

# FEATURE ARTICLE

C. William Dahlin and Jonathan C. Bond

## Best Practices in Shaky Times: Is Your Park Prepared for the Unpredictably Predictable?



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While getting rattled is nothing new to Californians, it is still very unsettling. When a 6.0 earthquake hit the Napa Valley in Northern California recently, many mobile-homes experienced major damage and were rocked off their foundations. Others were lost or damaged to fire fueled by ruptured gas lines. Whether or not this earthquake reignites debate about what is the best policy in terms of legislation and disaster response on a state-wide level, it is appropriate to discuss best practices and earthquake preparedness for park owners and communities. This legitimate concern is increased when considered in light of the possibility that the next earthquake could be more powerful and directly hit communities, or both. While earthquakes themselves are unpredictable, the reality that they will occur is not.

The first considerations are practical. Park communities should revisit their evacuation plan for the park. Homeowners and residents should understand how and where to exit and move from harm's way. A set gathering place should be established in an area clear from hazards and made known to the

homeowners and residents. Should search and rescue be necessary, this will help "first responders" in determining the headcount for those missing. Park operators should ensure that all fire extinguishers are replenished, accessible and in their proper places.

Secondly, residents and homeowners should understand how to safely turn off gas lines, which may be leaking, following a disaster. Residents who are incapable of helping themselves should have an assigned 'buddy' to assist them during a disaster. Residents should also be encouraged to have, at a minimum, simple first aid kits and extra food and water on hand.

Park operators should be prepared for the economic concerns that such disasters inevitably present, and the danger in the occurrence of earthquakes, or fires resultant from earthquakes, is perhaps not as obvious as one may think. Such dangers extend beyond simple damage to the park's infrastructure and facilities—items which are likely insured. But what will happen if the quake results in some, or several, mobilehome owners being unable to occupy their former

residences? What will occur if the mobilehome owners are forced to leave and are financially unable to pay to remove the presumably uninhabitable, and therefore probably worthless, unit? As the Northridge earthquake demonstrated, many people affected by an earthquake without adequate insurance or savings will be unable to meet their financial obligations and will be forced to abandon their homes or seek bankruptcy protection. Conventional civil remedies frequently fall short of protecting the park operator from the resultant economic fallout.

One strategy is for a park operator to require all homeowners and residents to have adequate fire and casualty insurance on their mobilehomes. Such insurance will often cover not only the replacement of the mobilehome, but in the event of a total loss, the removal of the damaged mobilehome unit—an expense most mobilehome owners will not be ready to bear. The insurance coverage can also work to protect against claims from an adjacent homeowner for property damage or, in some circumstances, personal injury caused by a resultant fire. For park operators and from a best practices standpoint, requiring such insurance provides many benefits to both the residents and the park operator, and are often ignored until it is too late.

Earthquake insurance is another relatively important issue. Due to California's susceptibility to earthquakes, coverage is often expensive and deductibles can be quite high, so requiring earthquake insurance is definitely a business judgment, but one that should be contemplated by all park operators. It is easy to believe that the next large quake

will not hit your area because earthquakes can happen anywhere in California. However, because they can happen anywhere in California, that means they can happen to your park, and to your residents. It is foolish to assume that federal assistance, such as the Federal Emergency Management Agency (FEMA) will be an adequate safety net for residents or park operators.

FEMA benefits come in the form of loans, which must be repaid, albeit on generous terms. However, the mobilehome owners' other obligations will also remain in place. In the event of a truly severe quake, the benefit provided by such a policy might work to protect the homeowner from being completely unable to rebuild and therefore financial ruin. Having numerous



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homeowners and residents unable to meet their financial obligations to the park and community simultaneously can also spell disaster for the park operator.

At the time of printing, premiums were estimated as low as \$150 per year for a \$75,000 unit with a standard deductible, but these premiums can increase dramatically based on a variety of factors including the insured value of the unit, the deductible chosen, the amount of personal property coverage desired, and most importantly the susceptibility of that particular region to a mid-high range quake. One thought would be for the park operator to have information on hand to direct a resident or potential resident to possible sources to purchase earthquake insurance (see *California Earthquake Authority*—[\*thority.com\*\). It is also worth noting that the premiums for mobilehome units can be further reduced by installation of an earthquake resistant bracing system or when placed upon an earthquake resistant foundation system. Hence, park operators should let their incoming residents know that such systems exist so that if potential residents are interested in such protections, they may obtain them.](http://www.earthquakeau-</a></p></div><div data-bbox=)

Deciding to require fire and/or earthquake insurance means more than simply requiring that mobilehome owners and residents purchase insurance. Park owners with such a policy will want to ascertain that the residents are actually purchasing such insurance. Under California law, it is permissible for a park owner to require that evidence of such fire and casualty insurance be provided by the home-

owner. It is also permissible, and in most circumstances advisable, to require the homeowner to list the park owner and operator as an additional named insured.

The requirement that a resident or mobilehome owner have such insurance should be clearly stated in any rental agreement with the park, and should be restated in the park's rules and regulations. The park should also periodically require that its residents provide proof of this insurance, which over time could lapse through nonpayment or nonrenewal. And, if the policy is not in place when the disaster occurs, the fact that it should have been will be of little help to the park operator. For this reason, park rental agreements as well as park rules implementing this policy of preparedness can and must be reviewed and enforced on an ongoing basis. ■

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