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ARBITRATION PROCEEDINGS UNDER THE SANTA BARBARA COUNTY MOBILEHOME RENT CONTROL ORDINANCE

IN RE NOMAD VILLAGE MOBILE HOME PARK	RESPONSE BY PARK MANAGEMENT OF NOMAD VILLAGE MOBILE HOME PARK TO THE PETITION FOR REVIEW FILED BY HOMEOWNERS OF THE ARBITRATOR'S RULING DATED 6/16/17, AS CORRECTED [Hon. David W. Long (Ret.), Arbitrator] ARBITRATION HEARING DATES: November 18, 2016 and February 10, 2017

PARK MANAGEMENT OF NOMAD VILLAGE MOBILE HOME PARK ("Park Management") hereby submits its Response to the Petition for Review by the Homeowners' Representative on behalf of the homeowners of Nomad Village Mobile Home Park (collectively "homeowners" or "Petitioners") and purportedly (but improperly) served on Park Management's counsel on August 1, 2017, appealing the Arbitrator's Ruling issued in the above-referenced Arbitration proceedings, by the Arbitrator, the Honorable David W. Long (Judge of the Superior Court, Ret.), on June 16, 2017, as corrected pursuant to the Corrections to Arbitrator's Ruling and Award issued by Judge Long on July 10, 2017, (collectively "Arbitration Award") as follows:

I

INTRODUCTION

This is an appeal by the park homeowners of the Arbitration Award, which was issued after the completion of extensive arbitration hearing proceedings, which proceedings were initiated upon a demand by the tenants of a rent-controlled mobilehome park objecting to paying any of the valid space rent increase lawfully noticed by Park Management on March 31, 2016, effective on July 1, 2016. These rent control hearing proceedings were pursuant to the terms of the Santa Barbara County Mobilehome Rent Control Ordinance ("Ordinance") and the Mobilehome Rent Control Rules for Hearing ("Rules").

After two full days of arbitration hearings before Judge Long, and extensive pre –hearing and post hearing briefing by the parties, Judge Long issued his detailed Arbitration Award. In his Arbitration Award, Judge Long found that the Petitioners had not established any grounds to invalidate any of the rent increase and that all of the rent increase noticed by Park Management was proper, and supported by the evidence and the applicable legal authority. Notably, Judge Long, found that the Petitioners had engaged in "troubling" conduct, including "misstatements of facts, contentions and written argument without evidence to support [it]" including making representations when the record "clearly and unambiguously show the representations to be false," concluding that the Petitioners' conduct "defies rational explanation." Judge Long also

found that the "manner in which" the Petitioners had "litigated" against Park Management had caused Park Management to incur over half a million dollars in legal fees, which it was entitled to recover through increased rents.

II

FACTUAL AND PROCEDURAL BACKGROUND

The homeowners of Nomad Village Mobile Home Park in or around May, 2016 filed a petition for arbitration regarding Park Management's rent increase effective July 1, 2016, pursuant to the in March, 2016, notice of rent increase issued by Park Management, resulting from capital expenses and increased operating costs of the Park, including from legal fees incurred defending against a campaign of litigation unsuccessfully pursued by the homeowners against Park Management, claiming that Park Management was not entitled to change the homeowners' rent. Park Management filed an Objection and Response to Petition ("Response"), disputing the Petition and attaching extensive exhibits. Pursuant to the terms of the Ordinance and the Rules, an arbitration hearing was been set to review the homeowners' petition for arbitration.

Nomad Village Mobile Home Park ("Park") is a 150-space mobile home park, located at 4326 Calle Real, Santa Barbara, CA, 93110, between El Sueño Road and San Marcos Pass. The Park was first developed in the late 1950's and was operated for many years by Nomad Village, Inc., pursuant to a ground lease or series of ground leases, which expired on July 31, 2008, and were not renewed. Commencing August 1, 2008, a new ground lessee, Lazy Landing MHP, LLC ("Lazy Landing"), entered into a 34-year ground lease for the property on which the Park is located, pursuant to arms-length negotiations with the ground lessor and fee owner of the property, the Bell Trust, at which time Waterhouse Management Corp. ("Waterhouse Management"), became the management company in charge of the operation of the Park. Lazy Landing MHP, LLC, as Park owner and Waterhouse Management, as Park operator, are "Management" of the Park pursuant to the terms of the Ordinance.

The Park is located in the unincorporated area of Santa Barbara County, and therefore is

subject to the jurisdiction of Santa Barbara County ("County"), and is subject to the provisions of the Ordinance and the Rules for Hearing adopted pursuant to the Ordinance. The Park is a rental park, in which the mobilehomes are all owned by homeowners who rent their spaces in the Park from Park Management. The tenancies are subject to the terms of the Ordinance.

There had not been any space rent increase in Nomad Village Mobile Home Park since May of 2014, which was an increase of 75% of CPI, ranging from $2.55 to $3.55 per space. All space rent increases since 2011 were also minor increases of 75% of CPI, amounting to a few dollars per space.

Notice of Rent Increase

On March 31, 2016, Park Management delivered to all homeowners in the Park a notice of rent increase ("Rent Increase Notice"), Arbitration exhibits 1 -3, issued pursuant to the terms of the Ordinance, the Rules and the California Mobilehome Residency Law ("MRL"), California Civil Code section 798 et seq., as follows: A Notice of Increase in Monthly Rent Effective July 1, 2016, dated March 31, 2016, to all homeowners of Nomad Village Mobile Home Park. The same Notice was sent to all homeowners of the Park. This Notice stated that the homeowner's Base Rent would be increased by 75% of CPI. The Notice stated that in addition to the Base-Rent increase, the homeowners' Space Rent is also being increased in accordance with the terms of the Ordinance by the amount of $108.61 per space, per month; of this amount, $79.30 will be temporary, for periods of 7 and 15 years, as specified in the Spreadsheet included as part of the Notice. This increase was in accordance with the terms of the Ordinance for recoupment of expenses incurred by Park Management for increased operating expenses by Park Management successfully defending against administrative and legal proceedings by the Park homeowners, as well as for capital expenses incurred by the Park. The Notice stated that it was being issued pursuant to the Ordinance. Homeowners of the Park were also provided with a Spreadsheet, entitled Nomad Village - Space Rent Increase – Effective July 1, 2016, ("Spreadsheet") setting forth in detail the amounts of the space rent and the charges on which they were based, as well as a document entitled Rent Increase Detail explaining each of the line items of the Spreadsheet.

The Spreadsheet and the calculations therein were prepared by Dr. Michael St. John, an economist and expert at preparing rent increase calculations and analyses for rent controlled properties, including mobilehome parks.

Meet and Confer

As set forth in the Rent Increase Notice, Park Management provided all of the homeowners with an informational meeting with Park Management about the rent increase on April 19, 2016, at 6:00 P.M. at the Park recreation room. The Park Management set a Meet and Confer for that same evening, at 7:30 P.M. at the Park recreation room, for designated representatives of Park Management and of the homeowners to attend, pursuant to the terms of the Ordinance. Documentary information upon which the Rent Increase is based was made available to the homeowners at the Nomad Park Office commencing by April 9, 2016, as set forth in the Rent Increase Notice.

At the Meet and Confer session, Park Management at its expense provided each of the Homeowner representatives with a set of voluminous documentary material in support of the rent increase Notices; this material had also been available, and has remained available, to all Park residents, including the Homeowner representatives, for inspection and review in the Park office.

The Homeowner representatives were provided with Profit and Loss statements of income and expenses for the Park for a period of six years (i.e. 2010-2016 Q1). A copy of the Profit and Loss statements for 2010-2016 Q1 is attached to the Response as **Exhibit C,** and in evidence as Arbitration Exhibit 5.

The Homeowner representatives were also provided with an MNOI analysis prepared by economist Dr. Michael St. John, an expert at preparing MNOI analyses, showing that the Park's increase operating expenses required a permanent rent increase in the amount of $29.31. A copy of the Nomad Village MNOI Analysis 2010-2015 is attached to the Response as **Exhibit D,** and in evidence as Arbitration Exhibit 4.

Homeowner representatives were also provided with a copy of a spreadsheet summary and supporting invoices and plans relating to the capital items that were the subject of the Rent

Increase Notice. A copy of the spreadsheet summary itemizing the Capital Items and their costs on which the Rent Increase Notice is based is attached to the Response as **Exhibit E,** and in evidence as Arbitration Exhibit 6.

In addition, the Homeowner representatives were also provided with various other documents supporting the Rent Increase Notice.

At the Meet and Confer, one of the homeowners' representatives objected to the CPI index by which the CPI increase had been calculated; the difference in rent was a few cents, and Park Management agreed to the index proposed by the homeowners' representative.

Park Management told the homeowner representatives that Park Management would be willing to resolve the rent increase through a settlement, by accepting an increase of a reasonable lesser amount; Park Management also reiterated its proposal, that it had made on February 19, 2016, that the parties attend a mediation to try to resolve the rent increase. The homeowner representatives stated that they were not prepared to engage in any settlement discussion at that time. Several weeks later the homeowner representative finally communicated the outline of a partial and conditional offer. Due to the partial and conditional nature of the offer, and the fact that it appeared to be based upon misunderstandings of the applicable facts and law, Park Management again reiterated its suggestion that the parties attend a mediation. The homeowners never agreed to any mediation and never responded any further.

Notably, as one of their many claims that drove up the litigation costs incurred by Park Management and the County, the homeowners repeatedly claimed throughout the arbitration proceedings that Park Management had not engaged in a proper "meet and confer," but this claim was found to be incorrect by Judge Long, and indeed effectively conceded by the factual admissions by the homeowners at the arbitration hearing: "The arbitrator finds that the evidence produced by Management, separate and apart from the HOA concession on this issue clearly proves that Management complied with the Meet & Confer Requirement of the Ordinance." (Arbitration Award, pages 5-6.)

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Homeowners' Petition for Arbitration

In May 2016, Park Management was notified that a Petition by the Park homeowners challenging the Park's Rent Increase had been filed with Santa Barbara County. Pursuant to the terms of the Ordinance and the Rules, Park Management filed its Response to the Petition. The terms of the Ordinance and the Rules set forth a process for the selection of an arbitrator to hear challenges to rent increases, and for the noticing and conduct of the hearing.

Arbitration Proceedings

Pursuant to the terms of the Ordinance and Rules, an Arbitrator, the Honorable David W. Long, Judge of the Superior Court, Ret., was duly appointed, and an Arbitration Hearing duly held. The Arbitration Hearing was initially set for July 1, 2016, but was continued at the request of the homeowners, and consent of Park Management. The Arbitration Hearing was held on November 18, 2016, and February 10, 2017, presided over by Judge Long, as Arbitrator. At the Arbitration Hearing, the Petitioner homeowners introduced Exhibits A – M, of which all but exhibits D & M were received.[1] The Arbitration Award confirms that Exhibits D and M were not received into evidence. (Arbitration Award, p. 5, line 20.) Respondent Park Management called witnesses and introduced exhibits, Respondent's Exhibits Nos. 1-55, all of which were received in evidence without any objections by Petitioners. (Arbitration Award, p. 5, lines 21-22.) Witnesses called by Park Management were: Dr. Michael St. John, and Ken Waterhouse.

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[1] The record contains some potential inaccuracy as to the excluded Exhibit D. Park Management objected to Exhibit D when it was considered along with Exhibit C, and the objection was sustained. Exhibit C was received but Exhibit D was not received in evidence. (RT2 218:15-23.) Exhibits A and B had already been received at the first hearing, but not Exhibits C and D. (RT1 72:17-19.) Thereafter when the rest of the Petitioners' Exhibits were considered, as to those Exhibits, Park Management objected to Exhibit M, which was not received. (RT2 221:22.) Following the February 10, 2017 Arbitration Hearing, the homeowner representative apparently forwarded by e-mail to the Clerk of the Ordinance Petitioners' Exhibits A through D, and **switched** Exhibit D with Exhibit C, and added to Exhibit C. As clearly stated on the record by the Arbitrator, Petitioners' actual Exhibit C was "A Comparison of Return on Investment" and Petitioners' actual Exhibit D was "Nomad Village Return on Capital Net Operating Income." (RT2 215:21-216:1.) The homeowners' post hearing submission to the Clerk incorrectly had these two documents reversed; it also has the excluded Exhibit D "Nomad Village Return on Capital Net Operating Income" added as a page to Exhibit C along with another document, a bill from the Park to Tony Allen (showing a past due balance of $2,879.42). Corrected Exhibits C and D have been submitted to the Clerk of the Ordinance to ensure that the Record on review is accurate. Petitioners conceded this switch in a note at the top of page one of their post-Arbitration hearing briefing, and claimed that their switch was inadvertent. However, Petitioners appeared to base part of their argument in their Post-Arbitration Hearing Brief on the alleged information contained on the excluded "Nomad Village Return," and appear to again base certain of their arguments in support of their Petition for Review on material set forth in this excluded Exhibit D.

(Arbitration Award, p. 5, line 24.) Both witnesses were cross-examined at length and Mr. Waterhouse was further examined at length after being recalled by the homeowners. The Arbitration Hearing was transcribed by a court reporter who prepared a Reporter's Transcript (referred to herein as RT1 for the November 18, 2016 hearing and RT2 for the February 10, 2017 hearing).

At the conclusion of the Arbitration Hearing, the parties stipulated to a post-hearing briefing schedule, including Park Management's submission of billing statements in support of its claim for reimbursement of professional fees (RT2 224-227), which briefing schedule was revised by the parties by stipulation, approved by order of Judge Long on March 1, 2017. As the party having the burden of proof, petitioners were been given the opportunity to present both opening and reply post-hearing briefs. (RT2 224:14-19.) Since Petitioners had an opportunity in their reply brief to respond to Park Management's application for professional fees, Park Management was given an opportunity to reply to Petitioners' response on the issue, and submitted a Reply Brief.

Following the conclusion of the briefing, Judge Long issued his Arbitration Award on June 16, 2017. In his Arbitration Award, Judge Long set forth in detail the arbitration proceedings, his rulings on the procedural matters at the hearing (e.g., denying the homeowners' purported "motion for summary judgment which Judge Long found to be devoid of any procedural basis and subject to denial on the merits, and denying the homeowners' misguided claim that there was no meet and confer), summarized the evidence, and engaged in extensive factual and legal analysis based upon the documentary and testamentary evidence and briefing presented by the parties. The detail set forth in the Arbitration Award clearly supported what Judge Long observed were his "careful and thorough deliberations," and further clearly reflected what Judge Long indicated had consumed far more than the 2 hours for deliberation and award which the Rules allow for compensation to the Arbitrator. Judge Long concluded his Arbitration Award with a detailed Summary and Award setting forth each of the elements and amounts of the rent increases allowed, which numbers contained minor corrections set forth in in the Corrections to Arbitration Award document.

The Arbitration Award found that Park Management is entitled to a monthly space rent increase, under the terms of the Ordinance, retroactive to the effective date of July 1, 2016, finding: Park Management is entitled to Permanent rent increase of $29.31 per space per month, a Temporary rent increase of $23.01 per space per month for 15 years, and a Temporary rent increase of $56.30 per space per month for 7 years. These amounts are set forth in Park Management's Notice of Rent increase, Respondent's Exhibits 1-3. The Arbitration Award also found that Park Management would be entitled to recover additional rent upon 90-days notice, to reimburse Park Management for costs incurred as a result of Petitioners' Petition for Arbitration, as supported by Respondent's Exhibit 57.

Petition for Review

On August 1, 2017, Deborah Hamrick, again as homeowners' representative of the homeowners of Nomad Village Mobile Home Park, sent Park Management a lengthy Petition for Review of the Arbitration Award to the Board of Supervisors ("Board"), containing improper and baseless claims. (The Clerk of the Ordinance never advised Park Management of the filing of the Petition.) Pursuant to the Rules, Park Management hereby submits this Response.

III

THE BOARD HAS A DUTY TO PROMPTLY DISPOSE OF THE HOMEOWNERS' PETITION FOR REVIEW

The federal and state constitutions, including as interpreted by the California Supreme Court, prohibit the Board from subjected Park Management to lengthy or protracted proceedings in obtaining a resolution of its rent increase notice. Accordingly, this Board is required by law to act promptly and diligently, and not hinder, delay, or protract the proceedings.

The California Supreme Court in *Galland v. Clovis* (2001) 24 Cal.4th 1003, 1027-1028, has made it clear that municipal administrative mobilehome rent control proceedings that subject Park Management to undue delay and expense are confiscatory and violate Park Management's constitutional rights. The Supreme Court has further made it clear that Park Management is

entitled to recover all legal and administrative costs of the proceedings to which the County has subject it, either through a rent increase and/or monetary judgment against the County.

In this regard, the County's own Rules require that the Board of Supervisors must act expeditiously in addressing Petitions for Review of arbitration decisions under the Ordinance. Specifically, Rule 23.e. requires that the Board "must render its decision not later than thirty (30) judicial days following its receipt of all pleadings, records and transcripts" of the proceedings. This is clearly part of a statutory scheme that is supposed to provide a rapid resolution of mobilehome rent matters. All of the pleadings, records and transcripts of the arbitration proceedings at issue in the homeowners' appeal are currently in the possession of the County, through the Clerk of the Ordinance. Upon the filing of this response, the Board will have all of the pleadings, records and transcripts of the proceedings available to it to render its decision.

This proceeding involves a legitimate rent increase that was first noticed by Park Management **well over a year ago**.

Park Management has been subjected to a history of violation of its rights by the Board and Petitioners, including in rent proceedings involving a 2011 rent increase, which County has still failed to resolve. In those proceedings, the Board engaged in patently illegal conduct by overturning the Arbitrator's Award, the Arbitrator has repeatedly reaffirmed the Award, and the Superior Court has ruled that the Board violated the law and set aside the Board's illegal conduct, and found Supervisor Wolf's ex-parte communications with homeowners to have been "improper" and "inappropriate" and in violation of governing law. Park Management is further suffering harm from the significant delay that to which the County process continues to subjected it. The County was a party to significant delay in submitting the administrative record to the Superior Court and having the writ proceeding be heard by the Court. Inexplicably, the Board took well over a year to actually set aside its illegal order vacating the Arbitration Award, after being ordered to do so by the Court. Thereafter the Board has further protracted these proceedings by failing to promptly address and dispose of the homeowners' appeals of the Arbitrator's award in those proceedings, in violation of the dictates of the California Supreme Court in *Galland v. Clovis, supra.*

The Petitioners' instant Petition for Review is again patently improper and without merit, and continues to reflect the improper conduct by the Petitioners which the Arbitrator has already found to constitute improper "misstatements," and should be promptly rejected by the Board of Supervisors. Should the Board fail to do so, Park Management will be forced to pursue all available legal rights against the Board and the County.

IV

REVIEW BY THE BOARD MUST BE BASED UPON THE EXISTING RECORD ALONE AND NOT ANY EVIDENCE OUTSIDE OF THE EXISTING RECORD

The Rules (Rule 23(b)) require that the Board make its determination based upon the Arbitration "record alone" and may also "elect to hear oral argument by the parties, their representatives, and/or their attorneys." Accordingly, the Board must confine its review to the record and not any matters outside the Arbitration record.

This will constitute Park Management's request that the Record to be reviewed by the Board in connection with this Arbitration Proceeding include the entire Hearing Transcript for both days of Hearing, all exhibits admitted into evidence, as well as Park Management's Objections and Response, and all of Park Management's Pre-Hearing and Post-Hearing Arbitration Briefing. This will further constitute Park Management's request that as to matters of alleged fact, that the Board confine itself to considerations of the actual evidentiary record, i.e. the testimonial evidence set forth in the Reporter's Transcript and the exhibits admitted into evidence, and not the mere arguments, claims and suppositions of the homeowners without any evidentiary foundation in the Record.

As noted, Rules (Rule 23(b)) require that the Board make its determination based upon the arbitration "record alone" and may not consider evidence outside of the record. The homeowners' Petition again improperly violates Rule 23, as it is not based solely on the record of proceedings. Moreover, the homeowners' Petition is not based on any legitimate grounds for review, but is an improper attempt by homeowners to reargue their case (based largely on

spurious claims not on the Record), and get the Board to improperly substitute their own judgment for that of the Arbitrator, and make a different finding not based on the record, but on the homeowners' unsupported and false claims of alleged matters that do not appear in the Record.

Park Management notes that the Board has been warned by the Court in rent matters involving this Park Management and these same homeowner Petitioners that its consideration of matters outside of the record, including its illegal ex-parte communications with the homeowners or homeowners of other Parks, as has repeatedly occurred, is improper. To the degree that the Board persists in such conduct in the face of this admonishment by the Court, then Park Management will consider the Board's conduct to be intentional conduct to violate Park Management's legal rights and will seek the appropriate damages and other remedies in its civil action against the Board for this violation.

V

THE HOMEOWNERS' PETITION SHOULD BE REJECTED AS IT IMPROPERLY RELIES ON MATTERS OUTSIDE OF THE RECORD AND FAILS TO ESTABLISH A PREJUDICIAL ABUSE OF DISCRETION

The Rules, Rule 23 (a), provide that the standard for the Board's review of the Arbitrator's decision is to be "prejudicial abuse of discretion." Rule 23 (A) provides that "Abuse of discretion is established where the Arbitrator has failed to proceed in the manner required by law, the decision is not supported by findings, or the findings are not supported by substantial evidence."

The Rules clearly provide that the Board's determination must be upon the "**record alone.**" (Rule 23(b).) Accordingly, it is utterly improper for the homeowners to attempt to proffer any new purported evidence or exhibits, nor may they make or rely on any claims not appearing in the Record. The Petitioners refer in their Petition for Review to various claims and alleged "evidence" that are not contained in the Record. Moreover, the Petitioners' Petition for

Review contains few citations or references to any matters actually in evidence; most of their references to any matter regarding the Record is to their briefing, which is mere argument and not evidence, instead of citing or referencing the evidentiary Record.

It should also be noted that the Rules do not provide for the homeowners to submit any further documents or any other written or oral communication to the Board or anyone acting for the Board, in support of their appeal.

The Rules provide that the Board may "elect to hear oral argument by the parties, their representatives, and/or their attorneys." Clearly, any such oral argument may only be after reasonable notice to all parties, and **only on the record at a public hearing, at which both parties have an opportunity to be present**.

Accordingly, it would be entirely improper for any of the homeowners of Nomad Village or other mobilehome park to continue to engage in any written or oral communications with the Board outside of any oral arguments at an open meeting that the Board may choose to schedule. Park Management raises this issue again because it became aware, after the fact, of improper secret ex-parte communications by homeowners with persons associated with the Arbitration Proceedings.

Moreover, the Petition is further replete with various purported assertions of alleged facts with no citation to the Record, and when in reality the alleged "facts" asserted by the homeowners in their Petition are not in evidence, and in fact are false. The Petition is further replete with purported legal arguments, again without citation to the record, and when in fact no such arguments were ever made in the Arbitration Proceedings and/or such purported arguments are meritless and without any evidentiary foundation on which the arguments purport to be made. Essentially, the homeowners' Petition is not a petition for review, but yet another improper attempt by the homeowners to have the case reheard based upon their own false claims of matters not in evidence, in violation of Rule 23.

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VI

PETITIONERS HAVE THE BURDEN OF OVERCOMING THE PRESUMPTION THAT THE ARBITRATION AWARD IS PRESUMPTIVELY VALID AS A MATTER OF LAW

Under the applicable legal standards, Petitioners clearly have the burden of overcoming the presumption that the Arbitrator's Arbitration Award is presumptively valid. As a matter of law, the Arbitrator is acting as a hearing officer, and his findings of fact are presumed to be supported by substantial evidence, and his interpretation of the law is to be given deference. The standard of review of the decision of the Arbitrator, acting as a hearing officer conducting evidentiary hearings under municipal mobilehome rent control ordinances, may be summarized as follows.

> [W]e consider all relevant evidence in the administrative record, beginning with the **presumption that the record contains evidence to sustain the hearing officer's findings of fact**. (*Berger*, at p. 7.) " 'In general, substantial evidence has been defined . . . as evidence of " ' "ponderable legal significance . . . reasonable in nature, credible, and of solid value" ' " [citation]; and . . . as " 'relevant evidence that a reasonable mind might accept as adequate to support a conclusion.' " ' " (*Ibid.*, quoting *County of San Diego v. Assessment Appeals Bd. No. 2* (1983) 148 Cal.App.3d 548, 555.)

(*TG Oceanside, L.P. v. City of Oceanside* (2007) 156 Cal.App.4th 1355, 1371.)

> The substantial evidence test requires the court to begin with the presumption that the record contains evidence to sustain the board's findings of fact. [Citation.] The board's interpretation of an ordinance's implementation guidelines is given considerable deference and must be upheld absent evidence the interpretation lacks a reasonable foundation. [Citation.] The burden is on the appellant to prove the board's decision is neither reasonable nor lawful.

(*Stardust Mobile Estates, LLC v. City of Buenaventura* (2007) 147 Cal.App.4th 1170, 1180; *Carson Harbor Village, Ltd. v. City of Carson Mobilehome Park Rental Review Board (1999)* 70 Cal.App.4th 281, 287.)

> The interpretation of statutes and ordinances "is ultimately a judicial function." [citation.] Even so, the hearing officer's interpretation of the Ordinance is entitled to deference.

(*MHC Operating Limited Partnership v. City of San Jose* (2003) 106 Cal.App.4th 204, 219.)

Petitioners have failed to meet their burden of rebutting the presumption that substantial evidence presumptively supports the Arbitration Award, nor have Petitioners met their burden of showing that the Arbitrator's interpretation of the Ordinance, which is entitled to deference, is erroneous as a matter of law, nor could they.

VII

THE HOMEOWNERS' HAVE FAILED TO MEET THEIR BURDEN OF ESTABLISHING ANY PREJUDICIAL ABUSE OF DISCRETION

As found by the Arbitrator, the rent increase to the homeowners was properly noticed by Park Management. (Exhibits 1 - 3.) At the arbitration hearing, Park Management presented evidence to support each component of this rent increase. The homeowners failed to present evidence sufficient to challenge the noticed rent increase, and did not present any evidence establishing that the rent increase should properly be any other number. As the Arbitrator noted, "There was no 'testimonial evidence' of any kind proffered by the Petitioner HOA although solicited by the Arbitrator. (See Reporter's Transcript, Vol. 1 page 68, lines 1-6.)" (Arbitration Award, p. 5, lines 17-18).

As noted by the Arbitrator, as the Petitioners in this matter, the homeowners had the burden of proof of establishing the invalidity of the rent increase. (RT2 224:14-19.) Petitioners never challenged at the Arbitration Hearing the fact that they had the burden of proof. In their Petition for review, they appear to claim without any citation to the record, that Park Management had some sort of burden of justification of the rent increase, by claiming repeatedly that the Ordinance had a "rebuttable assumption" that a rent increase of 75% of CPI is sufficient. (See, e.g. Petition for Review, unnumbered pages 3, 13, 20.) Nowhere do Petitioners actually cite the Ordinance for this proposition, because Petitioners' claims are yet again false, and such a provision does not exist.

Petitioners have not met their burden of establishing that the Arbitrator's award on the capital items in any way constituted a prejudicial abuse of discretion.

Notably, Petitioners failed to introduce any expert testimony or evidence to challenge or contradict the expert testimony and evidence presented by Park Management's expert economist Dr. St. John, on areas that, as discussed herein, require expert testimony as a matter of law. Petitioners' Petition is virtually devoid of references to the evidentiary record in this case (i.e., the exhibits in evidence and the reporter's transcript). Accordingly, all of Petitioners' arguments and claims unsupported by the record should be disregarded.

As noted by the Arbitrator: "there was no evidence presented by the HOA to the contrary or to refute the expert opinions expressed by Dr. St. John." (Arbitration Award, p. 8, lines 27-28).

In addition, Petitioners have included in their Petition and their Briefs various purported opinions and claims as to the Park's alleged rate of return and their speculation as to what they claim the Park's fair rate of return is or should be. Such purported opinions and claims by Petitioners cannot be considered. Determination of a fair rate of return is necessarily based upon expert opinion, so that substantial evidence will not support a rent conclusion if it is not sufficiently supported by expert testimony and evidence. (*Whispering Pines Mobile Home Park, Ltd. v. City of Scotts Valley* (1986) 180 Cal.App.3d 152, 160.) A hearing board or officer may not derive a fair return calculation based upon calculations unsupported by expert testimony and evidence. (*Concord Communities v. City of Concord* (2001) 91 Cal.App.4th 1407, 1416; *H.N. & Frances C. Berger Foundation v. City of Escondido* (2005) 127 Cal.App.4th 1, 11.)

The uncontradicted expert opinion presented in this case is Dr. St. John's analysis that the noticed rent increase is necessary to provide Park Management with a fair return.

A. PETITIONERS HAVE FAILED TO ESTABLISH THAT THE ARBITRATION AWARD CONSTITUTED A PREJUDICIAL ABUSE OF DISCRETION IN ALLOWING THE PERMANENT RENT INCREASE AS NOTICED IN ORDER FOR PARK MANAGEMENT TO RECEIVE A FAIR RATE OF RETURN

The homeowner Petitioners improperly base most of their Petition for Review on their claims regarding the alleged return on investment, or "ROI" that they claim Park Management was receiving; Petitioners' claims are virtually devoid of any citations to the record and devoid

of any evidence. Petitioners make their misguided argument by proffering an alleged ROI formula not in evidence, and then misguidedly state "The arbitrator did not consider this calculation [which was not in evidence] or any other ROI calculations in granting increases." (Petition, 8th un-numbered page.)

To the contrary, Park Management proffered expert testimony of Dr. St. John that specifically addressed Park Management's rate of return.

The Petitioners further misapprehend the evidence and the Arbitrator's ruling in falsely claiming that Dr. St. John presented an MNOI analysis and ignored the provisions of the Ordinance. (Petition, 5th un-numbered page.) Petitioners patently misstate the evidence. In fact, Dr. St. John specifically testified that he performed an analysis consistent with the terms of the Ordinance, which testimony was accepted by the Arbitrator.

The rent notice included a permanent rent increase of $29.31 to compensate Park Management for increased costs of operating the Park, calculated by Dr. St. John pursuant to the formula stated in the Ordinance. Dr. St. John testified at the hearing at length about performing a Maintenance of Net Operating Income (MNOI) Analysis generally, and specifically under the terms of the Ordinance. Dr. St. John testified that the Ordinance provided for a modified or analogous version of an MNOI analysis. (RT2 16:17-21 (emphases added)):

> MNOI … is one of the
> most common methods of adjudicating rent increases used
> in California. I believe it probably is the most
> standard method in California, **and Santa Barbara County has what I would call a variant**. Santa Barbara County
> uses what I would call an expense pass-through method,
> meaning that **the ordinance says that park owners should be able to pass through to park residents <u>all</u> expense increases.**

Dr. St. John presented an MNOI-style analysis, consistent with the Ordinance, based upon the Park's 2015 profit and loss statements (Exhibit 5), which statements were given to the homeowners at the time of the rent notice. In response to questions by the homeowners and the Arbitrator, Dr. St. John refined and updated his 2015 analysis at the second day of hearing, and presented the analysis, Exhibit, and explained it in detail. (RT2 11-48.) The heart of the

analysis, Table 1 of Exhibit 45, is applying steps one, two and three under the ordinance, constituting what Dr. St. John referred to as the "expense pass through method" (RT2 41-42) to derive a justified permanent rent increase pursuant to this analysis of $36.55 (RT2 47) in addition to the temporary rent increase for the capital items and professional fees (RT2 48) discussed infra. Dr. St. John also presented analyses based upon the Park's 2016 profit and loss (Exhibits 46-49), which he noted supported an even higher permanent rent increase of $43.35 or $208.91 if the professional fees paid in 2016 are not amortized. (Ex. 46, 47; RT2 50-70.)

Ultimately, the Arbitrator found that Dr. St. John's approach was reasonable and consistent with the Ordinance and supported by the uncontradicted evidence submitted at the Arbitration hearing. (Arbitration Award, pages 8-9.)

Petitioners' purported claims as to the Park's alleged ROI are devoid of any citations to the evidence actually in evidence at the Arbitration hearing, and in fact, the Petitioners presented no such evidence. Petitioners do make reference of an alleged ROI of the Park in Arbitration Exhibit C.

Petitioners base their purported arguments on an alleged numbers from their own **Exhibit D**, which Petitioners characterize as the Park's alleged ROI between 2008 and 2015. Petitioners' claim that Exhibit D "confirms Park Management's ROI" and disingenuously claims that "Management did not dispute this number or claim that it was any other number." (Petition for Review, unnumbered page 3.)

Petitioners' claims are again false and improper. In the first place, Petitioners do not disclose that **Exhibit D was not admitted to evidence**. (Arbitration Award, p. 5, lines 19-20; RT2 218:15-23; Petitioners also switched Exhibits C and D when submitting them, as noted, supra.) Therefore, Exhibit D may not be considered. Moreover, Petitioners' claims that Park Management "did not dispute" Exhibit D or claim that there was another number is also patently false. Park Management objected to improper Exhibit D and it was not admitted into evidence. Further, Park Management certainly did offer other numbers, through Dr. St. John's expert analyses.

In addition, Petitioners' Petition for Review purports to be some sort of an analysis by the Petitioners of some sort of purported application of the Ordinance to the rent increase at issue done by Petitioners outside of the Arbitration hearing. (See, e.g. Petition for Review, unnumbered pages 10-14.) Of course, such claims are not in evidence and are improperly submitted on review. Similarly, Petitioners include in their Petition for Review a chart purporting to contain assumed ROI figures, without any citation to the record or any evidentiary foundation. (Petition for Review, unnumbered page 18.) Such alleged chart and figures are not in evidence and improperly submitted and may not be considered.

Petitioners have not met their burden of establishing that the Arbitration Award upholding the Permanent rent increase in any way constituted a prejudicial abuse of discretion.

B. PETITIONERS HAVE FAILED TO ESTABLISH THAT THE ARBITRATION AWARD CONSTITUTED A PREJUDICIAL ABUSE OF DISCRETION IN ALLOWING THE TEMPORARY RENT INCREASE AS NOTICED TO RECOVER CAPITAL COSTS INCURRED BY PARK MANAGEMENT

The Arbitration Award affirmed the temporary rent increase of $23.01 to compensate Park Management for expenses incurred for the common area infrastructure of the Park, specifically, for expenses incurred for the common area street repairs, and for the electrical infrastructure, specifically the installation of two transformers powering the common area recreation and tenant laundry buildings, and a new service line extension.

As noted by the Arbitrator, Park Management submitted evidence supporting the capital items on which it based the rent increase, Exhibit 6, supporting the amount on which the rent increase was based, $333,790, and that "There was no evidence proffered by the HOA challenging that amount." (Arbitration Award, p. 10, lines 1-6.) The Arbitrator further found that the Ordinance required that the capital items be amortized and that the period of amortization be specified in the rent increase notice, and that Park Management's notice of rent increase (Exhibits 1-3) complied with all of these requirements. (Arbitration Award, p. 10, lines 12-15.) Petitioners' Petition for Review does not challenge that finding or any way claim that substantial evidence does not support the finding.

As to the amortization period and the interest rate, the Arbitrator noted that the amortization period and interest rate as noticed by Park Management in its notice of rent increase were "testified to as reasonable under all the circumstances by Dr. St. John" (Arbitration Award, p. 10, lines 7-10) and the Arbitrator ultimately concluded that he found the testimony of Dr. St. John to be reasonable (Arbitration Award, p. 14, lines 25-28).

Petitioners also quibble with the 9% interest rate allowed by the Arbitrator, citing a 2011 hearing when the homeowners consultant testified that "typically I've seen 7 percent instead of 9 percent" referring to interest rates on capital pass-through items. (Petition for Review, unnumbered page 4.) However, even that testimony did not state that there was anything that would have precluded the arbitrator from finding 9 percent to be a reasonable interest rate. In this case, the Arbitrator considered Dr. St. John's testimony about the interest rate and found it to be reasonable. (Arbitration Award, p. 14, lines 25-28.)

In sum, Petitioners have not met their burden of establishing that the Arbitration Award upholding the rent increase to compensate Park Management for the capital items in any way constituted a prejudicial abuse of discretion.

C. PETITIONERS HAVE FAILED TO ESTABLISH THAT THE ARBITRATION AWARD CONSTITUTED A PREJUDICIAL ABUSE OF DISCRETION IN ALLOWING THE TEMPORARY RENT INCREASE AS NOTICED FOR PARK MANAGEMENT TO RECOVER COSTS OF PROFESSIONAL FEES INCURRED AS A RESULT OF THE ADMINISTRATIVE AND LEGAL PROCEEDINGS INITIATED BY PETITIONERS

The Arbitration Award affirmed the temporary rent increase of $56.30 to compensate Park Management for expenses incurred for professional fees in defending against the various legal and administrative proceedings initiated by Petitioners against Park Management. The Rent Notice provided for a temporary rent increase of$56.30, composed of $44.15 and $12.14 to compensate Park Management for expenses incurred for the professional fees and costs in two areas respectively: $400,000 incurred in defending against the homeowners prior administrative appeals and litigation in rent proceedings through February, 2016, and $110,000 related to these rent review arbitration proceedings.

Park Management submitted detailed statements itemizing the professional fees incurred by Park Management on which the rent increase was based. (Exhibits 7, 9, 56, 57.) Exhibit 7 is a detailed billing summary of Park Management's legal counsel through the February, 2016 remand hearing ordered by the Court. Exhibit 8 is a detailed billing summary by Park Management's consultant incurred before the Arbitration Hearing. Park Management also submitted, as Exhibits 56 and 57, the professional fees incurred in the underlying rent proceedings.

The Arbitrator indicated that he had "closely reviewed" these statements and found that none contained any "improper billing" and that all were reasonably incurred by Park Management, particularly in light of "the manner in which this case has been litigated by Petitioners." (Arbitration Award, page 12.) In addition, the Arbitrator noted that the Petitioners had not challenged any of the amounts of fees incurred by Park Management. (Arbitration Award, page 12.) Similarly, in their Petition for review, Petitioners do not challenge any of the amounts of fees incurred by Park Management (nor could they, as such a claim would not be based upon the evidence in the record of proceedings).

This evidence of the amounts of professional fees incurred by Park Management reviewed by the Arbitrator was also supported by the evidence of the proceedings initiated and pursued by the Petitioners which caused Park Management to incur those fees, and which proceedings were also reviewed by the Arbitrator.

There was significant evidence in the record confirming that these professional fees were incurred directly as a result of the homeowners' challenges to Park Management's rights to receive and collect rents from the tenants of the Park. Park Management's Arbitration Hearing Brief, pages 17 et seq., submitted prior to the commencement of the Arbitration Hearing, set forth a detailed summary of the administrative and legal rent review proceedings from 2011 to 2016 that provide a background of the proceedings that necessitated Park Management to incur these fees. Exhibits 10 and 11 are the docket of the two legal proceedings in which Park Management incurred fees defending its right to receive rent from the Park. Exhibits 15 to 43 are select documents from those cases that give the Arbitrator background as to the proceedings

and the legal work performed by Park Management therein. Park Management's opening statement provided an introduction to some of these documents and some overview of the proceedings. (RT1 36-50.)

Accordingly, substantial evidence clearly supports the Arbitrator's findings as to the amount of the rent increase based upon the professional fees incurred by Park Management, and Petitioners have not met their burden of establishing that the Arbitrator's Award on the amount of the rent increased based upon the professional fees in any way constituted a prejudicial abuse of discretion.

The Arbitrator further found that Park Management was entitled as a matter of law to recover through a rent increase the professional fees that the Petitioners caused Park Management to have to incur. The Arbitrator pointed out that the homeowners' expert consultant, attorney Dr. Kenneth Baar, who testified for the homeowners at the Arbitration Hearing on the Petitioners' 2011 rent petition, clearly conceded that Park Management was entitled to recover professional fees incurred, and that the Petitioners were legally estopped from attempting to take a contrary position in the instant arbitration proceeding. (Arbitration Award, pp. 11-12.) The Arbitrator concluded: "I find that the right to such fees was acknowledged by the [Petitioner's] expert in the earlier case as an appropriate capital expense that required consideration, capitalization and amortization repayment." (Arbitration Award, p. 13.) The Arbitrator further concluded that the Ordinance did not, and apparently could not, preclude the recovery through a rent increase for professional fees incurred in rent related proceedings, as the California Supreme Court case of *Galland v. Clovis* (2001) 24 Cal.4th 1003, 1027-1028, 1040, clearly provides for recovery of such professional fees through a rent increase. (Arbitration Award, p. 12.)

In their Petition for review, Petitioners ignore and do not and cannot address the finding they are legally estopped from contradicting the prior testimony of their own expert. As to the controlling *Galland* authority followed by the Arbitrator, Petitioners' sole effort to distinguish it is their argument, without any evidentiary or legal support that *Galland* requires a fair return finding. Petitioners' claims are contradicted by the Record.

Petitioners repeatedly claim in their Petition for Review, without any citation to the record, that somehow the Arbitration Award in some unspecified manner awarded fees that were somehow "outside of the ROI calculation.....and therefor, [sic] outside the determination of fair return on investment." (See, e.g. Petition for Review, unnumbered pages 14-18.) Petitioners do not cite the record or any legal authority for their claims, and in fact Petitioners' claims are contradicted by the Record. In fact, Dr. St. John testified in detail that the rent increase based upon the professional fees that Petitioners caused Park Management to incur was in fact the subject of his return on investment analyses and that the rent increase was required for Park Management to obtain a fair return on investment.

Notably, Dr. St. John also testified as an expert that if Park Management were not able to recover the costs of professional fees through the form of a rent increase, it would never be able to recover these costs, which would deny Park Management of a fair return. (RT2 159:11-160:1.) This expert opinion was uncontradicted.

Dr. St. John testified that it was appropriate to amortize the professional fees incurred by Management as a temporary rent increase, and that if the fees were not treated as a temporary rent increase, then they would properly form the basis of an MNOI permanent rent increase. (See RT2 20-25.) He pointed out that if the professional fees were left out of the MNOI analysis and not treated as a temporary rent increase, the park owner would not receive any recovery of these expenses, which would be directly contrary to the Ordinance and the legal principles governing fair return proceedings. (RT2 24-25.) Legal fees incurred by Park Management "have to be handled one way or the other." (RT2 64:12-65:21.) Moreover, Dr. St. John testified that if the legal fees paid by Park Management in one year alone, 2016, were not amortized, and instead treated as a basis for a permanent rent increase, it would justify a permanent rent increase of $208.81. (Ex. 47, RT2 67.)

The Petitioners never presented any evidence or expert opinion whatsoever to contradict Dr. St. John, or to establish in any way that amortization of Park Management's professional fees as a temporary rent increase was not appropriate in this case in order to give Park Management a fair return on investment.

Accordingly, Petitioners have not met their burden of establishing that the Arbitrator's Award of the rent increase based upon the professional fees that Petitioner caused Park Management to incur in any way constituted a prejudicial abuse of discretion.

D. PETITIONERS HAVE FAILED TO ESTABLISH THAT THE ARBITRATION AWARD CONSTITUTED A PREJUDICIAL ABUSE OF DISCRETION IN ALLOWING THE AMOUNT OF RENT INCREASE AS NOTICED

Petitioners also falsely claim that the Arbitrator awarded a larger rent increase than noticed by Park Management. (Petition for Review, unnumbered page 18.)

Petitioners are double counting, and ignore the fact that the Arbitrator's corrections to the Arbitration Award clarified that the amount of rent increase awarded is not to exceed the amount of rent increase set forth in the Notice of Rent Increase, and that Park Management is entitled to recover a rent increase of $12.11 per month for legal fees incurred in the rent arbitration hearing, which amount is a subset of the $56.30 rent increase approved by the Arbitrator to compensate Park Management for professional fees incurred as a result of the various proceedings initiated by Petitioners.

Petitioners claim repeatedly that the Arbitration Award does not contain a "rent schedule," however, they ignore the fact that the Arbitration Award does in fact address all rent issues addressed in their Petition for Arbitration, which challenged the rent increases set forth in the Notice of Rent Increase (Exhibit 3). Section 11A-2 (n) of the Ordinance merely defines "Rent schedule" as "a statement of the rent charged for each tenancy in a mobilehome park." Petitioners do not claim that anything with respect to the CPI rent increases are at issue in this case, and made no such claim at the arbitration hearing; Petitioners make no claim in their Petition for Review nor do they cite anything in the record that the CPI rent increase is at issue.

There was no contention at the hearing (and Petitioners cite nothing in the record) that any resident was being charged any amount of CPI increase not consistent with the Ordinance. To the contrary, as found by the Arbitrator, both Petitioners and Park Management agreed on the amount of the CPI increase. (Corrections to Arbitration Award, p. 2, lines 3-5.) Petitioners' only claims at issue at the Arbitration Hearing were in regard to the $29.31 per month permanent rent

increase and $79.30 per month temporary rent increase set forth in the Notice of Rent Increase (Exhibit 3) charged **equally** to **all** homeowners at the Park. The Arbitration Award as corrected addressed each and every element of this permanent and temporary rent increase (see Arbitration Award, Rulings Summary and Award, pp. 14-15; Corrections to Arbitration Award p. 2), and therefore constituted an appropriate rent schedule under the terms of the Ordinance for the relevant amount of rent to be charged to each tenancy for all rent amounts at issue in those proceedings.

CONCLUSION

In accordance with the foregoing, the Arbitrator properly took the foregoing action with respect to each and every component of the rent increase as they are enumerated in the Arbitration Award, as corrected.

The Petitioners' petition for review improperly relies on alleged claims not in the Arbitration record of proceedings, makes numerous claims without any citation to the record, and repeatedly misstates and misapplies the law and the facts, and therefore should be disregarded in its entirety.

Regardless, as is clear from an examination of the Arbitration Award and the actual record of Arbitration proceedings, the Petitioners have not and cannot establish that the Arbitration Award constituted a prejudicial abuse of discretion on any of the points that the homeowners raise. Instead, Petitioners improperly attempt to reargue the case. The Petitioners' Petition for Review should be rejected in its entirety for failure to establish any prejudicial abuse of discretion.

The Arbitrator, a retired Superior Court judge, did a commendable job in this proceeding. Judge Long presided over and heard evidence during two full days of Arbitration hearing, admitted into evidence voluminous exhibits, gave the parties an opportunity to present pre-hearing and post-hearing briefing, and reviewed the exhibits, hearing transcripts, and briefing. (See Arbitration Award, pp. 5, 14.) Judge Long issued a detailed Arbitration Award, discussing in detail the factual and legal basis for his rent determinations. In his Arbitration Award, Judge

Long noted his "careful and thorough deliberations (consuming many times than more hours than the '2 hours' [allocated by the Rules for compensation to the Arbitrator] for deliberations and rulings.)" (Arbitration Award, p. 14, lines 6-8.) Moreover, in his Corrections to his Award, Judge Long noted his objective was that the Arbitration Award "should be as accurate as possible." (Corrections, p. 1, lines 1-23.) Judge Long clearly went to great lengths to craft a final ruling that would clearly and finally resolve all issues as to the Petitioners' Petition for Arbitration of Park Management's rent increase. Judge Long specifically stated at the Arbitration Hearing his intent to issue a comprehensive ruling that would finally resolve all of the issues and "avoid the treadmill of appeals and writs." (RT1 212:19-22).

Park Management again accepts each and every discretionary determination made by the Arbitrator, and objects to being subjected to any further delay or further expense of the proceedings.

Accordingly, the Petitioners' Petition for Review should be denied forthwith without further delay.

Dated: August 21, 2017

JAMES P. BALLANTINE
Attorney for Park Management
LAZY LANDING MHP, LLC;
WATERHOUSE MANAGEMENT CORP.

DECLARATION OF SERVICE BY E-MAIL & U.S. Mail

I, LISA M. PAIK, declare:

I am, and was at the time of the service hereinafter mentioned, over the age of 18 years and not a party to the within action. My business address is 329 East Anapamu Street, Santa Barbara, California 93101, and I am a resident of Santa Barbara County, California.

On August 21, 2017, I served the foregoing document described as RESPONSE BY PARK MANAGEMENT OF NOMAD VILLAGE MOBILE HOME PARK TO THE PETITION FOR REVIEW FILED BY HOMEOWNERS OF THE ARBITRATOR'S RULING DATED 6/16/17, AS CORRECTED on the interested parties in this action by e-mailing as follows and by placing a true and correct copy thereof enclosed in a sealed envelope addressed as follows:

See attached Service List.

I caused such document to be e-mailed to the above e-mail addresses, and I caused such document to be mailed in a sealed envelope, by first-class mail, postage fully prepaid. I am readily familiar with the firm's business practices with respect to the collection and the processing of correspondence, pleadings, and other notices for mailing with the United States Postal Service. In accordance with that practice, it would be deposited with the United States Postal Service on that same day with postage thereon fully prepaid at Santa Barbara, California in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on August 21, 2017, at Santa Barbara, California.

Lisa M Paik

SERVICE LIST
In re Arbitration of Nomad Village Mobile Home Park
County of Santa Barbara
Before the Hon. David W. Long (Ret.)

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DECLARATION OF SERVICE BY PERSONAL DELIVERY
[CCP §§ 1011, 2015.5]

State of California)
)
County of Santa Barbara)

I, LISA M. PAIK, declare:

I am a resident of the State of California and am employed in the County of Santa Barbara. I am, and was at the time of the service hereinafter mentioned, over the age of 18 years and not a party to the within action. My business address is 329 East Anapamu Street, Santa Barbara, CA 93101.

On August 21, 2017, I served: RESPONSE BY PARK MANAGEMENT OF NOMAD VILLAGE MOBILE HOME PARK TO THE PETITION FOR REVIEW FILED BY HOMEOWNERS OF THE ARBITRATOR'S RULING DATED 6/16/17, AS CORRECTED on the interested parties in this action by causing to be delivered the original thereof addressed as follows:

Don Grady
Clerk of the Mobilehome Rent Control Ordinance
Real Property Manager
Santa Barbara County
Courthouse East Wing, Second Floor
1105 Santa Barbara Street
Santa Barbara, CA 93101

I caused to be delivered said document to the addressee.

X (State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

___ (Federal) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on August 21, 2017, in Santa Barbara, California

Lisa M. Paik