by all reasonable written manufactured home ~~standards, and amendments thereto, as provided~~
304 ~~for in § 7020 standards under § 7007 of this title.~~

305 (b) A rental agreement for a lot in a manufactured home community may not ~~contain:~~ contain any of the following:

306 (1) A provision whereby the tenant authorizes a person to confess judgment on a claim arising out of the
307 rental ~~agreement;~~ agreement.

308 (2) A provision whereby the tenant agrees to waive or to forego any right or remedy provided by ~~law;~~ law.

309 (3) A provision whereby the tenant waives the right to a jury ~~trial;~~ trial.

310 (4) A provision which permits the landlord to take possession of the rented lot or the tenant's personal
311 property without the benefit of formal legal ~~process;~~ process.

312 (5) A provision which permits the landlord to collect a fee for late payment of rent without allowing the
313 tenant to remit the monthly rent in full a minimum of 5 days beyond the date the rent is ~~due;~~ due.

314 (6) A provision which permits the landlord to impose for late payment of rent, based on a monthly payment,
315 a fee in excess of the greater of \$25 or 5% of the monthly rental payment specified in the rental agreement;
316 agreement.

317 (7) A provision which permits the landlord to charge an amount in excess of 1 month's rent for a security
318 deposit, unless mutually agreed to, or to retain the security deposit upon termination of the rental agreement even
319 though when the tenant has paid the rent and any fees or charges in full as of the date of termination and has caused
320 no damage to the landlord's property; property.

321 (8) A provision which permits the landlord to collect a deposit in excess of 1 normal billing period for any
322 governmental mandated charge which is the responsibility of the tenant and would ultimately become the
323 responsibility of the landlord if not paid by the tenant, or to retain the deposit upon termination of the lease if the
324 tenant has paid the mandated charge; charge.

325 (9) A provision which prohibits the tenant from terminating the rental agreement upon a minimum of 30
326 days notice when a change in the location of the tenant's current employment causes the tenant to commute 30 miles
327 farther from the manufactured home community than the tenant's current commuting distance from the community,
328 or a provision which prohibits a tenant who is a member of the armed forces of the United States from terminating
329 a rental agreement with less than 30 days notice to the landlord if the tenant receives reassignment orders which do
330 not allow at least 30 days notice; notice.

331 (10) A provision for a waiver of any cause of action against, or indemnification for the benefit of, the
332 landlord by the tenant for any injury or harm caused to the tenant or to residents, guests guests, or visitors or to the
333 property of the tenant, residents, guests guests, or visitors resulting from any negligence of the landlord or of a
334 person acting for the landlord in the performance of the landlord's obligations under the rental agreement; agreement.

335 (11) A provision which denies to the tenant the right to treat a continuing, substantial violation by the
336 landlord of any agreement or duty protecting the health, welfare welfare, or safety of the tenant or residents as a
337 constructive or actual eviction which would otherwise permit the tenant to terminate the rental agreement and to
338 immediately cease payments thereunder; provided, that the landlord fails to correct the condition giving rise to the
339 violation or fails to cease the violation within a reasonable time after written notice is given to the landlord by the
340 tenant; tenant.

341 (12) A provision which prohibits displaying a for-sale sign that advertises the sale of a manufactured home
342 in a manufactured home community; however, the landlord may establish reasonable limitations as to the number
343 of signs and the size and placement of signs; signs.

- 344 (13) A provision which unreasonably limits freedom of choice in the tenant's purchase of goods and
345 services, ~~provided however, that: however, a landlord may do any of the following:~~
- 346 a. ~~The landlord is not required to allow Prohibit~~ service vehicles to have access to the manufactured
347 home community in such numbers or with such frequency that a danger is created or that damage beyond
348 ordinary wear and tear is likely to occur to the infrastructure of the ~~community; community.~~
- 349 b. ~~The landlord may restrict Restrict~~ trash collection to a single ~~provider; and provider.~~
- 350 c. ~~The landlord may select Select~~ shared utilities; ~~utilities.~~
- 351 (14) A provision which permits the recovery of attorneys' fees by either party in a suit, ~~action action,~~ or
352 proceeding arising from the ~~tenancy; tenancy.~~
- 353 (15) A provision which violates any federal, ~~state State,~~ or local ~~law; law.~~
- 354 (16) A provision which requires the tenant ~~to: do any of the following:~~
- 355 a. Sell or transfer a manufactured home to the ~~landlord; or landlord.~~
- 356 b. Buy a manufactured home from the ~~landlord; or landlord.~~
- 357 c. Sell a manufactured home through the services of the ~~landlord; or landlord.~~
- 358 (17) A provision which requires the tenant to provide the landlord with a key to the tenant's manufactured
359 home or any appurtenances ~~thereto; thereto.~~
- 360 (18) A provision which regulates the use of satellite dishes or television antennas that conflicts with federal
361 law or FCC ~~regulations; regulations.~~
- 362 (19) A provision which requires the tenant to accept automatic deduction of rent payments from the tenant's
363 checking or other ~~account; account.~~
- 364 (20) A provision which grants the landlord an option or right of first refusal to purchase the tenant's
365 manufactured ~~home; and home.~~
- 366 (21) A provision which limits to a liquidated sum the recovery to which the tenant otherwise would be
367 entitled in an action to recover damages for a breach by the landlord in the performance of the landlord's obligations
368 under the rental agreement.
- 369 (c) If a court of ~~competent jurisdiction~~ finds that a tenant's rental agreement contains a provision in violation of
370 subsection (b) of this ~~section: section,~~ all of the following apply:
- 371 (1) The landlord shall remove the provision and provide all affected tenants by regular first-class mail with
372 proof of mailing or by certified mail, return receipt requested, at the address of the tenants' rented lots, with either

373 an amended rental agreement or corrective addendum to the rental agreement within 30 days of the exhaustion of
374 all appeals, if any are taken; and taken.

375 (2) The landlord is liable to the tenant for actual damages suffered by the tenant as a result of the violation,
376 plus court costs, if any.

377 (d) If a court ~~of competent jurisdiction~~ finds that a landlord has wilfully included in the rental agreement a provision
378 in violation of subsection (b) of this section, the tenant is entitled to recover 3 months' rent in addition to an award under
379 subsection (c) of this section.

380 (e) A rental agreement must be executed before a tenant occupies a lot.

381 (f) A landlord may not offer a lot for rent in a manufactured home community unless the lot conforms to the
382 applicable state, ~~county~~ county, or municipal statutes, ~~ordinances~~ ordinance, or regulations under which the manufactured
383 home community was created, or under which the manufactured home community currently and lawfully exists.

384 (g) A violation of subsection (f) of this section is punishable by a fine of not more than \$1,000.

385 (h) If a court of competent jurisdiction finds that a tenant's rental agreement fails to contain a provision required by
386 subsection (a) of this ~~section~~: section, all of the following apply:

387 (1) The landlord shall include the provision and provide all affected tenants by regular ~~first class~~ first-class
388 mail with proof of mailing or by certified mail, return receipt requested, at the address of the tenants' rented lots,
389 with either an amended rental agreement or corrective addendum to the rental agreement within 30 days of the
390 exhaustion of all appeals, if any are taken; and taken.

391 (2) The landlord is liable to the tenant for actual damages suffered by the tenant as a result of the violation,
392 plus court costs, if any.

393 (i) If a court ~~of competent jurisdiction~~ finds that a landlord has wilfully failed to include in the rental agreement a
394 provision required by subsection (a) of this section, the tenant is entitled to recover 3 months' rent in addition to an award
395 under subsection (h) of this section.

396 (j) Both the landlord and tenant shall comply with the provisions of the rental agreement. The remedies available to
397 a landlord or a tenant set forth in this chapter are in addition to those remedies available to a landlord or a tenant in a court of
398 competent jurisdiction for the failure by the landlord or the tenant to comply with any provision of a rental agreement.

399 Section 12. Amend § 7007, Title 25 of the Delaware Code by transferring § 7007 to § 7009 of Title 25 and then by
400 making deletions as shown by strike through and insertions as shown by underline as follows:

401 ~~§ 7007. § 7009.~~ Term of rental agreement; renewal of rental agreement.

402 (a) ~~The term of a rental agreement for a lot in a manufactured home community must be:~~

403 (1) One year; or

404 (2) A shorter or longer term that is mutually agreed upon by the parties and is designated in writing within
405 the rental agreement.

406 (b) Upon the expiration of the term of a rental agreement, the rental agreement must be automatically renewed by
407 the landlord for the same term and with the same provisions as the original agreement, with the exception that modified
408 provisions relating to the amount and payment of rent are permitted, and, with the mutual agreement of all parties to the rental
409 agreement, other modifications not prohibited by law, unless:

410 (1) The tenant notifies the landlord in writing, a minimum of 60 days prior to the expiration of the rental
411 agreement, that the tenant does not intend to renew it, or a shorter or longer period of time as is mutually agreed
412 upon by the parties;

413 (2) The landlord notifies the tenant in writing, a minimum of 90 days prior to the expiration of the rental
414 agreement, that the agreement will not be renewed for due cause, as described in § 7010(a) of this title.

415 (a) The duration of a rental agreement for a lot in a manufactured home community is 1 year unless a shorter or
416 longer duration is mutually agreed upon by the parties and is designated in writing within the rental agreement.

417 (b) The rental agreement automatically renews unless either of the following occur:

418 (1) The tenant notifies the landlord in writing, a minimum of 60 days prior to the expiration of the rental
419 agreement, that the tenant does not intend to renew it, or a shorter or longer period of time as is mutually agreed
420 upon by the parties.

421 (2) The landlord notifies the tenant in writing, a minimum of 90 days prior to the expiration of the rental
422 agreement, that the agreement will not be renewed for due cause under § 7016 or § 7024 of this title.

423 (c) If the rental agreement is not terminated under subsection (b) of this section, the rental agreement renews for the
424 same duration and with the same terms, conditions, and provisions as the original agreement, with the following exceptions:

425 (1) All parties mutually agree, in writing, to permitted modifications.

426 (2) Rent modified under Subchapter VI of this title.

427 Section 13. Amend § 7015A, Title 25 of the Delaware Code by transferring § 7015A to § 7010 of Title 25 and then
428 by making deletions as shown by strike through and insertions as shown by underline as follows:

429 § 7015A. § 7010. Rent — Prohibited lump sum payments. payments: acceptance of rent.

430 (a) Rental payments shall must be paid by the tenant to the owner/landlord community owner or landlord in equal
431 dollar amounts, or as close thereto as possible, and shall must be extended equally, pro rata, over a calendar year. Any
432 provision in a rental agreement or otherwise which agreement, or otherwise, that requires rental payments or rental increases

433 to be paid in 1 lump sum ~~shall be null and is~~ void. ~~Nothing herein shall preclude~~ However, a tenant ~~from requesting, may~~
434 ~~request and the owner/landlord from agreeing~~ community owner or landlord may agree that rental payment be made in a 1-
435 time lump sum, semi-annual, or quarterly payment made by the tenant; nor does ~~anything herein~~ this subsection prevent a
436 ~~landowner a~~ community owner or landlord from offering discounts as incentives to homeowners to pay annually, ~~semi-~~
437 ~~annually or quarterly~~ semi-annually, or quarterly, provided it is made clear that the homeowners are under no obligation to
438 pay in any way except monthly.

439 (b) If a community owner or landlord accepts a cash payment for rent, the community owner or landlord shall, within
440 3 days, give the tenant a receipt for that payment. The community owner or landlord must maintain a record of all cash
441 receipts for rent for 3 years.

442 Section 14. Amend § 7016, Title 25 of the Delaware Code by transferring § 7016 to § 7011 of Title 25 and then by
443 making deletions as shown by strike through and insertions as shown by underline as follows:

444 ~~§ 7016.~~ § 7011. Holdover remedies after rental agreement terminates, ~~expires~~ expires, or is not renewed.

445 ~~Following a determination by~~ When a court of competent jurisdiction- ~~finds~~ that a landlord is entitled to possession
446 of a rented lot in a manufactured home ~~community~~, if the tenant continued in and/or continues in possession of the lot after
447 the date of termination, ~~expiration or nonrenewal of the rental agreement without the consent of the landlord, the tenant is~~
448 ~~liable for, and the landlord is entitled to receive, community because of a holdover by a tenant, the court may award~~
449 damages as follows:

450 (1) If the holdover was in bad faith, a payment of double the periodic rent under the ~~terminated, expired~~
451 ~~or nonrenewed rental agreement, but only if the tenant held over and/or holds over in bad faith.~~ agreement.

452 Double-rent is computed and prorated for each day the tenant remained in ~~and/or~~ or remains in possession of the
453 lot after the date on which the rental agreement terminated, ~~expired~~ expired, or was not renewed.

454 (2) If a holdover is determined to be in good faith, the landlord is entitled to a payment of the periodic
455 rent under the rental agreement, computed and prorated for each day the tenant remained in ~~and/or~~ or remains in
456 possession of the lot after the date on which the rental agreement terminated, ~~expired~~ expired, or was not renewed.

457 Section 15. Amend § 7017, Title 25 of the Delaware Code by transferring § 7017 to § 7012 of Title 25 and then by
458 making deletions as shown by strike through and insertions as shown by underline as follows:

459 ~~§ 7017.~~ § 7012. Effect of unsigned rental agreement.

460 (a) If the landlord does not sign a written rental agreement which has been signed and tendered to the landlord by
461 the tenant, acceptance of rent from the tenant without reservation by the landlord gives to the rental agreement the same effect
462 as if it had been signed by the landlord.

463 (b) If the tenant does not sign a rental agreement which has been signed and tendered to the tenant by the landlord,
464 acceptance of possession of the rented lot and payment of rent without reservation give to the rental agreement the same
465 effect as if it had been signed by the tenant.

466 (c) Even if a rental agreement which is given effect by the operation of this section provides for a term longer than
467 1 year, it operates to create only a 1-year term.

468 Section 16. Amend § 7022, Title 25 of the Delaware Code by transferring § 7022 to § 7013 of Title 25 and then by
469 making deletions as shown by strike through and insertions as shown by underline as follows:

470 ~~§ 7022.~~ § 7013. Manufactured home transfer; rented lot transfer.

471 (a) This section governs the sale, conveyance, or transfer of title of a manufactured home which the buyer or
472 transferee intends to retain in the manufactured home community. This section further extends to the landlord the right to
473 purchase any manufactured home in the community for 1% higher than the contract price at which the tenant has agreed to
474 sell the home to a third party.

475 (b)(1) A rental agreement for a lot in a manufactured home community is only transferable from an individual
476 tenant, or ~~his~~ heir, who owns the manufactured home on the lot under the rental agreement to a transferee to whom the
477 tenant intends to sell or transfer title to the home, if all of the following apply:

478 a. The home qualifies for retention in the manufactured home community according to written
479 standards promulgated under ~~§ 7020~~ § 7007 of this title. The community owner may conduct an exterior
480 inspection of the home to determine if it qualifies for retention consistent with the written standards.

481 b. After a review of the proposed rental agreement transferee's written application, the landlord
482 accepts the proposed rental agreement transferee as a tenant.

483 (2) Acceptance or rejection of a proposed rental agreement transferee under this subsection must be on
484 the same basis by which the landlord accepts or rejects any prospective tenant.

485 (3) A landlord must give the rejected proposed rental agreement transferee a written statement that
486 explains the specific eligibility requirement not satisfied and the grounds for the rejection.

487 (4) Within 15 days of the receipt of a completed application package, including the applicable fee, under
488 subsection (c) of this section, a landlord must provide written notice, to the tenant under the lot rental agreement
489 and the proposed rental agreement transferee, that states whether the proposed rental agreement transferee is
490 accepted or rejected. If the application is ~~rejected~~ rejected, the notice must comply with paragraph (b)(3) of this
491 section above. section.

492 (c) A tenant who owns a manufactured home in a manufactured home community, and plans to sell, convey, or
493 transfer title to the home to a buyer or transferee who intends to retain the home in the manufactured home community, must
494 notify the landlord in writing 3 weeks prior to the scheduled sale, conveyance, or transfer of title of the manufactured home
495 and the transfer of the lot rental agreement, giving the name and address of the prospective buyer or transferee, along with a
496 written statement or a proposed bill of sale clearly indicating the agreed sale price and terms. Failure on the part of a tenant
497 to so notify the landlord is grounds for termination by the landlord of the tenant and landlord's rental agreement.

498 (1) The landlord has the right to purchase the home at a price of 1% higher than the contract price and under
499 the same terms at which the tenant has agreed to sell the home to a third party.

500 (2) If the landlord wishes to purchase the home at 1% higher than the contract price and under the same
501 terms at which the tenant has agreed to sell the home to a third party, the tenant must sell the home to the landlord.

502 (3) Upon receipt of the name and address of the prospective buyer or transferee and the agreed sale price
503 and terms, the landlord shall notify the tenant in writing within 5 business days that the landlord is exercising the
504 right to purchase the home. If the landlord does not notify the tenant in writing ~~pursuant to § 7024 under § 7015~~ of
505 this title within 5 business days that the landlord is exercising the right to purchase the home, the right of the landlord
506 to purchase the home expires.

507 (4) The landlord's notice must be sent to the tenant ~~pursuant to § 7024 under § 7015~~ of this title. The notice
508 must clearly state that the price and terms are acceptable, and must set a settlement date within 14 days.

509 (5) The right of the landlord to purchase a tenant's home does not extend to the following circumstances:

510 a. A bank, mortgage company, or any other mortgagee has foreclosed on the ~~home; home~~.

511 b. The sale, transfer, or conveyance of the home is to a family member of the home owner or to a trust,
512 the beneficiaries of which are family members of the home owner on the modified Table of Consanguinity;
513 or the sale, transfer, or conveyance is to a family member of the home owner on the modified Table of
514 ~~Consanguinity~~ Consanguinity, under § 7014 of this title, who is included within the line of intestate
515 succession if the home owner dies ~~intestate; intestate~~.

516 c. The sale, transfer, or conveyance of the home is between joint tenants or ~~tenants-in-common;~~
517 tenants-in-common.

518 d. The transfer or conveyance is by gift, devise, or operation of law.

519 (6) A landlord may not engage in any act or activity with the intention of placing undue influence or undue
520 pressure on a tenant to sell the tenant's home to the landlord.

521 a. A tenant may file an action in a court of competent jurisdiction for actual damages sustained when
522 the tenant reasonably believes that the landlord ~~wilfully~~: wilfully has done any of the following:

523 1. Exerted undue influence or undue pressure on the tenant to sell the tenant's home to the ~~landlord~~;
524 ~~or~~ landlord.

525 2. Exerted undue influence or undue pressure on a former tenant which resulted in the sale of the
526 former tenant's home to the ~~landlord~~; ~~or~~ landlord.

527 3. Did not evaluate the home in a reasonable and fair manner when applying written standards for
528 resale or transfer of the manufactured home in the ~~community, pursuant to § 7020(e) community under~~
529 ~~§ 7007(c)~~ of this title.

530 b. It is an affirmative defense to a claim that a landlord engaged in an act or activity with the intention
531 of placing undue influence or undue pressure on a tenant or former tenant by initiating a rent increase, if
532 the landlord provides proof that the increased rent is within the range of market lot rents.

533 c. If a ~~court of competent jurisdiction~~ finds that a landlord has wilfully engaged in any of the acts
534 enumerated in paragraph (c)(6)a. of this section, the landlord is liable to the tenant or former tenant for 3
535 times the actual damages sustained as a result of the landlord's acts and reasonable court costs.

536 d. If a ~~court of competent jurisdiction~~ finds that a landlord has wilfully engaged in an act or activity
537 with the intention of placing undue influence or undue pressure on a current or former tenant in order to
538 purchase the current or former tenant's home, the landlord may not exercise that landlord's own right to buy
539 any tenant's home for 365 days. Each offense is subject to a 365-day penalty.

540 (d) If a landlord accepts a proposed rental agreement transferee, the transfer of an existing rental agreement must
541 be completed using 1 of the following 2 methods at the exclusive discretion of the individual tenant, or heir, under the lot
542 rental agreement for the manufactured home, and the proposed rental agreement transferee and landlord are bound by that
543 selection:

544 (1) The tenant proposing to transfer the existing lot rental agreement agrees to an assignment of the lot
545 rental agreement to an approved rental agreement transferee, with all of the existing obligations and benefits,
546 including the rental amount under the existing rental agreement, for the remaining term of the agreement.

547 a. If the method under paragraph (d)(1) of this section is selected, the existing rental agreement
548 between the existing tenant and the landlord is simultaneously assigned by the existing tenant and
549 assumed by the approved rental agreement transferee and the approved rental agreement transferee
550 becomes the new tenant.

b. Upon the sale, assignment, and assumption, the landlord must amend the existing lot rental agreement and list the approved rental agreement transferee as the new tenant.

(2) The tenant who is selling the manufactured home chooses to terminate the existing lot rental agreement.

The buyer must then negotiate the terms of and enter into a new rental agreement for a full term at a rental amount set by the landlord. If this method is selected, the existing rental agreement is terminated upon the execution of the new rental agreement.

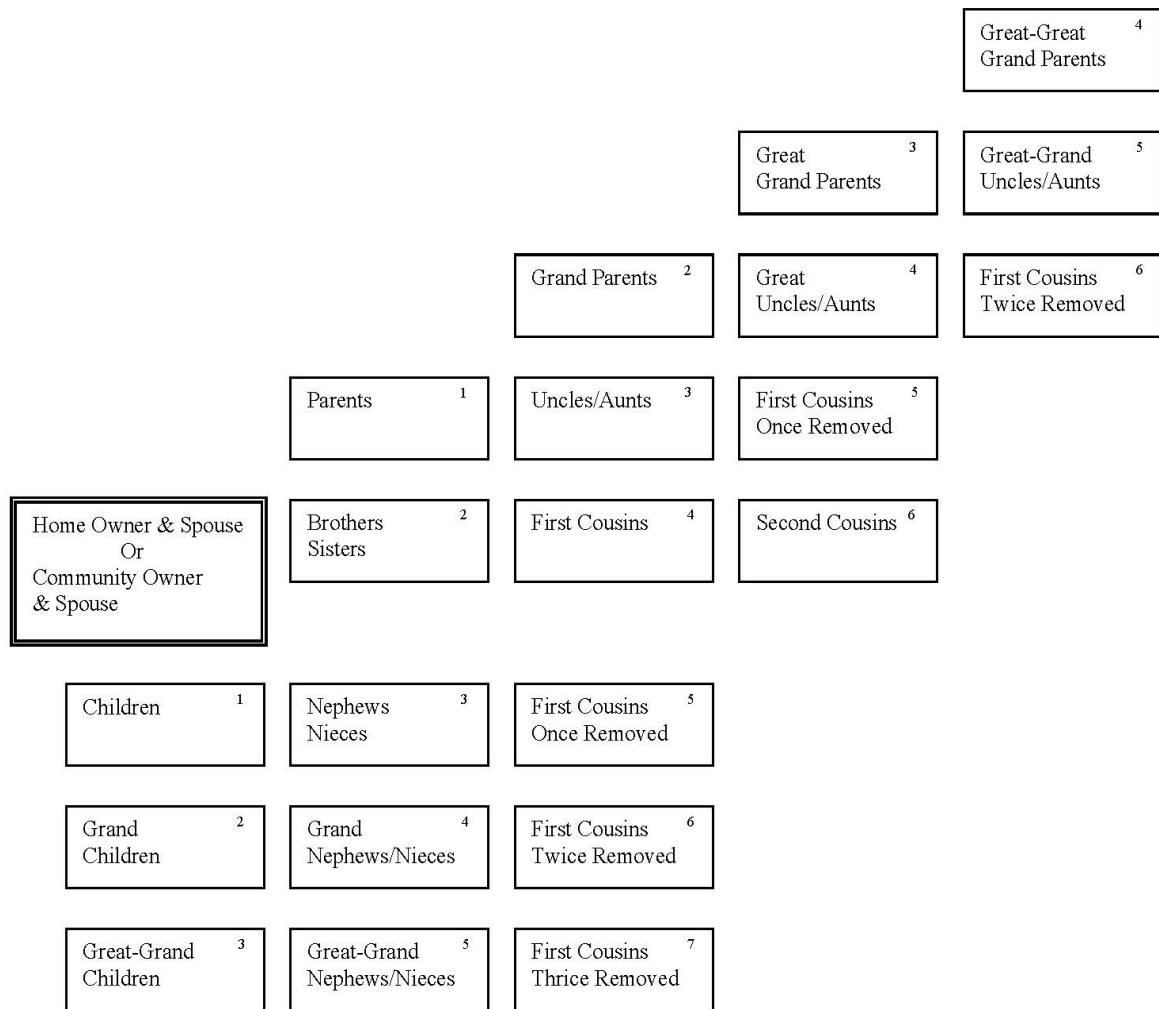
(e) Notwithstanding the provisions of this section and of ~~§ 7020~~ § 7007 of this title, written standards which were in effect on January 1, 2003, relating to the sale or transfer of title of a manufactured home for retention in a manufactured home community will apply for a sale or transfer of title during 2003. For a sale or transfer on January 1, 2004, and thereafter, standards promulgated ~~pursuant to~~ § 7020 under § 7007 of this title apply. In addition, a buyer or transferee who becomes a tenant in a manufactured home community has 3 years from the date of the resale or transfer to complete changes to the buyer or transferee's manufactured home required under the written standards of the manufactured home community. However, if the changes are necessary to protect life or for other safety reasons, the landlord may require that changes be made in less than 3 years. Further, if a seller-tenant does not make necessary changes to meet the standards prior to sale, the buyer or transferee shall deposit 120% of the estimated cost of the changes necessary to meet the standards into an account jointly controlled by the landlord and the buyer or transferee. Once work begins on the manufactured home, the necessary changes must be completed within a reasonable time.

(f) A buyer or transferee who does not complete required changes pursuant to under subsection (e) of this section is subject to a summary possession proceeding pursuant to Chapter 57 of this title.

Section 17. Amend Chapter 70, Title 25 of the Delaware Code by creating a new § 7014 by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 7014. Modified Table of Consanguinity.

Degrees of relationship of family members designated by the number in the box with the relationship in the following table:



575

576 Section 18. Amend § 7024, Title 25 of the Delaware Code by transferring § 7024 to § 7015 of Title 25 and then by
577 making deletions as shown by strike through and insertions as shown by underline as follows:

578 § 7024. § 7015. Delivery of written notice.

579 (a) Unless otherwise specified, notice required by this ~~subchapter~~ chapter may be served personally upon a tenant
580 of a manufactured home community by leaving a copy of the notice at the tenant's dwelling place with an adult person who
581 resides therein. Notice required ~~by this subchapter~~ under Subchapters I through V of this chapter may be served personally
582 upon a landlord or upon any other person in the employ of the landlord whose responsibility is to accept such service. If a
583 landlord is a corporation, firm, unincorporated ~~association~~ association, or other artificial entity, service of the notice may be
584 made by leaving a copy of the notice at its office or place of business with an agent authorized to accept such notice or
585 authorized by law to receive service of process. Service of notice or process may be obtained through personal service by a
586 special process-server appointed by the court.

587 (b) In lieu of personal service, notice required ~~by this subchapter~~ under Subchapters I through V of this chapter may
588 be sent by regular first class mail with proof of mailing or by certified mail, return receipt requested, to the tenant at the
589 address of the tenant's rented lot, or at an alternative address which the tenant provided in writing to the landlord. Notice
590 required ~~by this subchapter~~ under Subchapters I through V of this chapter may be sent by regular first class mail with proof
591 of mailing or by certified mail, return receipt requested, to the landlord at the landlord's last known dwelling place or at the
592 landlord's last known office or place of business. Proof of mailing regular first class mail on U.S. Postal Service Form 3817
593 or its successor, or a return receipt, signed or unsigned, for certified mail constitutes valid service of any notice required under
594 ~~this subchapter~~ Subchapters I through V of this chapter.

595 Section 19. Amend Chapter 70, Title 25 of the Delaware Code by creating a new Subpart II to Subchapter II after
596 § 7015 by making deletions as shown by strike through and insertions as shown by underline as follows:

597 Subpart II. Tenant obligations and landlord remedies.

598 Section 20. Amend § 7010A, Title 25 of the Delaware Code by transferring § 7010A to § 7016 of Title 25 and
599 then by making deletions as shown by strike through and insertions as shown by underline as follows:

600 ~~§ 7010A.~~ § 7016. Termination or nonrenewal of rental agreement by landlord; due cause: noncompliance.

601 (a) A landlord may terminate a rental agreement with a tenant immediately upon written notice if the tenant does
602 not comply with the terms of the rental agreement or the requirements of this subchapter and the noncompliance is the result
603 ~~of~~: of any of the following:

604 (1) Clear and convincing evidence that conduct of the tenant or of a resident of the tenant's manufactured
605 home caused, is causing, or threatens to cause, immediate and irreparable harm to any person or property in the
606 manufactured home ~~community; community~~.

607 (2) Conviction of a crime or adjudication of delinquency committed by a tenant or by a resident of the
608 tenant's manufactured home, the nature of which at the time of the crime or act of delinquency caused immediate
609 and irreparable harm to any person or property in the manufactured home ~~community; community~~.

610 (3) Clear and convincing evidence of a material misrepresentation on the tenant's application to rent a lot
611 in the manufactured home community which, if the truth were known, would have resulted in the denial of the
612 ~~application; application~~.

613 (4) The failure of the tenant to provide proper notification to the landlord prior to selling or transferring to
614 a buyer or transferee title of a manufactured home which the buyer or transferee intends to retain in the manufactured
615 home ~~community, pursuant to § 7022(e) of this title; or community under § 7013(c) of this title.~~

616 (5) The failure of a tenant to bring his or her manufactured home into compliance with written standards
617 pursuant to § 7020(b) or § 7022(e) under § 7007(b) or § 7013(e) of this title.

618 (b) A landlord may terminate a rental agreement with a tenant by providing prior written notice as follows:

619 (1) If the tenant's noncompliance with the terms of the rental agreement or the requirements of this
620 subchapter involves conduct of the tenant, of a resident of the tenant's manufactured home, or of a guest or visitor
621 of the tenant or resident which results in the disruption of the rights of others entitled to the quiet enjoyment of the
622 premises, the landlord shall notify the tenant in writing to immediately cause the conduct to cease and not allow its
623 repetition. The notice must specify the conduct which formed the basis for the notice and notify the tenant that if
624 substantially the same conduct recurs within 6 months, whether or not the 6-month period falls within 1 lease period
625 or overlaps 2 lease periods, the landlord may immediately terminate the rental agreement and bring an action for
626 summary possession; or possession.

627 (2) If the noncompliance is based upon a condition on or of the premises of the manufactured home
628 community, the landlord shall notify the tenant in writing, specifying the condition constituting the noncompliance
629 and allowing the tenant 12 days from the date of mailing or personal service to remedy the noncompliance. If the
630 tenant remains in noncompliance at the expiration of the 12-day period, whether or not the 12-day period falls within
631 1 lease period or overlaps 2 lease periods, the landlord may immediately terminate the rental agreement and bring
632 an action for summary possession; or possession.

633 (3) If rent, which includes late fees for rent, other fees and charges, including utility charges, and the Trust
634 Funds assessment, is not received by the landlord by the 5th day after the due date or during the grace period stated
635 in the rental agreement, whichever is longer, the landlord shall notify the tenant in writing, demanding payment and
636 stating that unless the required payment is made within 7 days from the date of mailing or personal service, the rental
637 agreement will be terminated. If the tenant remains in default after the 7-day period, whether or not the 7-day period
638 falls within 1 lease period or overlaps 2 lease periods, the landlord may terminate the rental agreement and bring an
639 action to recover the rent due and for summary possession.

640 (c) Whether or not repeated instances of noncompliance fall within 1 lease period or overlap 2 or more lease periods,
641 if there are repeated instances of noncompliance by the tenant with a provision of the rental agreement, with any rule or
642 regulation material to the rental agreement, or with a provision of this subchapter, Subchapters I through V of this chapter,
643 even when corrected by the tenant, a landlord may immediately terminate the rental agreement and bring an action for
644 summary possession and any moneys due, or may refuse to renew the agreement pursuant to § 7007 under § 7009 of this title.
645 "Repeated instances of noncompliance" include: include any of the following:

646 (1) Failure of the tenant on 4 separate occasions within 12 consecutive payment periods, to make a rent
647 payment by the fifth day after the due date or during the grace period stated in the rental agreement, whichever is
648 longer, resulting in notice being sent to the tenant pursuant to under paragraph (b)(3) of this section; section.

649 (2) Failure of the tenant on 2 separate occasions within 12 consecutive payment periods to reimburse a
650 landlord within 7 days of notice from the landlord to the tenant that the landlord paid the tenant's utility ~~charge~~
651 charge.

652 (3) Tender by the tenant on 2 separate occasions within 12 consecutive payment periods of a bank draft or
653 check which is dishonored by a financial institution for any reason, except for a mistake by the financial ~~institution~~
654 institution.

655 (4) Four separate incidents of noncompliance as described in paragraph (b)(1) or (b)(2) of this section
656 within a 12-month ~~period~~; or period.

657 (5) Any combination of ~~four~~ 4 separate incidents of noncompliance as described in any subdivision of this
658 subsection within a 12-month period.

659 (d) A landlord may not terminate a rental agreement or refuse to renew a rental agreement pursuant to under
660 paragraph (c)(1) of this section unless the landlord notifies the tenant after the third separate occasion within 12 consecutive
661 payment periods that a subsequent incident of noncompliance ~~described in~~ under paragraph (c)(1) of this section may result
662 in either the immediate termination of the rental agreement or the nonrenewal of the rental agreement at its expiration.

663 (e) In an action for summary possession based on nonpayment of rent, the tenant is entitled to raise by defense or
664 counterclaim any claim against the landlord that is related to the rental of the lot.

665 (f) A notice sent to a tenant advising the tenant that the rental agreement is terminated or will be terminated or will
666 not be renewed must specify the reasons for such action in sufficient detail so that the dates, ~~places~~ places, and circumstances
667 concerning the termination are clear. Mere reference to or recital of the language of this section is not sufficient.

668 (g) A landlord's right to terminate a rental agreement prior to the expiration of the agreement or right to refuse to
669 renew at the expiration of the agreement does not arise until the landlord has complied with the applicable notice provision
670 upon which the landlord is relying for the termination or non-renewal of the agreement.

671 Section 21. Amend § 7018, Title 25 of the Delaware Code by transferring § 7018 to § 7017 of Title 25 and then by
672 making deletions as shown by strike through and insertions as shown by underline as follows:

673 ~~§ 7018.~~ § 7017. Security deposits; pet security deposits.

674 (a)(1) A landlord may require a tenant to pay a security deposit if provided for in the rental agreement.

(2) A landlord may not require a tenant to pay a security deposit in an amount in excess of 1 month's rent unless the tenant agrees to do so and the full amount is specified in the rental agreement.

(b)(1) Every security deposit paid to a landlord must be placed by the landlord in an escrow bank account in a federally-insured financial institution with an office that accepts deposits within the State. The account must be designated as a security-deposits account and may not be used by the landlord for any purposes other than those described in under subsection (c) of this section. The landlord shall disclose in the rental agreement the location of the security deposit account. If the landlord changes the location of the security deposit account, the landlord shall notify each tenant of the new location within 30 days of the change. Security deposit principal must be held and administered for the benefit of the tenant, and the tenant's claim to such money has priority over that of any creditor of the landlord, including, but not limited to, including a trustee in bankruptcy, even if such money is commingled.

(2) A security deposit paid pursuant to a new rental agreement signed on or after August 25, 2003, must be immediately escrowed pursuant to under paragraph (b)(1) of this section. A security deposit paid as provided for in an existing rental agreement signed prior to August 25, 2003, must be escrowed pursuant to under paragraph (b)(1) of this section on or before June 30, 2005.

(c) The purposes of a security deposit are: A security deposit may be used for any of the following purposes:

(1) To reimburse a landlord for actual damages which exceed normal wear and tear to the landlord's property and which were caused by the tenant; tenant.

(2) To pay a landlord for all rent, rent arrearage, fees, charges, Trust Fund assessments assessments, and other moneys due and owed to the landlord by the ~~tenant~~; tenant.

(3) To reimburse a landlord for all reasonable expenses incurred in renovating and re-renting the landlord's property caused by the premature termination of the rental agreement by the tenant, except for termination pursuant to § 7009 under § 7021 of this title.

(d) Within 20 days after the expiration or termination of a rental agreement, the landlord shall provide the tenant with an itemized list of damages, if any, to the landlord's property and the estimated cost of repair for each item. The landlord shall tender payment for the difference between the security deposit and the cost for repair of damage to the landlord's property. Failure to do so constitutes an acknowledgment by the landlord that no payment for repair of damage is due. A tenant's acceptance of a payment submitted with an itemized list of damages constitutes agreement on the damages as specified by the landlord, unless the tenant objects in writing within 10 days of receipt of the landlord's tender of payment to the amount withheld by the landlord.

704 (e) If a landlord is not entitled to all or any portion of a security deposit, the landlord shall remit to the tenant within
705 20 days of the expiration or termination of the rental agreement the portion of the security deposit to which the landlord is
706 not entitled.

707 (f) *Penalties.* —

708 (1) Failure by a landlord to remit to a tenant the security deposit or the difference between the security deposit
709 and the cost for repair of damage within 20 days from the expiration or termination of the rental agreement entitles the
710 tenant to double the amount wrongfully withheld.

711 (2) Failure by a landlord to disclose the location of the security deposit account within 20 days of a written
712 request by a tenant or failure by a landlord to deposit a security deposit in a federally-insured financial institution with
713 an office that accepts deposits within the State results in forfeiture of the security deposit by the landlord to the tenant.
714 Failure by a landlord to return the full security deposit to a tenant pursuant to under this paragraph within 20 days from
715 the effective date of forfeiture entitles the tenant to double the amount of the security deposit.

716 (g) All communications and notices required under this section must be directed to a landlord at the address specified
717 in the rental agreement and to a tenant at an address specified in the rental agreement or at a forwarding address, if a
718 forwarding address was provided to the landlord in writing by the tenant. Failure by a tenant to provide a forwarding address
719 relieves the landlord of the responsibility to give notice pursuant to this section and removes the landlord's liability for double
720 the amount of the security deposit. However, the landlord continues to be liable to the tenant for any unused portion of the
721 security deposit if, within 1 year from the expiration or termination of the rental agreement, the tenant makes a claim in
722 writing to the landlord.

723 (h) *Pet deposits.* —

724 (1) A landlord may require a tenant to pay a pet security deposit for each pet if provided for in the rental
725 agreement. Damage to a landlord's property caused by a tenant's pet must first be deducted from the pet security
726 deposit. If the pet deposit is insufficient, pet damages may be deducted from the tenant's nonpet security deposit.

727 (2) If a nonpet security deposit is insufficient to cover nonpet damages described in under subsection (c) of
728 this section, damages may be deducted from the pet security deposit even if such damages were not caused by a pet.
729 A pet security deposit is a type of security deposit and is subject to subsections (b), (d), (e), (f) (f), and (g) of this
730 section.

731 (3) A landlord may not require a tenant to pay a pet security deposit in an amount in excess of 1 month's
732 rent, unless the tenant agrees to do so and the full amount is specified in the rental agreement.

733 (4) A landlord may not require a pet security deposit from a tenant if the pet is a certified and trained support
734 animal for a person with a disability who is a resident of a manufactured home on a rented lot.

735 (5) Notwithstanding legal ownership of a pet, for purposes of this subchapter, a pet that resides in a
736 manufactured home, ~~and/or~~ or on the lot where the home is located in a manufactured home community, is deemed
737 owned and controlled by a tenant who resides in the manufactured home.

738 (i) If a rental agreement so specifies, a landlord may increase a security deposit commensurate with an increase in
739 rent. If an increase of the security deposit exceeds 10 percent of the monthly rent, the tenant may choose to pay the increase
740 in the security deposit prorated over the term of the rental agreement but not to exceed 12 months, except in the case of a
741 month-to-month tenancy, in which case payment of the increase may not be prorated over a period in excess of 4 months
742 unless mutually agreed to by the landlord and tenant.

743 Section 22. Amend § 7019, Title 25 of the Delaware Code by transferring § 7019 to § 7018 of Title 25 and then by
744 making deletions as shown by strike through and insertions as shown by underline as follows:

745 ~~§ 7019.~~ § 7018. Rules.

746 (a) A landlord may promulgate reasonable written rules concerning the occupancy and use of the premises and the
747 use of the landlord's property, and concerning the behavior of manufactured home community tenants, residents, ~~guests~~
748 guests, and visitors, provided that the rules further any of the following purposes:

749 (1) Promoting the health, safety, or welfare of tenants, residents, ~~guests or visitors;~~ guests, or visitors.

750 (2) Promoting the residents' quiet ~~enjoyment;~~ enjoyment.

751 (3) Preserving the property values of tenants ~~and/or landlords;~~ or the landlord.

752 (4) Promoting the orderly and efficient operation of the manufactured home ~~community;~~ community.

753 (5) Preserving the tenants' ~~and/or~~ or landlords' property from abuse.

754 (b) A landlord may not arbitrarily or capriciously enforce a rule. A landlord may choose not to enforce a rule based
755 upon the documented special needs or hardship of a tenant or resident without waiving the right to the later enforcement of
756 the rule as to that tenant or resident or any other tenant or resident.

757 (c) A landlord may amend an existing rule at any time, but the amended rule is not effective until the date specified
758 in the amended rule or 60 days after the landlord delivers to the tenant written notice of the amended rule, whichever is later.

759 (1) Within 10 days of the landlord's notice of an amended rule, a committee, not to exceed 5 members, may
760 be chosen by any method agreed to by the tenants of the manufactured home community.

761 (2) The committee shall meet with the landlord at a mutually convenient time and place to discuss the
762 amended rule.

763 (3) At the meeting, the landlord shall disclose and explain all material factors and present any supporting
764 documentation for the amended rule.

765 Section 23. Amend § 7023, Title 25 of the Delaware Code by transferring § 7023 to § 7019 of Title 25 and then by
766 making deletions as shown by strike through and insertions as shown by underline as follows:

767 ~~§ 7023.~~ § 7019. Retaliatory acts prohibited.

768 (a) Retaliatory acts are prohibited.

769 (b) A retaliatory act is an attempted or completed act on the part of a landlord to pursue an action against a tenant
770 for summary possession, to terminate a tenant's rental agreement, to cause a tenant to move involuntarily from a rented lot in
771 the manufactured home community, or to decrease services to which a tenant is entitled under a rental agreement, ~~after:~~ after
772 any of the following occur:

773 (1) The tenant has complained in good faith to either the landlord or to an enforcement authority about a
774 condition affecting the premises of the manufactured home community which constitutes a violation ~~of this~~
775 ~~subchapter under Subchapters I through V of this chapter~~ or a violation of a housing, health, building, ~~sanitation~~
776 ~~sanitation~~, or other applicable statute or regulation; regulation.

777 (2) An enforcement authority has instituted an enforcement action based on a complaint by the tenant for a
778 violation ~~of this subchapter under Subchapters I through V of this chapter~~ or a violation of a housing, health,
779 building, ~~sanitation~~ sanitation, or other applicable statute or regulation with respect to the ~~premises~~; premises.

780 (3) The tenant has formed or participated in a manufactured home tenants' organization or ~~association~~; or
781 association.

782 (4) The tenant has filed a legal action against the landlord or the landlord's agent for any reason.

783 (c) If a tenant proves that a landlord attempted to commit or committed an act ~~pursuant to~~ under subsection (b) of
784 this section within 90 days of the tenant's action under ~~paragraph (b)(1)-(4)~~ paragraphs (b)(1) through (b)(4) of this section,
785 the landlord's act is presumed to be a retaliatory act.

786 (d) Affirmative defenses to a claim that a landlord attempted to commit or committed a retaliatory act include proof
787 by a preponderance of the evidence that: of any of the following:

788 (1) The landlord had due cause for termination of the rental agreement ~~pursuant to this subchapter under~~
789 Subchapters I through V of this chapter and gave the required notice to the ~~tenant~~; tenant.

790 (2) The tenant's legal action against the landlord relates to a condition caused by the lack of ordinary care
791 by the tenant or by a resident of the tenant's manufactured home or by a guest or visitor on the premises with the
792 tenant's or resident's ~~consent~~; consent.

793 (3) The rented lot was in substantial compliance with all applicable statutes and regulations on the date of
794 the filing of the tenant's legal action against the ~~landlord~~ or landlord.

795 (4) The landlord could not have reasonably remedied the condition complained of by the tenant by the date
796 of the filing of the tenant's legal action against the landlord.

797 (e) A tenant subjected to a retaliatory act set forth in subsection (b) of this section is entitled to recover the greater
798 of 3 months' rent, or 3 times the damages sustained by the resident, in addition to the court costs of the legal action.

799 Section 24. Amend Chapter 70, Title 25 of the Delaware Code by creating a new Subpart III to Subchapter II after
800 § 7019 by making deletions as shown by strike through and insertions as shown by underline as follows:

801 Subpart III. Landlord obligations and tenant remedies.

802 Section 25. Amend § 7008, Title 25 of the Delaware Code by transferring § 7008 to § 7020 of Title 25 and then by
803 making deletions as shown by strike through and insertions as shown by underline as follows:

804 § 7008. § 7020. Fees; services; utility rates.

805 (a) A "fee" or "charge" is a monetary obligation, other than lot rent, designated in a fee schedule pursuant to
806 subsection (b) of this section and assessed by a landlord to a tenant for a service furnished to the tenant, or for an expense
807 incurred as a direct result of the tenant's use of the premises or of the tenant's acts or omissions. A fee or charge may be
808 considered as rent for purposes of termination of a rental agreement, summary possession ~~proceedings~~ proceedings, or for
809 other purposes if specified in this title.

810 (b) A landlord must clearly disclose all fees in a fee schedule attached to each rental agreement.

811 (c) A landlord may assess a fee if the fee relates to a service furnished to a tenant or to an expense incurred as a
812 direct result of the tenant's use of the premises. However, a fee that is assessed due to the tenant's failure to perform a duty
813 arising under the rental agreement may be assessed only after the landlord notifies the tenant of the failure and allows the
814 tenant 5 days after notification to remedy or correct the failure to perform. A tenant's failure to pay the fee within ~~5~~ 5 days
815 of notification is a basis for termination of the rental agreement pursuant to § 7010A under § 7016 of this title.

816 (d) A prospective tenant in a manufactured home community may be required to pay an application fee to be used
817 by the landlord to determine the prospective tenant's credit worthiness. A landlord may not charge an application fee that
818 exceeds the greater of 10% of the monthly lot rent or \$50. A landlord shall, upon receipt of any money paid as an application
819 fee, furnish a receipt to the prospective tenant for the full amount paid by the prospective tenant, and shall ~~maintain~~ maintain,
820 for a period of at least 2 ~~years~~ years, complete records of all application fees charged and the amount received for each fee.
821 If a landlord unlawfully demands or charges more than the allowable application fee, the prospective tenant is entitled to
822 damages equal to double the amount demanded or charged as an application fee by the landlord.

(e) If a landlord pays a tenant's utility charge to a third party due to the tenant's failure to do so, pay the utility charge, the charge is considered a pass-through utility charge. In addition to any late charge paid by the landlord to the third party, the landlord may assess a third-party-payment fee not to exceed the greater of 5% of the total payment by the landlord to the third party or \$25.

(f) A landlord may assess a late-payment fee for the late payment of rent if: if all of the following apply:

(1) The rent is not paid within 5 days after the due date specified in the rental agreement; and agreement.

(2) The rental agreement provides for a late-payment fee.

(g) A landlord may assess an optional-user fee for the use of designated facilities or services. Failure of a tenant to pay an optional-user fee for requested use of a facility or service may not be the basis for termination of the rental agreement. However, continued use of the requested facility or service without paying the optional-user fee may result in termination of the rental agreement ~~pursuant to § 7010A under § 7016~~ of this title. Optional-user fees ~~include, but are not limited to,~~ include fees for the use of a swimming pool, marine facilities ~~facilities~~, and tennis courts.

(h) The amount of an optional-user fee must be reasonably related to the cost of providing the facility or service upon which the fee is based.

(i) A fee may not be increased more than once during any 12-month period. A utility rate may be adjusted as provided in subsection (j) of this section. A landlord shall notify a tenant in writing of any fee increase or additional fee at least 60 days prior to the effective date of the increase or addition. A fee increase or an additional fee is unenforceable unless proper written notice has been given to the tenant.

(j) A landlord may charge a tenant for utilities provided by the landlord to the tenant if specified in under the terms of the rental agreement. The rate charged by a landlord for a utility may not exceed the utility's retail consumer rate, and the rate charged by the landlord may be adjusted without notice on a monthly basis.

(k) A landlord may not assess an entrance or exit fee. An entrance fee is any fee assessed by a landlord to a tenant prior to the tenant's occupancy of a rented lot, except for an application fee or a security deposit, or for those fees or charges for utilities, for direct services actually rendered, or for the use of facilities, all of which must be identified and described in the rental agreement or in a separate notice ~~pursuant to § 7006 under § 7008~~ of this title. An exit fee is a fee assessed by a landlord to a tenant immediately prior to or after the tenant's final departure from the rented lot, except for those fees or charges for direct services actually rendered by the landlord which would not otherwise be provided without charge in the normal course of business.

851 (l) If a utility, facility facility, or service previously provided pursuant to the rental agreement is discontinued, the
852 landlord shall adjust the tenant's rent, ~~charge~~ charge, or fee payment by deducting the landlord's direct operating costs of
853 providing the discontinued utility, facility facility, or service. An adjustment is determined as follows:

854 (1) No less than 60 days prior to the discontinuance of the utility, facility facility, or service, the landlord
855 shall notify all affected tenants of the discontinuance, and include in the notification an explanation of the
856 discontinuance and the reduction in the direct operating cost, if any, associated with the discontinuance.

857 (2) Within 10 days after the landlord's notice pursuant to paragraph (l)(1) of this section, the tenants may
858 form a committee not to exceed 5 members. The committee and the landlord shall meet together at a mutually
859 convenient time and place to discuss the discontinuance of the utility, facility facility, or service.

860 (3) At the meeting, the landlord shall disclose and explain all material factors for the proposed
861 discontinuance of the utility, facility facility, or service, together with supporting documentation. The reduction in
862 the direct operating cost of the utility, facility facility, or service, as determined by an independent public accountant
863 or certified public accountant paid for by the landlord, is binding upon both the landlord and the tenants.

864 (m) Notwithstanding any other provision in this chapter, where there exists a community center available for use by
865 community tenants, the ~~owner/~~landlord community owner or landlord shall not refuse to make such community center
866 available to a tenant's association or to a group of tenants, whose purpose of such use is to address matters affecting or relating
867 to such tenants' rights, ~~obligations and/or~~ obligations, or privileges in, about, ~~and/or~~ or relating to the manufactured home
868 community. The use of the community center for such meetings shall be at no additional charge to the tenants as imposed for
869 ordinary use by tenants and the landlord shall honor the request for use of the community center by the tenants' association
870 or group of tenants within 14 days after a request to the landlord has been made. The tenants shall abide by all existing rules
871 ~~and/or~~ and regulations established for the community center.

872 Section 26. Amend § 7009, Title 25 of the Delaware Code by transferring § 7009 to § 7021 of Title 25 and then by
873 making deletions as shown by strike through and insertions as shown by underline as follows:

874 § 7009. Rent increases. § 7021. Termination of rental agreement by tenant during first month of occupancy; during
875 first 18 months of occupancy.

876 A landlord may not increase a tenant's lot rent more than once during any 12-month period, regardless of the term
877 of the tenancy or the term of the rental agreement. A landlord shall give written notice of a lot rent increase to a tenant a
878 minimum of 60 days prior to the effective date of the rent increase.

879 (a) If a landlord fails to substantially comply with the provisions of a rental agreement, or if there is a material
880 noncompliance with this subchapter or any statute, ~~ordinance~~ ordinance, or regulation governing the landlord's maintenance

881 or operation of the manufactured home community, a tenant may, upon written notice to the landlord, terminate the rental
882 agreement and vacate the rented lot by removing that tenant's manufactured home and all personal possessions at any time
883 during the first month of occupancy. The tenant has no further obligation to pay rent after the date of vacating the lot. A
884 tenant retains the right to terminate a rental agreement beyond the first month of occupancy if the tenant remains in possession
885 of the lot in reliance on the written promise by the landlord to correct the condition or conditions which would justify
886 termination of the agreement by the tenant during the first month of occupancy.

887 (b) If a condition exists which deprives a tenant of a substantial part of the benefit and enjoyment of the bargain
888 pursuant to the rental agreement, the tenant may notify the landlord in writing of the condition, and, if the landlord does not
889 remedy the condition within 15 days from the date of mailing, the tenant may terminate the rental agreement and vacate the
890 rented lot by removing the tenant's own manufactured home and all personal possessions. The tenant has no further obligation
891 to pay rent after the date of vacating the lot. Notice pursuant to this subsection need not be given if the condition renders the
892 premises uninhabitable or poses an imminent threat to the health, safety, or welfare of the tenant or a resident of the
893 tenant's manufactured home.

894 (c) A tenant may not terminate a rental agreement pursuant to this section for a condition caused by lack of due care
895 by the tenant, a resident of the tenant's manufactured home, or any other person on the premises with the tenant's or resident's
896 consent.

897 (d) If a condition referred to in subsection (a) or (b) of this section was caused by the landlord, the tenant may recover
898 any damages sustained as a result of the condition, including, but not limited to, including reasonable expenditures necessary
899 to obtain adequate substitute housing while the manufactured home is uninhabitable or while an imminent threat to health,
900 safety, or welfare exists, or while the tenant is deprived of a substantial part of the benefit and enjoyment of the bargain
901 pursuant to the rental agreement prior to the termination of the rental agreement by the tenant, and for a reasonable length of
902 time following the termination of the rental agreement.

903 (e) If a landlord or the landlord's authorized representative intentionally misrepresents a material fact regarding a
904 manufactured home community, the scope or extent of services provided by the landlord, or a provision of a rental agreement
905 in a brochure, newspaper, radio, or television advertisement, or other document or advertisement, for the purpose of
906 inducing a tenant to enter into a rental agreement, and the tenant reasonably relies upon the misrepresentation to the tenant's
907 detriment when entering into the rental agreement, the tenant has the right to terminate the rental agreement within 18 months
908 of execution of the rental agreement.

909 Section 27. Amend § 7021A, Title 25 of the Delaware Code by transferring § 7021A to § 7022 of Title 25 and
910 then by making deletions as shown by strike through and insertions as shown by underline as follows:

911 § 7021A. § 7022. Lot Rental Assistance Program.

912 (a) A homeowner or tenant in a manufactured home community who is eligible for Social Security Disability (SSD)
913 or Supplemental Security Income (SSI) benefits or who is 62 years of age or older is eligible for lot rental assistance from
914 the manufactured home community owner if ~~the following criteria are met: the home owner or tenant meets all of the~~
915 ~~following criteria:~~

916 (1) The ~~homeowner~~ home owner or tenant must have owned ~~his or her~~ the manufactured home ~~and/or or~~
917 resided in the home in the manufactured home community prior to July 1, 2006.

918 (2) The ~~homeowner~~ home owner or tenant must reside full time and exclusively in the manufactured home
919 in the manufactured home community, and the manufactured home must be the ~~homeowner~~ home owner's or tenant's
920 only residence.

921 (3) The lot rent, excluding utility charges and other charges, fees, and assessments that are part of the
922 services rider required under ~~§ 7006(a)(9)~~ § 7008(a)(9) of this title, must exceed 30% of the income definition, as
923 stated in the Delaware State Housing Authority Fact Book (DSHA Fact Book), or its successor document, for the
924 United States Department of Housing and Urban Development (HUD) for the county median income limits based
925 upon 40% of the county's median income for the number of residents in the home. For purposes of this section,
926 "income" includes the income of all occupants of the manufactured home, whether or not an occupant is a tenant,
927 and of all tenants of the manufactured home, whether or not a tenant is an occupant.

928 (4) The total liquid assets, including but not limited to bank accounts, stocks, and bonds of the ~~homeowner~~
929 home owner or homeowners, home owners, tenant or tenants, and other residents, may not exceed \$50,000.

930 (5) The ~~homeowner~~, home owner, tenant, and other residents must provide to the community owner all
931 documentation necessary to determine eligibility for lot rental assistance, such as bank records, eligibility letters,
932 tax returns, and brokerage statements.

933 (6) The ~~homeowner~~, home owner, tenant, and other residents and the manufactured home must be in
934 substantial compliance with all manufactured home community rules, regulations, and standards.

935 (b) The ~~homeowner~~, home owner, tenant, and other residents may not be recipients of any other rental assistance
936 funding.

937 (c) Lot rental assistance or rent credit received by a ~~homeowner~~ home owner or tenant pursuant to this section is not
938 transferable upon the sale of the manufactured home ~~and/or or~~ the transfer of the rental agreement to a third-party purchaser.

939 (d) A ~~homeowner~~ home owner or tenant who qualifies for lot rental assistance ~~based on the criteria in~~ under
940 subsection (a) of this section is entitled to lot rental assistance for a term of 1 year. Lot rental assistance for a qualified

941 ~~homeowner~~ home owner or tenant is a credit which is computed as the difference between the then-current lot rent and 30%
942 of the income definition for the county median income, as stated in the DSHA Fact Book for the number of residents in the
943 home; provided, however, that the lot rent for an eligible ~~homeowner~~ home owner or tenant after application of a lot rental
944 assistance credit may not exceed 30% of the income definition for the county median income, as stated in the DSHA Fact
945 Book for the number of residents in the home.

946 (e) The ~~homeowner~~ home owner or tenant has the responsibility to reestablish annually eligibility for lot rental
947 assistance if that ~~homeowner~~ home owner or tenant believes that the homeowner or tenant remains eligible for lot rental
948 assistance. The ~~homeowner~~ home owner or tenant must reestablish eligibility within 45 days immediately before the
949 anniversary date of the prior determination of eligibility.

950 (f)(1) A community owner who is required to participate in the lot rental assistance program shall provide notice of
951 the program to all ~~homeowners~~ home owners and tenants in the community, and shall provide, pursuant to under paragraph
952 (f)(2)a. or (f)(2)b. of this section, renewal notices to all program participants at least 45 days before a participant's term of
953 assistance expires. If the community owner does not provide a renewal notice, the lot rental assistance credit remains in effect
954 until 45 days after the community owner provides notice. Upon receiving notice, a ~~homeowner~~ home owner or tenant has 45
955 days ~~in which~~ to reestablish program eligibility by providing necessary documents and information to the community owner.
956 If the ~~homeowner~~ home owner or tenant fails to reestablish eligibility within 45 days of notice, the community owner may
957 terminate the lot rental assistance credit.

958 (2)a. Unless otherwise specified, renewal notice required by this subsection may be served personally upon
959 a ~~homeowner~~ home owner or tenant of a manufactured home community by leaving a copy of the notice at the
960 ~~homeowner's~~ home owner's or tenant's dwelling place with an adult person who resides therein.

961 b. In lieu of personal service, renewal notice required by this subsection may be sent by regular first
962 class mail with proof of mailing or by certified mail, return receipt requested, to the ~~homeowner~~ home
963 owner or tenant at the address of the ~~homeowner's~~ home owner's or tenant's rented lot, or at an alternative
964 address which the ~~homeowner~~ home owner or tenant provided in writing to the community owner.

965 (g) During the period of any lot rental assistance, a ~~homeowner~~ home owner or tenant must remain current with
966 payment of rent after the application of the lot rental assistance credit, as well as with payment of utility fees and other charges
967 and assessments. If the ~~homeowner~~ home owner or tenant does not pay all lot rent after the application of the lot rental
968 assistance credit, as well as pay utility fees and other charges and assessments on or before the due date or during the grace
969 period provided under the law or otherwise, then the lot rental assistance credit may be immediately terminated upon notice,
970 and the ~~homeowner~~ home owner or tenant will not be eligible for further lot rental assistance.

971 (h) A homeowner home owner or tenant receiving lot rental assistance credit must notify the community owner
972 immediately of any substantial change in that homeowner's home owner's or tenant's financial situation or in the composition
973 of the household.

974 (i) Any intentional misrepresentation by an applicant of that applicant's financial situation or living arrangements
975 which, if the truth were known, would have resulted in the denial of lot rental assistance shall result in the immediate
976 termination of all lot rental assistance, and an immediate obligation to reimburse all credits received under the lot rental
977 assistance program to the point of the initial misrepresentation. A community owner may treat the amounts due and owing as
978 a rent delinquency.

979 (j) A community owner shall treat all documents and information submitted for the lot rental assistance program as
980 confidential and may not disclose the documents or information publicly or use them in any manner other than to determine
981 eligibility under the lot rental assistance program. Any intentional public dissemination of confidential information provided
982 pursuant to the lot rental assistance program is subject to civil relief which is reasonable and appropriate under Delaware law.

983 (k) Nothing in this section prohibits the owner of a manufactured home community from offering a lot rental
984 assistance program that provides benefits over and above the benefits set forth in this section, or that extends eligibility for
985 participation in the program.

986 (l) The provisions of this section do not apply to a manufactured home community with 25 or fewer manufactured
987 home lots; provided, however, that an owner of such a manufactured home community may voluntarily offer a lot rental
988 assistance program to the homeowners home owners and tenants of the community.

989 (m) For the purpose of benefiting persons aged 62 and older, this section establishes a narrow exception to the
990 prohibition against housing discrimination on the basis of "age" ~~as set forth in~~ under Chapter 46 of Title 6, otherwise known
991 as Delaware's Fair Housing Act [§ 4600 et seq. of Title 6].

992 Section 28. Amend Chapter 70, Title 25 of the Delaware Code by creating a new Subchapter III after § 7022 of
993 Title 25 by making deletions as shown by strike through and insertions as shown by underline as follows:

994 Subchapter III. Termination of rental agreement; change in land use.

995 Section 29. Amend § 7027, Title 25 of the Delaware Code by transferring § 7027 to § 7023 of Title 25 and then by
996 making deletions as shown by strike through and insertions as shown by underline as follows:

997 § 7027. § 7023. Change of use; conversion.

998 This subchapter governs a change in use of a manufactured home community, ~~as described in § 7010(b) under §~~
999 7024(b) of this title, to any use other than a conversion of the community to a manufactured home cooperative or
1000 condominium community, which is governed by Chapter 71 of this title.

1001 Section 30. Amend § 7010, Title 25 of the Delaware Code by transferring § 7010 to § 7024 of Title 25 and then by
1002 making deletions as shown by strike through and insertions as shown by underline as follows:

1003 § 7010. § 7024. Termination or nonrenewal of rental agreement by landlord; due cause; change in land use.

1004 (a) A landlord may terminate a rental agreement for a lot in a manufactured home community before it expires or
1005 may refuse to renew an agreement only for due cause. "Due cause" ~~means:~~ means any of the following:

1006 (1) An intended change in the use of the land of a manufactured home community ~~as specified in~~ under
1007 subsection (b) of this section.

1008 (2) The grounds for termination ~~pursuant to~~ under § 7010A of this title.

1009 (b) If a change is intended in good faith in the use of land on which a manufactured home community or a portion
1010 of a manufactured home community is located and the landlord intends to terminate or not renew a rental agreement, the
1011 landlord ~~shall:~~ shall do all of the following:

1012 (1) Provide all tenants affected with at least a 1-year termination or nonrenewal notice, which informs the
1013 tenants of the intended change of use and of their need to secure another location for their manufactured homes. The
1014 landlord may not increase the lot rental amount of an affected tenant after giving notice of a change in ~~use;~~ use.

1015 (2) Give all notice required by this section in writing. All notice must be posted on the affected tenant's
1016 manufactured home and sent to the affected tenant by certified mail, return receipt requested, addressed to the tenant
1017 at an address specified in the rental agreement or at the tenant's last known address if an address is not specified in
1018 the rental ~~agreement;~~ agreement.

1019 (3) Provide, along with the 1-year notice required by paragraph (b)(1) of this section, a relocation plan
1020 (Plan) to each affected tenant of the manufactured home community. The Plan must be written in a straightforward
1021 and easily comprehensible manner and include all of the following:

1022 a. The location, telephone ~~number~~ number, and contact person of other manufactured home
1023 communities, known to the landlord after reasonable effort, within a 25-mile radius of the manufactured
1024 home community where the change of land use is ~~intended;~~ intended.

1025 b. The location, telephone ~~number~~ number, and contact person of housing for tenants with disabilities
1026 and for older tenants, known to the landlord after reasonable effort, within a 25-mile radius of the
1027 manufactured home community where the change of land use is ~~intended;~~ intended.

1028 c. A listing, known to the landlord after reasonable effort, of government and community agencies
1029 available to assist tenants with disabilities and older ~~tenants;~~ tenants.

1030 d. A basic description of relocation and abandonment procedures and ~~requirements;~~ requirements.

1031 e. A preliminary indication of whether a tenant's manufactured home can or cannot be ~~relocated~~;
1032 relocated.

1033 f. A copy of this section of the ~~Code~~; Code.

1034 (4) Submit the Plan to the Delaware Manufactured Home Relocation Authority at the same time that the
1035 Plan is submitted to the affected ~~tenants~~; tenants.

1036 (5) Update the Plan and distribute the updated Plan every 3 months. If the landlord fails to provide a
1037 quarterly update to each affected tenant and to the Authority, the date of termination of the tenant's rental agreement
1038 will be extended by 1 month for each omitted quarterly ~~update~~; update.

1039 (6) During the relocation process observe and comply with all federal, state State, and local laws relating
1040 to older tenants and tenants with disabilities.

1041 (c) If a manufactured home community owner does not in good faith intend to change the land use of the community,
1042 yet provides a ~~homeowner~~ home owner or tenant with a termination or nonrenewal notice pursuant to subsection (b) of this
1043 section, the community owner has committed the act of misrepresentation with intent to deceive the ~~homeowner~~ home owner
1044 or tenant.

1045 (1) A violation of this subsection is subject to all of the following civil penalties:

1046 a. A cease and desist ~~order~~; order.

1047 b. Payment of a monetary penalty of not more than \$250 for each ~~violation~~; violation.

1048 c. Restitution; Restitution.

1049 d. Such other relief as is reasonable and ~~appropriate~~; and appropriate.

1050 e. Double the monetary penalty if the ~~homeowner~~ home owner or tenant is over 65 years old.

1051 (2) Prima facie evidence that a community owner did not intend in good faith to change land use ~~includes~~,
1052 ~~but is not limited to~~, includes evidence that the community owner reused the land for lot rentals for manufactured
1053 homes within 7 years of providing a tenant with a termination or nonrenewal notice, and did not make a material
1054 and bona fide effort to change the subdivision plan or zoning designation, or both.

1055 (3) A court may award attorneys' fees and costs to a homeowner if it determines that the community owner
1056 violated this section.

1057 (d) If a landlord has given the required notice to a tenant and has fulfilled all other requirements of this subchapter,
1058 the failure of the Authority to perform its duties or authorize payments does not prevent the landlord from completing the
1059 change in use of land.

1060 Section 31. Amend Chapter 70, Title 25 of the Delaware Code by creating a new Subchapter IV after § 7024 by
1061 making deletions as shown by strike through and insertions as shown by underline as follows:

1062 Subchapter IV. Right of first offer.

1063 Section 32. Amend § 7026, Title 25 of the Delaware Code by making deletions as shown by strike through and
1064 insertions as shown by underline as follows:

1065 § 7026. Right of first offer; ~~notice required before sale of manufactured home community. duty to negotiate in good~~
1066 faith, penalties for noncompliance.

1067 (a) If a community owner has decided to sell, transfer, or convey all or part of the community, the community owner
1068 and the home owner association shall negotiate in good faith for the sale, transfer, or conveyance of the community to the
1069 home owner association. If a party fails to negotiate in good faith, the court shall award reasonable attorneys' fees to the
1070 prevailing party.

1071 (b) If a community owner or a home owner association fails to comply with any provision of this section, either
1072 party has standing to seek equitable relief, including declaratory relief, injunctive relief, and the appointment of a receiver.
1073 The offending party is liable for actual damages. If a court of competent jurisdiction finds that the offending party wilfully
1074 and intentionally failed to comply with the requirements of this section, it is a per se violation of the Consumer Fraud Statute,
1075 § 2511 et seq. of Title 6, and the aggrieved party may be entitled to recover treble damages. In any action under this section,
1076 the court may award reasonable attorneys' fees and costs.

1077 (c) Chapter 71 of this title does not apply to the sale, transfer, or conveyance of manufactured home communities
1078 under this section.

1079 § 7027. Right of first offer; notice required before sale of manufactured home community.

1080 (a) Upon reaching a decision to sell, transfer, or convey all or part of a manufactured home community, the
1081 manufactured home community's owner shall provide notice of the home owner association's right of first offer to purchase
1082 all or part of the community to the community's home owner association if one exists, to the Delaware Manufactured Home
1083 Owners Association (DMHOA) or its successor, and to the Delaware Manufactured Home Relocation Authority (Authority).

1084 (1) The Authority shall send, pursuant to § 7024 of this title, send an annual notice under § 7015 of this title, to
1085 all registered community owners, stating that the community owner is required to comply with the requirements of this
1086 section if the community owner decides to sell, transfer, or convey all or part of the community. In addition, the notice
1087 must state that every manufactured home community must be registered with the Delaware Manufactured Home
1088 Relocation Authority, and that all fund assessments must be paid to date prior to the sale, transfer, or conveyance of the
1089 community.

(2) The Authority shall notify the manufactured home community's owner if a home owner association for that community has been registered with the Authority.

(b)(1) If a home owner association wishes to use its right of first offer pursuant to under subsection (a) of this section, either directly through a community owner or its designated agent, or indirectly through DMHOA or its successor or through the Authority, that home owner association must register with the Authority as prescribed by the Authority.

(2)a. There can be only 1 home owner association per community eligible to participate in the process of this section. That home owner association must register with the Delaware Manufactured Home Relocation Authority as prescribed by the Authority. The first association to register in compliance with the requirements of this section will be the official home owner association eligible to participate in the process. In order to be eligible for registration with the Authority, the home owner association must adopt bylaws.

b. In order to be eligible for registration with the Authority, the home owner association must comply with all of the following requirements:

1. The home owner association must be incorporated in the State and under the laws of the State; State.

2. The home owner association must have written bylaws. bylaws that comply with the laws of this
the bylaws must provide that each home owner of each home site is automatically entitled to vote as a
member of the association concerning matters related to the purchase of all or part of the community
notice of right of first offer has been extended to the home owner association by the community owner.
members under this paragraph may not be required to meet other preconditions of general membership
g the payment of dues.

c. A home owner who is a community owner, or an employee, agent, or servant of, or who has any business relationship with, the community owner may not directly or indirectly participate in the process, except that the home owner may vote. Nothing herein prevents a home owner association, after a vote of the members present, from excluding a community owner, or an employee, agent, or servant of the community owner from a meeting where confidential information relating to the home owner association's strategies in connection with the purchase will be discussed.

(e) The following model bylaws comply with the requisites of this section and may be used by a home owner association. The model bylaws below are intended as a model and home owner associations are not required to adopt the model bylaws. However, to comply with this section, the bylaws of the home owner association must address the substantive topics included as articles in the model bylaws (such as: name and location, corporate seal, members, etc.):

MODEL BYLAWS

1120 OF

1121 [INSERT COMMUNITY NAME] HOME OWNERS ASSOCIATION

1122 ARTICLE I NAME AND LOCATION

1123 The name of the corporation is "[INSERT COMMUNITY NAME] HOME OWNERS ASSOCIATION", hereinafter
1124 referred to as the "Association".

1125 The principal office of the Association is located at the home of the acting President of the Association, but meetings
1126 of members and directors may be held at places designated by the Board of Directors within the State of Delaware, [NAME
1127 OF COUNTY] County, where the manufactured home community is located.

1128 The name and address of the Association's registered agent in the State of Delaware is as set forth in the Certificate
1129 of Incorporation.

1130 ARTICLE II CORPORATE SEAL

1131 The corporate seal shall have inscribed thereon the name of the Association and the year of its incorporation.

1132 ARTICLE III MEMBERS

1133 Section 1. General Membership. The owner or owners of each home in the community are entitled to membership
1134 in the home owners association. In order to become a member in good standing the home owner must pay the annual dues
1135 set by the board of directors. Members in good standing are entitled to cast a vote or votes as provided by the Certificate of
1136 Incorporation for the Association and these bylaws. The owner or owners of each home are collectively entitled to one vote
1137 in all matters.

1138 Section 2. Special Membership for Exercising Right of First Offer. Each home owner of each home site, as defined
1139 in the record plan of the community on tax parcel maps, for as long as the owner is and remains as such, is automatically a
1140 special member of the Association. At all meetings of the Association concerning the exercise of the right of first offer by
1141 the Association, the owner or owners of each home are entitled collectively to cast the vote or votes provided for by the
1142 Certificate of Incorporation for the Association and in these bylaws. The vote or votes may be cast in person or by proxy.
1143 The owner or owners of each home are collectively entitled to one vote on all matters. If more than one person holds an
1144 interest in a home, all persons holding an interest are members of the Association, and the vote for the home is to be exercised
1145 as they among themselves determine; but in no event may more than one (1) total vote be cast with respect to the home.

1146 ARTICLE IV MEETING OF MEMBERS

1147 Section 1. First Meeting of the Members. The first meeting of the Members shall be called by the initial Board of
1148 Directors for the purpose of nominating and electing a Board of Directors consisting of the owners of the community's homes.
1149 The initial Board of Directors shall send each home owner notice of the meeting at least [INSERT NUMBER] days before

1150 the meeting. The notice shall specify the place, day, and hour of the meeting and shall state that the purpose of the meeting
1151 is to nominate and elect a new Board of Directors. Nominations shall be accepted by the initial Board of Directors in any
1152 form up and until the time of the election. A list of nominations, including the offices in which the nominee is interested,
1153 shall be prepared by the initial Board of Directors. Elections shall be by ballot, by plurality vote. Notwithstanding any contrary
1154 provision in the governing documents, quorum requirements for nomination and election of the first Board of Directors
1155 consisting of home owners are satisfied if the meeting is properly noticed in conformance with this section.

1156 **Section 2. Annual Meeting of the Members.** The members of the Association shall meet at least once each year,
1157 which means a period of 12 consecutive months, at a time and place established by the Directors, for the purpose of
1158 nominating and electing a Board of Directors, or replacements thereto, and conducting other business that may come before
1159 the meeting. Members of the Board of Directors must be members of the Association. Nominations may be by proxy received
1160 by the Board of Directors prior to the election of the Directors, and may also be made at the meeting. A list of nominations,
1161 including the offices in which the nominee is interested, shall be prepared by the Board of Directors. The Board of Directors
1162 shall oversee the election. A Director shall remain in office until his or her replacement is elected. Elections shall be by ballot,
1163 by plurality vote.

1164 **Section 3. Special meetings.** Special meetings of the members may be called at any time by the President, and must
1165 be called upon a request in writing or by the vote of the majority of the Directors, or at the request in writing of six (6) or
1166 more members of the Association.

1167 **Section 4. Notice of meetings.** Written notice of each meeting of the members of the Association must be given by,
1168 or at the direction of, the secretary or the person authorized to call the meeting. Notice must be mailed, postage prepaid, or
1169 delivered by hand at least [INSERT NUMBER] days before the meeting to each member entitled to vote at the meeting,
1170 addressed to the member's address last appearing on the books of the Association, or supplied by the member to the
1171 Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting and, in the case of a
1172 special meeting, the purpose of the meeting. No change in the time or place of a meeting for the election of Directors, as fixed
1173 by these Bylaws, may be made within the [INSERT NUMBER] days immediately before the day on which the election is to
1174 be held. In case of any change in the time or place for an election of Directors, notice must be given in person to each member
1175 entitled to vote, or be mailed to the member's last known post office address, at least [INSERT NUMBER] days before the
1176 election is held.

1177 **Section 5. List of members.** The Secretary shall prepare a complete alphabetical list of members entitled to vote.
1178 The list must be open for examination by any member at the principal office of the Association and the place of election for
1179 [INSERT NUMBER] days prior to the election.

1180 ~~Section 6. Proxies. Each member entitled to vote is, at every meeting of the members, entitled to vote in person or~~
1181 ~~by proxy, in writing and signed by the member; but no proxy may be voted after one (1) year from its date, unless it~~
1182 ~~specifically provides for a longer period. A proxy is revocable at any time, and shall automatically cease upon conveyance~~
1183 ~~of the home. The right to vote by proxy is subject to the right of the Board of Directors to close the transfer books or to fix a~~
1184 ~~record date for voting members as hereinafter provided; and, if the Directors do not exercise this right, no vote may be cast~~
1185 ~~at an election for Directors by anyone who has become a member of the Association within [INSERT NUMBER] days of the~~
1186 ~~election. Only one (1) vote may be cast with respect to each home in the Community. If joint owners are unable to agree~~
1187 ~~among themselves about how to vote on any given matter, they lose their right to vote on the matter, in accordance with~~
1188 ~~Article II, Section 2 of these Bylaws.~~

1189 ~~Section 7. Quorum. At a noticed meeting of members entitled to cast votes, or of proxies entitled to cast votes, 33%~~
1190 ~~of the total votes constitute a quorum for any action, except as otherwise provided in the Certificate of Incorporation or in~~
1191 ~~these Bylaws. If, however, a quorum is not present at a meeting, the members entitled to vote have the power to adjourn the~~
1192 ~~meeting, without notice other than announcement at the meeting, until a quorum is present.~~

1193 ARTICLE V BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

1194 ~~Section 1. Number. The property and business of the Association shall be managed and controlled by its Board of~~
1195 ~~Directors, consisting of three (3) or more Directors, not to exceed [INSERT NUMBER]. Except for the initial Board of~~
1196 ~~Directors, Directors must be members of the Association.~~

1197 ~~Section 2. Election. At the first meeting of the members, as set forth above, the members shall elect the Directors~~
1198 ~~for a one (1) year term. The Directors shall hold office until the next annual election and until their successors are elected and~~
1199 ~~qualify.~~

1200 ~~Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the~~
1201 ~~members of the Association. In the event of the death, resignation, or removal of a Director, a successor shall be selected by~~
1202 ~~the remaining members of the Board, though less than a quorum, by majority vote, and shall serve for the remainder of the~~
1203 ~~unexpired term of the Director's predecessor.~~

1204 ~~Section 4. Compensation. A Director may not receive compensation for any service rendered to the Association.~~
1205 ~~However, a Director may be reimbursed for actual expenses incurred in the performance of his or her duties.~~

1206 ~~Section 5. Action taken without a meeting. Directors have the right to take any action in the absence of a meeting~~
1207 ~~which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved has the~~
1208 ~~same effect as though taken at a meeting of the Directors.~~

1209 ARTICLE VI MEETING OF DIRECTORS

1210 Section 1. Regular meetings. After each annual election of Directors, the newly elected Directors shall meet for the
1211 purpose of organization, the election of officers, and the transaction of other business, at a place and time fixed by the
1212 members at the annual meeting. If a majority of the Directors are present at that place and time, no prior notice of the meeting
1213 is required to be given to the Directors. The place and time of the meeting may also be fixed by written consent of the
1214 Directors.

1215 Section 2. Special meetings. Meetings of the Directors may be called by the President on [INSERT NUMBER] days
1216 notice in writing or on [INSERT NUMBER] days notice by telephone to each Director, and shall be called by the President
1217 in like manner on the written request of two (2) Directors. A majority of the Directors shall constitute a quorum, but a smaller
1218 number may adjourn from time to time, without further notice, until a quorum is secured.

1219 ARTICLE VII POWERS AND DUTIES OF THE BOARD

1220 Section 1. Powers. The Board of Directors has the power to:

1221 (a) Exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not
1222 reserved to the membership by other provisions of these Bylaws or the Certificate of Incorporation;

1223 (b) Declare the office of a member of the Board of Directors to be vacant if the member is absent from three (3)
1224 consecutive regular meetings of the Board of Directors;

1225 (c) Employ a manager, an independent contractor, or other employees as the Board considers necessary, and to
1226 prescribe their duties;

1227 (d) Close the membership rolls of the Association for a period not exceeding [INSERT NUMBER] days preceding
1228 the date of any meeting of members; and

1229 (e) Negotiate the purchase of the community on behalf of the homeowners when authorized by a vote of the special
1230 membership.

1231 Section 2. Duties. The Board of Directors has the duty to:

1232 (a) Cause to be kept a complete record of all of its acts and corporate affairs, and to present a statement of its acts
1233 and corporate affairs to the members at the annual meeting of the members or at any special meeting when the statement is
1234 requested in writing by five (5) or more members of the Association;

1235 (b) Supervise all officers, agents, and employees of the Association, and to see that their duties are properly
1236 performed;

1237 (c) Procure and maintain adequate liability and other insurance considered necessary or desirable in connection with
1238 the services to be performed by the Association under these Bylaws;

1239 (d) Cause all officers, employees, or independent contractors having fiscal responsibilities to be bonded, as the Board
1240 considers appropriate; and

1241 (e) Perform other duties as provided in these Bylaws.

1242 **ARTICLE VIII COMMITTEES**

1243 The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate
1244 committees that the Board considers necessary or desirable. Each committee shall consist of one (1) or more of the Directors
1245 of the Board of Directors and other member(s) of the Association as designated by the Board of Directors in the resolution.
1246 Committees shall meet at stated times or on notice to all by any of their own number. They shall adopt their own rules of
1247 procedure. A majority of committee members constitutes a quorum; the affirmative vote of a majority of the whole committee
1248 is necessary in every case. A committee has and may exercise the powers of the Board of Directors to the extent provided in
1249 the resolution that establishes it.

1250 **ARTICLE IX OFFICERS OF THE ASSOCIATION**

1251 The officers of the Association are a president, one or more vice presidents, a secretary, a treasurer, and other officers
1252 that may, from time to time, be chosen by the Board of Directors. The president and vice presidents must be chosen from
1253 among the Directors. The officers of the Association hold office until their successors are chosen and qualify in their stead.
1254 An officer chosen or appointed by the Board of Directors may be removed with or without cause at any time by the affirmative
1255 vote of a majority of the whole Board of Directors. If the office of an officer becomes vacant for any reason, the vacancy
1256 must be filled by the affirmative vote of a majority of the whole Board of Directors.

1257 **Section 1. Duties of the President.** The President is the chief executive officer of the Association. The President has
1258 the duty to preside at all meetings of the members and Directors; to have general and active management of the business of
1259 the Association; to see that all orders and resolutions of the Board of Directors are carried into effect; to execute all agreements
1260 and other instruments in the name of the Association and to affix the corporate seal thereto when authorized by the Board of
1261 Directors.

1262 The President oversees the general supervision and direction of the other officers of the Association to ensure that
1263 their duties are properly performed.

1264 The President shall submit a report of the operations of the Association for the year to the Directors at their meeting
1265 next preceding the annual meeting of the members, and to the members at their annual meeting.

1266 The President is an ex-officio member of all committees and has the general duties and powers of supervision and
1267 management usually vested in the office of the president of a corporation.

1268 ~~Section 2. Vice President. The Vice President or Vice Presidents, in the order designated by the Board of Directors,~~
1269 ~~are vested with all the powers and are required to perform all the duties of the President in the President's absence or disability,~~
1270 ~~and shall perform other duties that may be prescribed by the Board of Directors.~~

1271 ~~Section 3. President Pro Tempore. In the absence or disability of the President and the Vice Presidents, the Board~~
1272 ~~may appoint from their own number a president pro tempore.~~

1273 ~~Section 4. Secretary. The Secretary or a designee shall attend all meetings of the Association, the Board of Directors,~~
1274 ~~and all committee meetings. The Secretary acts as clerk of these meetings and shall record all of the proceedings of the~~
1275 ~~meetings in a book kept for that purpose. The Secretary shall give proper notice of meetings of members and Directors, and~~
1276 ~~shall perform other duties that are assigned to the Secretary by the President or the Board of Directors.~~

1277 ~~Section 5. Treasurer. The Treasurer has custody of the funds and securities of the Association, and shall keep full~~
1278 ~~and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer shall deposit all~~
1279 ~~monies and other valuable effects in the name and to the credit of the Association in the depositories designated by the Board~~
1280 ~~of Directors.~~

1281 ~~The Treasurer shall disburse the funds of the Association as may be ordered by the Board or President, taking proper~~
1282 ~~vouchers for these disbursements, and shall render to the President and Directors, whenever they may require it, an account~~
1283 ~~of all the Treasurer's transactions as Treasurer and of the financial condition of the Association; and at the regular meeting of~~
1284 ~~the Board next preceding the annual members' meeting, a like report for the preceding year.~~

1285 ~~The Treasurer shall keep an account of the members of record in the manner and subject to whatever regulations~~
1286 ~~that the Board of Directors may prescribe.~~

1287 ~~The Treasurer shall give the Association a bond, if required in writing by the Board of Directors, in sum and in form~~
1288 ~~and with corporate security satisfactory to the Board for the faithful performance of the duties of the Treasurer's office and~~
1289 ~~for the restoration to the Association, in case of the Treasurer's death, resignation, or removal from office, of all books, papers,~~
1290 ~~vouchers, money, and other property of whatever kind in the Treasurer's possession and belonging to the Association. The~~
1291 ~~bond and security must, if required, be provided at the Association's expense. The Treasurer shall perform other duties that~~
1292 ~~the Board of Directors may from time to time prescribe or require.~~

1293 ~~Section 6. Delegation of duties. In case of the absence or disability of any officer of the Association or for any other~~
1294 ~~reason considered sufficient by the majority of the Board of Directors, the Board may temporarily delegate the officer's~~
1295 ~~powers or duties to any other officer or to any Director.~~

1296 **ARTICLE X BOOKS AND RECORDS**

1297 The books, records and papers of the Association are subject to inspection by any member. The Certificate of
1298 Incorporation and the Bylaws of the Association are available for inspection by any member at the principal office of the
1299 Association. Copies may be purchased at a reasonable cost, to be determined by the Board of Directors, to defray copying
1300 and administrative costs, but not to exceed five dollars (\$5.00) for both documents.

1301 **ARTICLE XI ASSOCIATION PAYMENTS**

1302 All checks, drafts, or orders for the payment of money must be signed by the President and the Treasurer, or by such
1303 other officer or officers as the members of the Association may approve.

1304 **ARTICLE XII MEMBERS OF RECORD**

1305 The Association is entitled to treat the title holder or holders of record of any home as members in fact of the
1306 Association, and accordingly are not bound to recognize any equitable or other claim to or interest in such home or
1307 memberships on the part of any other person, whether or not it has express or other notice thereof, save as expressly provided
1308 by the laws of Delaware.

1309 **ARTICLE XIII FISCAL YEAR**

1310 The fiscal year of the Association begins on the first day of January of each year.

1311 **ARTICLE XIV AMENDMENT**

1312 Section 1. Amendment. These Bylaws may be amended, altered, repealed, or added to at any regular meeting of the
1313 members or at any special meeting called for that purpose, by affirmative vote of the majority of the members of the
1314 Association.

1315 **ARTICLE XV INCORPORATED BY REFERENCE**

1316 All of the terms, conditions, matters, and information contained and more fully set forth in the Certificate of
1317 Incorporation and the Bylaws are incorporated by reference.

1318 **ARTICLE XVI MISCELLANEOUS**

1319 All reference herein to the masculine is deemed to include the feminine or neuter genders, and vice versa, as
1320 appropriate. All reference herein to the singular is deemed to include the plural, and vice versa, as appropriate.

1321 IN WITNESS WHEREOF, the undersigned, being all of the Directors of the Association, have hereunto set their
1322 hands this _____ day of _____, 20 _____.

1323 Witness:

1324 _____

1325 _____, Director

1326 _____

1327 _____, Director

1328 _____

1329 _____, Director

1330 CERTIFICATION

1331 I, the undersigned, do hereby certify that I am the elected and acting secretary of the [COMMUNITY] Home Owners
1332 Association, a Delaware corporation, and that the foregoing Bylaws constitute the original Bylaws of the Association, as
1333 adopted at a meeting of the Board of Directors thereof, held on the _____ day of _____, 20____.

1334 IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this
1335 _____ day of _____, 20____.

1336 _____

1337 _____, Secretary.

1338 (c) If a community owner intends to offer more than 1 community for sale in a single transaction, a simple majority
1339 of members of the respective home owner associations in Delaware must vote in the affirmative to support their letter of
1340 response to the community owner. If a community owner offers a Delaware community for sale, along with 1 or more
1341 communities not located in the State, the community owner must afford the residents of the Delaware community a right of
1342 first offer as prescribed by this section for their community, separate and apart from the community or communities not
1343 located in the State.

1344 (d)(1)a. If the Authority has informed the community owner that a registered home owner association exists in the
1345 community, the community owner shall send the right of first offer directly to the home owner association. The right of first
1346 offer shall be sent by overnight service with signature receipt.

1347 b. The right of first offer also shall be sent indirectly to the home owner association through DMHOA,
1348 or its successor, through the Consumer Protection Unit of the Office of the Attorney General of the State
1349 Department of Justice and through the Authority. The right of first offer shall be sent to the Authority, the
1350 Consumer Protection Unit of the Office of the Attorney General of the State Department of
1351 Justice or DMHOA, or its successor, by overnight service with signature receipt.

1352 (2) If the Authority has not informed the community owner that a registered home owner association exists
1353 in the community, the community owner must send the right of first offer directly to the Authority. The right of first
1354 offer must be sent by overnight service with signature receipt. The right of first offer to the Authority shall include
1355 a list of the known names and mailing addresses of all home owners in the community.

1356 (3) The Authority shall then, within 5 business days of receipt of the community owner's right of first offer,
1357 send a summary notice to all home owners on the list.

1358 a. The summary notice shall inform the homeowners that the community is for sale and they should
1359 contact their home owners association to secure further information. If no home owners association exists
1360 then the homeowner will need to organize a home owners association meeting the requirements of
1361 subsection (b) of this section in order to pursue the right of first offer.

1362 b. The right of first offer shall be extended indirectly to the home owners through DMHOA or its
1363 successor and the ~~consumer protection unit of the office of the attorney general of the state~~. Consumer
1364 Protection Unit of the Department of Justice. The right of first offer shall be sent to DMHOA and the
1365 Consumer Protection Unit of the ~~Office of the Attorney General of the State~~ Department of Justice by the
1366 community owner by overnight service with signature receipt.

1367 (4) The right of first offer shall ~~include~~: must include all of the following:

1368 a. A statement that the community owner has decided to sell, transfer, or convey all or part of the
1369 community. The statement must indicate the real property and fixtures to be included in the sale of the
1370 ~~community~~; community.

1371 b. The price and any special conditions material to the transaction for the sale, transfer, or conveyance
1372 of the ~~community~~; community.

1373 c. A form confidentiality statement indicating that all significant and material information, including
1374 operating expenses and other relevant operating and capital expenditure costs related to the community,
1375 shall remain confidential and cannot be released to any individual not a signer to the confidentiality
1376 statement. The statement may include reasonable penalties for breach of ~~confidentiality~~; confidentiality.

1377 d. A statement that the confidentiality statement must be signed by any individual of the home owners
1378 association seeking to utilize the confidential information and sent by overnight service with signature
1379 receipt to the community ~~owner~~; owner.

1380 e. A statement that once the confidentiality statement is received by the community owner, the
1381 community owner will send by overnight service with signature receipt the price and any special conditions
1382 material to the transaction for the sale, transfer, or conveyance of the community and all significant and
1383 material information, including operating expenses and other relevant operating and capital expenditure
1384 costs related to the ~~community~~; community.

1385 f. A statement that the home owner association has 30 calendar days from the date of mailing of the
1386 right of first offer to respond to the offer.

1387 § 7028. Right of first offer; notice not required before sale of manufactured home community.

1388 A manufactured home community owner is not required to give notice of or extend a right of first offer to a home
1389 owner association, DMHOA or its successor, or the Authority under any of the following circumstances:

1390 (1) A bank, mortgage company, or any other mortgagee has foreclosed on the community and the
1391 mortgagee is selling the community at a foreclosure sale, or is selling the community after having purchased the
1392 community at a foreclosure sale.

1393 (2) The sale, transfer, or conveyance of the community is to a family member of the community owner on
1394 the modified Table of Consanguinity under § 7014 of this title or to a trust, the beneficiaries of which are family
1395 members of the owner on the modified Table of Consanguinity; or the sale, transfer, or conveyance is to a family
1396 member on the modified Table of Consanguinity who is included within the line of intestate succession if the
1397 community owner dies intestate.

1398 (3) The sale, transfer, or conveyance is by a partnership to 1 or more of its partners.

1399 (4) The sale, transfer, or conveyance is between joint tenants or tenants-in-common.

1400 (5) The sale, transfer, or conveyance is by gift, devise, or operation of law.

1401 (6) The sale, transfer, or conveyance is pursuant to eminent domain.

1402 (7) The sale, transfer, or conveyance is to an affiliate. An "affiliate" means an individual, corporation,
1403 limited partnership, unincorporated association, or entity that holds any direct or indirect ownership interest in the
1404 community, except that the notice and extension of the right of first offer must be granted to a home owner
1405 association where the majority interest in the ownership of the community or the power, directly or indirectly, to
1406 direct or cause the direction of the management and policies over the community, whether through ownership of
1407 voting stock, by contract, or otherwise, is sold, transferred, or conveyed to any individual, corporation, limited
1408 partnership, unincorporated association, or other entity which has not held such a direct or indirect ownership interest
1409 in the community for 3 or more years.

1410 (8) The sale, transfer, or conveyance is an exchange of the manufactured housing community for all, or
1411 substantially all, of other real property under § 1031 of the Internal Revenue Code [26 U.S.C. § 1031] or any other
1412 provision of the Internal Revenue Code that allows for exchanges or tax-free exchanges, regardless of whether the
1413 exchange also involves the payment of cash or other consideration.

1414 (9) A change in use of the manufactured home community by the existing community owner.

1415 § 7029. Right of first offer; response required by home owner association.

1416 (e)(1)a. (a) A home owner association must respond in writing to the notice of a right of first offer and send the
1417 response by overnight service with signature receipt to the community owner or the community owner's agent or attorney
1418 within 30 calendar days from the date of the mailing of the notice sent by the community owner to the association or to the
1419 Authority. The home owner association's response must clearly indicate that: 1 of the following:

1420 1. (1) The members of the association intend to accept the purchase price and any special conditions
1421 material to the transaction for the sale, transfer, or conveyance of the community, as described in the notice of
1422 right of first offer; or, offer.

1423 2. (2) The members of the association do not accept the price and any special conditions material to
1424 the transaction for the sale, transfer, or conveyance of the community, as described in the notice of right of first
1425 offer, but that they intend to offer to purchase the community at an alternative price; or, price.

1426 3. (3) The members of the association have no interest in purchasing the community and that they do
1427 not intend to proceed any further in the transaction, or, if the members of the association do not respond, they
1428 shall be deemed to have notified the community owner that they have no interest in purchasing the community.

1429 b. (b) If the home owners association does not respond in material compliance with this section, such failure
1430 to respond shall be deemed to serve as notice to the community owner that the home owners association does not
1431 wish to purchase the community.

1432 (c) If the home owner association responds that it has no interest in purchasing the community, or fails to respond
1433 under § 7029, § 7030, § 7031, or § 7032 of this title, the community owner shall file an affidavit of compliance under § 7036
1434 of this title.

1435 (d) Failure of the home owner association to accept the price and any special conditions material to the transaction
1436 for the sale, transfer, or conveyance of the community as stated in the notice of right of first offer; to state an alternative price
1437 under § 7030 of this title; or to respond under § 7032 of this title, eliminates the right of the home owner association to
1438 purchase the community during the remainder of the 12-month period that commenced on the date of the community owner's
1439 notice of intention to sell, transfer, or convey all or part of the community.

1440 (e) A home owner association may transfer or assign a right of first offer only to an organization formed or controlled
1441 by the home owners to assist only in the purchase and operation of the community. Therefore, other than the preceding
1442 condition in this subsection, a right of first offer is neither transferable nor assignable.

1443 § 7030. Right of first offer; offer of an alternative price.

1444 (2) (a) An alternative offer of price for the sale, transfer, or conveyance of the community from the home
1445 owner association remains valid for 6 months, unless withdrawn by the home owner association in writing and sent
1446 to the community owner by overnight service with signature receipt. If the community is still for sale at the expiration
1447 of the initial 6-month alternative offer period, the home owners association shall have the right to refresh their
1448 alternative offer within 7 days of its expiration upon written notice to the community owner. The refreshed offer
1449 will be valid for 6 months. The home owners association shall have the right to refresh their offer every 6 months
1450 until the property is sold or 18 months has elapsed from the time notice was provided ~~pursuant to subsection (a) of~~
1451 ~~this section, under § 7027(a) of this title,~~ whichever comes first. The alternative offer and any refreshed alternative
1452 offer may be amended at any time upon written notice to the community owner. In the event a community owner
1453 decides they no longer want to sell a community after having provided the home owners association with the notice
1454 of first offer, any outstanding alternative offer shall be void. The community owner shall promptly notify the home
1455 owners association of their decision to remove the community from the market.

1456 a. (b) A notice to withdraw an alternative offer must be approved by the members of the home owners
1457 association. The approval percentage must be stated in the notice to the community owner.

1458 § 7031. Right of first offer; sale to a third-party at a lower price.

1459 b. (a) The community owner may not sell the community to a ~~third party~~ third-party at or less than the
1460 price offered in the alternative offer from the home owner association ~~unless:~~ unless 1 of the following
1461 occur:

1462 1. (1) The offer is withdrawn ~~as described in paragraph (e)(2)a. of this section; or under § 7030(b)~~
1463 of this title.

1464 2. (2) The home owner association is given 30 calendar days to match the lower price and all of
1465 the material terms and conditions of the lower offer.

1466 i. (b) The notice of the right to match the lower third-party offer shall be sent to the home
1467 owner association by overnight service with signature receipt. The notice must state the price and
1468 any special conditions material to the transaction for the sale, transfer, or conveyance of the
1469 community.

1470 ii. (c) Upon written demand from the home owner association, the community owner must
1471 provide the home owner association with tangible evidence of the lower offer received within 3
1472 business days of receipt of the written request from the home owner association by overnight
1473 service with signature receipt.

iii. (d) If the home owner association matches the offer within 30 calendar days of receipt of notice, the community owner is obligated to move to the next step of the negotiation with the home owner association pursuant to subsection (g) of this section, under § 7033 of this title.

§ 7032. Right of first offer; sale to a third-party at a higher price.

e. (a) The community owner may accept an offer from a third party third-party higher than the alternative price, if any, offered by the home owner association without further obligation to the home owner association unless there are significant and/or or material changes in terms and conditions. However, the home owner association must be given 7 business days to match the higher offer under the following circumstances: if 1 of the following apply:

4. If the (1) The higher offer is less than \$40 million and the home owner association's alternate price is within 6% of the offer; or offer.

2. If the (2) The higher offer is \$40 million or greater and the home owner association's alternate price is within 4.5% of the offer.

d. (b) The notice of the right to match the higher offer pursuant to paragraph (e)(2)e.1. or (e)(2)e.2. of this section above under subsection (a) of this section, must be sent to the home owner association by overnight service with signature receipt. The notice must state the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community. Upon written demand from the home owner association, the community owner must provide the home owner association with tangible evidence of the higher offer received within 3 business days of receipt of the written request from the home owner association by overnight service with signature receipt.

e. (c) If the home owner association matches the offer within 7 business days of receipt pursuant to paragraph (e)(2)c.1. or (e)(2)c.2. of this section above, under subsection (a) of this section, the community owner is obligated to must move to the next step of the negotiation with the home owner association pursuant to subsection (g) of this section below. under § 7033 of this title. The community owner shall must not accept or entertain a higher offer from a third party after the home owners association matches the offer.

f. (d) If the community owner accepts an offer from a ~~third party~~ third-party that is greater than the alternative price offered by the home owners association, such that the provisions of either paragraph (e)(2)e.1. or (e)(2)e.2. of this section under subsection (a) of this section, are not triggered, the community owner shall certify this fact in writing to both the home owner association and the Consumer Protection

Unit within 7 business days of acceptance of the third-party offer. Such written certification shall also indicate whether the accepted third-party offer contained any significant and/or or material changes in terms or conditions.

(3) If the home owner association responds that it has no interest in purchasing the community, or fails to respond within the 30 day response period pursuant to paragraph (e)(1) of this section or fails to respond within 7 business days pursuant to paragraph (e)(2)e. of this section the community owner shall file an affidavit of compliance, pursuant to subsection (m) of this section at the Office of the Recorder of Deeds in the appropriate county.

(4) Failure of the home owner association to accept the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community as stated in the notice of right of first offer, or failure to state an alternative price pursuant to paragraph (e)(1)b. of this section within the 30-day response period, or failure to respond within 7 business days pursuant to paragraph (e)(2)c. of this section eliminates the right of the home owner association to purchase the community during the remainder of the 12-month period that commenced on the date of the community owner's notice of intention to sell, transfer, or convey all or part of the community.

(f) If a community owner has decided to sell, transfer, or convey all or part of the community, the community owner and the home owner association shall negotiate in good faith for the sale, transfer, or conveyance of the community to the home owner association. If a party fails to negotiate in good faith, the court shall award reasonable attorneys' fees to the prevailing party.

§ 7033. Right of first offer; contract of sale.

(g) (a) If a home owner association responds to the notice of right of first offer pursuant to paragraph (e)(1) of this section, under § 7029 of this title, or if the community owner agrees to sell the community to the home owner association pursuant to paragraph (e)(2) of this section, under § 7030 of this title, the home owner association has an additional 30 days to formalize the agreed price, terms, and conditions into a contract of sale. This 30-day period may not be used to renegotiate the price, terms, or conditions agreed to during the first 30-calendar-day period unless mutually agreed to in writing. Time is of the essence.

(b) Failure of the home owner association to formalize a contract of sale during the 30-day period following an agreement of price, terms, and conditions eliminates any right of the home owner association to purchase the community during the remainder of the 12-month period that commenced on the date of the community owner's notice of intention to sell, transfer, or convey all or part of the community.

1533 (h)(1) (c) Upon a formalized contract of sale being signed by both parties, the change of ownership of the community
1534 must be completed within 90 days. Time is of the essence.

1535 (2) (d)(1) The completion date may be extended beyond the 90-day period if both parties agree to an extension.
1536 However, neither party is obligated to agree to an extension.

1537 (2) An agreement to extend the settlement date must be in writing and signed by both parties to the
1538 transaction. ~~However, if~~

1539 (3) ~~If the parties did not fully exhaust the 30-day periods provided in subsections (e) and (g) of this section,~~
1540 ~~under subsections (a) or (b) of this section or paragraph § 7029(a) of this title, any unused days may be added to the~~
1541 ~~90-day period in paragraph (h)(1) of this section subsection (c) of this section~~ by either party by providing written
1542 notification to all other parties within 5 business days prior to the end of the 90-day period. The time period for
1543 calculation of unused days is from the dates of mailing of the notices required by each section.

1544 § 7034. Right of first offer; failure to complete sale.

1545 (3) If, for any reason except default by the community owner, the home owner association and the community
1546 owner do not complete the sale within the 90-day period ~~as specified by paragraph (h)(1) of this section under § 7033(c)~~
1547 ~~of this title~~ before the expiration of the extension period agreed to by the parties under ~~paragraph (h)(2) of this section,~~
1548 ~~§ 7033(d) of this title, the right of first offer right of first offer~~ obligations of the community owner to the home owner
1549 association are terminated, and the community owner may sell, transfer, or convey all or part of the community to any
1550 third party at the price offered in the right of first offer, or at a higher price or lower price, for the remainder of the 12-
1551 month period that commences on the date of the community owner's notice of intention to sell, transfer, or convey all or
1552 part of the community.

1553 § 7035. Right of first offer; auction.

1554 (i)(1) (a) If the Authority has sent the required annual notice to a community owner and the community owner then
1555 decides to sell, transfer, or convey all or part of the manufactured home community at auction, the community owner shall
1556 notify the home owner association directly of its intention if the Authority has informed the community owner of a registered
1557 home owner association in that community. The community owner's notice must also be sent to DMHOA or its successor, to
1558 the Authority. A copy must be sent ~~pursuant to § 7024 under § 7015~~ of this title to each home owner in the affected
1559 community. If the Authority has not informed the community owner that a registered home owner association exists in the
1560 community, the community owner must send the notice of the intent to convey the community at auction directly to the
1561 Authority. The notice shall include a list of the known names and mailing addresses of all home owners in the community.

1562 The Authority shall, within 5 business days of the receipt of the notice from the community owner, send the notice to all
1563 home owners on the list.

1564 (2) (b) The notice of a community owner's intention to sell, transfer, or convey all or part of the manufactured
1565 home community at auction must be sent within 10 days after a date for the auction has been established and at least 60
1566 days prior to the date of the auction. The notice must be sent by overnight service with signature receipt. The notice must
1567 state: state all of the following:

1568 a. (1) The intention to sell the community at auction; auction.
1569 b. (2) The date, time, and place of the auction; and auction.
1570 c. (3) The terms of the auction, which must be similar to other auction practices and standards in the
1571 area.

1572 (3) (c) At least 60 days prior to a scheduled auction, the community owner shall provide all pertinent
1573 information directly to the home owner association if the Authority has informed the community owner of a
1574 registered home owner association in the community. Copies of the pertinent information must also be sent to
1575 DMHOA or its successor, to the Authority. A community owner may not be held liable for misinformation provided
1576 by a third-party professional. Pertinent information, to be provided by information from third-party professionals,
1577 includes, but is not limited to, descriptions if already available, including any of the following:

1578 a. Descriptions of topography, soils (including but not limited to topography).
1579 b. Soils, including a Phase I environmental soil study and a Phase II study, if required), flood required.
1580 c. Flood plain study, wetlands study, water system, water quality, distribution system, sanitary survey,
1581 wastewater disposal, access, egress, and interior community roads, storm water drainage, electrical,
1582 telephone, and cable utility services, boundary survey, and home lot plan if available, along with a USGS
1583 plan, aerial photo, tax map, flood zone map, soils map, site photographs, and a study.
1584 d. Wetlands study.
1585 e. Water system.
1586 f. Water quality.
1587 g. Distribution system.
1588 h. Sanitary survey.
1589 i. Wastewater disposal.
1590 j. Access, egress, and interior community roads.
1591 k. Storm water drainage.

(7) (g) If the winning bidder does not complete the transaction, and if the association still does not have the next highest bid, and if the community owner still intends to sell the community to the next highest bidder, the community owner must repeat the procedure set forth in paragraph (i)(6) of this section, under § 7035(f) of this title.

(8) (h) A community owner has the right to accept or reject any auction bids.

(j) If a community owner intends to offer more than one community for sale in a single transaction, a simple majority of members of the respective home owner associations in Delaware must vote in the affirmative to support their letter of response to the community owner. If a community owner offers a Delaware community for sale, along with 1 or more communities not located in the State, the community owner must afford the residents of the Delaware community a right of first offer as prescribed by this section for their community, separate and apart from the community or communities not located in the State.

(k) A home owner association may transfer or assign a right of first offer only to an organization formed or controlled by the home owners to assist only in the purchase and operation of the community. Therefore, other than the preceding condition in this subsection, a right of first offer is neither transferable nor assignable.

(l) If a community owner or a home owner association fails to comply with any provision of this section, either party has standing to seek equitable relief, including declaratory relief, injunctive relief, and the appointment of a receiver. The offending party is liable for actual damages. If a court of competent jurisdiction finds that the offending party wilfully and intentionally failed to comply with the requirements of this section, it is a *per se* violation of the Consumer Fraud Statute, § 2511 et seq. of Title 6, and the aggrieved party may be entitled to recover treble damages. In any action under this section, the court may award reasonable attorneys' fees and costs.

§ 7036. Right of first offer; affidavit of compliance.

(m) Affidavit of compliance with the requirements of this section. Subchapter IV of this chapter.

(4) (a) A community owner may, if appropriate under the circumstances, record in the Registry of Deeds of the county in which the community is located an affidavit in which the community owner certifies that to one of the following:

a. (1) The manufactured home community owner has complied with the requirements of this section, and has included a copy of the notice sent to the residents of the community; or community.

b. (2) The sale, transfer, or conveyance of the community is exempt from this section, pursuant to subsection (n) of this section, under subsection 8.7026(c) of this title.

(2) (b) A party acquiring an interest in a manufactured home community, and title insurance companies orneys preparing, furnishing, or examining any evidence of title, have the right to rely on the truth and

accuracy of all statements appearing in an affidavit recorded pursuant to paragraph (m)(1) of this section, under § 7036 of this title and are under no obligation to inquire further as to any matter or fact relating to the community owner's compliance with the provisions of this section. Subchapter IV of this chapter.

(n) Chapter 71 of this title does not apply to the sale, transfer, or conveyance of manufactured home communities under this section.

(o) *Right of first offer; exceptions to notice required before the sale of a manufactured home community.*—

Notwithstanding any provision to the contrary a manufactured home community owner is not required to give notice of or extend a right of first offer to a home owner association, to DMHOA or its successor, or to the Authority under the following circumstances:

(1) A bank, mortgage company, or any other mortgagee has foreclosed on the community and the mortgagee is selling the community at a foreclosure sale, or is selling the community after having purchased the community at a foreclosure sale;

(2) The sale, transfer, or conveyance of the community is to a family member of the community owner on the modified Table of Consanguinity or to a trust, the beneficiaries of which are family members of the owner on the modified Table of Consanguinity; or the sale, transfer, or conveyance is to a family member on the modified Table of Consanguinity who is included within the line of intestate succession if the community owner dies intestate;

(3) The sale, transfer, or conveyance is by a partnership to 1 or more of its partners;

(4) The sale, transfer, or conveyance is between joint tenants or tenants in common;

(5) The sale, transfer, or conveyance is by gift, devise, or operation of law;

(6) The sale, transfer, or conveyance is pursuant to eminent domain;

(7) The sale, transfer, or conveyance is to an affiliate: An "affiliate" means any individual, corporation, limited partnership, unincorporated association, or entity which holds any direct or indirect ownership interest in the community; provided, however, that the notice and extension of the right of first offer provided for herein must be granted to a home owner association where the majority interest in the ownership of the community or the power, directly or indirectly, to direct or cause the direction of the management and policies over the community, whether through ownership of voting stock, by contract, or otherwise, is sold, transferred, or conveyed to any individual, corporation, limited partnership, unincorporated association, or other entity which has not held such a direct or indirect ownership interest in the community for 3 or more years;

(8) The sale, transfer, or conveyance is an exchange of the manufactured housing community for all, or substantially all, of other real property under § 1031 of the Internal Revenue Code [26 U.S.C. § 1031] or any other

1680 provision of the Internal Revenue Code that allows for exchanges or tax-free exchanges, regardless of whether the
1681 exchange also involves the payment of cash or other consideration.

1682 (9) A change in use of the manufactured home community by the existing community owner.

1683 Section 33. Amend Chapter 70, Title 25 of the Delaware Code by creating a new Subchapter V after § 7036 of
1684 Title 25 by making deletions as shown by strike through and insertions as shown by underline as follows:

1685 Subchapter V. Delaware Manufactured Home Relocation Trust Fund.

1686 Section 34. Amend § 7011, Title 25 of the Delaware Code by transferring § 7011 to § 7041 of Title 25 and then by
1687 making deletions as shown by strike through and insertions as shown by underline as follows:

1688 ~~§ 7011. § 7041.~~ Delaware Manufactured Home Relocation Authority.

1689 (a) The Authority shall be administered by a board of directors (~~Board~~) made up of the following ~~5~~ (“Board”) as
1690 follows:

1691 (1) Five voting members as follows: ¶

1692 a. One member who is appointed by the Governor from a list of at least 2 nominees submitted by the
1693 largest not-for-profit association representing manufactured home owners in the ~~State~~; 1 State.

1694 b. One member who is appointed by the Governor from a list of at least 2 nominees submitted by the
1695 largest not-for-profit association representing the manufactured home industry in this ~~State~~; 1 State.

1696 c. One member who is appointed by the Governor from the ~~public-at-large~~; 1 member public-at-large.

1697 d. One member, who is not a landlord, community owner, home owner, or tenant, who is appointed by
1698 the Speaker of the House of Representatives; and, 1 member Representatives.

1699 e. One member, who is not a landlord, community owner, home owner, or tenant, who is appointed by
1700 the President Pro Tempore of the Senate.

1701 (2) One nonvoting member shall be member, who is not a landlord, community owner, home owner, or
1702 tenant, appointed by the Attorney General, as a representative of the Consumer Protection Unit of the ~~Justice~~
1703 Department, but ~~none of the last 3 members listed above shall be a landlord, community owner, home owner, or~~
1704 tenant. Department of Justice.

1705 (3) All Board members shall be residents of the State, and such members shall ~~State~~ and serve at the pleasure
1706 of the authority that appointed such member.

1707 (4) The terms of the members shall be staggered so that no more than 2 members' terms end at the same
1708 time. The first 2 appointees shall serve for a term of 1 year, the next 2 appointees shall serve for a term of 2 years,
1709 and the remaining 1 appointee shall serve for a term of 3 years. Thereafter, all appointees shall serve for a term of 2

1710 years; provided, however, that a member may be appointed for a term of less than 2 years to ensure that the Board
1711 members' terms expire on a staggered basis. The term for any member of the Board may subsequently be renewed
1712 for an additional term or additional terms.

1713 (5) The Governor shall designate 1 member of the Board as the chairperson of the Board.

1714 (b)(1) The ~~board of directors of the Authority~~ Board may employ or retain such persons as are reasonable and
1715 necessary to perform the administrative and financial transactions and responsibilities of the Authority and to perform other
1716 necessary and proper functions not prohibited by law. The Authority is responsible for all direct and indirect costs for its
1717 operations, ~~including, but not limited to,~~ including receipts and disbursements, personnel, rental of ~~facilities~~ facilities, and
1718 reimbursement to other State agencies for services provided and, therefore, must be fiscally revenue-neutral.

1719 (2) Members of the ~~board of directors of the Authority~~ Board may be reimbursed from moneys of the Authority
1720 for actual and necessary expenses incurred by them as members, but may not otherwise be compensated for their services.

1721 (3) There is no civil liability on the part of, and no civil cause of action of any nature against, the Authority, an
1722 agent or employee of the Authority, ~~board of directors of the Authority~~, Board, or a member of the ~~board of directors of~~
1723 ~~the Authority~~ Board for any act or omission in the performance of powers and duties under this subchapter unless the act
1724 or omission complained of was done in bad faith or with gross or wanton negligence.

1725 (4) Meetings of the ~~board of directors of the Authority~~ Board are subject to the provisions of the Freedom of
1726 Information Act, Chapter 100 of Title 29. All meetings must be conducted at a central location in the State, unless agreed
1727 to for a given meeting by at least 3 of the 5 board members.

1728 (c) The Authority's ~~board of directors~~ shall: Board shall do all of the following:

1729 (1) Adopt a plan of operation and articles, ~~bylaws~~ bylaws, and operating ~~rules~~; rules.

1730 (2) Establish procedures under which applicants for payments from the Authority may be ~~approved~~;
1731 approved.

1732 (3) Authorize payments and adjust, ~~eliminate~~ eliminate, or reinstate the Trust Fund assessment established
1733 ~~in § 7012 under § 7042~~ of this title only if at least 3 of the 5 members of the ~~board of directors~~ Board approve the
1734 payments or ~~assessments~~; assessments.

1735 (4) Facilitate the initial meeting between the home owners and landowner and select an arbitrator ~~pursuant~~
1736 ~~to § 7043 under § 7053~~ of this title.

1737 (d) The Authority and its board of directors ~~may~~:

1738 (1) ~~Sue~~ may sue or be ~~sued~~;

(2) Borrow sued and may borrow from private finance sources and issue notes or vouchers in order to meet the objectives of the Authority and those of the Trust Fund established in § 7012 under § 7042 of this title.

Section 35. Amend § 7012, Title 25 of the Delaware Code by transferring § 7012 to § 7042 of Title 25 and then by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 7012. § 7042. Delaware Manufactured Home Relocation Trust Fund.

(a) The Delaware Manufactured Home Relocation Trust Fund (Trust Fund) ("Trust Fund") is established in the Division of Revenue of the Department of Finance for exclusive use by the Delaware Manufactured Home Relocation Authority to fund the Authority's administration and operations. All interest earned from the investment or deposit of moneys in the Trust Fund must be deposited into the Trust Fund.

(b) Moneys in the Trust Fund may be expended only for only the following purposes:

(1) To pay the administrative costs of the Authority; Authority.

(2) To carry out the objectives of the Authority by assisting manufactured home owners who are tenants in a manufactured home community where the community owner intends to change the use of all or part of the land on which the community is located or where the community owner intends to convert the manufactured home community to a manufactured home condominium community or to a manufactured home cooperative community pursuant to Chapter 71 of this title, and by assisting manufactured home community owners with the removal and/or disposal or disposal, or both, of nonrelocatable or abandoned manufactured homes; and homes.

(3) To carry out the Authority's responsibilities under Subchapter VI of this chapter.

(3) (c) After notifying the manufactured home owners who are tenants in a community owner's manufactured home community that the community owner intends to change the land use or to convert the community ~~pursuant to~~ under paragraph (b)(2) of this section, if the community owner does not change the land use or convert the community within 3 years of notification, or if the Authority finds there is *prima facie* evidence under § 7010(e)(2) § 7024(c)(2) of this title that the owner did not intend in good faith to change land use, the community owner ~~shall~~ shall, within 30 days of the date the Authority provides written notice to the community owner, reimburse the Authority for whatever moneys the Authority has expended from the Trust Fund with respect to that manufactured home community, along with double the legal interest rate. The date of the mailing of notice by the Authority is deemed the date that a community owner is notified about reimbursing the Authority. However, if the community owner, with due diligence, has not been able to complete the change-in-use process within 3 years, the Authority may grant a reasonable extension to the community owner to complete the process.

(e) (d) The Trust Fund terminates on July 1, 2024, unless terminated sooner or extended by the General Assembly.

1769 (d) (e) The cap on the Trust Fund is \$15 million. The cap may be adjusted, eliminated eliminated, or reinstated by
1770 the board of directors of the Authority Board at any time, subject to the voting requirements of § 7011(e)(3) under § 7041(c)(3)
1771 of this title.

1772 (e) (f) If the Trust Fund ceases to exist, the funds held at the time of dissolution must be liquidated as follows:

1773 (1) Fifty percent of the total funds, on a per capita basis, to tenants of rented lots in manufactured home
1774 communities in Delaware who have occupied the lots for at least the 12 months immediately prior to the time of the
1775 dissolution; and dissolution.

1776 (2) Fifty percent of the total funds to landlords owning rented lots at the time of dissolution, prorated on the
1777 number of lots actually rented by the landlords for at least the 12 months immediately prior to the time of dissolution.

1778 (f)(1) (g)(1) The board of directors of the Authority Board shall set a \$3.00 monthly assessment for deposit in the
1779 Trust Fund for each rented lot in a manufactured home community. The board Board may adjust, eliminate eliminate, or
1780 reinstate the assessment, and shall notify landlords and tenants of each adjustment, elimination elimination, or reinstatement
1781 pursuant to board under Board regulations.

1782 (2) One-half of the monthly assessment set pursuant to paragraph (f)(1) under paragraph (g)(1) of this
1783 section is the obligation of the tenant of rented lot, and 1/2 of the assessment is the obligation of the landlord. The
1784 landlord shall collect the tenant's portion of the assessment on a monthly basis as additional rent. The landlord shall
1785 remit to the Trust Fund both its portion and the tenant's portion of the assessment on a quarterly basis. The landlord
1786 is responsible for safeguarding all assessments it collects. Failure by a tenant to pay to the landlord the tenant's
1787 portion of the assessment as additional rent is grounds for termination of the rental agreement pursuant to § 7010A
1788 under § 7016 of this title. An assessment is not due or collectable for a vacant lot.

1789 (3) If a lot is rented for any portion of a month, the full monthly assessment must be paid to the Trust Fund.

1790 (4) If a rental agreement contains a capping provision which limits the amount by which rent may be
1791 increased, the Trust Fund assessment is deemed not to be rent for purposes of rent increases.

1792 (5)a. If within 30 days of the quarterly due date a landlord fails to remit to the Trust Fund both its portion
1793 and the tenant's portion of the assessment, the Authority may, but shall not be required to, may notify the landlord
1794 in writing, demanding payment and stating that, unless the required payment is made within 7 days from the date of
1795 mailing, legal action may be initiated in a court of competent jurisdiction to collect any assessment, interest, at the
1796 rate of 1% per month until paid in full, or other sums due and owing. Any written notice must comply with § 7024
1797 § 7015 of this title. If the Authority is awarded a judgment in its favor, the Authority may request and the court shall

1798 award reasonable attorney's fees, costs, and expenses. Failure by the Authority to provide such notice described
1799 herein shall not be prejudicial to the Authority's right to pursue such cause of action.

1800 b. A landlord may assert as an affirmative defense to legal action initiated pursuant to paragraph (f)(5)a.
1801 under paragraph (g)(5)a. of this section above that a tenant has failed to pay its portion of the assessment;
1802 there shall be a rebuttable presumption that the tenant has paid its required assessment amount, in full.

1803 (g) (h) The Authority may not for any reason, including age, income level, or geography, exempt any landlord
1804 or tenant from paying the Trust Fund assessment.

1805 (h) (i) The Trust Fund must be audited annually. If the State Auditor's Office performs the audit, the Authority shall
1806 pay the cost of the audit to the State from the Trust Fund the cost of the audit. Fund. The completed audit must be made
1807 available to the public by placing it on a website, by offering it as a hard copy for a fee which reflects reasonable reproduction
1808 cost, or in some other manner determined by the Authority.

1809 (i) (j) In addition to providing for an annual audit pursuant to subsection (h) under subsection (i) of this section, the
1810 Authority shall make available to the public, at least on a quarterly basis, the amount of the payment made to each tenant and
1811 landlord, along with a description of the property related to the payment and the reason for the payment.

1812 Section 36. Amend § 7013, Title 25 of the Delaware Code by transferring § 7013 to § 7043 of Title 25 and then by
1813 making deletions as shown by strike through and insertions as shown by underline as follows:

1814 § 7013. § 7043. Relocation expenses; payments for nonrelocatable homes.

1815 (a) If a tenant is required to relocate due to a change in use or conversion of the land in a manufactured home
1816 community as set forth in § 7010(b) under § 7024(b) of this title and complies with the requirements of this section, the tenant
1817 is entitled to payment from the Trust Fund of the lesser of:

1818 (1) The actual, reasonable expenses of moving the manufactured home and existing appurtenances to a new
1819 location within a 25-mile radius of the vacated manufactured home community including, but not limited to, the cost
1820 of taking down, moving and setting up the home in a new location; or

1821 (2) The maximum relocation payment, which must be established by the Authority's board of
1822 directors. Board, from the Trust Fund, regardless of destination, including to property that is not in a
1823 manufactured home community or that is located in another state.

1824 (b) The determination by the board of the amount of a relocation payment determined under subsection (a) of this
1825 section is final and may not be appealed.

1826 (b) (c) A tenant is not entitled to compensation for relocation under subsection (a) of this section if: if any of the
1827 following apply:

1828 (1) The landlord moves the tenant's manufactured home by mutual consent to another lot in the
1829 manufactured home community or to another manufactured home community at the landlord's ~~expense~~; expense.

1830 (2) The tenant is vacating the manufactured home community and so informed the landlord before notice
1831 of the change in use was ~~given~~; given.

1832 (3) The tenant abandons the manufactured home ~~as set forth in subsection (f) under subsection (g)~~ of this
1833 ~~section; or section~~.

1834 (4) The tenant has failed to pay the tenant's share of the Trust Fund assessment during the course of the
1835 tenancy.

1836 (e) (d) Compensation for nonrelocatable homes.

1837 (1) A tenant is entitled to compensation from the Trust Fund for the tenant's manufactured home if the
1838 home, which is on a lot subject to a change in use of land, cannot be relocated. The ~~board of directors of the Authority~~
1839 Board shall establish criteria for determining whether a home can or cannot be relocated. The criteria must ~~include~~:
1840 include all of the following:

1841 a. Availability of a replacement home ~~site~~; and site.

1842 b. Feasibility of physical relocation.

1843 (2) If the ~~board~~ Board determines that a manufactured home cannot be relocated ~~pursuant to paragraph~~
1844 ~~(e)(1) under paragraph (d)(1)~~ of this section, the ~~board~~ Board shall provide compensation to the tenant. The amount
1845 of compensation, as determined by a ~~board-approved~~, Board-approved, certified manufactured home appraiser, is
1846 the fair market value of the home as sited and any existing appurtenances, but excludes the value of the underlying
1847 land. However, the amount of compensation may not exceed an amount set by the ~~board~~ Board and which may be
1848 adjusted from time to time by the Board, to be paid in exchange for the title of the nonrelocatable manufactured
1849 home. Prior to receiving payment for a nonrelocatable home, the tenant must deliver to the ~~board~~ Board the current
1850 title to the home duly endorsed by the owner or owners of record, valid releases of all liens shown on the title, and
1851 a tax release. The ~~board~~ Board shall then relinquish the title to the landlord to facilitate the removal ~~and/or or~~ disposal
1852 of the home from the manufactured home community. For the purpose of compensation to the landlord ~~pursuant to~~
1853 § 7014 under § 7044 of this title, a home that cannot be relocated is deemed abandoned. The determination of the
1854 ~~board~~ Board as to the amount of compensation is final and may not be appealed.

1855 (d) (e) Except as provided for abandonment ~~in subsection (f) under subsection (g)~~ of this section, in order to obtain
1856 payment from the Trust Fund for the relocation of a manufactured home, a tenant must submit to the Authority, with a copy
1857 to the landlord, an application for payment which ~~includes~~: includes all of the following:

1858 (1) A copy of the notice of termination or nonrenewal of the rental agreement due to change in use of land,
1859 as required by § 7010(b)(1) of this title; and land, under § 7024(b)(1) of this title.

1860 (2) A contract with a licensed moving or towing contractor for the moving expenses for the manufactured
1861 home.

1862 (e) (f) The Authority shall approve or reject payment to a moving or towing contractor within 30 days after receipt
1863 of the information required by this section, and forward a copy of the approval or rejection to the tenant, with a voucher for
1864 payment if payment is approved.

1865 (f) (g) In lieu of the procedure in under subsection (a) of this section, a tenant may abandon the manufactured home
1866 in the manufactured home community. A tenant shall must receive a payment from the Trust Fund for the abandoned
1867 manufactured home. Before collecting a payment, a tenant shall deliver to the Authority a current State of Delaware title to
1868 the manufactured home duly endorsed by the owner of record, a valid release of all liens shown on the title, and a tax release.
1869 The amount of the payment shall be set by the Authority. The Authority's determination of the amount of the payment is final
1870 and may not be appealed.

1871 Section 37. Amend § 7014, Title 25 of the Delaware Code by transferring § 7014 to § 7044 of Title 25 and then by
1872 making deletions as shown by strike through and insertions as shown by underline as follows:

1873 § 7014. § 7044. Payment of funds to landlord for removal and/or or disposal of abandoned homes.

1874 (a) A landlord is entitled to receive from the Trust Fund payment in an amount determined by the Board to be
1875 sufficient to remove and/or dispose of or dispose, or both, a non-relocatable or abandoned manufactured home pursuant to §
1876 7013 (e) and (f) under paragraphs § 7043(d) and (g) of this title.

1877 (b) Payment for removal and/or disposal or disposal, or both, of a manufactured home pursuant to under subsection
1878 (a) of this section must be authorized by the Authority and made in the form of a voucher issued to the Division of Revenue
1879 of the Department of Finance, directing the Division to issue a check in a designated amount to the landlord.

1880 (c) If the Trust Fund does not have sufficient moneys to make a payment to a landlord pursuant to under this section,
1881 the Authority shall issue a written promissory note to the landlord for funds due and owing. Promissory notes may be
1882 redeemed in order of issuance of the notes as additional moneys come into the Trust Fund.

1883 (d) If a landlord realizes a profit from the removal and/or disposal or disposal, or both, of a manufactured home, the
1884 landlord shall reimburse the Trust Fund for any profit gained by the landlord pertaining to that home.

1885 (e) A landlord may not receive payment from the Trust Fund if the landlord has failed to pay the landlord's share of
1886 the total Trust Fund assessment during the course of tenancies or has failed to remit the tenant's share as required by §
1887 7012(f)(2) under § 7042(g)(2) of this title.

1888 (f) It is a class A misdemeanor for a landlord or a landlord's agent to file any a notice, statement statement, or other
1889 document required under this section which is false or contains a material misstatement of fact.

1890 Section 38. Amend § 7015, Title 25 of the Delaware Code by transferring § 7015 to § 7045 of Title 25 and then by
1891 making deletions as shown by strike through and insertions as shown by underline as follows:

1892 § 7015. § 7045. Payment of funds to homeowners. tenants.

1893 (a) When a payment to a tenant is authorized by the Authority, payment must be made in the form of a voucher
1894 issued to the Division of Revenue of the Department of Finance, directing the Division to issue a check in a designated
1895 amount to the named tenant.

1896 (b) If the Trust Fund does not have sufficient moneys to make a payment to a tenant pursuant to under this section,
1897 the Authority shall issue a written promissory note to the tenant for funds due and owing. A promissory note may be redeemed
1898 in order of issuance of the notes as additional moneys come into the Trust Fund.

1899 (c) It is a class A misdemeanor for a tenant or a tenant's agent to file any a notice, statement statement, or other
1900 document required under this section which is false or contains a material misstatement of fact.

1901 Section 39. Amend Chapter 70, Title 25 of the Delaware Code by transferring Subchapter III of Chapter 70, Title
1902 25 to Subchapter VI of Chapter 70, Title 25 and then by making deletions as shown by strike through and insertions as
1903 shown by underline as follows:

1904 Subchapter III. Affordable Manufactured Housing VI. Rent increase; justification.

1905 Section 40. Amend § 7040, Title 25 of the Delaware Code by transferring § 7040 to § 7050 of Title 25 and then by
1906 making deletions as shown by strike through and insertions as shown by underline as follows:

1907 § 7040. § 7050. Purpose.

1908 Manufactured housing has become a vital source of affordable housing in Delaware, particularly as a
1909 homeownership opportunity for low-income households who otherwise would likely not be able to move into
1910 homeownership. In recent years years, Delaware has experienced a difficult economic climate which has resulted in a crisis
1911 in affordable housing availability. Additionally, manufactured home owners make substantial and sizeable investments in
1912 their manufactured homes. Once a manufactured home is situated on a manufactured housing community site, the difficulty
1913 and cost of moving the home gives the community owner disproportionate power in establishing rental rates. The continuing
1914 possibility of unreasonable space rental increases in manufactured home communities threatens to diminish the value of
1915 manufactured home owners' investments. Through this subchapter, the General Assembly seeks to protect the substantial
1916 investment made by manufactured home owners, and enable the State to benefit from the availability of affordable housing
1917 for lower-income citizens, without the need for additional state funding. The General Assembly also recognizes the property

1918 and other rights of manufactured home community owners, and seeks to provide manufactured home community owners
1919 with a fair return on their investment. Therefore, the purpose of this subchapter is to accommodate the conflicting interests
1920 of protecting manufactured home owners, ~~residents~~ residents, and tenants from unreasonable and burdensome space rental
1921 increases while simultaneously providing for the need of manufactured home community owners to receive a just, ~~reasonable~~
1922 reasonable, and fair return on their property.

1923 Section 41. Amend § 7041, Title 25 of the Delaware Code by transferring § 7041 to § 7051 of Title 25 and then by
1924 making deletions as shown by strike through and insertions as shown by underline as follows:

1925 § 7041. Definitions § 7051. Rent increase; notice.

1926 ~~The definitions contained in § 7003 of this title shall apply to this subchapter. Unless otherwise expressly stated, if~~
1927 ~~a word or term is not defined under § 7003 of this title, it has its ordinarily accepted meaning or means what the context~~
1928 ~~implies.~~

1929 A landlord may not increase a tenant's lot rent more than once during any 12-month period, regardless of the term
1930 of the tenancy or the term of the rental agreement.

1931 Section 42. Amend § 7042, Title 25 of the Delaware Code by transferring § 7042 to § 7052 of Title 25 and then by
1932 making deletions as shown by strike through and insertions as shown by underline as follows:

1933 § 7042. § 7052. Rent justification.

1934 (a) A community owner may raise a home owner's rent for any and all 12-month periods governed by the rental
1935 agreement in an amount greater than the average annual increase of the Consumer Price Index For All Urban Consumers in
1936 the Philadelphia-Wilmington-Atlantic City area ("CPI-U") for the most recently available preceding 36-month ~~period~~ period,
1937 provided the community owner can demonstrate the increase is justified for all of the following conditions:

1938 (1) The community owner, during the preceding 12-month period, has not been found in violation of any
1939 provision of this chapter that threatens the health or safety of the residents, ~~visitors~~ visitors, or guests that persists for
1940 more than 15 days, beginning from the day the community owner received notice of such ~~violation; and~~ violation.

1941 (2) The proposed rent increase is directly related to operating, ~~maintaining~~ maintaining, or improving the
1942 manufactured home community, and justified by 1 or more factors listed under subsection (c) of this section.

1943 (b) The Delaware State Housing Authority shall monitor the CPI-U and report to the Authority findings and
1944 recommendations relevant to the cost of rent in manufactured home communities in Delaware.

1945 (c) One or more of the following factors may justify the increase of rent in an amount greater than the CPI-U:

1946 (1) The completion and cost of any capital improvements or rehabilitation work in the manufactured home
1947 community, as distinguished from ordinary repair, ~~replacement and maintenance; replacement, and~~ replacement, and maintenance.

- 1948 (2) Changes in property taxes or other taxes within the manufactured home ~~community; community~~.
- 1949 (3) Changes in utility charges within the manufactured home ~~community; community~~.
- 1950 (4) Changes in insurance costs and financing associated with the manufactured home ~~community; community~~.
- 1951 (5) Changes in reasonable operating and maintenance expenses relating to the manufactured home community including, but not limited to: including costs for water service; sewer service; septic service; water disposal; trash collection; and ~~employees~~; employees.
- 1952 (6) The need for repairs caused by circumstances other than ordinary wear and tear in the manufactured home community.
- 1953 (7) *Market rent.* — For purposes of this section, "market rent" means that rent which would result from market forces absent an unequal bargaining position between the community owner and the home owners. In determining market rent relevant considerations include rents charged to recent new home owners entering the subject manufactured home community and/or by comparable manufactured home communities. To be comparable, a manufactured home community must be within the competitive area and must offer similar facilities, services, ~~amenities~~ amenities, and management.
- 1954 (8) The amount of rental assistance provided by the community owner to the home owners under § 7021A § 7022 of this title.
- 1955 (d) A community owner shall not incorporate the cost of a civil penalty, criminal fine, or litigation-related costs for rent-related proceedings into rent charged under any circumstance. A community owner also shall not utilize as justification for any future rental increase the cost of capital improvements or rehabilitation work, once that cost has been fully recovered by rental increases that were incorporated into a prior rental increase in excess of CPI-U, where the prior rental increase was properly implemented under this subchapter.
- 1956 Section 43. Amend § 7043, Title 25 of the Delaware Code by transferring § 7043 to § 7053 of Title 25 and then by making deletions as shown by strike through and insertions as shown by underline as follows:
- 1957 ~~§ 7043. § 7053.~~ Rent increase dispute resolution.
- 1958 (a)(1) A community owner shall give written notice to each affected home owner and to the home owners' association, if one exists, and to the Delaware Manufactured Home Relocation Authority (~~the Authority~~), ("Authority"), at least 90 days prior to any increase in rent. The notice shall identify all affected home owners by lot number, name, ~~group~~ group, or phase. If the affected home owners are not identified by name, the community owner shall make the names and addresses available to any affected home owner, home owners' ~~association~~ association, and the Authority, upon request.
- 1959 (2) The Authority must maintain a form final meeting notice that includes all of the following:

a. The deadline to request arbitration under subsection (f) of this section.

b. A statement that an informal meeting under subsection (e) of this section does not affect, in any way, the date by which arbitration must be requested under subsection (f) of this section.

(3) The written notice under this subsection (a) must contain all of the following:

- a. The approved date, time, and place for the final meeting required under subsection (b) of this section.
- b. The form language maintained by the Authority under paragraph (a)(2) of this section.

(b) If the proposed rent increase exceeds the CPI-U, the Authority shall ~~schedule approve~~ a final meeting between the parties at a mutually convenient time and place to be held ~~community owner and the affected home owners, and the home owners' association, if one exists, to discuss the reasons for the proposed increase. The final meeting must be held within 30 days from the mailing of the notice of the rent increase. increase, to diseuss the reasons for the increase~~ At the community owner's election, the Authority shall also schedule 1 or more optional informal meetings prior to the final meeting.

(1) The community owner proposing the rent increase shall recommend to the Authority Authority, in writing, a date, ~~time~~ time, and place of the final ~~meeting~~ and of any preceding informal meetings, and the meeting and provide a copy of this recommendation to the home owner's association, if one exists.

(2) The Authority shall affirm that recommendation with approve the community owner, owner's recommendation if it finds determines that the date, time time, and place to be are reasonable.

(3) The community owner shall include the approved date, time, and place for the final meeting in the notice required under subsection (a) of this section.

(c) At or before the final meeting the community owner shall, in good faith, disclose in writing all of the material factors resulting in the decision to increase the rent. When market rent is a factor used by the community owner, the community owner shall provide a range of rental rates from low to high, and when relevant the mean and median; this disclosure ~~shall include~~ must include all of the following:

(1) Whether comparable rents were determined at arm's length, each case in which the community owner or related party has an ownership interest in the comparable lot/community; and lot/community.

(2) The time relevance of the data.

For purposes of this subsection, "related party" means any of a person's parents, spouse, children (natural or adopted) and siblings of the whole and half blood.

(3) The community owner shall disclose financial and other pertinent documents and information supporting the reasons for the rent increase.

(d) The parties may agree in a writing signed by the community owner and at least 1 affected homeowner home owner or the home owners' association may agree to extend or continue any meetings required by this section to a date specified in the writing and approved by the Authority as reasonable. the final meeting required under this section by doing all of the following:

(1) The community owner and the home owner or home owner's association must sign a written document containing a specific date for the rescheduled final meeting.

(2) Within 2 business days of signing the agreement to continue or extend, the community owner shall notify the Authority of the agreement by forwarding the signed agreement to the Authority.

(e) At the community owner's election, the community owner may schedule 1 or more informal meetings, before or after the final meeting, to discuss the proposed rent increase.

(e) (f) After the final meeting, any affected home owner who has not already accepted the proposed increase, or the owners' association on the behalf of 1 or more affected home owners who have not already accepted the proposed may, within 30 days from the conclusion of the final meeting, petition the Authority to appoint a qualified arbitrator conduct nonbinding arbitration proceedings. If the thirtieth day is a Saturday, Sunday, legal holiday, or other day on which the office of the Authority is closed, the 30-day period shall run until the end of the next day on which the office of the Authority is open. Only if a petition is timely filed, the Authority shall select an arbitrator who is a member of the Delaware Bar appropriate training in alternative dispute resolution. The Authority may select an arbitrator from the list of arbitrators maintained by the Superior Court of the State, or by soliciting applicants for a list maintained by the Authority, or by another method which the Authority, in its discretion, has determined will be sufficient to result in the selection of an appropriate arbitrator. The tenants and the landlord must each pay \$250 to the Delaware Manufactured Home Relocation Fund to be applied to the arbitrator's fee. The Authority shall pay all direct arbitration costs in excess of the \$500 paid from the home owners and community owner. All other costs shall be the responsibility of the respective parties. Arbitration must be held within 60 days from the date of the petition.

(d) (g) The Delaware Uniform Rules of Evidence shall be used as a guide by the arbitrator for admissibility of evidence submitted at the arbitration hearing.

(e) (h) Unless waived by all parties, testimony will be under oath or affirmation, administered by the arbitrator.

(f) (i) Testimony shall be transcribed and shall be considered a written record.

(g) (i) The arbitrator will render a decision employing the standards set forth in § 7042 under § 7052 of this title.

(h) (k) The arbitrator will render a written decision within 15 days of the conclusion of the arbitration hearing.

2036 (i) (I) The home owners will be subject to the rent increase as notified; however, if the rent increase is not approved
2037 through the process provided in this section, the community owners shall rebate the increase.

2038 Section 44. Amend § 7044, Title 25 of the Delaware Code by transferring § 7044 to § 7054 of Title 25 and then by
2039 making deletions as shown by strike through and insertions as shown by underline as follows:

2040 § 7044. § 7054. Appeal.

2041 The community owner, the home owners' association, or any affected home owner may appeal the decision of the
2042 arbitrator within 30 days of the date of issuance of the arbitrator's decision. The appeal shall be to the Superior Court in the
2043 county of the affected community. The appeal shall be on the record and the Court shall address written and/or oral
2044 arguments of the parties as to whether the record created in the arbitration is sufficient justification for the arbitrator's
2045 decisions and whether those decisions are free from legal error.

2046 Section 45. Amend § 7045, Title 25 of the Delaware Code by transferring § 7045 to § 7055 of Title 25 and then by
2047 making deletions as shown by strike through and insertions as shown by underline as follows:

2048 § 7045. § 7055. Penalties.

2049 A community owner who raises a home owner's rent more than the annual average increase of the CPI-U for the
2050 preceding 36-month period without ~~having obtained approval of the Authority shall be required to comply with this~~
2051 subchapter, must immediately reduce the rent to the amount in effect before the unauthorized increase and rebate the
2052 unauthorized rent collected to the home owners with interest. The Department of Justice shall have authority over this
2053 section.

2054 Section 46. Amend § 7046, Title 25 of the Delaware Code by transferring § 7046 to § 7056 of Title 25 and then by
2055 making deletions as shown by strike through and insertions as shown by underline as follows:

2056 § 7046. § 7056. Exemption.

2057 (a) Resident-owned communities shall be exempt from the provisions of this subchapter.

2058 (b) Any deed subject to lease community shall be exempt from the provisions of this subchapter. A deed subject to
2059 lease community is a community wherein each ~~homeowner~~ home owner has a deed subject to lease recorded with the
2060 recorder of deeds, has a long-term lease of at least 40 years' duration where the lease includes specific rent increases, and
2061 wherein each home is of modular construction.

2062 Section 47. Amend Chapter 70, Title 25 of the Delaware Code by transferring Subchapter II of Chapter 70, Title
2063 25 to Subchapter VII of Chapter 70, Title 25 and then by making deletions as shown by strike through and insertions as
2064 shown by underline as follows:

2065 Subchapter II. VII. Tenant's Receivership.

2066 Section 48. Amend § 7031, Title 25 of the Delaware Code by transferring § 7031 to § 7061 of Title 25 and then by
2067 making deletions as shown by strike through and insertions as shown by underline as follows:

2068 § 7031. § 7061. Petition for receivership.

2069 Any tenant or group of tenants may petition for the establishment of a receivership in a Justice of the Peace Court
2070 upon the grounds that there has existed for 5 days or more after notice to the ~~landlord~~: landlord of any the following:

2071 (1) If the rental agreement or any ~~state~~ State or local statute, code, ~~regulation~~ regulation, or ordinance places a
2072 duty upon the landlord to so provide, a lack of heat, or of running water, or of light, or of ~~electricity~~ electricity, or of
2073 adequate sewage ~~facilities~~; or facilities.

2074 (2) Any other conditions imminently dangerous to the life, ~~health~~ health, or safety of the tenant.

2075 Section 49. Amend § 7032, Title 25 of the Delaware Code by transferring § 7032 to § 7062 of Title 25 and then by
2076 making deletions as shown by strike through and insertions as shown by underline as follows:

2077 § 7032. § 7062. Necessary parties defendant.

2078 (a) Petitioners shall join all of the following as defendants:

2079 (1) All parties duly disclosed to any of them in accordance with ~~§ 7036 of this title; and § 7066 of this title~~.

2080 (2) All parties whose interest in the property is a matter of public record, and whose interest in the property is
2081 capable of being protected in this proceeding.

2082 (b) Petitioners shall not be prejudiced by a failure to join any other interested parties.

2083 Section 50. Amend § 7033, Title 25 of the Delaware Code by transferring § 7033 to § 7063 of Title 25 and then by
2084 making deletions as shown by strike through and insertions as shown by underline as follows:

2085 § 7033. § 7063. Defenses.

2086 It shall be a sufficient defense to this proceeding if any defendant of record establishes ~~that~~: any of the following:

2087 (1) The condition or conditions described in the petition do not exist at the time of ~~trial~~; trial.

2088 (2) The condition or conditions alleged in the petition have been caused by the wilful or grossly negligent acts
2089 of 1 or more of the petitioning tenants or members of ~~his or their families~~, a petitioning tenant's family or by persons on
2090 the premises with ~~his or their consent~~; or the consent of a petitioning tenant.

2091 (3) Such condition or conditions would have been corrected, were it not for the refusal by any petitioner to allow
2092 reasonable access.

2093 Section 51. Amend § 7034, Title 25 of the Delaware Code by transferring § 7034 to § 7064 of Title 25 and then by
2094 making deletions as shown by strike through and insertions as shown by underline as follows:

2095 § 7034. § 7064. Stay of judgment by defendant.

2096 Section 52. Amend § 7035, Title 25 of the Delaware Code by transferring § 7035 to § 7065 of Title 25 and then by
2097 making deletions as shown by strike through and insertions as shown by underline as follows:

2098 § 7035. § 7065. Receivership procedures.

2099 (a) The receiver shall be the Division of Consumer Protection of this State, or its successor agency.

2100 (b)(1) Upon its appointment, the receiver shall make within 15 days an independent finding whether or not there is
2101 proper cause shown for the need for rent to be paid to it, and for the employment of a private contractor to correct the condition
2102 complained of in ~~§ 7034~~ under § 7061 of this title and found by the court to exist.

2103 Section 53. Amend § 7036, Title 25 of the Delaware Code by transferring § 7036 to § 7066 of Title 25 and then by
2104 making deletions as shown by strike through and insertions as shown by underline as follows:

2105 § 7036. § 7066. Powers and duties of receiver.

2106 The receiver shall have all the powers and duties accorded a receiver foreclosing a mortgage on real property, and
2107 all other powers and duties deemed necessary by the court. Such powers and duties ~~shall include, but are not necessarily~~
2108 ~~limited to,~~ include collecting and using all rents and profits of the property, prior to and despite any assignment of rent, for
2109 the purposes of: any of the following purposes:

2110 (1) Correcting the condition or conditions alleged in the ~~petition;~~ petition.

2111 (2) Materially complying with all applicable provisions of any ~~state~~ State or local statute, code, ~~regulation~~
2112 regulation, or ordinance governing the maintenance, construction, ~~use~~ use, or appearance of the surrounding ~~grounds;~~
2113 grounds.

2114 (3) Paying all expenses reasonably necessary for the proper operation and management of the property including
2115 insurance, mortgage payments, taxes and assessments, and fees for the services of the receiver and any agent the receiver
2116 ~~should hire;~~ hires.

2117 (4) Compensating the tenants for whatever deprivation of their rental agreement rights resulted from the
2118 condition or conditions alleged in the ~~petition;~~ and petition.

2119 (5) Paying the costs of the receivership proceeding.

2120 Section 54. Amend § 7037, Title 25 of the Delaware Code by transferring § 7037 to § 7067 of Title 25 and then by
2121 making deletions as shown by strike through and insertions as shown by underline as follows:

2122 § 7037. § 7067. Discharge of receiver; costs.

2123 (a) In addition to those situations described in ~~§ 7035~~ under § 7065 of this title, the receiver may also be discharged
2124 ~~when:~~ when all of the following have occurred:

2125 (1) The condition or conditions alleged in the petition have been ~~remedied;~~ remedied.

(2) The property materially complies with all applicable provisions of any state State or local statute, code, regulation, or ordinance governing the maintenance, construction, use, or appearance of the surrounding grounds; grounds.

(3) The costs of the above work and any other costs as authorized herein have been paid or reimbursed from the rents and profits of the property; and property.

(4) The surplus money, if any, has been paid over to the owner.

(b) Upon subsections (a)(1) and (a)(2) of this section being satisfied, the owner, ~~mortgagee~~ mortgagee, or any lienor may apply for the discharge of the receiver after paying to the latter all moneys expended by that receiver and all other costs which have not been paid or reimbursed from the rents and profits of the property.

(c) If the court determines that future profits of the property will not cover the cost of satisfying subsections (a)(1) and (a)(2) of this section, the court may discharge the receiver and order such action as would be appropriate in the situation, including but not limited to terminating the rental agreement; and may order the vacation of the mobile home park within a specified time. In no case shall the court permit repairs which cannot be paid out of the future profits of the property.

Section 55. This Act takes effect 180 days after its enactment into law.

SYNOPSIS

This Act is the product of the Manufactured Home Owners and Community Owner's Act Task Force ("Task Force"), established by HR No. 24 of the 149th General Assembly. This Act makes technical and substantive revisions to the Manufactured Home Owners and Community Owners Act that were approved by all voting and nonvoting members of the Task Force. The specific changes are as follows:

1. Chapter 70 of Title 25 is reorganized so that it is easier to read and specific provisions are easier to identify.
 - Section 7026 is broken into separate sections in a new Subchapter V, with headings to indicate the topic of the different provisions. The reorganized subsections of § 7026 are shown with strike through where the subsection is currently located and underline in the new location, but no substantive changes are made to the subsections.
 2. Technical corrections that improve consistency, clarity, and conform existing law to the standards of the Delaware Legislative Drafting Manual, including all of the following:
 - Oxford commas added.
 - “Shall not” is replaced by “must not” or “may not.”
 - “Pursuant to [reference to paragraph, statute, title]” replaced by “under.”
 - “Including, but not limited to,” is replaced with “including.”
 - Long paragraphs that contain lists are revised into outline form.
 - Semi-colons at the end of items in a list are replaced with periods.
 - “And/or” is replaced by “and” or “or.”
 - “All of the following” or “any of the following” is inserted prior to lists.
 - Corrects the references to the Department of Justice.
 - Corrects spelling errors and inconsistent hyphenation and phrasing of terms.
 - Moves all definitions to the definitions section.
 3. Corrections that, while substantive, provide clarity and codify current practices, including all of the following:
 - Removes the definition of “hold over” because the term is not used in Chapter 70.
 - Clarifies language regarding the content of a rental agreement summary.
 - Clarifies language regarding lease renewals.
 - Clarifies language regarding holdover tenancies.
 - Eliminates inconsistent language about the amount of notice required before a rent increase.

- Provides specific authority for Delaware Manufactured Housing Relocation Authority (“DEMHRA”) to spend funds for DEMHRA’s responsibilities under Subchapter VI.
- Corrects an incorrect statement in the penalty provision of Subchapter VI because DEMHRA does not, under existing law, have the authority or responsibility to approve rent increases.

4. The following substantive changes are made:

- Requires that a receipt be provided to a tenant for a cash payment of rent within 3 days of the payment and that records of cash receipts for rent be maintained for 3 years.
- Revises the procedure for scheduling a meeting when a rent increase is proposed and adds requirements for the content of the notice provided to homeowners of the deadline to request arbitration.
- Removes the model bylaws because they are no longer necessary.
- Simplifies the amount of relocation assistance provided to home owners.
- Explicitly permits relocations assistance for a home moved out of State or to land that is not in a manufactured home community.

This Act takes effect 180 days from enactment.