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August 15, 2014

Mark Conte, Chief Housing Standards Division
Department of Community and Economic Development
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
mconte@state.pa.us

Re: Regulation #4-95 (IRRC #3063) Industrialized Housing Components

Mr. Conte,

If the PA program were to become law, as written it would have a devastating effect upon our business, and our industry, in addition to those whose livelihood is dependent upon Vanguard. In fact it could be so severe that it could put our small, regional company out of business.

The negative effect from the passage of the proposed rules would be felt in many ways, including:

- Vanguard would be forced to take a write-off in excess of \$6MM against asset value since the assets currently in PA would become worthless in addition to financial obligations to third party suppliers for which Vanguard has long term financial obligations, including storage yards.
- This does not include the annual loss of over \$4MM in revenue and associated state taxes.
- Additionally Vanguard would be forced to terminate 18 employees who live, work and pay taxes in PA, many having been employed by Vanguard since the company was established in PA 15 years ago.
- The shuttering of Vanguard would negatively affect our repair, transportation, maintenance and service vendors that we utilize in PA
- 65% of our business in PA is associated with providing short term rental and leased modulares to public schools for classrooms, at costs substantially less than purchasing new assets for relatively short term usage, creating an economic hardship for municipalities across the state of PA, who are already strapped for education funds and are dealing with increased class size, for lack of their financial ability to obtain sufficient classrooms to meet their teacher to pupil ratio objectives.

Vanguard provides a necessary public service in our state. To create a set of restrictive regulations that would impair and/or eliminate this service does not seem to be in the best interest of the public, the investor community or the modular industry. Please consider our concerns.

Very truly yours,

A handwritten signature in cursive script that reads 'Carl R. Bennett'. The signature is written in black ink and is positioned above the typed name.

Carl R. Bennett, Assistant Secretary
For Barry DeSantis, President