

Promoting Resident Ownership of Communities

BACKGROUND

Across the country, manufactured home community closures are increasing. Yet despite this epidemic of closures, only 18 states have policies that require or encourage the owners of the land beneath manufactured homes to give homeowners the opportunity to purchase the land on which their homes sit. These closures mean the total or partial loss of an important investment for owners of manufactured homes. Homeowners are forced to either sell their homes at a fraction of their original value; move them, which also causes the homes to lose value; or abandon them altogether. Advocates in many communities are working hard to implement policies to preserve these communities and establish the asset-building potential of manufactured homes.

About This Resource Guide

This guide is a resource for anyone interested in promoting resident purchase opportunities through state policy. It is based on a careful review of existing and proposed state-level legislation, as well as the National Consumer Law Center's (NCLC) experience working with advocates in various states. This guide:

- Summarizes the case for resident purchase as an important asset-building strategy;
- Describes key elements of a strong policy to promote resident ownership;
- Lists state precedents for policy adoption; and
- Lays out the arguments that advocates can use to make the case for positive policy change.

The appendices include model legislative language, summaries of resident purchase opportunity legislation enacted around the country, and the full text of those laws.

RESIDENT PURCHASE AND ASSET BUILDING

Manufactured homes are either placed on land owned by the homeowner or in manufactured home communities. The placement literally spells the difference between a home that grows in value and one that loses value. With rare exceptions, homes placed on leased land are treated like personal property and financed with so-called “chattel loans.” This is because conventional single-family mortgages require land and property to be bundled together to qualify for financing. Chattel loans carry significantly higher interest rates and offer less favorable terms than conventional mortgages. For more information on financing homes in manufactured home communities, refer to [“Financing Manufactured Homes in Land-Lease Communities: A Policy Brief.”](#)

Manufactured homes have traditionally been priced by a “blue book” listing, much like a car, that assumes depreciation. Such valuations fail to consider that the value of a manufactured home reflects not only the value of the unit itself, but the land where the home is sited, features of the community and, most importantly, the home's relation to the land. The land underneath a manufactured home often drives the property's appreciation. A home's security on the land where it is sited can have a tremendous impact on the home's value. Homes placed on leased land without protections do not benefit from the appreciation in the value of the land, and homeowners are vulnerable to eviction. Moreover, frequent and excessive land rent increases can leave homeowners financially vulnerable, and disinvestment in the community infrastructure may create health and safety concerns. There is also a negative correlation between rent level and homeowner equity. For owners of manufactured housing to benefit from lower cost financing and build wealth through asset appreciation, they must have long-term control over the land on which their homes sit.

KEY ELEMENTS OF STRONG POLICIES TO ENCOURAGE RESIDENT PURCHASE

There are four basic types of laws that provide notice or promote resident purchase opportunities for manufactured home communities:

- Laws granting residents advance notice and a right of first refusal when the community is sold;
- Laws granting residents advance notice and placing a duty on the landowner to consider any reasonable offer the residents make and negotiate with them in good faith;
- Laws granting residents advance notice when the community is sold but no other protections; and
- Laws providing a tax incentive for landowners to sell the community to the residents.

To strengthen the ability of residents to purchase their communities, additional features should be considered depending on the specific type of law, including the form and nature of the notice of intent to sell, stipulations about how much notice is required, details about homeowners' rights once notice is given, any exceptions for specific transactions, zoning matters and penalties for noncompliance.

Sometimes it is not possible to persuade a state to adopt a full-fledged purchase opportunity policy initially. First step policies that can get the ball rolling are discussed in the Resource Guide, "[First Steps toward a Resident Purchase Opportunity](#)."

Strong homeowners associations are another critical element of resident ownership. To encourage the development of resident associations, strong policies must be in place to level the playing field between landowners and residents. The policies must encourage the formation of resident associations by protecting homeowners against excessive rent increases and no cause or retaliatory eviction. These policies are analyzed in detail in "[Protecting Fundamental Freedoms in Communities](#)."

Form and Nature of Notice to Community Residents

The first three types of laws – the right of first refusal, notice coupled with a duty of good faith negotiation, and notice-only – all require informing residents when the community is sold. Yet the circumstances in which notice is given and the length of the notice period required by these laws vary widely.

To whom must the notice be sent? About half of the states that have resident purchase opportunity laws require landowners to send notice to each resident or unit in the community. In Connecticut, for example, the landowner must send notice to each unit and the resident association if it exists. If the community lacks an association, one may be formed after issuance of the notice to pursue the purchase of the community. In New Jersey, if an association does not exist, the landowner must notify each resident. New Hampshire, Vermont, and Washington State also require notice to each resident. Delaware's law requires notice to the resident association, but if there is no resident association the community owner must give a state agency the names and addresses of all the homeowners, and the state agency must send individual notices.

Other state laws require notice only to a resident association. If a resident association does not exist, the residents are generally not entitled to notice, and the community can be sold without warning. Some of these laws also require resident associations to have been formed in accordance with applicable law, which may require incorporation, or require a certain level of membership, such as 51% of the owners of manufactured housing in the community. To form an association in Florida and New Jersey, residents need the written consent of two-thirds of all homeowners in the community. In Rhode Island and Florida the association must be incorporated. Rhode Island also requires that the association's articles of incorporation reserve the power of the organization to negotiate, acquire and operate the manufactured home community.

Moreover, the mere existence of a resident association may not be sufficient. Some state laws require the resident association to send a notice to the landowner expressing the residents' interest in purchasing the community, outlining its authority to do so and listing the names of the association's officers. Generally, this notice must be sent annually. In Florida, the association is required to file a notice of its right to purchase the community with the local court. After this notice is recorded by the court, a copy must be provided to the landowner.

A law that requires notice to residents only if they have formed a resident association and complied with paperwork requirements means that many communities can be sold without notice to residents. Residents in some manufactured home communities, however, are unable to establish associations because of intimidation or manipulation by community owners. Although it is generally in residents' best interests to form a resident association if they purchase the community, and sometimes a requirement, they may need the freedom to organize the association and enlist residents as members while they are preparing their purchase offer.

In addition to notice to residents, several states require notice to one or more governmental agencies, typically the state housing finance agency. This is a highly effective and important part of the notice provisions. Once the state housing finance agency learns that a community may be sold, it may reach out to residents or make the information available to advocacy organizations that work with residents. The state agency or advocacy organization will work with residents to develop a plan to save the community and provide other technical assistance to the residents that makes a purchase opportunity realistic. This also provides a mechanism for the agency to begin tracking closure and transfer activity in the state to determine the extent of

the housing loss and redevelopment occurring, which can be a very important first step in advancing awareness and furthering manufactured home community policy. Notice to local governments is also helpful, as they are most affected by the loss of affordable housing and may have a unique ability to assist residents.

When is notice required? States also vary widely as to the circumstances in which notice is required. Some require notice whenever the community is being sold. A common requirement is notice whenever the landowner receives a bona fide offer from a third party or an offer that the owner intends to consider or accept. Typically the landowner must send notice within 10 days of receiving the offer and disclose the price and other material terms and conditions.

Other states, however, require notice to residents only when the landowner lists the community for sale. This requirement significantly reduces residents' opportunity to purchase the community, as many communities are sold without ever having been listed for sale. They are often sold in invitation-only gatherings among investors, or sometimes, the landowner is approached by a developer or investor who makes an offer to buy the community. Listings are also sometimes posted on member-only or realtor-only Web sites subject to confidentiality agreements so that the residents, who would have standing to enforce the statute, cannot be told.

Other states have an even more restrictive variant, requiring notice to residents only when the community is being sold for a change in use. This variant means that residents will rarely be given the opportunity to purchase their communities, as it is very difficult to prove that the community was sold with the intent to change its use. Moreover, once a developer is prepared to buy the community and change its use, the price is usually too high for the residents to match. To foster resident ownership and avoid closures for redevelopment requires making purchase opportunities available before the community has development value.

Content of notice. State laws vary in their requirements about what the notice to the residents must contain. Examples of items notices might be required to include are:

- A mere statement that the landowner has listed the community for sale;
- The price, terms and conditions of the offer the landowner plans to accept or has accepted conditionally;
- A copy of the offer the landowner has received; and
- A detailed list of information, such as a statement of the appraised value and the terms of any seller financing.

Obtaining information at the earliest possible stage is critical for residents hoping to put together a purchase offer on a tight deadline. The notice should include at least enough information so that the homeowners can determine whether it is realistic to make a purchase offer. Providing a brief notice with just the most essential information as would customarily be furnished to buyers by a commercial realtor may be just as effective as a more detailed notice, if the landowner has a duty to provide information promptly to the residents once they begin preparing an offer. It would also be appropriate to require further disclosures during the due diligence period as are customary for commercial land transactions.

Recommendations. To create the broadest purchase opportunity for residents, notice should be required whenever the community is about to be sold, whether for a change in use or for continuation as a manufactured home community, and regardless of whether it is listed with a real estate agent or otherwise. A strong policy requires notice to all the residents even if they have not formed a resident association or notified the landowner. State agencies and local government (when applicable), should also be required to receive notice to ensure all residents are informed. An effective notice should include at least the information commercial realtors customarily give to buyers so that the residents can determine whether it is realistic to begin the process of putting together a purchase offer. A strong law should also require customary disclosures during the due diligence period.

The Advance Notice Period

State laws vary considerably in the length of the advance notice period – the period that the landowner must wait after giving notice to the residents before entering into a final agreement with a third party to sell the community. Advance notice periods that states have adopted include 10 days, 30 days, 45 days, 60 days and 120 days. The most common period is 45 days. Before that time elapses, the residents must be prepared to purchase the park by either offering or actually executing a purchase and sale agreement with the landowner. Vermont, however, simply requires that the residents express their interest in purchasing the community within the advance notice period (45 days).

The shortest period, a 10-day advance notice period, in all likelihood will never be of any actual benefit to residents. Ten days is an insufficient time for residents to put together a purchase offer. A 30-day advance notice period is likewise unlikely to benefit residents except in the most unusual circumstances. In most areas of the country, a 60-day period should be sufficient, but what advance notice period is realistic will depend in large measure on the state. Important factors include:

- How complicated are the state’s laws regarding formation of a cooperative? Residents will be able to commit to a purchase and a closing date more quickly if the state has a law that readily allows them to form a limited equity cooperative. Additional time will be necessary if the state requires cooperatives to comply with securities laws (“Blue Sky” or real estate sales laws).
- Is technical expertise available to help the residents form a cooperative and prepare a purchase offer?
- Are resources available to help the residents finance the purchase of the community?

Many state laws give the residents an additional period of time after making the purchase offer to obtain and finalize the financing for the purchase of the community. The time period ranges from “a reasonable period” to 90 days to 135 days to arrange financing and consummate the transaction. A “reasonable” time to obtain financing is a standard term in commercial real estate transactions.

Recommendations. The complexity of the state’s laws regarding cooperatives and the availability of technical and financial resources should be taken into account in setting the advance notice period. For the law to be effective in promoting resident ownership, the advance notice period should be at least 60 days. In many states, a longer period will be necessary. In order to be effective, the subsequent period to close the transaction should be 45 to 90 days, depending on the availability or novelty of ready financing for this type of transaction in the state. Allowing such a time period for closing is a routine term in commercial transactions.

Residents’ Rights upon Receiving Notice

In Connecticut, Florida, Massachusetts, Minnesota, New Jersey and Rhode Island, residents have a right of first refusal upon receiving notice of an impending sale of the community. A right of first refusal means that, if the residents can match the existing offer, they have the right to purchase the community. These statutes typically require the residents to meet the price, terms and conditions of the offer. However, some states, such as Connecticut, only require residents to meet the essential provisions of any existing bona fide offer to purchase the community. A 2008 Delaware law gives residents a “right of first offer,” a relatively untried approach that is somewhat similar (this law and other states laws are summarized in Appendix B).

A second type of law requires the landowner to consider any offer made by the residents and negotiate in good faith with the residents. A third type of law requires notice only, without imposing any other obligation on the landowner.

A law creating a right of first refusal provides the strongest protection to homeowners and gives them the most realistic opportunity to purchase the community. Granting the residents a right of first refusal codifies the state’s commitment to homeownership opportunities. It is an important step toward overcoming any preconception on the part of landowners that residents are incapable of owning and running their own communities.

That the residents, whose homes are located on the land and whose investments in those homes depend on being able to remain in the community, should have the first opportunity to buy the land is not a startling idea. Giving the residents the opportunity to buy the land on which their homes sit, and on which the value of their homes depends, is simply a matter of good faith and fair dealing – duties that are implied terms of all contracts. Giving the homeowners whose property rights are in jeopardy a purchase opportunity is both an equitable balancing of two property rights and a land use regulation. Indeed, giving the residents a right of first refusal benefits the landowner by making it likely that there will be two bidders instead of just one for the community.

A Note on Zoning

Closure of a manufactured home community and conversion of the land to some other use often requires a zoning change. Several states, including Florida, Idaho and South Carolina, have specific laws requiring community owners to notify residents of any application for a zoning change. These laws give residents an opportunity to participate in the local government’s decision-making process that will determine whether they lose their homes – a matter of fundamental fairness. Preserving the existing zoning may also make it easier for the residents to purchase the community. The model law (in Appendix A) includes a zoning notice provision based on Florida’s law.

Landowners sometimes oppose right of first refusal laws, and in states with strong property rights environments such an approach may be vulnerable. In Washington, for example, the state Supreme Court struck down a right of first refusal law because the right of first refusal was considered to constitute a “taking,” restricting landowners’ right to dispose of their property as they see fit. Although that decision rested on state constitutional grounds that may not be applicable in other states, it is still important to consider alternatives. (Washington has now adopted a law that requires notice prior to the sale but does not require a right of first refusal).

A law that requires notice to residents, plus places some duties upon landowners, is an attractive alternative in states that will not adopt right of first refusal laws. The notice-and-good-faith-negotiation approach has been effective in Vermont and New Hampshire, where residents or nonprofit organizations have successfully bought many communities. Although in these states the community owner remains free to choose between the residents' offer and the competing offer, the good faith negotiation requirement means that the landowner must allow the residents to develop an offer, give it reasonable consideration and inform the residents if the outside bidder submits an increased offer. Furthermore, the landowner cannot deny residents the same access to the community and to information – such as operating expenses and rent rolls – that the landowner would give to a commercial buyer.

A notice-only law that lacks both a right of first refusal and a duty of good faith negotiation is a relatively weak approach. For a number of years, Oregon had a notice-only law with a tax exemption, but so far this law, along with its short, 10-day advance notice period, has not been particularly successful in enabling residents to purchase their communities.

Recommendations. A right of first refusal law is the strongest means of giving residents the opportunity to purchase their communities. If a right of first refusal law is adopted, it should be drafted to minimize the possibility of a constitutional challenge. In particular, it should include legislative findings, a severability clause and free-standing notice and good-faith negotiation provisions that could operate independently if the right of first refusal portion were struck down. Advocates should analyze their state's constitutional restrictions before deciding whether to press for a right of first refusal law. A law providing notice and a duty of good faith negotiation is a reasonable alternative to a right of first refusal law.

Exceptions for Specific Types of Transactions

Most resident purchase opportunity laws include exceptions for specific types of sales. Usually most of these exceptions are for transfers within the landowner's family or within a corporation or partnership. These exceptions recognize landowners' desires to continue a family business. Other common exceptions are for foreclosure auction sales and purchases by eminent domain. In addition, many state statutes exempt the resale of the community by a lender who purchases the property at a foreclosure auction.

Some states make an exception for exchanges of land for other real property (a device allowed by a section of the Internal Revenue Code, 26 U.S.C. § 1031, to minimize federal tax obligations). This exception is written unnecessarily broadly in some of the statutes. The only time that such an exchange should be exempted from a resident purchase opportunity law is when the community owner has already purchased the replacement property through a qualified exchange intermediary and is then caught in the statutory period for selling the community. Making an exception for all sales in which the seller intends to buy another investment or the buyer is in an exchange is unnecessary. The seller will be free to buy something else without jeopardizing the statutory time period because it does not start until the closing on the sale to the homeowners. The model law in Appendix A includes appropriately narrow language as an option for states that want to include this exception.

Some states create an exception for transfers when the buyer does not intend to close the community. Such an exception dramatically undermines the effectiveness of a resident purchase opportunity law. It deprives homeowners of most of the opportunities they might have to purchase their communities, instead confining their purchase opportunity to the very point when the land has become unaffordable because of its development value.

Recommendations. It is reasonable for states to exempt transfers within the landowner's family, transfers within a corporation or partnership (as long as it is not done to avoid the application of the statute, such as by a sale of all interests in an entity or partnership as an alternate transfer method), foreclosure sales and purchases by eminent domain. States may also wish to exempt certain exchanges of land for other real property which the seller has already acquired through a qualified 1031 exchange intermediary. Most of these exceptions – particularly the ones for transfers within a family, partnership, or corporation – do not in fact result in a significant change in ownership of the community (although they need to be drafted carefully so that they do not inadvertently open up ways to manipulate a transaction to avoid the application of the statute).

Tax Incentives to Encourage the Sale of the Community to Homeowners

The sale of a community to owners of manufactured housing benefits the residents living there and the larger community as well. When a family not only owns the home in which they live but also controls the land where that home is placed, the family gains stability and so does the community surrounding the manufactured home community. Such a purchase also ensures the preservation of affordable housing. Recognizing the importance and benefit of such transfers, some states provide tax incentives to increase the likelihood that residents will be able to purchase their community.

The tax incentive may reduce or eliminate the landowner's tax liability for capital gains upon the sale of a community to the residents. Such an incentive acts as an inducement to the landowner to sell to the residents to reduce taxes and may also make it easier for the residents to make a competitive offer without matching the offer of a private investor or developer.

Of course, a tax incentive means a loss of revenue to the taxing authority when a community is sold. However, this loss must be balanced against the substantial burdens that government shoulders due to the displacement of residents and loss of affordable housing when a community is not preserved. The lost tax revenue is likely outweighed simply by the many benefits to the community at large when a manufactured home community becomes a self-governing cooperative, such as greater civic engagement, reduced police calls, reduced burden on social services, and infrastructure improvements that benefit the environment. In jurisdictions with state-funded relocation assistance, preservation of manufactured home communities also results in direct savings to this fund.

Tax incentives work well with a right of first refusal. In states where a right of first refusal may not be politically feasible, tax incentives can greatly strengthen the effectiveness of a notice law.

Recommendations. Tax incentives may significantly increase the ability of residents to purchase the community where they live. Complete exclusion of any gain from a sale to residents would provide the strongest incentive. Although it is unlikely that such an exclusion would have any appreciable impact on a state budget given the low number of conversions currently occurring, there are other alternatives for states with particular budget concerns. The exclusion could be limited to a percentage of the taxable gain from the sale, the absolute amount that could be excluded statewide in any year could be capped, or the state could assure itself of the cost of the incentives through the use of limited tax credits.

Penalty for Noncompliance with State Laws Protecting Owners of Manufactured Housing

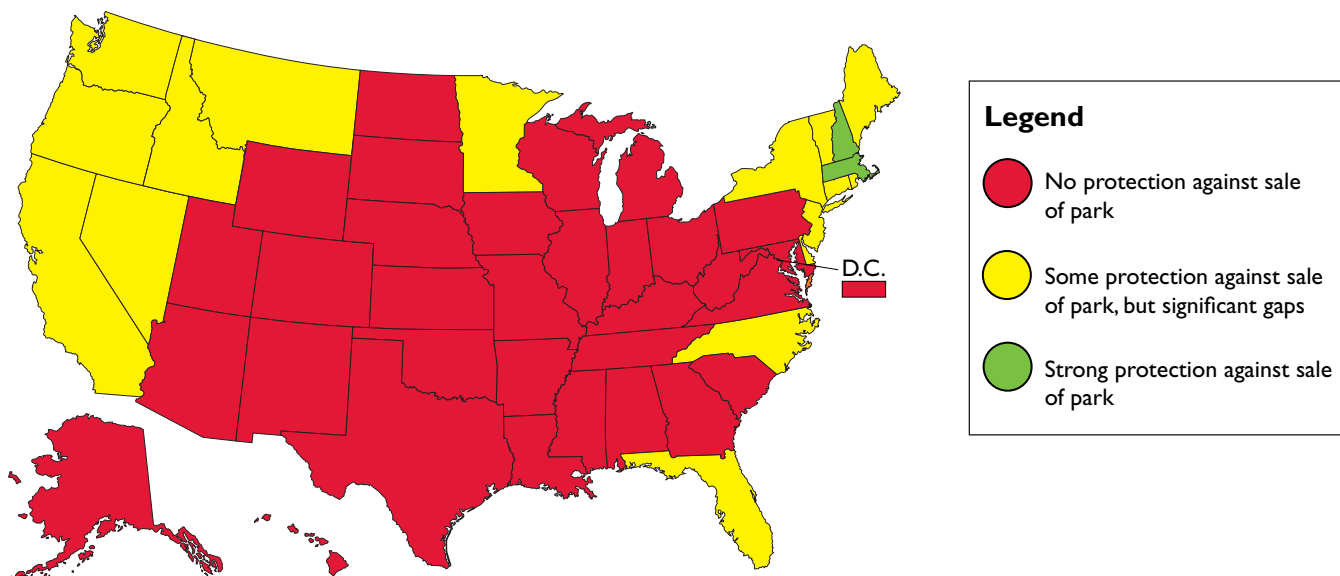
Any policy that encourages the sale of the community to residents must be enforceable to provide a real opportunity for homeowners to purchase their communities. Unfortunately only a handful of states provide meaningful protections for homeowners who were denied notice or opportunity to purchase their community. The most common provision allows the residents or association to bring an action against the landowner for injunctive relief, damages and attorney fees. In a minority of states, a local official (often the attorney general) has enforcement authority. Vermont has the stiffest penalty. The community owner must disgorge profits – \$10,000 or 50% of the gain realized from the sale of the community. In addition the community owner may be subject to actual and punitive damages.

Although homeowners in most of these states can get damages, the sale of the community is still valid. No state statute explicitly voids the transaction if the law is violated. In fact, the law often specifically states that the sale of a community in violation of the law is still valid.

STATE PRECEDENTS FOR POLICY ADOPTION

As of October 2011, 18 states had adopted some form of resident purchase opportunity legislation: California, Connecticut, Delaware, Florida, Maine, Massachusetts, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New York, North Carolina, Oregon, Rhode Island, Vermont and Washington.




How Secure is the Land in Your Manufactured Housing Community?



The following table lays out the relative strengths and weaknesses of each of these states' resident purchase laws based on their treatment of the key policy elements identified earlier. (Although zoning issues figure into resident purchase opportunities, this table does not consider zoning policy because it is often addressed separately from resident purchase opportunities.)

Policy Element	CA	CT	DE	FL	ID	ME	MA	MN	MT	NC	NV	NH	NJ	NY	OR	RI	VT	WA
Form & nature of notice: Who is notified	~	~	✓	✓	~	+	+	+	~	~	~	+	+	+	~	~	+	+
Form & nature of notice: What type of sale triggers notice	+	~	✓	+	✓	~	+	✓	~	~	✓	+	~	~	+	+	+	✓
Length of notice period	~	+	+	✓	~	✓	✓	✓	~	~	~	+	+	+	~	✓	✓	~
Residents' rights upon receiving notice	~	+	✓	✓	~	~	+	✓	~	~	~	✓	+	+	✓	+	✓	~
Exceptions for specific types of transactions	✓	✓	~	✓	+	+	✓	✓	~	~	+	✓	✓	✓	✓	✓	✓	+
Tax incentives to encourage sale to homeowners	~	~	~	~	~	~	~	~	+	+	~	~	~	~	+	~	+	+
Penalties for noncompliance	✓	~	✓	~	~	✓	✓	✓	~	~	~	✓	~	~	~	~	+	~

KEY

Policy element	Strong 	Medium 	Weak 
Form & nature of notice: Who is notified	All homeowners are notified without having to take special steps.	All homeowners are notified, without having to take special steps, in some but not all circumstances.	Homeowners are notified only if they take certain steps, such as forming an HOA and/or notifying landowner of interest in purchasing the community.
Form & nature of notice: What conditions triggers notice	Any sale triggers notice.	Notice required regardless of whether a change of use is intended, but with other limits, e.g., only when community is listed or advertised, not when owner receives offer.	Notices required only when a change of use is intended.
Length of notice period	60 days or more	45-59 days	Less than 45 days
Residents' rights upon receiving notice	Provides right of first refusal	Provides duty of good-faith negotiation	Provides neither right of first refusal nor a duty of good-faith negotiation
Exceptions for specific types of transactions	Provides no exceptions	Provides the usual exceptions	Provides more than the usual exceptions
Tax incentives to encourage sale to homeowners	Provides tax incentives	N/A	Does not provide tax incentives
Penalties for noncompliance	Sets substantial penalties for noncompliance	Sets some penalties for noncompliance	Does not lay out penalties for noncompliance

MAKING THE CASE FOR POLICIES PROMOTING RESIDENT PURCHASE

Advocates have used some of the following arguments to help build strong and diverse coalitions to support resident ownership. These arguments can be tailored for a variety of audiences.

Manufactured Home Communities Are an Important Affordable Housing Resource

Approximately 43% (2.9 million) of existing occupied manufactured homes are located in manufactured home communities. Although the definition of a manufactured home community varies from state to state, at minimum it is a parcel of land that accommodates two or more manufactured homes. Most communities are located in suburban, rather than rural areas. Research data on the number of manufactured home communities existing on a state or national level are limited. Experts estimate that there are 50,000 to 60,000 communities nationwide. Anecdotal evidence suggests that, due to zoning restrictions and developmental pressures, few new manufactured home communities have been created since the early 1980s. Investors, who range from small family-run enterprises to corporations with multiple properties, own most of the communities.

The placement of manufactured homes in communities or parks continues to be a popular choice for consumers who are not able to acquire land, especially in high-cost areas. Zoning ordinances, especially near higher density areas, may require the placement of manufactured homes in manufactured home communities. In 2010, nearly a third of new homes sold (13,000) were placed in communities. On average, consumers who place their homes in communities tend to have lower incomes than those who place their homes on privately owned land. In 2001, the median household income of a manufactured home owner who leased a lot in a community was \$25,000, compared with a median household income of \$29,000 for those who also owned land. Due to their affordability, manufactured homes are a popular source of housing for older Americans, who make up a significant part of the park population. Indeed, nearly half (49%) of residents are age 50 or older and nearly one-quarter (24%) are age 60 or older.

Homeowners in Land-Lease Communities Face Unique Challenges

Once sited, manufactured homes are rarely moved. Moving a home can be quite expensive, costing on average \$5,000 to \$10,000 and representing five to seven years' worth of equity for many homeowners. Relocation is difficult, and the home may be damaged during the move. Most significantly, there is a shortage of rentable lots in many communities, and available lots may be restricted to newly manufactured units. These factors give landowners significant leverage over community residents. Such leverage may result in unnecessary requirements, such as requiring that residents purchase their home or equipment from a dealer affiliated with the landowner. The landowner also may impose undue community rules, controls over utilities and services or unscheduled rent increases. Residents who complain about such practices or attempt to organize other residents may be vulnerable to eviction. Homeowners forced to leave the community must move the home or abandon it, including any accrued equity.

Despite these unique challenges faced by homeowners, about 10 states do not have any laws that protect homeowners in land-lease communities. Even in states with laws governing these communities, the level of protection with regard to leases, rent increases, evictions and park closures varies. For example, a state law may require that the homeowner receive a written lease, but that lease may be for a short term and offer little or no protection. Many laws are modeled on residential landlord-tenant laws and do not take into account important distinctions between owners of manufactured homes leasing space in a community and other, more typical, renters.

Homeowners May Not Find Out that Their Community is for Sale Until it is Too Late

Unless there is a state law requiring advance notice, community owners typically withhold information about the community's closure until the very last minute. When they place their homes in a community, homeowners do not always receive accurate information about the likelihood of closure. Indeed, advocates tell of homeowners who receive statutorily required closure notices within weeks of moving into a community. Nor do homeowners have access to the trade associations, publications, private networks and listing services that landowners use to keep current on inter-investor offers and sales of manufactured home communities. Aside from the personal hardship many homeowners experience in the process of leaving the community and finding a new site for their homes, the lack of advance notice deprives homeowners of the opportunity to organize and attempt to purchase the community. In fact, community owners may even require potential buyers, real estate agents and brokers to agree not to inform the residents that a community is for sale.

Although some states require advance notice to homeowners when the owner intends to close the community and use the land for another purpose or sell the community to someone who will not maintain the land as a manufactured home community, the notice period is often very short. Homeowners have on average 180 days, and in some states just 60 days, notice of closure. During this time they will be in fierce competition with their former neighbors for new spaces as the massive eviction of manufactured homes exacerbates the shortage of lot spaces in any given area. Moreover, many of the homeowners, who are often living on low incomes, will have to raise thousands of dollars to move their homes. A few states offer relocation

funds or tax credits to displaced homeowners. The amount of compensation, however, is usually capped and may not compensate the homeowner for the total cost of moving the home.

There Are Several Effective Models for Preserving Manufactured Home Communities

Initiatives to preserve manufactured home communities typically involve promoting third-party ownership or resident ownership of the land. States and municipalities have also enacted moratoriums on closure or zoning changes.

- **Third-party ownership** of the manufactured home community, either through a nonprofit or a community land trust (CLT), is one strategy used to prevent closure. Nonprofits own the land and ensure that the community remains affordable; the lease arrangements with homeowners vary. CLTs typically give the homeowner a ground lease, which can vary in length according to state law (most last for 99 years) and is renewable and inheritable. Some CLTs buy the community with the intent of working with residents to purchase the park collectively. State or local housing authorities may also directly purchase communities.
- **Resident ownership** of the land is the primary strategy being employed to preserve manufactured home communities in some states. This model, which has been employed most successfully in Massachusetts, New Hampshire, Rhode Island, California and Florida, encourages homeowners to collectively purchase their community by forming a nonprofit or for-profit cooperative corporation. A resident-owned entity may be a “cooperative,” as specified by statute, or another form of shareholder- or membership-controlled entity that is operated on cooperative principles. When the cooperative purchases the land, it is a separate legal entity, and individual homeowners can buy memberships or shares in the corporation. The cooperative can borrow money in its own name. Members receive leases that represent the right to occupy the lot by virtue of the fact that they are members of the cooperative.

Collective ownership and control of the land eliminates the risk of community closure, as the community is removed from the speculative real estate market. The monthly lot fee or rent is stabilized, and homeowners gain control over the community’s infrastructure. Nonprofit cooperatives have also received federally backed Community Development Block Grants (CDBG) or U.S. Department of Agriculture (USDA) Rural Development money to make major repairs. In New Hampshire, 40% of the resident-owned communities, assisted by technical assistance providers, have undertaken major infrastructure improvement projects, some by successfully competing for CDBG and USDA funding and others by refinancing or using the capital improvement reserves they set aside for that purpose. In addition, homeowners may be able to apply for lower cost conventional real estate financing rather than chattel loans that are common for homes placed on rented land. There are intangible benefits to community ownership as well, including more civic engagement and the sense of control over one’s community.

Resident Purchase Opportunity Policies Are a Proven, Successful Strategy

Resident purchase opportunity policies are a proven strategy that has enabled thousands of residents to purchase their communities in states across the nation. For example, in the 24 years since New Hampshire adopted its resident purchase opportunity law, residents there have purchased nearly 100 communities, preserving over 5,000 homes. At present, over 20% of the communities in the state are resident-owned cooperatives, ranging in size from 6 units to 392 units, with resident leaders from all walks of life.

California and Florida have similar laws, although with shorter time periods and more gaps, particularly in Florida. California has at least 100 resident-owned communities, and Florida has hundreds. Vermont, with a law providing 45 days’ advance notice, has converted over 40 communities to either resident or non-profit ownership. Massachusetts and Rhode Island, which have 45-day notice periods, each have between 10 and 15 resident-owned communities, a significant percentage in these small states.

Resident-owned communities are good investments for the business community as well. In New Hampshire, residents have obtained financing for the purchase of 99 communities, and not one loan has gone bad. Resident-owned communities provide such stability that Fannie Mae started a pilot program in New Hampshire to make conventional single-family financing available for residents who buy or improve manufactured homes in resident-owned communities. This initiative will help eliminate predatory or high-cost financing of manufactured homes.

Resources Exist to Make Resident Ownership a Reality

Homeowners, through the resident association, control the conversion process. To successfully convert a manufactured home community from private to resident ownership, they need extensive technical assistance and financing. Residents in New

Hampshire and other states have benefitted from having experienced nonprofit agencies guide them in the conversion process by arranging financing and providing ongoing technical assistance and community management training.

ROC USA® a national organization launched in May 2008, supports a network of trained (and ROC USA® Certified) nonprofit technical assistance providers to assist homeowners across the country. As of October 2011, ROC USA® had certified nine technical assistance providers to operate in 20 states.

ABOUT I'M HOME

I'M HOME, or Innovations in Manufactured Homes, is an initiative of CFED, a national nonprofit organization dedicated to expanding economic opportunities for all Americans. The I'M HOME network includes nonprofit and for-profit, national and local partners who together work toward ensuring that all homeowners, regardless of whether their home is manufactured or site-built, enjoy the same rights and privileges of homeownership, including asset-building opportunities. For more information about I'M HOME, please visit www.cfed.org/go/imhome.

ABOUT THE NATIONAL CONSUMER LAW CENTER

The National Consumer Law Center (NCLC) is the nation's consumer law expert, helping consumers, their advocates and public policymakers use powerful and complex consumer laws on behalf of low-income and vulnerable Americans seeking economic justice. NCLC is the leading consumer legal advocate promoting legal protections for owners of manufactured homes. For more information about NCLC please visit www.consumerlaw.org.

Appendix A

MODEL LAW AND ALTERNATIVES

A. Model Law with the Right of First Refusal

The following model law is based on § 113 of the AARP Model Law in Manufactured Housing Community Residents: Shifting the Balance of Power (2004), available at www.aarp.org/research/housing-mobility/affordability. It has been reworked, however, to be a free-standing law rather than one part of a package. In addition, it has been augmented by specific model legislative findings, a severability clause, alternate language that imposes a duty of good faith negotiation without a right of first refusal, and requirements for public notice. A tax incentive provision is outlined in section B and a zoning provision in section C.

Owners of Manufactured Housing Community Purchase Opportunity Act

Legislative Findings

(a) The legislature finds that:

- (1) Homeownership is an important right that deserves public protection, and it is the policy of this state to encourage affordable housing ownership, including manufactured home community living.
- (2) Current market conditions place owners of manufactured housing at a disadvantage compared to other potential investors in the purchase of manufactured home communities. Owners of manufactured housing do not receive accurate information about the likelihood of manufactured home community closure at the time they place their homes in manufactured home communities. Nor do they have access to the trade associations, publications, private networks and listing services by which manufactured housing landowners keep abreast of inter-investor offers and sales of manufactured home communities, so they do not receive adequate notice or an opportunity to purchase the community. In addition, because of their fear of eviction, owners of manufactured housing lack bargaining power in comparison to manufactured housing landowners and other potential purchasers.
- (3) In many cases, owners of manufactured home communities have not only failed to inform the resident homeowners that the community is for sale, but have affirmatively prevented the homeowners from learning this information, by forbidding real estate agents and prospective buyers from revealing this information to homeowners. These practices create a dysfunctional market that excludes the potential buyers who have the most at stake and the greatest need for an opportunity to purchase the community.
- (4) This law comports with existing contractual obligation of good faith and fair dealing in the context of leasehold agreements for manufactured homes in communities because of the need to balance the property rights of both the landowner and the homeowner.
- (5) The increasing closure of manufactured home communities and their conversion to other uses makes manufactured housing living insecure for resident homeowners. Because of low vacancy rates in existing manufactured home communities and the high cost or even impossibility of moving homes, many owners of manufactured housing have to abandon their homes when a community closes, losing not only their shelter but also their built-up equity. Affording manufactured home community homeowners the opportunity to purchase their communities increases the stability and security of these communities.
- (6) The closure of manufactured home communities harms the public by leading to abandoned homes, attracting crime, requiring the state to test for and remove asbestos, lead, and other toxins, potentially increase demand for government-funded affordable housing and homeless shelter beds, and leading to increased usage of state landfills.
- (7) Affording manufactured home community homeowners the opportunity to purchase their communities benefits the public by: a) preserving affordable housing; b) reducing the call on police resources, as manufactured home community homeowners who own the real estate as well as their homes are able to exercise self-governance and experience fewer societal conflicts; c) reducing a host of public health and safety problems, particularly for vulnerable low-income and elderly owners of manufactured homes, such as increased homelessness and

- abandonment of homes; d) avoiding increased cost to the state for replacement housing; e) avoiding damage to the local economy that occurs when members of the workforce are deprived of housing; and f) enabling homeowners to control and improve community infrastructures such as water and sewer systems that affect the public at large.
- (8) Granting homeowners a right to notice and an opportunity to offer to purchase the manufactured home community has no effect on the landowner's ability to receive full market value for the community, as it merely enables homeowners to meet any offer the landowner has received. There is no legitimate business justification in avoiding a sale to homeowners willing to offer full market value.
- (9) Granting homeowners a right to notice and an opportunity to offer to purchase the manufactured home community is a necessary step in balancing their rights, needs, and property interests against the desire of the landowner to receive market value when selling the community.

Definitions

(b) As used in this section

- (1) "Manufactured home" means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on a site, is three hundred twenty or more square feet and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. Such term shall include any structure which meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary of the U.S. Department of Housing and Urban Development and complies with the standards established under the Manufactured Home Construction and Safety Standards Act, 42 U.S.C. §§ 5401 et seq. For purposes of this Act, the term shall include structures that meet the preceding definition but were manufactured prior to June 15, 1976 and do not conform to the standards established by the U.S. Department of Housing and Urban Development under the Manufactured Home Construction and Safety Standards Act, 42 U.S.C. §§ 5401 et seq. Such term shall not include any self-propelled recreational vehicle.¹
- (2) "Manufactured home community" means a use of land in which two or more lots or spaces are offered for rent or lease for the placement of manufactured housing and in which the primary use of the community or the manufactured home section thereof is residential.
- (3) "Community owner" means the owner of a manufactured home community.
- (4) "Manufactured homeowner" or "Homeowner" is a person who owns a manufactured home and has a tenancy in a manufactured home community under a rental agreement.
- (5) "Owners of manufactured housing' association" or "Homeowner Association" means any organization of homeowners of the manufactured home community that is controlled by and open to all homeowners. The term includes a corporation or cooperative.

Sale Notice

- (c) No community owner shall make a final unconditional acceptance of any offer for the sale or transfer of a manufactured home community without first sending a letter, by registered or certified mail, to every homeowner and to the State Housing Finance Authority, and to the local government entity in whose jurisdiction the community is located, notifying them of the terms of the offer the community owner has conditionally accepted to intends to accept (the "Sale Notice"). The Sale Notice must include the following:
- (1) The price, terms and conditions which the community owner has conditionally accepted or intends to accept for the sale or lease of the community, along with a copy of any pending purchase and sales agreement signed by the parties; and
- (2) A statement of the deadline for a Homeowner Association to notify the community owner of its interest in purchasing the community and to submit a proposed purchase and sale agreement or lease agreement.

Owners of Manufactured Housing Purchase Opportunity

(d) The Homeowners, acting through a Homeowner Association shall have the right to purchase or lease the community, provided that the Association meets the essential provisions of any pending purchase and sale agreement. The Association shall exercise its right by notifying the community owner of the Association's interest in purchasing the community in writing and by submitting a proposed purchase and sale agreement or lease agreement with terms substantially equivalent to that of the bona fide offer (the "Purchase Notice"). The Association must deliver the Purchase Notice via certified or registered mail to the community owner within 90 days of receipt of the community owner's Sale Notice. The Association shall have 60 days in addition to the 90 day period in which to obtain any necessary financing or guarantees and to close on the purchase or lease. If no Homeowner Association exists at the time the community owner gives its Sale Notice, the homeowners may form one for the purpose of considering whether to exercise the purchase opportunity.

An Alternative for Purchase Opportunity

An alternative form of purchase opportunity act simply requires the community owner to give advance notice to the residents and to consider any offer they make and negotiate in good faith with them. To enact this alternative, a state would replace (d) above with:

Owners of Manufactured Housing's Purchase Opportunity

(d) If a Homeowner Association, after receiving the Sale Notice, wishes to purchase the community, it shall submit a proposed purchase and sale agreement or lease agreement in writing via certified or registered mail to the community owner within 90 days of receipt of the community owner's Sale Notice. If the community owner accepts the Association's proposal, the Association shall have 60 days in addition to the 90 day period in which to obtain any necessary financing or guarantees and to close on the purchase or lease. If no Homeowner Association exists at the time the community owner gives its Sale Notice, the homeowners may form one for the purpose of considering whether to exercise the purchase opportunity.

Information to Association

(e) i. After the community owner gives the Sale Notice, the community owner must make the same information available to the Homeowner Association that it has or would have provided to a prospective purchaser, in a timely manner. The community owner shall also provide any additional information that a prospective lender requires.
ii. Any Confidentiality Agreement or other agreement which would limit Homeowners' ability to acquire the same information about the listing or offer of their community for sale or limit information regarding the community which would otherwise be available to non-resident investors, is hereby declared void as against public policy.

Good Faith

(f) The community owner shall consider any purchase offer made by the Homeowner Association and shall negotiate with the Homeowner Association in good faith.

Completion Deadline

(g) Any unreasonable delay by the community owner in supplying information requested by the Homeowner Association under subsection (e), or any delay resulting from litigation involving the sale and/or litigation affecting the marketability of the title of the manufactured home community, shall be added to the days available to the Homeowner Association.

Repeat Effective Periods

(h) The requirements set forth in subsections (c) through (j) shall apply separately to each substantially different agreement to offer for sale or to purchase or lease the community.

Exclusions²

(i) This section does not apply to a government taking by eminent domain; a forced sale pursuant to foreclosure (except that the community owner must notify homeowners of any impending or actual foreclosure action); a transfer by gift, devise or operation of law; a transfer by a corporation to an affiliate; a transfer by a partnership to one or more of its partners (except that a corporate or partnership transfer made for the purpose of skirting the application of this statute or as an alternate transfer method shall not be exempt hereunder); or a sale or transfer

to a person who would be an heir, or to a trust, the beneficiaries of which would be heirs, of the community owner if the community owner were to die intestate.³

Recording in the Registry of Deeds

(j) Recording in the Registry of Deeds

- (1) A community owner may, as shall be appropriate under the circumstances, record in the registry of deeds of the county in which the community is located an affidavit certifying that:
 - (i) The community owner has complied with the requirements of this section (including a copy of the notice sent to the homeowners of the community); or
 - (ii) The sale or transfer of the manufactured home community is exempt from this section pursuant to subsection (1).
- (2) An affidavit filed in accord with subsection (j)(1) shall be presumptive evidence of compliance for purposes of good title in the hands of a bona fide purchaser.
- (3) A Homeowner Association that makes an offer to purchase the community pursuant to subsection (d) may record notice of the offer having been made in the registry of deeds.

Penalty

(k) A community owner who sells, leases or transfers a community and fails to comply with the terms of this section shall be liable to the homeowners in the amount of \$50,000.00 or 50 percent of the gain realized by the community owner from the sale, whichever is greater. In addition, failure to comply with this section is an unfair and deceptive act or practice as defined by [the state's unfair and deceptive acts and practices] law. Owners of manufactured housing or an association may also bring an action for injunctive relief, actual damages, and attorney fees and costs.

State Agency Assistance

(l) Upon the request of the Homeowner Association, the [relevant state agency] shall, either directly or through contracted services, assist the Association in acquiring financing for the purchase of the community and provide technical assistance.

Severability and Interpretation

- (m) (1) This law shall be liberally interpreted to achieve its purpose of expanding the opportunities for owners of manufactured housing to purchase their communities and to impose a statutory and contractual obligation of good faith and fair dealing upon community owners.
- (2) If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

B. Tax Incentive Provision

The following tax provision can be coupled with the model law or the alternative outlined in sections A above to provide landowners with an incentive to sell the community to owners of manufactured housing.

Exclusion of capital gain for qualified sale of manufactured home community

Proceeds from the sale of a manufactured home community by a community owner to a Homeowners' Association, homeowner cooperative, homeowner membership organization, or to any group composed entirely of homeowners, or to a nonprofit organization that represents such a group, shall be excluded from gross income of the community owner as defined in § ____.⁴

C. Zoning Provision

The following zoning provision provides some protection against another means by which manufactured home communities are closed – rezoning by the existing community owner. It can be included as part of the model law or as a free-standing addition to the state's zoning laws.

The community owner shall notify in writing each manufactured homeowner and, if a Homeowner Association has been established, the directors of the association, of any application for a change in zoning of the manufactured home community within 5 days after the filing for such zoning change with the zoning authority.⁵ In addition, owners of manufactured housing with homes sited in a manufactured home community are entitled to all rights under state and local zoning laws and regulations that are extended to owners of land that abuts the real estate parcel that makes up the community.⁶

ENDNOTES

- ¹ This definition parallels that in the federal Manufactured Housing Construction and Safety Standards Act, 42 U.S.C. § 5402(6). The third sentence of the definition was added to remove any doubt that owners of homes built prior to the adoption of the HUD Code have the same purchase opportunity rights as owners of newer homes. This full definition is unnecessary in states that already have a definition of “manufactured home,” although if such a definition is incorporated by reference the state should make sure that it includes both homes built to the HUD Code and homes that were built before that Code was adopted.
- ² Some state laws also exclude transfers where the landowner is exchanging the land for another parcel of real estate. If such an exception is adopted, it should not be too broadly drafted. Appropriate language would be: “A bona fide exchange of a community for other real property under section 1031 of the Internal Revenue Code, as long as, at the time the community owner lists the property or receives an offer for the community, the community owner has already commenced the exchange by the purchase of a property through an qualified exchange agent.”
- ³ If state law does not specify the heirs of a person who dies intestate, this last phrase should be replaced with language that specifies certain relatives of the community owner, such as: “or a sale or transfer to the community owner’s father, mother, grandparent, child, grandchild, brother, sister, aunt, uncle, niece, nephew, or cousin.”
- ⁴ This section is appropriate if the state has a capital gains tax applicable to such a sale. The vast majority of states that impose income taxes include capital gains from the sale of a community as part of the taxpayer’s gross taxable income. While some states provide preferential treatment to the sale of particular assets such as those held for a certain length of time or property located within the state, most community sales would still create a tax liability for the operator. The cross-reference found in the model should be to the state’s income and/or capital gains tax law. For states without an income tax, or where preferential treatment may already reduce the operator’s tax liability, a reduction or elimination of property transfer taxes for sales to residents may provide incentive. It may be preferable from a drafting standpoint to include the incentive in the state tax laws rather than the right of first refusal or notice law.

For states in which the sale would not result in an income tax liability, the model statute could be modified to provide an exclusion for other taxes imposed at the time of sale such as a property transfer tax.
- ⁵ If the state zoning law requires notice to abutters or abutting landowners, it may be helpful to add the following statement to this provision: “
- ⁶ This provision is based on Florida’s law, Fla. Stat. Ann. § 723.081. Other examples of laws that require residents to be given notice of proposed zoning changes are Idaho Code § 55-2007(3)(f); S.C. Code § 27-47- 620.

Promoting Resident Ownership of Communities

Appendix B

SUMMARY OF STATE MANUFACTURED HOME PURCHASE OPPORTUNITY LAWS

California

Cal. Civ. Code § 798.80

When is notice required? The owner of the community must provide written notice of his or her intention to sell the community.

When must the owner provide the notice? Notice must be provided not less than 30 days or more than one year prior to the owner entering into a written listing agreement with a licensed real estate broker to sell the community; or offering to sell the community to any party. The offer to sell a community must be initiated by the community owner or his agent.

To Whom? The owner must provide written notice of his or her intention to sell the community to the president, secretary and treasurer of any resident organization.

Will notice be provided automatically? No, the resident association must first provide the community owner or manager with written notice of: (1) the name and address (including changes of names or addresses) of the president, secretary and treasurer of the organization; and (2) residents' interest in purchasing the community. The initial notice of residents' interest in purchasing the community must be made prior to the community owner listing or offering the community for sale, and residents must give notice once each year thereafter.

Do residents have a right of first refusal? No.

Any exceptions to the requirements? Yes, notice is not required for any sale or transfer: (1) by the community owner to relatives; (2) by gift, devise or operation of law; (3) by a corporation to an affiliate; (4) by a partnership to a partner; (5) any conveyance resulting from foreclosure of the mortgage or deed of trust; (6) between or among joint tenants or tenants in common; and (7) under eminent domain.

Is there a tax incentive? No.

Penalty: Sale of community in violation of the law is not invalid. Residents or the resident association can bring an action against the seller.

Connecticut

Conn. Gen. Stat. § 21-70

When is notice required? The owner of the community must provide written notice of his intention to discontinue the use of the land as a manufactured housing community or his intention to sell the land to a person who intends to discontinue such use.

When must the owner provide the notice? The notice should be mailed or delivered 120 days prior to discontinuance of use of the land as a manufactured home community.

To Whom? Notice must be provided to each unit in the community. If the owner of the unit does not reside in the community then notice should be sent to the owner's address, provided the owner sent a written notice to the community owner with his or her address.

The notice must also be sent to the resident association if the association made written request for the notice. The resident association can be formed after notice was received to pursue the sale of the community. § 21-70(f)(3).

Will notice be provided automatically? Notice will be provided automatically to all residents, but notice will be sent to the resident association only if the association made written request for the notice.

Do residents have a right of first refusal? Yes. Within 120 days after the notice was mailed, any association representing at least 25% of the units in the community may notify owner that it is interested in purchasing community. A copy of this statement of intent to purchase the community may be filed with the land records. The association has 365 days after the notice of intent to sell the community was mailed to purchase the community through negotiation or other method (see below). Upon request, the Department of Economic & Community Development will assist with developing financing to purchase the community.

If negotiations fail and the association and the community owner cannot agree on the purchase price, then the association shall have the right to purchase the community if: (1) the association can match a bona fide offer by a third party which the community owner was prepared to accept; or if no such offer, (2) the association must match a purchase price established by an appraiser chosen by the community owner and the association. If the association and the community owner cannot agree on an appraiser then either party must notify the other in writing and each party chooses an appraiser, then the two appraisers choose a third appraiser, and the three appraisers will establish the value of the community.

Any exceptions to the requirements? If the majority of residents in a community with 200 or more units have been given written notice of an intent to discontinue the use of the land as a community before June 10, 1999, then any subsequent notice of discontinuance required by the law, and any notice given or action taken by the association under the law will be subject to the time limitations that were in effect prior to June 23, 1999.

Is there a tax incentive? No.

Penalty: None specified.

Delaware

Del. Code tit. 25, § 7026

When is notice required? The owner of a manufactured home community must provide notice upon reaching a decision to sell, transfer, or convey all or part of a community.

When must the owner provide the notice? Notice must be provided when the community owner reaches a decision to sell, transfer, or convey all or part of a manufactured home community. The home owner association has 30 calendar days to respond to the notice by indicating that it intends to accept the offered price or by making a counteroffer. If the home owner association accepts the offered price, or the community owner accepts the counteroffer, the parties have an additional 30 days to formalize the contract, and the sale must close within 90 days. If the home owner association makes a counteroffer, the community owner cannot sell the community for less than that price for 12 months. The community owner may sell the community for a higher price, but must give the home owner association seven business days to match that price if it is within 4.5% to 6% (depending on the sale price) of the association's counteroffer.

To Whom? The community owner must send notice to the Delaware Manufactured Home Relocation Authority, the Consumer Protection Unit of the state Attorney General's office, and to the statewide manufactured home owners association. In addition, if the Authority has informed the community owner that a registered home owner association exists in the community, the community owner must send notice directly to the association. If the Authority has not informed the community owner of a registered home owner association, then the community owner's notice to the Authority must include a list of the names and addresses of all the home owners, and the Authority must, within five business days, send notice to all the home owners.

Will notice be provided automatically? Yes.

Do residents have a right of first refusal? The home owners have a right of first offer and a right to match certain competing offers, as described above. In addition, if the community owner has decided to sell, transfer, or convey all or part of the community, the law requires the community owner and the home owner association to negotiate in good faith for the sale, transfer, or conveyance of the community to the home owner association. There are also special provisions for auctions.

Any exceptions to the requirements? Yes, notice is not required for any sale or transfer: (1) by the community owner to certain specified relatives; (2) by gift, devise or operation of law; (3) to an affiliate; (4) by a partnership to a partner; (5) by a bank, mortgage company, or other mortgagee in connection with a foreclosure; (6) between joint tenants or tenants in common; (7) under eminent domain; (8) as part of an exchange for other real property under Section 1031 of the Internal Revenue Code; or (9) a change in use of the community by the existing community owner.

Is there a tax incentive? No.

Penalty: Either the community owner or the home owner association may seek equitable relief. The offending party is liable for actual damages. A willful violation is a per se violation of the state consumer fraud statute and the aggrieved party may be entitled to treble damages. In any action, the court may award reasonable attorney's fees.

Florida

Fla. Stat. §§ 723.061, 723.071, 723.075, 723.076

When is notice required? Notice is required in three instances.

First, the owner of the community must provide notice to the officers of the homeowners' association if he or she offers the community for sale. The notice must contain the price and the terms and conditions of the sale.

Second, the owner of the community must provide notice to the officers of the homeowners' association if he or she receives a bona fide offer from a third party to purchase the community and the owner intends to consider the offer or make a counteroffer. This notice must contain the price and the material terms and conditions under which the owner would consider selling the community.

Third, if a community is closing because of change of use, residents cannot be evicted unless the community owner has given written notice to the homeowners' association of its right to purchase the community at the price and under the terms and conditions set forth in the notice.

When must the owner provide the notice? If the community is offered for sale, notice must be given at least 45 days before the owner sells the community. If the community owner receives a bona fide offer from a third party to purchase the community that he or she intends to consider or make a counteroffer to, notice must be given before the community owner accepts the offer, but no delay period is required. If the community owner is closing the community because of change of use, the community owner must give the residents 45 days to sign and deliver a contract to purchase the community at the price and under the terms and conditions set forth in the notice.

To Whom? Notice must be provided to the officers of the homeowners' association created pursuant to state law. See §§ 723.075, 723.076. To form an association, residents need the written consent of two-thirds of all home owners; the association must be incorporated.

Will notice be provided automatically? No, notice is required only if the homeowners form an incorporated homeowners' association, and notify the community owner by personal delivery or certified mail, return receipt requested, of its existence and the names and addresses of its officers. The association must also notify the community owner by certified mail, return receipt requested, of any change of the names and addresses of the association's president or registered agent, and must file a notice with the local clerk of the circuit court of its right to purchase the community, and send a copy of this notice to the community owner by certified mail, return receipt requested.

Do residents have a right of first refusal? Yes, but only if the community owner offers the community for sale. In that case, the residents, through the homeowners' association, have the right to purchase the community provided that they meet the price and the terms and conditions of the sale. They must enter into a contract with the community owner within 45 days of the mailing of the notice. If a contract is not signed within 45 days, the community owner has no further obligations unless he offers to sell the community for a lower price than the price specified in the notice.

If the community owner offers to sell the community for a lower price than the price specified in the notice, the association will have an additional 10 days to meet the price and the terms and conditions of the sale by signing a contract.

If the community owner receives a bona fide offer from a third party to purchase the community, the owner is obligated to notify the homeowners' association and consider any offer from the association. The community owner is not required to sell the community to residents or to interrupt or delay negotiations with third parties, and they may enter into a contract with third parties at any time to sell the community.

Any exceptions to the requirements? Yes, the law does not apply to any sale or transfer: (1) to the community owner's heirs; (2) by gift, devise or operation of law; (3) by a corporation to an affiliate; (4) by a partnership to a partner; (5) any conveyance of an interest in the community incidental to the financing of the community; (6) any conveyance resulting from foreclosure of the mortgage or deed of trust or a deed in lieu of foreclosure; (7) between or among joint tenants or tenants in common; (8) any exchange of a community for other real property; and (9) under eminent domain.

Is there a tax incentive? No.

Penalty: None specified.

Idaho

Idaho Code § 55-2013A

When is notice required? Notice is required if the owner of the community enters into a listing agreement with a licensed real estate broker to effect the sale of all or part of the community.

When must the owner provide the notice? Notice must be given within fifteen days of entering into a listing agreement.

To Whom? The owner must provide written notice of his or her intention to sell the community to three officers of the resident association designated in writing by the association.

Will notice be provided automatically? No, the residents must first form an association for the purpose of purchasing the community and must give the community owner notice of their interest in purchasing the community and the names and addresses of three designated officers.

Do residents have a right of first refusal? No.

Any exceptions to the requirements? Yes, notice is not required for: (1) a government taking by eminent domain; (2) a forced sale by foreclosure or a deed given in lieu of foreclosure; (3) a transfer by gift, devise or operation

of law; (4) a transfer by a corporation to an affiliate; (5) a conveyance incidental to financing the community; (6) an exchange of the community for other real property; (7) a transfer of by a partnership to one or more of its partners; or (8) a sale or transfer to a person who would be an heir, or to a trust the beneficiaries of which would be heirs, if the community owner died intestate.

Is there a tax incentive? No.

Penalty: None stated.

Maine

Me. Rev. Stat. Ann. Tit. 10 § 9094-A

When is notice required? The community owner must provide written notice to each tenant of the community if he or she receives an offer to purchase the community that he or she intends to accept. The notice must indicate that the owner has received an offer to purchase the community and that the owner intends to accept the offer.

When must the owner provide the notice? Tenants are entitled to 45 days notice. During the 45 day period, the owner may not sign a contract to sell the community.

To Whom? The owner must provide written notice, by regular mail, to each tenant.

Will notice be provided automatically? Yes.

Do residents have a right of first refusal? No.

Any exceptions to the requirements? Yes, the owner may sell the community without notifying the tenants if the purchase and sale agreement governing the sale requires the deed to contain a covenant prohibiting the purchaser from changing the use of the community for 2 years after transfer. That covenant must be enforceable by the tenants.

Is there a tax incentive? No.

Penalty: Home owners or an association may bring an action for injunctive relief, damages and attorneys' fees for violation of the statute.

Massachusetts

Mass. Gen. Laws ch. 140, § 32R

When is notice required? is required in three instances.

First, notice is required if the owner intends to sell or lease all or a part of the land on which the community is located for any purpose.

Second, notice is required if the owner of the community receives a bona fide offer to purchase or lease the community that the owner intends to accept, if the sale of the community would result in a change of use or discontinuance of the community.

Third, notice is required if the owner of the community receives other offers to purchase or lease the community, other than leases of single lots to individual residents. However, this notice will only be provided if residents request it in writing. See below.

When must the owner provide the notice? The first notice, of the intention to sell the land, must be mailed within 14 days after any advertising, listing or public notice is made that the community is for sale or lease, but no less than 45 days before the sale or lease occurs.

The second notice, of the receipt of a bona fide offer that would result in a change of use or discontinuance of the community, is required when the owner receives an offer he or she intends to accept. The time period is not specified in the statute, but residents have 45 days after receipt of the notice to submit a proposed purchase and sale or lease agreement to the owner. The notice must include the price and the terms and conditions of the offer.

The third notice, of other offers to purchase or lease the community, must be given before any sale or lease of the land. The time period is not specified in the statute, but residents have 45 days after receipt of the notice to submit a proposed purchase and sale or lease agreement to the owner. The notice must include the price and the terms and conditions of the offer. Other limitations apply. See summary below.

To Whom? The first notice, of the intention to sell the land, must be mailed, by certified mail, to each resident, with copies to the attorney general, director of housing & community development, and the local board of health.

The second notice, of the receipt of a bona fide offer that would result in a change of use and which the owner intends to accept, must be mailed, by certified mail, to each resident, with copies to the attorney general, director of housing & community development, and the local board of health.

The third notice, of other offers to purchase or lease the community, must be sent to each resident only if more than 50% of tenants residing in the community or an incorporated home owners' association or group of tenants representing more than 50% of tenants living in the community notifies the owner or operator in writing of their desire to receive information regarding the proposed sale or lease.

Will notice be provided automatically? Yes as to the first and second notices. The third notice will be sent only if a resident association or more than 50% of the residents notify the owner or operator in writing.

Do residents have a right of first refusal? Yes, in limited circumstances. A group or association representing at least 51% of the home owners shall have the right to purchase if the owner received a third party bona fide offer to sell or lease. The group or association must: (1) submit evidence that at least 51% of home owners have approved the purchase; (2) submit a proposed purchase & sale agreement on substantially equivalent terms within 45 days of receiving (the second or third) notice; (3) obtain financing within an additional 90 days after signing the purchase & sale agreement or lease; and (4) close on the purchase & sale agreement within 90 days after the period to obtain financing expires. Failure of residents to meet the timeline will terminate the right to purchase or lease the community. The time period may be extended by agreement.

The owner must negotiate in good faith. The owner cannot unreasonably refuse or delay the process where residents have made a bona fide offer to meet the price and substantially equivalent terms and conditions of the offer.

Residents can assign their right to purchase the community to a city, town, housing authority, or state agency for purpose of continuing the use of the land as a community.

The right of first refusal does not apply if the owner receives an offer as a result of listing the community for sale.

Any exceptions to the requirements? The right of first refusal does not apply to the sale or transfer of the land: (1) to heirs; (2) by gift, devise or operation of law; (3) foreclosure; and (4) under eminent domain.

Other requirements? If the community is not sold to residents then seller or lessor must file an affidavit of compliance with the attorney general, the director of housing & community development, the local board of health, and the registry of deeds, within 7 days of the sale or lease. Any lease for 5 years or less must require that the lessee cannot discontinue or change the use of the community during the term of the lease.

Is there a tax incentive? No.

Penalty: Under regulations adopted by the Attorney General, it is an unfair and deceptive act, in violation of the state consumer protection statute, M.G.L. c. 93A, for an owner or operator to not comply with laws governing manufactured housing communities.

Minnesota

Minn. Stat. § 327C.095, § 327C.096

When is notice required? In three situations:

First, if a prospective purchaser intends to close the community or convert it to another use within one year of purchase, the community owner must give written notice of the purchaser's intent to close the community and must offer the community to the residents for purchase.

Second, if the purchaser decides to convert the community to another use within one year of purchase, the purchaser (new owner) must give written notice of his intent to close the community and offer the community to residents for purchase.

Third, notice is required if an owner offers the community for sale through newspaper advertisement or by listing with a realtor.

When must the owner provide the notice? The community owner's notice of the prospective purchaser's intent to close the community or convert it to another use must be provided 45 days before any agreement to purchase the community is signed.

A new owner who decides to close the community or convert it to another use within one year of purchase must give notice that allows the residents 45 days to execute an agreement to purchase the community.

If an owner offers the community for sale, notice must be provided concurrently with the newspaper advertisement or listing with a realtor. Notice of sale may be provided once per year. The statute does not require any delay period after the notice.

To Whom? The community owner must provide a resident of each home with notice of the purchaser's intent to close the community or convert it to another use. The notice must state that upon request, the community owner will provide residents with the cash price and the terms and conditions of the purchaser's offer.

If a new owner decides to close the community or convert it to another use within one year after the purchase, he must give written notice of his intent to close the community to a resident of each home.

If an owner offers the community for sale, notice must be provided to a resident of each home.

Will notice be provided automatically? Yes.

Do residents have a right of first refusal? Yes, but only where the purchaser intends to or decides to close the community or convert it to another use within one year of purchase.

Intent to Convert Use of Community at time of Purchase (§ 327C.95, subd. 6)

Once the community owner sends notice of the purchaser's intent to close the community or convert it to another use, the residents have 45 days to meet the cash price and the terms and conditions of the offer and sign a contract with the owner to purchase the community. The owner must accept the offer if the residents meet the cash price and the same terms and conditions of the offer. During the 45 day notice period, owners of at least 51% of the homes in the community or a non profit organizations representing 51% of the home owners have the right to purchase the community.

Intent to Convert Use of Community After Purchase (§ 327C.95, subd. 7)

If the new owner decides to convert the community to another use within one year of purchase, the new owner must offer the community to the residents for purchase. The residents have 45 days after notice is issued to sign a contract with the new owner to purchase the community. During the 45 day notice period, owners of at least 51% of the homes in the community or a non profit organizations representing 51% of the home owners have the right to purchase the community. The residents must pay the new owner the cash price, which is equal to the original purchase price paid by the new owner plus expenses and improvements and any increase in value of the community. The residents must pay the cash price within 90 days of signing the purchase and sale agreement.

Any exceptions to the requirements? Yes, the right of first refusal does not apply to a conveyance of an interest in the community (1) incidental to financing; (2) by foreclosure; or (3) under eminent domain.

If an owner offers the community for sale, the notice of sale does not apply to: (1) the community owners' heirs; (2) by a corporation to an affiliate; (3) by a partnership to a partner; (4) incidental to the financing of the community; (5) under eminent domain.

Is there a tax incentive? No.

Penalty: The attorney general may bring an action.

Montana

Mont. 2009 Session Laws, Ch. 389 (H.B. 636); Mont. Code § 15-30-111

Is there a tax incentive? Yes. 50% or 100% (depending on the size of the park) of the gain recognized from the sale or exchange of a mobile home park is excluded from adjusted gross income or gross income for state tax purposes if the sale is to a tenants' association, a mobile home park residents' association, a nonprofit § 501(c)(3) organization that purchases a mobile home park on behalf of such an association, or a county or municipal housing authority.

Nevada

Nev. Rev. Stat. §§ 118B.173, 118B.177, 118B.180, 118B.183

When is notice required? The community owner must provide written notice if he or she lists all or a part of the community for sale with a licensed real estate broker.

When must the owner provide the notice? The notice of the listing of the community for sale must be provided not less than 10 days nor more than 30 days before the community is listed for sale.

To Whom? The owner must provide written notice of the listing to any association of tenants that requested the notice.

Will notice be provided automatically? No. The association must: (1) send the landlord a written request for the notice; (2) provide the landlord with a written list of the names and addresses of three members of the association; and (3) give written notice to the landlord of the tenants' interest in buying the community and renew that notice at least once a year after the initial notice.

Do residents have a right of first refusal? No.

Any exceptions to the requirements? Yes, notice is not required if the listing is not initiated by the owner (or his agent). The law does not apply to corporate cooperative communities.

Is there a tax incentive? No.

Penalty: None specified.

New Hampshire

N.H. Rev. Stat. Ann. §§ 205-A:21; 205-A:22, 205-A:23, 205-A:24

When is notice required? The community owner must provide written notice to each tenant and the New Hampshire housing finance authority before making a final unconditional acceptance of an offer to sell or transfer the community.

When must the owner provide the notice? The community owner must provide the notice 60 days before accepting the offer.

To Whom? The written notice must be provided to each tenant and the New Hampshire housing finance authority. The notice to the tenants must state that the owner intends to sell the community, and the price, terms and conditions of the offer, that he or she intends to accept; or the terms and conditions on which the owner intends to sell the community. The notice must include a copy of the offer setting forth a description of the property to be purchased, and the price, terms and conditions of the offer.

The notice to the New Hampshire housing finance authority must state that the owner intends to sell the community.

Will notice be provided automatically? Yes.

Do residents have a right of first refusal? No. The community owner must consider any offer received from the tenants or the tenants association and negotiate in good faith during the 60 day notice period. The tenants must put their offer in writing (purchase & sale agreement) during the 60 days. The tenants will have a reasonable time beyond the 60 days to obtain financing during for the purchase.

Any exceptions to the requirements? Yes, notice is not required for any sale or transfer: (1) by the community owner to relatives; (2) by a partnership to a partner; (3) by a bank, mortgage company, or other mortgagee at a foreclosure sale, or after having acquired the property at a foreclosure sale; (4) conveyance of an interest incidental to the financing of the community; (5) between joint tenants or tenants in common; and (6) under eminent domain.

Penalty: An owner that sells or transfers the community and willfully fails to comply with the law will be liable to tenants in the amount of \$10,000 or 10% of the total sales price. The total damages to all tenants (in the aggregate) may not exceed \$10,000 for 10% of the total sales price, whichever is greater. The sale or transfer will be valid, and tenants cannot bring an action to have it set aside.

New Jersey

N.J. Rev. Stat. §§ 46:8C-11-46:8C-11-13, 46:8C-15, 46:8C-16, 46:8C-21

When is notice required? Notice is required in two circumstances.

First, notice is required when the community owner puts the community up for sale.

Second, notice is required when the community owner receives a bona fide offer to purchase the community if he intends to consider it or make a counter-offer to it.

Note: the requirements of notice and the right of first refusal do not apply to a sale or transfer which is not made in contemplation of changing the use of the property.

When must the owner provide notice? If the community owner offers the community for sale, written notice must be sent to the board of directors of the homeowners' association with the price and the terms and conditions of sale. After receiving the notice, the residents have 45 days to exercise their right of first refusal. If no homeowners' association exists, then notice must be sent to individual homeowners 15 days before putting the community on the market, and they have 60 days to exercise the right of first refusal. See § 46:8C-15 (b)

A community owner who receives a bona fide offer must give written notice to the board of directors or trustees of the homeowners' association or individual residents if no association exists within 10 business days.

To Whom? Notice that the community is being offered for sale must be sent to the board of directors of any homeowners' association created pursuant to the law. If there is no homeowners' association at the time a community is put up for sale, the community owner must notify residents individually.

A community owner who receives a bona fide offer must give written notice to board of directors or trustees of homeowners' association or individual residents if no association exists.

Will notice be provided automatically? Yes.

Do residents have a right of first refusal? Yes, the owner's responsibilities differ according to the circumstances.

Community Owner Responsibility When Put Community on Market (§ 46:8C-11)

The homeowners, through the association have a right to purchase the community, if: (1) 2/3 of unit owners approve the purchase; (2) meet the price and terms and conditions of community owner; and (3) sign a contract with community owner within 45 days (can mutually extend this time).

If there is no homeowners' association at the time a community is put up for sale, the community owner must notify residents individually; residents have to form an association, and sign a contract within 60 days.

If the contract is not executed within the time period allowed, the community owner has no further obligations, unless the community owner offers the land for sale at the same price or a lower price (than specified in the notice) to the association. If so, the homeowners' association has an additional 10 days to meet the price, terms and conditions of that offer and execute a contract. But if this new offer comes more than three months after the original offer (in the notice) then the parties have 30 days to execute the contract.

Community Owner Responsibility After Receipt of a Bona fide Offer (§ 46:8C-12)

There is a 30 day delay before the community can be sold. After the association receives notice, the association should appoint a three person panel. The three-member panel has 30 days (after receiving notice of the price & terms of a third party offer) to review the third party offer and negotiate the terms of a sale of the community to the association. If the three-member panel and the community owner negotiate but could not agree, the community owner is bound to sell the community to the association on the same terms as the offer it received from the third party.

The directors or trustees of the association have 10 days to consider the offer, and the community owner is bound by the terms reported to the association for that time. If the directors or trustees of the association and 2/3 of residents agree, then the price and terms agreed upon and reported will constitute the contract for sale.

Any exceptions to the requirements? Yes, notice is not required for transfers : (1) not made in contemplation of a change in use (2) to the owners' heirs; (3) by gift, devise or operation of law; (4) by a corporation to an affiliate; (5) by a partnership to a partner; (6) incidental to the financing of the community; (7) any conveyance resulting from foreclosure of the mortgage; (8) between joint tenants or tenants in common; (9) under eminent domain; (10) as a result of condominium or co-op conversion; and (11) any sale of land adjacent to the community which is owned by the community owner, and the land does not have sites, or spaces or related recreational facilities.

Is there a tax incentive? No.

Penalty: None specified.

New York

N.Y. Pers. Prop. Law § 233-1

When is notice required? The park owner must provide notice of the price, terms, and conditions of a bona fide offer that the park owner intends to accept (or a counteroffer made by the park owner), but only if the prospective buyer intends to discontinue using the property for manufactured home lot rentals within 60 months after closing. The prospective buyer must give the park owner a certification regarding whether the buyer intends to change the use of the land.

When must the owner provide the notice? The park owner must give the residents a 120-day period after the notice to meet the price, terms, and conditions of the existing offer. A new notice is required if, after the 120-day period, the park owner elects to offer to sell the park for a lower price or on substantially different terms, in which case there is an additional ten-day period for a homeowners association to meet the new price or terms.

To Whom? If there is a homeowners association in the park that meets certain requirements, the park owner must notify its officers. If there is no homeowners association, the park owner must give notice to each homeowner.

Will notice be provided automatically? Yes.

Do residents have a right of first refusal? Yes. If, within 120 days of receipt of the notice, a homeowners association delivers an offer to the park owner to purchase the park on the identical price, terms, and conditions as the prospective purchaser's offer, it has the right to purchase the park. A resident association may be formed after receiving the notice from the park owner.

Any exceptions to the requirements? Yes, notice is not required for: (1) any conveyance of an interest in the park incidental to financing of the park; (2) the purchase of a park by a governmental entity under its powers of eminent domain.

Is there a tax incentive? No.

Penalty: None stated.

North Carolina

N.C. Gen. Stat. §§ 105-130.5, 105-134.6

Is there a tax incentive? Yes. North Carolina provides a tax incentive when a community owner transfers the land comprising a manufactured home community in a single purchase to a group composed of a majority of the manufactured home community leaseholders or to a nonprofit organization that represents such a group. To be eligible for this deduction, the community owner must give notice of the sale to the North Carolina Housing Finance Agency under N.C. Gen. Stat. § 42-14.3, which governs closure notices.

Oregon

Or. Rev. Stat. §§ 90.760, 90.800, 90.810, 90.815, 90.820, 316.791

When is notice required? The owner of the community must provide written notice when all or any portion of the community is subject to a listing agreement, and also within ten days of receipt of an offer that the owner intends to consider.

When must the owner provide the notice? The owner must notify the tenants' association or facility purchase association (a group of three or more tenants who reside in a community and have organized for the purpose of eventual purchase of the community) within 10 days of any written offer he receives to purchase the facility, which he intends to consider; or any listing agreement entered into to sell the community. Notice must be mailed.

To Whom? The owner must provide written notice to no more than three people or addresses within the tenants' association and the facility purchase association.

Will notice be provided automatically? No. The tenants' association (or a facility purchase association) must give written notice to the owner requesting notice if all or a portion of the community is put up for sale. The

statute can be interpreted, however, to require the owner to give the tenant association or facility purchase association notice of an offer to purchase the community even if the association has not sent this notice to the owner.

Do residents have a right of first refusal? No. They are entitled to notice. Within 14 days of delivery of the notice, the tenants' or facility purchase association must notify the community owner that it is interested in purchasing the community. The owner is then obligated to negotiate with the tenants' or facility purchase association in good faith and provide the association with the same opportunity that a bona fide third party would have to purchase the community. (However, effective January 1, 2012, the law will provide a right of first refusal during the 14-day period after the tenants' association or facility purchase association responds to the community owner's notice by indicating an interest in purchasing the community.)

Any exceptions to the requirements? Yes, notice is not required for any sale or transfer to: (1) the owner's heirs; (2) by gift, devise or operation of law; (3) by a corporation to an affiliate; (4) by a partnership to a partner; (5) conveyance of interest incidental to financing; (6) any conveyance resulting from foreclosure of the mortgage or deed of trust; (7) between or among joint tenants or tenants in common; (8) exchange of the community for other real estate; and (9) under eminent domain.

Is there a tax incentive? Yes. Proceeds from the sale of a community to a tenants' or facility purchase association, a tenants' association supported nonprofit, a CDC, or a housing authority are **exempt from taxation**. This is a temporary provision, originally applying to tax years 2006 and 2007, but extended in 2007 to apply to tax years beginning 2006 through 2013.

Penalty: None specified

Rhode Island

R.I. Gen. Laws § 31-44-3.1

When is notice required? Notice is required in two circumstances. First, notice is required if the community owner receives a bona fide offer that he or she intends to accept, to sell the community for any purpose or to lease of the community for a use that would result in a discontinuance of the community.

Second, the community owner is also required to provide notice if he offers the community for sale or lease for a use that would result in a discontinuance of the community.

When must the owner provide the notice? The notice that the community owner has received an offer must be sent sufficiently in advance so that the resident association can exercise its right of first refusal. The notice that the community owner has offered the community for sale must be sent to the resident association within 14 days of any advertisement or other public notice.

To Whom? Notice must be sent to an incorporated home owners' association representing at least 51% of home owners in the community.

The notice of a pending sale should contain the following information about the transaction if applicable: (1) price or lease payment; (2) terms of seller financing; (3) terms of assumable financing; (4) appraised value of any property included in a land trade; (5) proposed improvements by owner; (6) an assurance of reasonable access to the property; (7) any easements, permits, or licenses; (8) a survey, a legal description of community, and a list of operating expenses; (9) the rent roll; (10) hazardous waste; (11) data on water, sewer, electrical systems; (12) income & operating expenses.

Will notice be provided automatically? No. An incorporated home owners' association representing at least 51% of home owners must first send a certified letter to the community owner indicating that the association has the requisite number of members and has the authority, given by the articles of incorporation, to negotiate for, acquire, and operate the community on the residents' behalf.

Do residents have a right of first refusal? Yes. An incorporated association representing 51% of the home owners shall have the right to purchase or lease the community if it meets the same price and terms and conditions of any bona fide third party offer to which it received notice.

The association must: (1) sign a purchase & sale agreement within 45 days of receiving notice; (2) obtain financing within an additional 135 days.

Failure of residents to meet the timeline outlined above will terminate their right to purchase the community. The time period may be extended by delay of the community owner or litigation or by agreement.

The owner must negotiate in good faith. The owner cannot “unreasonably” refuse or delay the process where residents have made a bona fide offer to meet same price and terms and conditions of offer. The deposit must be returned if the association made a reasonable effort but could not find financing.

Any exceptions to the requirements? No right of first refusal for transfers: (1) to heirs; (2) by gift, devise or operation of law; (3) by foreclosure; and (4) to a government by negotiated purchase or under eminent domain.

Other requirements? Yes. If the land is not sold to residents then the seller must file an affidavit of compliance.

Is there a tax incentive? No.

Penalty: None stated.

Vermont

Vt. Stat. Ann. Tit. 10, § 6242, tit. 32, § 5828.

When is notice required? The owner of the community must provide written notice of his intention to sell the community.

When must the owner provide the notice? Notice must be provided at least 45 days before the owner accepts an offer to purchase the community.

To Whom? The owner must provide written notice of his or her intention to sell the community to each home owner and the commissioner of the department of housing and community affairs by certified mail.

The notice must state: (1) that the owner intends to sell the community; (2) the price, terms and conditions under which the owner offers the community for sale; (3) a list of affected home owners and the number of leaseholds held by each; (4) whether the owner is in compliance with relevant statutes, regulations and permits; (5) the 45- and 90-day periods for the home owners to buy the community.

Will notice be provided automatically? No.

Do residents have a right of first refusal? No. But the home owners do have 45 days to decide whether they want to purchase the community and provide written notice to the owner. They can purchase the community through a group representing the majority of the home owners or a nonprofit corporation approved by a majority of the home owners. During the 45 day period the community owner cannot enter into a contract to sell the community. If the owner receives no notice from the home owners or if the home owners decide they do not want to purchase the community, the community owner has no further restrictions on the sale for one year as long as the sale price is no less than the price stated in the notice to the home owners or is substantially higher than an offer made by the home owners or a nonprofit corporation approved by the home owners.

If the community owner receives written notice that a majority of the home owners intend to purchase the community, then the community owner is barred from entering into a contract with anyone (except the home owners) to sell the community for 90 additional days. The community owner must negotiate in good faith and consider any offer made by the home owners.

Any exceptions to the requirements? Yes, the law does not apply to any sale, transfer or conveyance: (1) by the community owner to relatives; (2) among partners who own the community; (3) by a foreclosure sale; (4) incidental to the financing of the community; (5) between joint tenants or tenants in common; and (6) under eminent domain.

Is there a tax incentive? Yes. The owner will receive a **tax credit** for selling the community to a group representing the majority of the home owners or a nonprofit corporation approved by a majority of the home owners. The credit is 7% of the taxpayer's gain.

Penalty: An owner that sells the community without complying with the law will be liable to residents in the aggregate amount of \$10,000 for 50% of the gain realized by the owner from the sale, whichever is greater; and actual and punitive damages.

Washington

Wash. Rev. Code Ch. 59.20.030 and § 82.45.010

When is notice required? The owner of the community must provide written notice when any advertisement, multiple listing, or public notice advertises that a community is for sale.

When must the owner provide the notice? Notice must be provided within 14 days after the advertisement, multiple listing, or public notice.

To Whom? The owner must provide written notice by certified mail or personal delivery to each tenant, the officers of any known qualified tenant organization, the state office of manufactured housing, the local government, the local housing authority, and the state housing finance commission.

The notice must state: (1) that the owner intends to sell the community; and (2) the contact information for the owner or the owner's agent who is responsibility for communicating with a qualified tenant organization or eligible organization (i.e. a local government, local housing authority, nonprofit community or neighborhood-based organization, a federally recognized Indian tribe, or a regional or statewide nonprofit housing assistance organization) regarding sale of the property.

Will notice be provided automatically? Yes.

Do residents have a right of first refusal? No. But the statute states that community owners are "encouraged" to negotiate in good faith with qualified tenant organizations and eligible organizations.

Any exceptions to the requirements? No.

Is there a tax incentive? Yes. A qualified sale of a manufactured/mobile home community is exempt from excise tax on real estate sales. (This provision sunsets on December 31, 2018).

Penalty: None stated.

Promoting Resident Ownership of Communities

Appendix C

COMPENDIUM OF EXISTING LAWS THAT FOSTER RESIDENT OWNERSHIP OF MANUFACTURED HOME COMMUNITIES

California

Cal. Civ. Code § 798.80 (West)

§ 798.80. Offer to sell park or entry into listing agreement for sale of park; notice by owner to officers of resident organization

(a) Not less than 30 days nor more than one year prior to an owner of a mobilehome park entering into a written listing agreement with a licensed real estate broker, as defined in Article 1 (commencing with Section 10130) of Chapter 3 of Part 1 of Division 4 of the Business and Professions Code, for the sale of the park, or offering to sell the park to any party, the owner shall provide written notice of his or her intention to sell the mobilehome park by first-class mail or by personal delivery to the president, secretary, and treasurer of any resident organization formed by homeowners in the mobilehome park as a nonprofit corporation, pursuant to Section 23701v of the Revenue and Taxation Code, stock cooperative corporation, or other entity for purposes of converting the mobilehome park to condominium or stock cooperative ownership interests and for purchasing the mobilehome park from the management of the mobilehome park. An offer to sell a park shall not be construed as an offer under this subdivision unless it is initiated by the park owner or agent.

(b) An owner of a mobilehome park shall not be required to comply with subdivision (a) unless the following conditions are met:

- (1) The resident organization has first furnished the park owner or park manager a written notice of the name and address of the president, secretary, and treasurer of the resident organization to whom the notice of sale shall be given.
- (2) The resident organization has first notified the park owner or manager in writing that the park residents are interested in purchasing the park. The initial notice by the resident organization shall be made prior to a written listing or offer to sell the park by the park owner, and the resident organization shall give subsequent notice once each year thereafter that the park residents are interested in purchasing the park.
- (3) The resident organization has furnished the park owner or park manager a written notice, within five days, of any change in the name or address of the officers of the resident organization to whom the notice of sale shall be given.

(c) Nothing in this section affects the validity of title to real property transferred in violation of this section, although a violation shall subject the seller to civil action pursuant to Article 8 (commencing with Section 798.84) by homeowner residents of the park or the resident organization.

(d) Nothing in this section affects the ability of a licensed real estate broker, as defined in Article 1 (commencing with Section 10130) of Chapter 3 of Part 1 of Division 4 of the Business and Professions

Code, to collect a commission pursuant to an executed contract between the broker and the mobilehome park owner.

(e) Subdivision (a) does not apply to any of the following:

- (1) Any sale or other transfer by a park owner who is a natural person to any relation specified in Section 6401 or 6402 of the Probate Code.
- (2) Any transfer by gift, devise, or operation of law.
- (3) Any transfer by a corporation to an affiliate. As used in this paragraph, "affiliate" means any shareholder of the transferring corporation, any corporation or entity owned or controlled, directly or indirectly, by the transferring corporation, or any other corporation or entity controlled, directly or indirectly, by any shareholder of the transferring corporation.
- (4) Any transfer by a partnership to any of its partners.
- (5) Any conveyance resulting from the judicial or nonjudicial foreclosure of a mortgage or deed of trust encumbering a mobilehome park or any deed given in lieu of such a foreclosure.
- (6) Any sale or transfer between or among joint tenants or tenants in common owning a mobilehome park.
- (7) The purchase of a mobilehome park by a governmental entity under its powers of eminent domain.

Connecticut

Conn. Gen. Stat. § 21-70

§ 21-70. Disclosure statement. Rental agreements and renewals. Notice when home or lot located in common interest community. Adoption of rules and regulations. Documents filed with department. Notice of proposed land use change or sale. Purchase of mobile manufactured home park by association of unit homeowners

(a) The Commissioner of Consumer Protection shall adopt regulations, in accordance with the provisions of chapter 54,¹ providing for a disclosure statement which shall be used by mobile manufactured home park owners. The disclosure statement shall be a plain language summary of the rights and obligations listed in this chapter and shall not add to or diminish the rights and obligations provided by this chapter. Such disclosure statement shall include at least the following information: (1) The monthly rental fee and all considerations payable by the resident to the owner; (2) the length of the rental term; (3) the amount of land granted by the rental agreement; (4) an enumeration of goods and services to be provided to the resident, including those goods and services to be provided free of charge; (5) notice if the owner plans to terminate the operation of the park during the term of the rental agreement; (6) a statement of conditions to be complied with by the owner and resident in the event of the sale of the mobile manufactured home by the resident, including aesthetic standards for resale, which conditions shall not be altered by the owner after the rental agreement has been entered into; (7) the rights of residents regarding eviction under section 21-80; (8) the rights of residents regarding the resale of a mobile manufactured home under section 21-79; (9) the rights of residents in the event that alterations of the rules concerning the resident's use and occupancy of the premises under subsection (b) of this section are to be made; (10) notice that outstanding property taxes may be owed on the mobile manufactured home; and (11) notice that there may be liens and other encumbrances on the mobile manufactured home and that the resident or purchaser should check with the town clerk, tax assessor and tax collector to determine whether any taxes are due on the mobile manufactured home and whether any liens or encumbrances on the mobile manufactured home exist. Owners shall provide each prospective resident, before any rental agreement is entered into, and each resident, at the time of the first renewal of his rental agreement which occurs after the effective date of the regulations providing for a disclosure statement, with a completed disclosure statement. No rental agreement entered into on or after the effective date of the regulations providing for a disclosure statement shall be enforceable until the requirements of this subsection are met. A copy of such statement shall be signed by the resident at the time of the rental, acknowledging receipt of a completed, signed copy and such completed, signed copy shall be kept on file by the owner for a period of four years after such resident vacates the park.

¹ C.G.S.A. § 4-166 et seq.

(b) No owner may offer a mobile manufactured home or a mobile manufactured home space or lot for rent without providing the prospective resident with a copy of an initial written rental agreement before the resident occupies such mobile manufactured home or lot. No owner may rent a mobile manufactured home or mobile manufactured home space or lot to a new resident until a written rental agreement has been signed by the resident and the owner. The initial rental agreement and all renewals offered to a resident by the owner shall be in writing. The term of each rental agreement and renewal shall not be less than one year unless the resident requests, in writing, a term for less than one year. If the owner fails to offer the resident a written renewal of a rental agreement, or if the owner offers a renewal but the resident fails or refuses to sign it, unless there is a disagreement as to the amount of the rent, the prior rental agreement shall be deemed to be extended for one year at the then prevailing park rental and the resident shall be bound by all terms of the prior rental agreement and any prevailing park rental adopted after the prior rental and all rules and regulations properly applicable to such prior rental agreement pursuant to subsection (d) of this section. If there is a disagreement as to the amount of the rent, unless the owner terminates the lease and brings an action of summary process, the prior rental agreement shall be deemed to be extended on a month-to-month basis at the last agreed-upon rent, and the resident shall be bound by all terms of the prior rental agreement and all rules and regulations properly applicable to such prior rental agreement pursuant to subsection (d) of this section. In such an event, the owner may bring an action of summary process pursuant to section 21-80, or the resident may seek relief under section 47a-23c or sections 7-148b to 7-148f, inclusive, if applicable.

(c) Whenever a resident rents a mobile manufactured home or a mobile manufactured home space or lot in a mobile manufactured home park which is also a common interest community from a declarant, successor declarant or person acting on the declarant's or successor declarant's behalf, such declarant, successor declarant or person shall, prior to entering into a rental agreement, provide the resident with a written notice that the mobile manufactured home or the mobile manufactured home space or lot is located in a common interest community.

(d) An owner, from time to time, may adopt a rule or regulation, however described, concerning the resident's use and occupancy of the premises. Such rule or regulation shall be enforceable against the resident only if (1) the purpose of the rule or regulation is to promote the convenience, safety or welfare of the residents, preserve the owner's property from abusive use or make a fair distribution of services and facilities held out for the residents generally; (2) such rule or regulation is reasonably related to the purpose for which it is adopted; (3) such rule or regulation applies to all residents on the premises in a fair manner, provided reasonable exemptions may be made for good cause; (4) such rule or regulation is sufficiently explicit in its prohibition, direction or limitation of the resident's conduct to fairly inform him of what he shall or shall not do to comply, and (5) the resident has written notice of such rule or regulation at the time he enters into the rental agreement or when such rule or regulation is adopted. A rule or regulation having the effect of substantially modifying the terms of a rental agreement previously entered into by a resident shall not apply to such rental agreement without the written consent of the resident.

(e) Each owner shall file with the Department of Consumer Protection copies of the park's rental agreements, aesthetic standards to be complied with by the owner and resident in the event of the sale of the mobile manufactured home by the resident, and rules or regulations concerning the resident's use and occupancy of the premises. Any change in the documents required to be filed under this subsection, other than a change in rent, shall be filed with the Department of Consumer Protection. No rental agreements, aesthetic standards, or rules or regulations, and no changes in the terms or provisions of such documents, other than a change in rent, shall be effective until such documents or changes are filed with the Department of Consumer Protection.

(f) (1) Any person making an application to appear before any municipal, state or federal agency with respect to any matter changing the land use of a specific mobile manufactured home park shall give written notice of the application by first class mail addressed to the affected units of the park or by personal delivery to the units not later than seven days after its filing. The notice shall state the reasons for which the application was filed.

(2) Except as otherwise provided in subdivision (5) of this subsection, any mobile manufactured home park owner who intends to discontinue the use of the land as a mobile manufactured home park or to sell land used as a mobile manufactured home park to any person who intends to discontinue its use as a mobile manufactured home park shall give written notice by first class mail addressed to each mobile manufactured home unit or by

personal delivery to each unit upon such land if such transaction will entail the discontinuance of the use of the land for mobile manufactured home park purposes. If an owner of a mobile manufactured home has given the park owner written notice that the owner resides in a place other than the owner's unit, notice shall be sent by first class mail to the address so provided. The notice shall include a statement advising the recipient of the intended discontinuance of use or sale and, except as otherwise provided in subdivision (5) of this subsection, shall be mailed or delivered at least one hundred twenty days prior to the discontinuance of the use of the land as a mobile manufactured home park. The notice may run concurrently with the notice required by subdivision (3) of subsection (a) of section 21-80 or subparagraph (E) of subdivision (1) of subsection (b) of section 21-80. A copy of such notice from the park owner shall be sent to any association of residents of the mobile manufactured home park which has made a written request for such notice.

- (3) Except as otherwise provided in subdivision (5) of this subsection, within one hundred twenty days after the notice provided for in subdivision (2) of this subsection has been mailed, any association representing twenty-five per cent or more of the units in the park, including an association formed after the issuance of the notice, may notify the owner of the park that it is interested in purchasing the mobile manufactured home park. A copy of such notice may be filed on the land records of the town in which the mobile manufactured home park is located. If such notice is given, except as otherwise provided in subdivision (5) of this subsection, the association shall have three hundred sixty-five days after the notice required in subdivision (2) of this subsection has been given to purchase the park through negotiation or the method set forth in subdivision (4) of this subsection. Upon the request of the association, the Department of Economic and Community Development shall assist the association in developing financing for the purchase of the park.
- (4) If the association and the park owner cannot agree upon a purchase price, the association shall have the right to purchase the property: (A) If the association matches the essential provisions of any existing bona fide offer to purchase the park made by another potential purchaser which offer by such other purchaser the owner is prepared to accept; or (B) if there is no such offer, at a purchase price to be established by an appraiser chosen by the association and the park owner. If the two parties cannot agree upon one appraiser, either party may notify the other, in writing, of such disagreement, and the association shall choose an appraiser, the park owner shall choose an appraiser, and the two appraisers shall choose a third appraiser, which three appraisers shall establish a value of the park. If the park owner refuses to select an appraiser within fifteen days of such notice, the Commissioner of Consumer Protection shall choose an appraiser for the park owner. The costs of all appraisers shall be paid equally by the association and the park owner. Except as otherwise provided in subdivision (5) of this subsection, if, within three hundred sixty-five days from the mailing of the notice required in subdivision (2) of this subsection, no agreement for such sale signed by the association and the park owner has been filed upon the land records, or if the association has not filed a certified statement to purchase the park at the appraised value which value shall also be certified on the land records by the appraiser or appraisers, the right provided in this subsection to purchase the park shall be void and any recorded notice filed pursuant to subdivision (3) of this subsection shall be void.
- (5) In any case in which a mobile manufactured home park with two hundred or more units in which a majority of residents have been given written notice, prior to June 10, 1999, of the intended discontinuance of the use of the land as a mobile manufactured home park, regardless of whether one or more of such notices or the service of such notices is subsequently deemed invalid or ineffective, (A) any subsequent notice of such intended discontinuance that is given or required to be given after June 23, 1999, by the owner pursuant to this subsection, and (B) any notice given or action taken pursuant to this subsection after June 23, 1999, by any association representing twenty-five per cent or more of the units in the park shall be subject to the time limitations contained in this subsection that were in effect immediately prior to June 23, 1999.

Delaware

Del. Code tit. 25, § 7026

§ 7026. Right of first offer; notice required before sale of manufactured home community

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

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

(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 by-laws.

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

1. The home owner association must be incorporated in the State of Delaware and under the laws of the State of Delaware;
2. The home owner association must have written bylaws.

(i) The by-laws must provide that each home owner of each home site is automatically entitled to vote as a special member of the association concerning matters related to the purchase of all or part of the community after a notice of right of first offer has been extended to the home owner association by the community owner. Special members under this paragraph may not be required to meet other preconditions of general membership including the payment of dues.

(c) 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

OF

[INSERT COMMUNITY NAME] HOME OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

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

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

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

ARTICLE II

CORPORATE SEAL

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

ARTICLE III

MEMBERS

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

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

ARTICLE IV

MEETING OF MEMBERS

Section 1. First Meeting of the Members. The first meeting of the Members shall be called by the initial Board

of Directors for the purpose of nominating and electing a Board of Directors consisting of the owners of the community's homes. The initial Board of Directors shall send each home owner notice of the meeting at least [INSERT NUMBER] days before the meeting. The notice shall specify the place, day, and hour of the meeting and shall state that the purpose of the meeting is to nominate and elect a new Board of Directors. Nominations shall be accepted by the initial Board of Directors in any form up and until the time of the election. A list of nominations, including the offices in which the nominee is interested, shall be prepared by the initial Board of Directors. Elections shall be by ballot, by plurality vote. Notwithstanding any contrary provision in the governing documents, quorum requirements for nomination and election of the first Board of Directors consisting of home owners are satisfied if the meeting is properly noticed in conformance with this section.

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

Section 3. Special meetings. Special meetings of the members may be called at any time by the President, and must 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 more members of the Association.

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

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

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

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

ARTICLE V

BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

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

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

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

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

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

ARTICLE VI

MEETING OF DIRECTORS

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

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD

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

(a) Exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not

- reserved to the membership by other provisions of these Bylaws or the Certificate of Incorporation;
- (b) Declare the office of a member of the Board of Directors to be vacant if the member is absent from three (3) consecutive regular meetings of the Board of Directors;
 - (c) Employ a manager, an independent contractor, or other employees as the Board considers necessary, and to prescribe their duties;
 - (d) Close the membership rolls of the Association for a period not exceeding [INSERT NUMBER] days preceding the date of any meeting of members; and
 - (e) Negotiate the purchase of the community on behalf of the homeowners when authorized by a vote of the special membership.

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

- (a) Cause to be kept a complete record of all of its acts and corporate affairs, and to present a statement of its acts and corporate affairs to the members at the annual meeting of the members or at any special meeting when the statement is requested in writing by five (5) or more members of the Association;
- (b) Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;
- (c) Procure and maintain adequate liability and other insurance considered necessary or desirable in connection with the services to be performed by the Association under these Bylaws;
- (d) Cause all officers, employees, or independent contractors having fiscal responsibilities to be bonded, as the Board considers appropriate; and
- (e) Perform other duties as provided in these Bylaws.

ARTICLE VIII

COMMITTEES

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

ARTICLE IX

OFFICERS OF THE ASSOCIATION

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

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

thereto when authorized by the Board of Directors.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association are subject to inspection by any member. The Certificate of Incorporation and the Bylaws of the Association are available for inspection by any member at the principal office

of the Association. Copies may be purchased at a reasonable cost, to be determined by the Board of Directors, to defray copying and administrative costs, but not to exceed five dollars (\$5.00) for both documents.

ARTICLE XI

ASSOCIATION PAYMENTS

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

ARTICLE XII

MEMBERS OF RECORD

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

ARTICLE XIII

FISCAL YEAR

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

ARTICLE XIV

AMENDMENT

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

ARTICLE XV

INCORPORATED BY REFERENCE

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

ARTICLE XVI

MISCELLANEOUS

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

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

Witness:

_____, Director

_____, Director

_____, Director

CERTIFICATION

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

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

_____, Secretary.”

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

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

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

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

a. The summary notice shall inform the homeowners that the community is for sale and they should contact their home owners association to secure further information. If no home owners association exists then the homeowner will need to organize a home owners association meeting the requirements of § 7026(b) in order to pursue the right of first offer.

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

(4) The Right of First Offer shall include:

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

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

- c. A form confidentiality statement indicating that all significant and material information, including operating expenses and other relevant operating and capital expenditure costs related to the community, shall remain confidential and cannot be released to any individual not a signer to the confidentiality statement. The statement may include reasonable penalties for breach of confidentiality;
- d. A statement that the confidentiality statement must be signed by any individual of the home owners association seeking to utilize the confidential information and sent by overnight service with signature receipt to the community owner;
- e. A statement that once the confidentiality statement is received by the community owner, the community owner will send by overnight service with signature receipt the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community and all significant and material information, including operating expenses and other relevant operating and capital expenditure costs related to the community;
- f. A statement that the home owner association has 30 calendar days from the date of mailing of the Right of First Offer to respond to the offer.

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

- a. The members of the association intend to accept the purchase price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community, as described in the notice of right of first offer; or,
- b. The members of the association do not accept the price and any special conditions material to the transaction for the sale, transfer, or conveyance of the community, as described in the notice of right of first offer, but that they intend to offer to purchase the community at an alternative price; or,
- c. The members of the association have no interest in purchasing the community and that they do not intend to proceed any further in the transaction, or, if the members of the association do not respond, they shall be deemed to have notified the community owner that they have no interest in purchasing the community.
- d. If the home owners association does not respond in material compliance with this section, such failure to respond shall be deemed to serve as notice to the community owner that the home owners association does not wish to purchase the community.

(2) An alternative offer of price for the sale, transfer, or conveyance of the community from the home owner association remains valid for 12 months, unless withdrawn by the home owner association in writing and sent to the community owner by overnight service with signature receipt.

- a. A notice to withdraw an alternative offer must be approved by the members of the home owners association. The approval percentage must be stated in the notice to the community owner.
- b. The community owner may not sell the community to a third party at or less than the price offered in the alternative offer from the home owner association during the 12-month period of the alternative offer, unless the offer is withdrawn as described in paragraph (e)(2)a. of this section.
- c. The community owner may accept an offer from a third party higher than the alternative price, if any, offered by the home owner association without further obligation to the home owner association, regardless of the 12-month period of the alternative offer, unless there are significant and/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:

1. If the higher offer is less than \$40 million and the home owner association's alternate price is within 6% of the offer; or
2. If the higher offer is \$40 million or greater and the home owner association's alternate price is within 4.5% of the offer.

d. The notice of the right to match the higher offer pursuant to subsection (e)(2)c.1. or (e)(2)c.2. above 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 three business days of receipt of the written request from the home owner association by overnight service with signature receipt.

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

(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)c. 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.

(g) If a home owner association responds to the Notice of Right of First Offer pursuant to subsection (e)(1) of this section, or if the community owner agrees to sell the community to the home owner association pursuant to subsection (e)(2) of this section, 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. 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.

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

(2) The completion date may be extended beyond the 90-day period if both parties agree to an extension. However, neither party is obligated to agree to an extension. An agreement to extend the settlement date must be in writing and signed by both parties to the transaction. However, if the parties did not fully exhaust the 30 day periods provided in section 7026(e) and 7026(g), any unused days may be added to the 90 day period in section 7026(h)(1) by either party by providing written notification to all other parties within five (5) business days prior to the end of the 90 day period. The time period for calculation of unused days is from the dates of mailing of the notices required by each section.

(3) If, for any reason except default by the community owner, the home owner association and the community owner do not complete the sale within the 90-day period as specified by paragraph (h)(1) of this section before the expiration of the extension period agreed to by the parties under paragraph (h)(2) of this section, the right-of-first-offer obligations of the community owner to the home owner association are terminated, and the community owner may sell, transfer, or convey all or part of the community to any 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-month period that commences on the date of the community owner's notice of intention to sell, transfer, or convey all or part of the community.

(i)(1) If the Authority has sent the required annual notice to a community owner and the community owner then decides to sell, transfer, or convey all or part of the manufactured home community at auction, the community owner shall notify the home owner association directly of its intention if the Authority has informed the community owner of a registered home owner association in that community. The community owner's notice must also be sent to DMHOA or its successor and to the Authority. A copy must be sent pursuant to § 7024 of this title to each home owner in the affected community. If the Authority has not informed the community owner that a registered home owner association exists in the community, the community owner must send the notice of the intent to convey the community at auction directly to the Authority. The notice shall include a list of the known names and mailing addresses of all home owners in the community. The Authority shall, within five (5) business days of the receipt of the notice from the community owner, send the notice to all home owners on the list.

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

- a. The intention to sell the community at auction;
- b. The date, time, and place of the auction; and
- c. The terms of the auction, which must be similar to other auction practices and standards in the area.

(3) At least 60 days prior to a scheduled auction, the community owner shall provide all pertinent information directly to the home owner association if the Authority has informed the community owner of a registered home owner association in the community. Copies of the pertinent information must also be sent to DMHOA or its successor and to the Authority. Pertinent information, to be provided by third-party professionals, includes, but is not limited to, descriptions of topography, soils (including but not limited to a Phase I environmental soil study and a Phase II study, if required), flood plain study, wetlands study, water system, water quality, distribution system, sanitary survey, wastewater disposal, access, egress, and interior community roads, storm water drainage, electrical, telephone, and cable utility services, boundary survey, and home lot plan if available, along with a USGS plan, aerial photo, tax map, flood zone map, soils map, site photographs, and a future repair and capital improvement analysis. A community owner may not be held liable for misinformation provided by a third-party professional.

(4) Within 30 days of receiving the notice of the auction, a home owner association in the affected community

may make an offer to purchase the community. If the home owner association makes an offer, and the community owner accepts the offer, the parties shall negotiate in good faith for the sale, transfer, or conveyance of the community to the home owner association. If the community owner accepts the offer, a contract shall be formalized and ownership shall be transferred as provided in subsections (g) and (h) of this section.

(5) If the home owner association makes an offer to purchase the community within 30 days after receiving the notice of the auction sale, but the community owner does not accept the offer, the community owner may proceed to auction the community. The home owner association's offer must be the minimum bid at the auction and the community owner may not accept a bid of less than the home owner association's offer.

(6) If a home owner association participates in the auction process by providing deposit moneys, if required, the home owner association has the right to purchase the community within 7 days after the date of the auction for 1% higher than the winning bid with the same terms and conditions. If a home owner association decides to purchase the community for 1% higher than the winning bid under the same terms and conditions, a contract of sale must be formalized within 20 calendar days, and the change of ownership must be completed within 90 days. However, if the home owner association does not participate in the auction process, or if the home owner association fails to respond within 7 business days and to formalize a contract within 20 calendar days, or to complete the change of ownership within 90 calendar days, the community owner has no further obligation to the home owner association.

(7) 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.

(8) 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.

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

(1) 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:

- a. 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
- b. The sale, transfer, or conveyance of the community is exempt from this section, pursuant to subsection (n) of this section.

(2) A party acquiring an interest in a manufactured home community, and title insurance companies and attorneys 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 (1) of this subsection, 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.

(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 provision of

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

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

Section 2. Modified Table of Consanguinity

AUTHOR'S NOTE: *The statute includes a Modified Table of Consanguinity showing the family members to whom sales are exempt. A sale is exempt if it is to certain relatives of the park owner, including the park owner's parent, grandparent, great-grandparent, uncle, aunt, child, grandchild, great-grandchild, nephew/niece, great-nephew/niece, great-great nephew/niece, or certain first or second cousins.*

MODIFIED TABLE OF CONSANGUINITY

25 Del. C. §7022(c)(5)(B) and §7026A(o)(2)

Showing Degrees of Relationships of Family Members

Numbers Show Degree of Relationship

				Great-Great 4
			Great 3	Great-Grand 5
		Grand Parents 2	Great 4	First Cousins 6
	Parents 1	Uncles/Aunts 3	First Cousins 5	
Home Owner & Spouse Or Community Owner	Brothers 2	First Cousins 4	Second Cousins 6	
Children 1	Nephews 3	First Cousins 5		
Grand 2	Grand 4	First Cousins 6		
Great-Grand 3	Great-Grand 5	First Cousins 7		

Florida

Fla. Stat. §§ 723.061, 723.071, 723.075, 723.076

§ 723.061. Eviction; grounds, proceedings

(1) A mobile home park owner may evict a mobile home owner, a mobile home tenant, a mobile home occupant, or a mobile home only on one or more of the following grounds:

(a) Nonpayment of the lot rental amount. If a mobile home owner or tenant, whichever is responsible, fails to pay the lot rental amount when due and if the default continues for 5 days after delivery of a written demand by the mobile home park owner for payment of the lot rental amount, the park owner may terminate the tenancy. However, if the mobile home owner or tenant, whichever is responsible, pays the lot rental amount due, including any late charges, court costs, and attorney's fees, the court may, for good cause, deny the order of eviction, if such nonpayment has not occurred more than twice.

(b) Conviction of a violation of a federal or state law or local ordinance, if the violation is detrimental to the health, safety, or welfare of other residents of the mobile home park. The mobile home owner or mobile home tenant must vacate the premises within 7 days after the date the notice to vacate is delivered. This paragraph constitutes grounds to deny an initial tenancy of a purchaser of a home under paragraph (e) or to evict an unapproved occupant of a home.

(c) Violation of a park rule or regulation, the rental agreement, or this chapter.

1. For the first violation of any properly promulgated rule or regulation, rental agreement provision, or this chapter which is found by any court of competent jurisdiction to have been an act that endangered the life, health, safety, or property of the park residents or employees or the peaceful enjoyment of the mobile home park by its residents, the mobile home park owner may terminate the rental agreement, and the mobile home owner, tenant, or occupant must vacate the premises within 7 days after the notice to vacate is delivered.

2. For a second violation of the same properly promulgated rule or regulation, rental agreement provision, or this chapter within 12 months, the mobile home park owner may terminate the tenancy if she or he has given the mobile home owner, tenant, or occupant written notice, within 30 days after the first violation, which specified the actions of the mobile home owner, tenant, or occupant that caused the violation and gave the mobile home owner, tenant, or occupant 7 days to correct the noncompliance. The mobile home owner, tenant, or occupant must have received written notice of the ground upon which she or he is to be evicted at least 30 days prior to the date on which she or he is required to vacate. A second violation of a properly promulgated rule or regulation, rental agreement provision, or this chapter within 12 months of the first violation is unequivocally a ground for eviction, and it is not a defense to any eviction proceeding that a violation has been cured after the second violation. Violation of a rule or regulation, rental agreement provision, or this chapter more than 1 year after the first violation of the same rule or regulation, rental agreement provision, or this chapter does not constitute a ground for eviction under this section.

A properly promulgated rule or regulation may not be arbitrarily applied and used as a ground for eviction.

(d) Change in use of the land comprising the mobile home park, or the portion thereof from which mobile homes are to be evicted, from mobile home lot rentals to some other use, if:

1. The park owner gives written notice to the homeowners' association formed and operating under §§ 723.075-723.079 of its right to purchase the mobile home park, if the land comprising the mobile home park is changing use from mobile home lot rentals to a different use, at the price and under the terms and conditions set forth in the written notice.

- a. The notice shall be delivered to the officers of the homeowners' association by United States mail. Within 45 days after the date of mailing of the notice, the homeowners' association may execute and deliver a contract to the park owner to purchase the mobile home park at the price and under the terms and conditions set forth in the notice. If the contract between the park owner and the homeowners' association is not executed and delivered to the park owner within the 45-day period, the park owner is under no further obligation to the homeowners' association except as provided in sub-subparagraph b.
- b. If the park owner elects to offer or sell the mobile home park at a price lower than the price specified in her or his initial notice to the officers of the homeowners' association, the homeowners' association has an additional 10 days to meet the revised price, terms, and conditions of the park owner by executing and delivering a revised contract to the park owner.
- c. The park owner is not obligated under this subparagraph or § 723.071 to give any other notice to, or to further negotiate with, the homeowners' association for the sale of the mobile home park to the homeowners' association after 6 months after the date of the mailing of the initial notice under sub-subparagraph a.

2. The park owner gives the affected mobile home owners and tenants at least 6 months' notice of the eviction due to the projected change in use and of their need to secure other accommodations.

- a. The notice of eviction due to a change in use of the land must include in a font no smaller than the body of the notice the following statement:

YOU MAY BE ENTITLED TO COMPENSATION FROM THE FLORIDA MOBILE HOME RELOCATION TRUST FUND, ADMINISTERED BY THE FLORIDA MOBILE HOME RELOCATION CORPORATION (FMHRC). FMHRC CONTACT INFORMATION IS AVAILABLE FROM THE FLORIDA DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION.

- b. The park owner may not give a notice of increase in lot rental amount within 90 days before giving notice of a change in use.

(e) Failure of the purchaser, prospective tenant, or occupant of a mobile home situated in the mobile home park to be qualified as, and to obtain approval to become, a tenant or occupant of the home, if such approval is required by a properly promulgated rule. If a purchaser or prospective tenant of a mobile home situated in the mobile home park occupies the mobile home before such approval is granted, the mobile home owner or mobile home tenant must vacate the premises within 7 days after the date the notice of the failure to be approved for tenancy is delivered.

- (2) In the event of eviction for a change in use, homeowners must object to the change in use by petitioning for administrative or judicial remedies within 90 days after the date of the notice or they will be barred from taking any subsequent action to contest the change in use. This subsection does not prevent any homeowner from objecting to a zoning change at any time.
- (3) A mobile home park owner applying for the removal of a mobile home owner, tenant, or occupant or a mobile home shall file, in the county court in the county where the mobile home lot is situated, a complaint describing the lot and stating the facts that authorize the removal of the mobile home owner, tenant, or occupant or the mobile home. The park owner is entitled to the summary procedure provided in § 51.011, and the court shall advance the cause on the calendar.
- (4) Except for the notice to the officers of the homeowners' association under subparagraph (1)(d)1., any notice required by this section must be in writing, and must be posted on the premises and sent to the mobile home

owner and tenant or occupant, as appropriate, by certified or registered mail, return receipt requested, addressed to the mobile home owner and tenant or occupant, as appropriate, at her or his last known address. Delivery of the mailed notice shall be deemed given 5 days after the date of postmark.

§ 723.071. Sale of mobile home parks

(1)(a) If a mobile home park owner offers a mobile home park for sale, she or he shall notify the officers of the homeowners' association created pursuant to §§ 723.075-723.079 of the offer, stating the price and the terms and conditions of sale.

(b) The mobile home owners, by and through the association defined in § 723.075, shall have the right to purchase the park, provided the home owners meet the price and terms and conditions of the mobile home park owner by executing a contract with the park owner within 45 days, unless agreed to otherwise, from the date of mailing of the notice and provided they have complied with §§ 723.075-723.079. If a contract between the park owner and the association is not executed within such 45-day period, then, unless the park owner thereafter elects to offer the park at a price lower than the price specified in her or his notice to the officers of the homeowners' association, the park owner has no further obligations under this subsection, and her or his only obligation shall be as set forth in subsection (2).

(c) If the park owner thereafter elects to offer the park at a price lower than the price specified in her or his notice to the home owners, the home owners, by and through the association, will have an additional 10 days to meet the price and terms and conditions of the park owner by executing a contract.

(2) If a mobile home park owner receives a bona fide offer to purchase the park that she or he intends to consider or make a counteroffer to, the park owner's only obligation shall be to notify the officers of the homeowners' association that she or he has received an offer and disclose the price and material terms and conditions upon which she or he would consider selling the park and consider any offer made by the home owners, provided the home owners have complied with §§ 723.075-723.079. The park owner shall be under no obligation to sell to the home owners or to interrupt or delay other negotiations and shall be free at any time to execute a contract for the sale of the park to a party or parties other than the home owners or the association.

(3)(a) As used in subsections (1) and (2), the term "notify" means the placing of a notice in the United States mail addressed to the officers of the homeowners' association. Each such notice shall be deemed to have been given upon the deposit of the notice in the United States mail.

(b) As used in subsection (1), the term "offer" means any solicitation by the park owner to the general public.

(4) This section does not apply to:

(a) Any sale or transfer to a person who would be included within the table of descent and distribution if the park owner were to die intestate.

(b) Any transfer by gift, devise, or operation of law.

(c) Any transfer by a corporation to an affiliate. As used herein, the term "affiliate" means any shareholder of the transferring corporation; any corporation or entity owned or controlled, directly or indirectly, by the transferring corporation; or any other corporation or entity owned or controlled, directly or indirectly, by any shareholder of the transferring corporation.

(d) Any transfer by a partnership to any of its partners.

(e) Any conveyance of an interest in a mobile home park incidental to the financing of such mobile home park.

(f) Any conveyance resulting from the foreclosure of a mortgage, deed of trust, or other instrument encumbering a mobile home park or any deed given in lieu of such foreclosure.

(g) Any sale or transfer between or among joint tenants or tenants in common owning a mobile home park.

(h) Any exchange of a mobile home park for other real property, whether or not such exchange also involves the payment of cash or other boot.

(i) The purchase of a mobile home park by a governmental entity under its powers of eminent domain.

Fla. Stat. § 723.075

§ 723.075. Homeowners' associations

(1) In order to exercise the rights provided in § 723.071, the mobile home owners shall form an association in compliance with this section and §§ 723.077, 723.078, and 723.079, which shall be a corporation for profit or not for profit and of which not less than two-thirds of all of the mobile home owners within the park shall have consented, in writing, to become members or shareholders. Upon such consent by two-thirds of the mobile home owners, all consenting mobile home owners in the park and their successors shall become members of the association and shall be bound by the provisions of the articles of incorporation, the bylaws of the association, and such restrictions as may be properly promulgated pursuant thereto. The association shall have no member or shareholder who is not a bona fide owner of a mobile home located in the park. Upon incorporation and service of the notice described in § 723.076, the association shall become the representative of the mobile home owners in all matters relating to this chapter.

(2) It is the intent of the Legislature that any homeowners' association properly created pursuant to chapter 715 prior to the effective date of this act be deemed an association created pursuant to the provisions of this section and have all rights and powers granted under this section and §§ 723.077 and 723.079. Any inconsistency in the provisions of the charter of such previously created homeowners' association shall be deemed amended to conform herewith.

Fla. Stat. § 723.076

§ 723.076. Incorporation; notification of park owner

(1) Upon receipt of its certificate of incorporation, the homeowners' association shall notify the park owner in writing of such incorporation and shall advise the park owner of the names and addresses of the officers of the homeowners' association by personal delivery upon the park owner's representative as designated in the prospectus or by certified mail, return receipt requested. Thereafter, the homeowners' association shall notify the park owner in writing by certified mail, return receipt requested, of any change of names and addresses of its president or registered agent.

(2) Upon written request by the homeowners' association, the park owner shall notify the homeowners' association by certified mail, return receipt requested, of the name and address of the park owner, the park owner's agent for service of process, and the legal description of the park. Thereafter, in the event of a change in the name or address of the park owner or the park owner's agent for service of process, the park owner shall notify in writing the president or registered agent of the homeowners' association of such change by certified mail, return receipt requested.

(3) The homeowners' association shall file a notice of its right to purchase the mobile home park as set forth in § 723.071. The notice shall contain the name of the association, the name of the park owner, and the address or legal description of the park. The notice shall be recorded with the clerk of the circuit court in the county where the mobile home park is located. Within 10 days of the recording, the homeowners' association shall provide a copy of the recorded notice to the park owner at the address provided by the park owner by certified mail, return receipt requested.

Idaho

Idaho Code Ann. § 55-2013A

§ 55-2013A. community resident associations

(1) The residents in a community have the right to organize a resident or homeowner's association to further their mutual interest and to conduct any other business and programs which the association shall determine. Community residents have the right to peacefully assemble and freely associate. Subject to reasonable notice and community facility rules, an association shall have the right to use the facilities of the community to conduct its

business and programs including forums for or speeches by public officials or candidates for public office. When an association is organized it shall notify the landlord.

(2) A community resident association formed for the purpose of purchasing a community may give written notification to the landlord of the association's interest in purchasing the community.

(3) For the purpose of notification, the community resident association shall provide the names and addresses of the three (3) designated members or officers of their community association to the landlord annually.

(4) A community resident association that has notified the landlord of its interest to purchase the community may request in writing that it be notified by the landlord if the owner or agent of the owner enters into a listing agreement with a licensed real estate broker to affect the sale of all or part of the community. The landlord shall provide such notification to the three (3) members designated under subsection (3) of this section within fifteen (15) days of the owner entering into the listing agreement.

(5) This section shall not apply to any of the following:

- (a) A governmental entity taking by eminent domain;
- (b) A forced sale pursuant to foreclosure or a deed given in lieu of foreclosure;
- (c) Transfer by gift, devise or operation of law;
- (d) A transfer by a corporation to an affiliate;
- (e) A conveyance incidental to financing the community;
- (f) An exchange of the community for other real property;
- (g) A transfer by a partnership to one (1) or more of its partners;
- (h) A sale or transfer to a person who would be an heir, or to a trust the beneficiaries of which would be heirs, of the community owner if the community owner were to die intestate.

Maine

Me. Rev. Stat Ann. tit. 10, § 9094-A

§ 9094-A. Restrictions on sale when a mobile home park is sold

Notice of offer to purchase the mobile home park. Except as provided in subsection 3, if the owner of a mobile home park receives an offer to purchase the mobile home park and the park owner intends to accept that offer, the owner shall give 45 days' written notice to tenants of the mobile home park. The notice must indicate that the owner has received an offer to purchase the mobile home park and that the owner intends to accept that offer. During the 45-day notice period, the owner may not execute a contract for the purchase and sale of the mobile home park. The owner must mail by regular mail a separate notice to each park tenant.

2. Option contract. Nothing in this subsection prohibits the owner of a mobile home park from obtaining at any time from a buyer an option to sell the mobile home park if:

- A. The option does not bind the owner who obtains the option to sell the park to the buyer; and
- B. The option of the owner may not be exercised prior to expiration of the 45-day notice provided for in subsection 1.

3. Exception; no change of use for 2 years. The owner of a mobile home park may sell the park without notifying tenants in the manner provided by subsection 1 if the purchase and sale agreement for the mobile home park provides for a deed containing a covenant, enforceable by tenants of the mobile home park, that forbids the purchaser from changing the use of the mobile home park for 2 years after the transfer.

4. Enforcement. A mobile homeowner, group of mobile homeowners or a mobile homeowners' association aggrieved by a violation of this section may bring an action in Superior Court against the violator for injunctive relief, damages and attorney's fees.

5. Supplemental notice and use restrictions. Nothing in this section prohibits the owner of a mobile home park from providing notice or establishing use restrictions in addition to those required under this section.

Massachusetts

Mass. Gen. Laws ch. 140, § 32

§ 32R. Sale or lease of manufactured housing community; home owners' association; notice; right of first refusal

(a) A manufactured housing community owner shall give notice to each resident of the manufactured housing community of any intention to sell or lease all or part of the land on which the community is located for any purpose. Such notice shall be mailed by certified mail, with a simultaneous copy to the attorney general, the director of housing and community development, and the local board of health, within fourteen days after the date on which any advertisement, listing, or public notice is first made that the community is for sale or lease and, in any event, at least forty-five days before the sale or lease occurs; provided, that such notice shall also include notice of tenants rights under this section.

(b) Before a manufactured housing community may be sold or leased for any purpose that would result in a change of use or discontinuance, the owner shall notify each resident of the community, with a simultaneous copy to the attorney general, the director of housing and community development, and the local board of health, by certified mail of any bona fide offer for such a sale or lease that the owner intends to accept. Before any other sale or lease other than leases of single lots to individual residents, the owner shall give each resident such a notice of the offer only if more than fifty percent of the tenants residing in such community or an incorporated home owners' association or group of tenants representing more than fifty percent of the tenants residing in such community notifies the manufactured housing community owner or operator, in writing, that such persons desire to receive information relating to the proposed sale or lease. Any notice of the offer required to be given under this subsection shall include the price, calculated as a single lump sum amount which reflects the present value of any installment payments offered and of any promissory notes offered in lieu of cash payment or, in the case of an offer to rent, the capitalized value of the annual rent and the terms and conditions of the offer.

(c) A group or association of residents representing at least fifty-one percent of the manufactured home owners residing in the community which are entitled to notice under paragraph (b) shall have the right to purchase, in the case of a third party bona fide offer to purchase that the owner intends to accept, or to lease in the case of a third party bona fide offer to lease that the owner intends to accept, the said community for purposes of continuing such use thereof, provided it (1) submits to the owner reasonable evidence that the residents of at least fifty-one percent of the occupied homes in the community have approved the purchase of the community by such group or association, (2) submits to the owner a proposed purchase and sale agreement or lease agreement on substantially equivalent terms and conditions within forty-five days of receipt of notice of the offer made under subsection (b) of this section, (3) obtains a binding commitment for any necessary financing or guarantees within an additional ninety days after execution of the purchase and sale agreement or lease, and (4) closes on such purchase or lease within an additional ninety days after the end of the ninety-day period under clause (3).

No owner shall unreasonably refuse to enter into, or unreasonably delay the execution or closing on a purchase and sale or lease agreement with residents who have made a bona fide offer to meet the price and substantially equivalent terms and conditions of an offer for which notice is required to be given pursuant to paragraph (b). Failure of the residents to submit such a purchase and sale agreement or lease within the first forty-five day period, to obtain a binding commitment for financing within the additional ninety day period or to close on the purchase or lease within the second ninety-day period, shall serve to terminate the rights of such residents to purchase or lease the manufactured housing community. The time periods herein provided may be extended by agreement. Nothing herein shall be construed to require an owner to provide financing to such residents except to the extent such financing would be provided to the third party offeror in the case of a sale or lease for a use which would result in a change of use or discontinuance or to prohibit an owner from requiring such residents who are offering to lease a community to provide a security deposit, not to exceed the lesser of one-year's rent or the amount which would have been required to be provided by the third party offeror, to be kept in escrow for such purposes during the term of the lease. A group or association of residents which has the right to purchase hereunder, at its election, may assign its purchase right hereunder to the city, town, housing authority, or agency of the commonwealth for the purpose of continuing the use of the manufactured housing community.

(d) The right of first refusal created herein shall inure to the residents for the time periods hereinbefore provided, beginning on the date of notice to the residents under paragraph (b). The effective period for such right of first refusal shall obtain separately for each substantially different bona fide offer to purchase or lease the community, and for each offer substantially equivalent to an offer made more than three months prior to the later offer; provided however, that in the case of a substantially equivalent offer made by a prospective buyer who has previously made an offer for which notice to residents was required by said paragraph (b), the right of first refusal shall obtain only if such subsequent offer is made more than six months after the earlier offer. The right of first refusal shall not apply with respect to any offer received by the owner for which a notice is not required pursuant to said paragraph (b). No right of first refusal shall apply to a government taking by eminent domain or negotiated purchase, a forced sale pursuant to a foreclosure by an unrelated third party, transfer by gift, devise or operation of law, or a sale to a person who would be an heir at law if there were to be a death intestate of a manufactured housing community owner.

(e) In any instance where the residents of the manufactured housing community are not the successful purchaser or lessee of such manufactured housing community, the seller or lessor of such community shall provide evidence of compliance with this section by filing an affidavit of compliance with the attorney general, the director of housing and community development, the local board of health, and the official records of the county where the property is located within seven days of the sale or lease of the community. Any lease of five years or less shall specifically require that such lessee shall not discontinue or change the use of the manufactured housing community during the term of such lease.

(f) In any instance of a sale or lease for which a notice from the owner of the manufactured housing community is not required to be, and is not, given under paragraph (b) and within one year of such sale or lease the new owner or lessee delivers a notice of change of use or discontinuance under paragraph (8) of section thirty-two L, such notice shall provide each tenant in the manufactured housing community with at least four years prior notice of the effective date of the proposed change of use or discontinuance.

Minnesota

Minn. Stat. §§ 327C.095, 327C.096

§ 327C.095. Park closings

Subdivision 1. Conversion of use; minimum notice. At least nine months before the conversion of all or a portion of a manufactured home park to another use, or before closure of a manufactured home park or cessation of use of the land as a manufactured home park, the park owner must prepare a closure statement and provide a copy to the commissioners of health and the housing finance agency, the local planning agency, and a resident of each manufactured home where the residential use is being converted. A resident may not be required to vacate until 60 days after the conclusion of the public hearing required under subdivision 4. If a lot is available in another section of the park that will continue to be operated as a park, the park owner must allow the resident to relocate the home to that lot unless the home, because of its size or local ordinance, is not compatible with that lot.

Subd. 2. Notice of hearing; proposed change in land use. If the planned conversion or cessation of operation requires a variance or zoning change, the municipality must mail a notice at least ten days before the hearing to a resident of each manufactured home in the park stating the time, place, and purpose of the public hearing. The park owner shall provide the municipality with a list of the names and addresses of at least one resident of each manufactured home in the park at the time application is made for a variance or zoning change.

Subd. 3. Closure statement. Upon receipt of the closure statement from the park owner, the local planning agency shall submit the closure statement to the governing body of the municipality and request the governing body to schedule a public hearing. The municipality must mail a notice at least ten days before the hearing to a resident of each manufactured home in the park stating the time, place, and purpose of the public hearing. The park owner shall provide the municipality with a list of the names and addresses of at least one resident of each manufactured home in the park at the time the closure statement is submitted to the local planning agency.

Subd. 4. Public hearing; relocation costs. The governing body of the municipality shall hold a public hearing to review the closure statement and any impact that the park closing may have on the displaced residents and the

park owner. Before any change in use or cessation of operation and as a condition of the change, the governing body may require a payment by the park owner to be made to the displaced resident for the reasonable relocation costs. If a resident cannot relocate the home to another manufactured home park within a 25 mile radius of the park that is being closed, the resident is entitled to relocation costs based upon an average of relocation costs awarded to other residents.

The governing body of the municipality may also require that other parties, including the municipality, involved in the park closing provide additional compensation to residents to mitigate the adverse financial impact of the park closing upon the residents.

Subd. 5. Park conversions. If the planned cessation of operation is for the purpose of converting the part of the park occupied by the resident to a common interest community pursuant to chapter 515B, the provisions of section 515B.4-111, except subsection (a), shall apply. The nine-month notice required by this section shall state that the cessation is for the purpose of conversion and shall set forth the rights conferred by this subdivision and section 515B.4-111, subsection (b). Not less than 120 days before the end of the nine months, the park owner shall serve upon the resident a form of purchase agreement setting forth the terms of sale contemplated by section 515B.4-111, subsection (d). Service of that form shall operate as the notice described by section 515B.4-111, subsection (a). This subdivision does not apply to the conversion of a manufactured home park to a common interest community:

- (1) that is a cooperative incorporated under chapter 308A or 308B;
- (2) in which at least 90 percent of the cooperative's members are residents of the park at the time of the conversion; and
- (3) that does not require persons who are residents of the park at the time of the conversion to become members of the cooperative.

Subd. 6. Intent to convert use of park at time of purchase. Before the execution of an agreement to purchase a manufactured home park, the purchaser must notify the park owner, in writing, if the purchaser intends to close the manufactured home park or convert it to another use within one year of the execution of the agreement. The park owner shall provide a resident of each manufactured home with a 45-day written notice of the purchaser's intent to close the park or convert it to another use. The notice must state that the park owner will provide information on the cash price and the terms and conditions of the purchaser's offer to residents requesting the information. The notice must be sent by first class mail to a resident of each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 45 days after it begins. During the notice period required in this subdivision, the owners of at least 51 percent of the manufactured homes in the park or a nonprofit organization which has the written permission of the owners of at least 51 percent of the manufactured homes in the park to represent them in the acquisition of the park shall have the right to meet the cash price and execute an agreement to purchase the park for the purposes of keeping the park as a manufactured housing community. The park owner must accept the offer if it meets the cash price and the same terms and conditions set forth in the purchaser's offer except that the seller is not obligated to provide owner financing. For purposes of this section, cash price means the cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1, paragraph (d).

Subd. 7. Intent to convert use of park after purchase. If the purchaser of a manufactured home park decides to convert the park to another use within one year after the purchase of the park, the purchaser must offer the park for purchase by the residents of the park. For purposes of this subdivision, the date of purchase is the date of the transfer of the title to the purchaser. The purchaser must provide a resident of each manufactured home with a written notice of the intent to close the park and all of the owners of at least 51 percent of the manufactured homes in the park or a nonprofit organization which has the written permission of the owners of at least 51 percent of the manufactured homes in the park to represent them in the acquisition of the park shall have 45 days to execute an agreement for the purchase of the park at a cash price equal to the original purchase price paid by the purchaser plus any documented expenses relating to the acquisition and improvement of the park property, together with any increase in value due to appreciation of the park. The purchaser must execute the purchase agreement at the price specified in this subdivision and pay the cash price within 90 days of the date of the

purchase agreement. The notice must be sent by first class mail to a resident of each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 45 days after it begins.

Subd. 8. Required filing of notice. Subdivisions 6 and 7 apply to manufactured home parks upon which notice has been recorded with the county recorder or registrar of titles in the county where the manufactured home park is located. Any person may file the notice required under this subdivision with the county recorder or registrar of titles. The notice must be in the following form:

“MANUFACTURED HOME PARK NOTICE
THIS PROPERTY IS USED AS A MANUFACTURED HOME PARK

PARK OWNER

LEGAL DESCRIPTION OF PARK

COOPERATIVE ASSOCIATION (IF APPLICABLE)”

Subd. 9. Effect of noncompliance. If a manufactured home park is finally sold or converted to another use in violation of subdivision 6 or 7, the residents do not have any continuing right to purchase the park as a result of that sale or conversion. A violation of subdivision 6 or 7 is subject to section 8.31, except that relief shall be limited so that questions of marketability of title shall not be affected.

Subd. 10. Exclusion. Subdivisions 6 and 7 do not apply to:

- (1) a conveyance of an interest in a manufactured home park incidental to the financing of the manufactured home park;
- (2) a conveyance by a mortgagee subsequent to foreclosure of a mortgage or a deed given in lieu of a foreclosure; or
- (3) a purchase of a manufactured home park by a governmental entity under its power of eminent domain.

Subd. 11. Affidavit of compliance. After a park is sold, a park owner or other person with personal knowledge may record an affidavit with the county recorder or registrar of titles in the county in which the park is located certifying compliance with subdivision 6 or 7 or that subdivisions 6 and 7 are not applicable. The affidavit may be used as proof of the facts stated in the affidavit. A person acquiring an interest in a park or a title insurance company or attorney who prepares, furnishes, or examines evidence of title may rely on the truth and accuracy of statements made in the affidavit and is not required to inquire further as to the park owner's compliance with subdivisions 6 and 7. When an affidavit is recorded, the right to purchase provided under subdivisions 6 and 7 terminate, and if registered property, the registrar of titles shall delete the memorials of the notice and affidavit from future certificates of title.

§ 327C.096. Notice of sale

When a park owner offers to sell a manufactured home park to the public through advertising in a newspaper or by listing the park with a realtor licensed by the department of commerce, the owner must provide concurrent written notice to a resident of each manufactured home in the park that the park is being offered for sale. Written notice provided once within a one-year period satisfies the requirement under this section. The notice provided by the park owner to a resident of each manufactured home does not grant any property rights in the park and is for informational purposes only. This section does not apply in the case of a taking by eminent domain, a transfer by a corporation to an affiliate, a transfer by a partnership to one or more of its partners, or a sale or transfer to a person who would be an heir of the owner if the owner were to die intestate. If at any time a manufactured home park owner receives an unsolicited bona fide offer to purchase the park that the owner intends to consider or make a counter offer to, the owner is under no obligation to notify the residents as required under this section.

Montana

§ 15-31-163. Capital gain exclusion from sale of mobile home park

(1) The following amount of the gain recognized from the sale or exchange of a mobile home park as defined in 70-33-103 is excluded from adjusted gross income or gross income under chapter 30 or 31:

- (a) 100% of the recognized gain for a mobile home park with 50 or fewer lots; or
- (b) 50% of the recognized gain for a mobile home park with more than 50 lots.

(2) To qualify for the exclusion under this section, the sale must be made to:

- (a) a tenants' association or a mobile home park residents' association;
- (b) a nonprofit organization under section 501(c)(3) of the Internal Revenue Code that purchases a mobile home park on behalf of tenants' association or mobile home park residents' association;
- (c) a county housing authority created under Title 7, chapter 15, part 21; or
- (d) a municipal housing authority created under Title 7, chapter 15, parts 44 and 45.

(3) A corporation, an individual, a partnership, an S. corporation, or a disregarded entity qualifies for the exclusion under this section. If the exclusion allowed under this section is taken by a partnership, an S. corporation, or a disregarded entity, the exclusion must be attributed to shareholders, partners, or other owners, using the same proportion used to report the partnership's, S. corporation's, or disregarded entity's income or loss for Montana income tax purposes.

(4) For the purpose of this section, "tenants' association" or "mobile home park residents' association" means a group of six or more tenants who reside in a mobile home park, have organized for the purpose of eventual purchase of the mobile home park, have established bylaws of the association, and have obtained the approval by vote of at least 51% of the residents of the mobile home park to purchase the mobile home park.

(5) Property subject to an income or corporate tax exclusion under this section is not eligible for a property tax exemption under Title 15, chapter 6, part 2, while the property is used as a mobile home park.

§ 15-30-111. Adjusted gross income

* * * *

(2) Notwithstanding the provisions of the Internal Revenue Code, adjusted gross income does not include the following, which are exempt from taxation under this chapter:

* * * *

(s) the amount of the gain recognized from the sale or exchange of a mobile home park as provided in [section 1].

Nevada

Nev. Rev. Stat. §§ 118B.173, 118B.177, 118B.180, 118B.183

§ 118B.173. Notice of listing of park for sale; entitlement to notice

1. Any landlord who lists a manufactured home park or any part of a manufactured home park for sale with a licensed real estate broker shall, not less than 10 days nor more than 30 days before listing the park for sale, mail written notice of that listing to any association of tenants of the park that requested the notice. A landlord is not required to provide notice of a listing for sale that is not initiated by the owner of the park or his authorized agent.

2. To receive the notice required by subsection 1, an association of tenants of a manufactured home park shall:

- (a) Submit to the landlord a written request for that notice;
- (b) Furnish the landlord with a written list of the names and addresses of three members of the association; and
- (c) Give written notice to the landlord that the tenants of the park are interested in buying the park and renew that notice at least once each year after the initial notice.

3. The provisions of this section do not apply to a corporate cooperative park.

§ 118B.177. Obligations of landlord before closure of park: Liability for payment of cost of moving or fair market value of manufactured home; notices; restrictions regarding increase in rent

1. If a landlord closes a manufactured home park, or if a landlord is forced to close a manufactured home park because of a valid order of a state or local governmental agency or court requiring the closure of the manufactured home park permanently for health or safety reasons, the landlord shall pay the amount described in subsection 2 or 3, in accordance with the choice of the tenant.

2. If the tenant chooses to move the manufactured home, the landlord shall pay to the tenant:

- (a) The cost of moving each tenant's manufactured home and its appurtenances to a new location within 50 miles from the manufactured home park; or
- (b) If the new location is more than 50 miles from the manufactured home park, the cost of moving the manufactured home for the first 50 miles, including fees for inspection, any deposits for connecting utilities, and the cost of taking down, moving, setting up and leveling the manufactured home and its appurtenances in the new lot or park.

3. If the tenant chooses not to move the manufactured home, the manufactured home cannot be moved without being structurally damaged, or there is no manufactured home park within 50 miles that is willing to accept the manufactured home, the landlord:

- (a) May remove and dispose of the manufactured home; and
- (b) Shall pay to the tenant the fair market value of the manufactured home less the reasonable cost of removing and disposing of the manufactured home.

4. Written notice of any closure must be served timely on each:

- (a) Tenant in the manner provided in NRS 40.280, giving the tenant at least 180 days after the date of the notice before he is required to move his manufactured home from the lot.
- (b) Prospective tenant by:
 - (1) Handing each prospective tenant or his agent a copy of the written notice; and
 - (2) Maintaining a copy of the written notice at the entrance of the manufactured home park.

5. For the purposes of this section, the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home must be determined by:

- (a) A dealer licensed pursuant to chapter 489 of NRS who is agreed upon by the landlord and tenant; or
- (b) If the landlord and tenant cannot agree pursuant to paragraph (a), a dealer licensed pursuant to chapter 489 of NRS who is selected for this purpose by the Division.

6. A landlord shall not increase the rent of a tenant after notice is served on the tenant as required by subsection 4.

7. As used in this section, "timely" means not later than 3 days after the landlord learns of a closure.

§ 118B.180. Obligations of landlord for conversion of park into lots: Notices; offers to sell lots; liability for payment of cost of moving manufactured home

1. A landlord may convert an existing manufactured home park into individual manufactured home lots for sale to manufactured home owners if the change is approved by the appropriate local zoning board, planning commission or governing body. In addition to any other reasons, a landlord may apply for such approval if the landlord is forced to close the manufactured home park because of a valid order of a state or local governmental agency or court requiring the closure of the manufactured home park for health or safety reasons.

2. The landlord may undertake a conversion pursuant to this section only if:

- (a) The landlord gives notice in writing to each tenant within 5 days after he files his application for the change in land use with the local zoning board, planning commission or governing body;
- (b) The landlord offers, in writing, to sell the lot to the tenant at the same price the lot will be offered to the public and holds that offer open for at least 90 days or until the landlord receives a written rejection of the offer from the tenant, whichever occurs earlier;
- (c) The landlord does not sell the lot to a person other than the tenant for 90 days after the termination of the offer required pursuant to paragraph (b) at a price or on terms that are more favorable than the price or terms offered to the tenant;
- (d) If a tenant does not exercise his option to purchase the lot pursuant to paragraph (b), the landlord pays:
 - (1) The cost of moving the tenant's manufactured home and its appurtenances to a comparable location within 50 miles from the manufactured home park; or
 - (2) If the new location is more than 50 miles from the manufactured home park, the cost of moving the manufactured home for the first 50 miles, including fees for inspection, any deposits for connecting utilities and the cost of taking down, moving, setting up and leveling his manufactured home and its appurtenances in the new lot or park; and
- (e) After the landlord is granted final approval of the change by the appropriate local zoning board, planning commission or governing body, notice in writing is served on each tenant in the manner provided in NRS 40.280, giving the tenant at least 180 days after the date of the notice before he is required to move his manufactured home from the lot.

3. Notice sent pursuant to paragraph (a) of subsection 2 or an offer to sell a manufactured home lot to a tenant required pursuant to paragraph (b) of subsection 2 does not constitute notice of termination of the tenancy.

4. Upon the sale of a manufactured home lot and a manufactured home which is situated on that lot, the landlord shall indicate what portion of the purchase price is for the manufactured home lot and what portion is for the manufactured home.

5. The provisions of this section do not apply to a corporate cooperative park.

§ 118B.183. Obligations of landlord for conversion of park to other use: Notices; liability for payment of cost of moving or fair market value of manufactured home; restrictions regarding increase in rent

1. A landlord may convert an existing manufactured home park to any other use of the land if the change is approved by the appropriate local zoning board, planning commission or governing body. In addition to any other reasons, a landlord may apply for such approval if the landlord is forced to close the manufactured home park because of a valid order of a state or local governmental agency or court requiring the closure of the manufactured home park for health or safety reasons.

2. The landlord may undertake a conversion pursuant to this section only if:

- (a) The landlord gives notice in writing to each tenant within 5 days after he files his application for the change in land use with the local zoning board, planning commission or governing body;
- (b) The landlord pays the amount described in subsection 3 or 4, in accordance with the choice of the tenant; and
- (c) After the landlord is granted final approval of the change by the appropriate local zoning board, planning commission or governing body, written notice is served on each tenant in the manner provided in NRS 40.280, giving the tenant at least 180 days after the date of the notice before he is required to move his manufactured home from the lot.

3. If the tenant chooses to move the manufactured home, the landlord shall pay to the tenant:

- (a) The cost of moving the tenant's manufactured home and its appurtenances to a new location within 50 miles from the manufactured home park; or
- (b) If the new location is more than 50 miles from the manufactured home park, the cost of moving the manufactured home for the first 50 miles, including fees for inspection, any deposits for connecting utilities and the cost of taking down, moving, setting up and leveling his manufactured home and its appurtenances in the new lot or park.

4. If the tenant chooses not to move the manufactured home, the manufactured home cannot be moved without being structurally damaged, or there is no manufactured home park within 50 miles that is willing to accept the manufactured home, the landlord:

- (a) May remove and dispose of the manufactured home; and
- (b) Shall pay to the tenant the fair market value of the manufactured home less the reasonable cost of removing and disposing of the manufactured home.

5. A landlord shall not increase the rent of any tenant:

- (a) For 180 days before filing an application for a change in land use, permit or variance affecting the manufactured home park; or
- (b) At any time after filing an application for a change in land use, permit or variance affecting the manufactured home park unless:

- (1) The landlord withdraws the application or the appropriate local zoning board, planning commission or governing body denies the application; and
- (2) The landlord continues to operate the manufactured home park after the withdrawal or denial.

6. For the purposes of this section, the fair market value of a manufactured home and the reasonable cost of removing and disposing of a manufactured home must be determined by:

- (a) A dealer licensed pursuant to chapter 489 of NRS who is agreed upon by the landlord and tenant; or
- (b) If the landlord and tenant cannot agree pursuant to paragraph (a), a dealer licensed pursuant to chapter 489 of NRS who is selected for this purpose by the Division.

7. The provisions of this section do not apply to a corporate cooperative park.

New Hampshire

N.H. Rev. Stat. Ann. §§ 205-A:21, 205-A:22, 205-A:23, 205-A:24

§ 205-A:21. Notice Required Before Sale

I. No manufactured housing park owner shall make a final unconditional acceptance of any offer for the sale or transfer of a manufactured housing park without first giving 60 days' notice:

(a) To each tenant:

- (1) That the owner intends to sell the manufactured housing park; and
- (2) Of the price, terms and conditions of an acceptable offer the park owner has received to sell the park or the price, terms and conditions for which the park owner intends to sell the park. This notice shall include a copy of the signed written offer which sets forth a description of the property to be purchased and the price, terms and conditions of the acceptable offer.

(b) To the New Hampshire housing finance authority that the owner intends to sell the manufactured housing park.

II. During the notice period required under paragraph I, the manufactured housing park owner shall consider any offer received from the tenants or a tenants' association, if any, and the owner shall negotiate in good faith with the tenants concerning a potential purchase. If during the notice period, the tenants decide to make an offer to purchase the manufactured housing park, such offer shall be evidenced by a purchase and sale agreement; however, the tenants shall have a reasonable time beyond the 60-day period, if necessary, to obtain financing for the purchase.

III. The notice required by paragraph I shall be served by certified mail, return receipt requested, to each tenant at such tenant's abode and to the New Hampshire housing finance authority at its main office. A receipt from the United States Postal Service that is signed by any adult member of the household to which it was mailed, or a notation on the letter that the letter was refused by any adult member of the tenant household, or that the addressee no longer resides there, or that the letter was returned to the post office unclaimed, shall constitute a conclusive presumption that service was made in any court action in this state. A receipt from the United States Postal Service that is signed by an employee of the New Hampshire housing finance authority shall constitute a conclusive presumption that service was made on the authority in any court action in this state.

§ 205-A:22. Penalty

I. The owner of a manufactured housing park who sells or transfers a park and willfully fails to comply with RSA 205-A:21 shall be liable to the tenants in the amount of \$10,000 or 10 percent of the total sales price. The total of damages to all tenants, in the aggregate, shall not exceed \$10,000 or 10 percent, whichever is greater, of the total sales price. This civil penalty shall constitute the sole and exclusive remedy for violation of RSA 205-A:21 and the failure by a park owner to comply with said section shall not affect the validity of any sale or transfer of title nor shall such noncompliance constitute grounds to set aside a sale or transfer in any court proceedings. Nothing in this section shall be deemed to permit a tenant to attach the real estate for the penalty established by this section.

II. Lack of knowledge of this section by a park owner shall not be deemed to be a defense to an action for damages based on failure to comply with RSA 205-A:21, I.

§ 205-A:23. Exceptions

Notwithstanding the provisions of RSA 205-A:21, the owner of a manufactured housing park shall not be required to give notice to the tenants if:

I. A bank, mortgage company, or any other mortgagee has foreclosed on the park and said mortgagee:

- (a) Is selling the park at a foreclosure sale; or
- (b) Is selling the park after having purchased the park at a foreclosure sale.

II. The sale or transfer is to a family member of the owner or to a trust, the beneficiaries of which are family members of the owner.

III. The sale or transfer is by a partnership to one or more of its partners.

IV. The conveyance of an interest in the park is incidental to the financing of such park.

V. The sale or transfer is between joint tenants or tenants in common.

VI. The sale is pursuant to eminent domain.

§ 205-A:24. Affidavit of Compliance

I. A park owner may, as shall be appropriate under the circumstances, record in the registry of deeds of the county in which the park is located an affidavit in which the park owner certifies that:

- (a) The park owner has complied with the requirements of RSA 205-A:21.
- (b) The sale or transfer of the park is exempted from this chapter pursuant to RSA 205-A:23.

II. Any party acquiring an interest in a manufactured housing park, and any and all title insurance companies and attorneys preparing, furnishing, or examining any evidence of title, shall have the absolute right to rely on the truth and accuracy of all statements appearing in such affidavit, and shall be under no obligation to inquire further as to any matter or fact relating to the park owner's compliance with the provisions of this section. It is the purpose and intention of this paragraph to preserve the marketability of title to manufactured housing parks, and, accordingly, the provisions hereof shall be liberally construed in order that all persons may rely on the record title to manufactured housing parks.

New Jersey

N.J. Stat. Ann. §§ 46:8C-11, 46:8C-12, 46:8C-13, 46:8C-15, 46:8C-16, 46:8C-21 (West)

§ 46:8C-11. Landowner to notify homeowners' association of offer to sell; right of purchase

a. If a private residential leasehold community landowner offers private residential leasehold community land for sale, he shall notify the board of directors of the homeowners' association created pursuant to this act of his offer, stating the price and the terms and conditions of sale.

b. The affected homeowners, by and through an association duly formed in accordance with section 6 of this act, [§ 46:86-15] shall have the right to purchase such land, provided two-thirds of the unit owners in the private residential leasehold community have approved the purchase, and further provided that the homeowners meet the price and terms and conditions of the private residential leasehold community landowner by executing a contract with the landowner within 45 days of being notified under subsection a., except as an extension of time may be mutually agreed upon by the landowner and the association; provided, however, that if there is no homeowners' association at the time a private residential leasehold community landowner offers private residential leasehold community land for sale and the landowner notifies homeowners individually as required under subsection b. of section 6 of this act, the period within which the terms and conditions of the private residential leasehold community landowner may be met by execution of a contract between the landowner and a homeowners' association shall be 60 days from the date of the notification of individual homeowners and at any time after notification to the landowner that a homeowners' association has been formed, in accordance with the provisions of subsection a. of section 7 of this act. [§ 46:8C-16] If a contract between the landowner and the association is not executed within that extension period, then, unless the landowner thereafter elects to offer the land at the same price or at a lower price than specified in his notice to the directors or trustees of the association, he shall have no further obligations under this subsection, and his only obligation shall be as set forth in section 3 of this act. [§ 46:8C-12]

c. If the landowner thereafter elects to offer the land at the same price or at a lower price than specified in his notice to the directors or trustees of the association pursuant to subsection a. of this section, the homeowners, by and through the association, shall have an additional 10 days after receipt of that offer to meet the price and terms of conditions of the landowner by executing a contract; provided, however, that if more than three months have elapsed since the receipt by the homeowners' association of the previous offer to sell the land under this subsection, the association shall have 30 days after receipt of the subsequent offer to meet the price and terms of conditions of the landowner by executing a contract.

§ 46:8C-12. Notification by private residential leasehold community landowner of receipt of bona fide offer to purchase; negotiation committee; consent required to constitute contract of sale

a. If a private residential leasehold community landowner receives a bona fide offer to purchase the land that he intends to consider or make a counter-offer to, he shall notify the directors or trustees of the homeowners' association within 10 business days of receiving the offer, if such an association has been formed in accordance with the provisions of sections 6 through 8 of this act [§§ 46:8C-15 to 46:8C-17, that he has received the offer. If a homeowners' association has not been formed, the landowner shall, within 10 business days, notify individual homeowners as required under section 6 of this act. The landowner shall not conclude any agreement to sell the land until after the 30 day period therein specified has elapsed.

b. Upon receipt of such notice the board of directors or trustees of the homeowners' association shall appoint from among its members a committee, not exceeding three persons, who may be assisted by such legal and other professional and technical counsel as the board may provide, to receive from the landowner the price and terms of the offer that has been made, and to negotiate the terms upon which the landowner would be willing to sell the private residential leasehold community land to the homeowners' association. Members and assistants to the committee shall be pledged to maintain in confidence any information disclosed to them by the landowner in the course of such negotiations. If any such member or assistant fails to maintain that confidence, the landowner may bring an appropriate action at law for damages or seek an appropriate equitable remedy.

c. Not later than the 30th day next following its receipt of offering terms pursuant to subsection b. of this section, or following a period of extension agreed to by the committee and the landowner, the committee appointed pursuant to subsection b. of this section shall report to the board of directors or trustees of the homeowners' association the price and other material terms upon which the private residential leasehold community landowner has agreed to sell the private residential leasehold community land to the association. In the absence of any agreement between the landowner and the committee, the landowner shall be deemed to agree to such sale upon the identical terms communicated by him to the committee pursuant to subsection a. of this section. The report of the committee shall include such supporting data and documentation as the committee and the landowner have agreed upon to be so submitted and authorized to be disclosed. The price and other terms so agreed upon and reported shall be binding upon the landowner for 10 days next following the submission of the committee's report, and if agreed to by the board of directors or trustees of the homeowners' association and consented to by two-thirds of the homeowners in that private residential leasehold community land shall constitute a contract of sale.

d. During the period provided for negotiations and for consideration by the association's board of directors or trustees under subsection c. of this section the landowner shall not conclude any agreement for sale of the private residential leasehold community land to any other party, but may negotiate with any other party as to terms and conditions of such an agreement, contingent upon the failure or refusal of the homeowners to exercise their prior right of purchase under this act.

§ 46:8C-13. Sales or transfers not subject to §§ 46:8C-11 and 46:8C-12

The provisions of sections 2 and 3 of this act [§§ 46:8C-11 and 46:8C-12] shall not apply to:

a. Any sale or transfer of the property of a private residential leasehold community which is not made in contemplation of changing that property to a use or uses other than as a private residential leasehold community.

b. Any sale or transfer to a person who would be included within the table of descent and distribution if the landowner were to die intestate.

c. Any transfer by gift, devise, or operation of law.

d. Any transfer by a corporation to an affiliate. As used herein, "affiliate" means (1) any shareholder exercising control, or control through attribution as defined under section 318 of the Internal Revenue Code, of the transferring corporation; (2) any corporation or entity owned or controlled, directly or indirectly, by the transferring corporation; or (3) any other corporation or entity owned or controlled, directly or indirectly, by any

shareholder of the transferring corporation. For the purposes of this subsection, control shall mean control as defined in section 304 of the Internal Revenue Code.

e. Any transfer by a partnership to any of its partners, whether general partners or limited partners, or partners or individuals to a corporation where the control of the corporation is substantially the same.

f. Any conveyance of an interest in a private residential leasehold community incidental to the financing of that community.

g. Any conveyance resulting from the foreclosure of a mortgage, deed of trust, or other instrument encumbering a private residential leasehold community, or any deed given in lieu of such foreclosure.

h. Any sale or transfer between or among joint tenants or tenants in common owning a private residential leasehold community.

i. The purchase of land of a private residential leasehold community by a governmental entity under its powers of eminent domain.

j. Any sale which occurs as a result of a condominium or cooperative conversion.

k. Any sale of real estate owned by the private residential leasehold community landowner which is adjacent to the private residential leasehold community land, but does not have appurtenant to it private residential leasehold sites or spaces or related recreational facilities.

§ 46:8C-15. Private residential leasehold community homeowners' association; establishment; voting; formation after receipt of notice of intent to sell

a. In order to exercise the rights provided in sections 2 and 3 of this act [§§ 46:8C-11 and 46:8C-12], the owners of homes in a private residential leasehold community shall form an association in compliance with this section and sections 7 and 8 of this act [§§ 46:8C-16 and 46:8C-17]. Such an association shall be organized as a corporation or association either for profit or not for profit, upon the consent, in writing, of two-thirds of the owners of homes in the community to become members or shareholders therein. For the purposes of this act, whenever the consent of homeowners is required on any question, there shall be counted only one vote for each dwelling unit. Upon consent by two-thirds of the homeowners, all consenting homeowners shall become members of the association and shall be bound by the provisions of the articles of incorporation, the bylaws of the association, and such restrictions as may be properly promulgated pursuant thereto. Upon incorporation and service of the notice described in section 7 of this act, the association shall become the representative of the homeowners in all matters relating to the provisions of this act.

b. If at the time when a landowner determines to offer private residential leasehold community land for sale, or receives a bona fide offer from a prospective purchaser, there is no homeowners' association then in being in the private residential leasehold community, the landowner shall, at least 15 days before proceeding to make such offer of sale, or within 10 business days of receiving such a bona fide offer, as the case may be, notify in writing each owner of a home within the private residential leasehold community that he intends doing so. If, after receipt of such individual notices and within the period fixed by subsection b. of section 2 of this act for execution of a contract, a homeowners' association is formed pursuant to this act, the association so formed shall exercise and perform all the rights, duties and functions provided in this act on and from the day on which notification is made to the private residential leasehold community landowner pursuant to section 7 of this act.

§ 46:8C-16. Notice to landowner of establishment of homeowners' association; filing of notice of rights with county clerk

a. Upon receipt of its certificate of incorporation, or, if the homeowners' association does not incorporate, upon its establishment, the homeowners' association shall notify the landowner in writing of such incorporation, or establishment, as appropriate, and shall advise the landowner of the names and addresses of the officers of the homeowners' association by personal delivery upon the landowner or by certified mail, return receipt requested.

b. The homeowners' association shall file with the clerk of the county in which the private residential leasehold community is located a notice of its rights under sections 2 and 3 of this act [§§ 46:8C-11 and 46:8C-12]. The notice shall contain the name of the association, the name of the landowner, and the address or legal description of the land. Within 10 days of the recording of the notice, the association shall provide a copy of the recorded notice to the landowner, at the address provided by the landowner, by certified mail, return receipt requested.

§ 46:8C-21. No action by state or local governments on application for variance without determination of existence of alternative relocation facilities

No agency of municipal, county or State government, or of any agency or instrumentality thereof, shall approve or take any other final action upon any application for a variance which would result in the removal of homes or relocation of homeowners residing in a private residential leasehold community, without first determining that adequate private residential facilities and circumstances exist for the relocation of those homeowners.

New York

New York Real. Prop. Law § 233-a (McKinney)

§ 233-a. Sale of manufactured home parks

1. Whenever used in this section:

(a) The term "notify" shall mean the placing of a notice in the United States mail, addressed to the officers of the manufactured homeowners' association or the manufactured home park owner by certified mail, return receipt requested, or personal delivery upon the officers of the manufactured homeowners' association, or if no manufactured homeowners' association exists, upon all manufactured homeowners in the manufactured home park or the manufactured home park owner. Each such notice shall be deemed to have been given upon the deposit of the notice in the United States mail or upon receipt of personal delivery.

(b) The term "manufactured homeowners' association", whether incorporated or not, shall mean an association of at least fifty-one percent of all manufactured homeowners within the manufactured home park, who shall have given written consent to forming a manufactured homeowners' association, and which association has notified the park owner of its establishment and has provided to the park owner the names and addresses of the officers of such association. The provisions of section two hundred twenty-three-b of this article shall apply to the formation of a manufactured homeowners' association.

2. (a) If a manufactured home park owner receives a bona fide offer to purchase a manufactured home park that such manufactured home park owner intends to accept, such manufactured home park owner shall require the prospective purchaser to provide, in writing, the certification required by paragraph (b) of this subdivision, and shall not accept any offer to purchase, nor respond with a counteroffer until such manufactured home park owner has received such certification.

(b) A purchaser seeking to purchase a manufactured home park, or the land upon which a manufactured home park is located, shall provide such owner with a written letter certifying whether or not the purchaser will, upon the closing of the sale of the park, or within sixty months of such closing, give the notice required pursuant to paragraph six of subdivision b of section two hundred thirty-three of this article, of its intention to use the land upon which the manufactured home park is located for a purpose other than manufactured home lot rentals.

(c) If a manufactured home park owner receives a bona fide offer to purchase a manufactured home park that such manufactured home park owner intends to respond to with a counteroffer, such counteroffer shall include a notice stating that such counteroffer shall be subject to the right of the homeowners of the manufactured home park to purchase the manufactured home park pursuant to this subdivision. Notwithstanding any provision of law to the contrary, every acceptance of a counteroffer by a prospective purchaser of a manufactured home park shall be deemed to be subject to the right of the homeowners of the manufactured home park to purchase the

manufactured home park pursuant to this subdivision if the purchaser certifies pursuant to paragraph (b) of this subdivision that he or she intends to change the use of the land.

3. (a) If a manufactured home park owner receives a bona fide offer to purchase a manufactured home park that such manufactured home park owner intends to accept or respond to with a counteroffer, and the purchaser has certified pursuant to paragraph (b) of subdivision two of this section that he intends to change the use of the land, such manufactured home park owner shall notify:

- (i) the officers of the manufactured homeowners' association within such park of the offer to purchase and all the terms thereof; provided that the park owner has been notified of the establishment of a manufactured homeowners' association and been provided with the names and addresses of the officers of such association; or
- (ii) if no homeowners' association exists, all manufactured homeowners in the manufactured home park.

(b) The manufactured home park owner's notification shall state the price and terms and conditions of sale or, in the case where such manufactured home park owner intends to make a counteroffer, the price and material terms and conditions upon which such manufactured home park owner would sell the park.

(c)(i) If a manufactured homeowners' association exists at the time of the offer, the association shall have the right to purchase the park; provided that the association shall have delivered to the manufactured home park owner an executed offer to purchase which meets the identical price, terms, and conditions of the offer or counteroffer provided in the notice of the manufactured home park owner within one hundred twenty days of receipt of notice from the manufactured home park owner, unless otherwise agreed to in writing.

(ii) If an offer to purchase by the association is not delivered within such one hundred twenty day period, then, unless the park owner thereafter elects to offer to sell the park at a price lower than the price specified in the notice to the homeowners' association or at terms substantially different from those presented to the association, the park owner has no further obligations under this section.

(iii) If the park owner, after such one hundred twenty day period, elects to offer to sell the park at a price lower than the price specified in the notice given or at terms substantially different from those previously presented to the association, then the association shall be entitled to notice thereof and shall have an additional ten days after receipt of notice of the revised terms to deliver to the park owner an executed offer to purchase which meets the revised price, terms, and conditions as presented by the park owner.

(d)(i) If there is no existing homeowners' association at the time of the offer, the homeowners shall have the right to purchase the park; provided the following conditions are met:

(A) The manufactured homeowners shall have the right to form a manufactured homeowners' association, whether incorporated or not.

(B) Such homeowners' association shall include at least fifty-one percent of all manufactured homeowners, who shall have given written consent to forming a manufactured homeowners' association. The provisions of section two hundred twenty-three-b of this article shall apply to the formation of a manufactured homeowners' association.

(C) The association, acting through its officers, shall have given notice to the park owner of its formation, the names and addresses of its officers, and delivered an executed offer to purchase the park at the identical price, terms, and conditions of the offer presented in the notification given by the park owner within one hundred twenty days of receipt of notice from the park owner, unless otherwise agreed to in writing.

(ii) If the homeowners fail to form a manufactured homeowners' association, or if upon the formation of a manufactured homeowners' association, the association does not deliver an executed offer to purchase as set forth in paragraph (a) of this subdivision within the one hundred twenty day period, then, unless the park owner

elects to offer the park at a price lower than the price specified in the notice previously presented to the homeowners, the park owner has no further obligation under this section; and

(iii) If the park owner thereafter elects to sell the park at a price lower than the price specified in the notice to the homeowners or at terms substantially different from those previously presented, then the association shall have an additional ten days after receipt of notice of the revised terms to deliver to the park owner an executed offer to purchase which meets the revised price, terms, and conditions as presented by the park owner.

3. This section does not apply to:

(a) Any conveyance of an interest in a manufactured home park incidental to the financing of such manufactured home park.

(b) The purchase of a manufactured home park by a governmental entity under its powers of eminent domain.

4. Nothing in this section shall be construed to compel the manufactured home park owner to divide the land and sell it to individual manufactured homeowners.

[Effective Jan. 1, 2009]

North Carolina

N.C. Gen. Stat. §§ 105-130.5, 105-134.6

§ 150-130.5. Adjustments to federal taxable income in determining State net income

(b) The following deductions from federal taxable income shall be made in determining State net income: ...

(24) Five percent (5%) of the gross purchase price of a qualified sale of a manufactured home community. A qualified sale is a transfer of land comprising a manufactured home community in a single purchase to a group composed of a majority of the manufactured home community leaseholders or to a nonprofit organization that represents such a group. To be eligible for this deduction, a taxpayer must give notice of the sale to the North Carolina Housing Finance Agency under G.S. 42-14.3.

§ 150-134.6. Adjustments to taxable income

(b) Deductions.--The following deductions from taxable income shall be made in calculating North Carolina taxable income, to the extent each item is included in taxable income: ...

(19) Five percent (5%) of the gross purchase price of a qualified sale of a manufactured home community. A qualified sale is a transfer of land comprising a manufactured home community in a single purchase to a group composed of a majority of the manufactured home community leaseholders or to a nonprofit organization that represents such a group. To be eligible for this deduction, a taxpayer must give notice of the sale to the North Carolina Housing Finance Agency under G.S. 42-14.3.

[Both North Carolina provisions are effective for taxable years beginning on or after January 1, 2008, and expire for taxable years beginning on or after January 1, 2015.]

Oregon

Or. Rev. Stat. §§ 90.760, 90.800, 90.810, 90.815, 90.820, 316.791

§ 90.760. Listing agreement for sale of facility; notice to tenants' association

(1) A tenants' association or a facility purchase association may give written notice to the landlord of a facility in which some or all of the members of the associations reside as tenants requesting that the associations be notified, by first class mail to no more than three specified persons and addresses for each association, in the event the facility becomes subject to a listing agreement for the sale of all or part of the facility.

(2) If an association requests notice pursuant to subsection (1) of this section, the landlord shall give written notice to the persons and addresses designated in the request as soon as all or any portion of the facility becomes subject to a listing agreement entered into by or on behalf of the owner.

§ 90.800. Findings; state policy; purpose

(1) The State of Oregon encourages affordable housing options for all Oregonians. One housing alternative chosen by many Oregonians is facility living. The Legislative Assembly finds that many facility residents would like to join together to purchase the facility in which they live in order to have greater control over the costs and environment of their housing. The Legislative Assembly also finds that current market conditions place residents at a disadvantage with other potential investors in the purchase of facilities.

(2) It is the policy of the State of Oregon to encourage facility residents to participate in the housing marketplace by insuring that technical assistance, financing opportunities, notice of sale of facilities and the option to purchase facilities are made available to residents who choose to participate in the purchase of a facility.

(3) The purpose of ORS 90.100, 90.630, 90.760, 90.800 to 90.840, 308.905, 446.003, 456.579 and 456.581 is to strengthen the private housing market in Oregon by encouraging all Oregonians to have the ability to participate in the purchase of housing of their choice.

§ 90.810. Written offer to purchase or entry into listing agreement; notification of tenants' association and facility purchase association

(1) A facility owner shall notify, as described in ORS 90.760, the tenants' association and a facility purchase association within 10 days of receipt of:

- (a) Any written offer received by the owner or agent of the owner to purchase the facility which the owner intends to consider; or
- (b) Any listing agreement entered into, by the owner or agent of the owner, to effect the sale of the facility.

(2) The notice required by subsection (1) of this section shall be mailed to any association and facility purchase association.

§ 90.815. Prerequisite to offer by facility purchase association

A facility purchase association shall comply with the provisions of ORS chapters 60, 62 and 65 before making the offer provided for under ORS 90.820.

§ 90.820. Notification of interest in purchase by association; negotiations; waiver of time periods

(1) Within 14 days of delivery by or on behalf of the facility owner of the notice required by ORS 90.760 (2) or 90.810, a tenants' association or facility purchase association may notify the owner of the facility in which the tenants reside by certified mail or personal service at the address disclosed to the tenants under ORS 90.305 (1) (a) that the association, or a tenants' association supported nonprofit organization, is interested in purchasing the facility.

(2) Upon delivery of the notice required by subsection (1) of this section, the owner shall negotiate in good faith with the association or organization and provide the association or organization an opportunity to purchase the facility as the owner would any bona fide third party potential purchaser.²

² Oregon 2009 Session Laws, Ch. 295 (H.B. 2383), added this language at the end of Or. Rev. Stat. § 90.820(2), effective January 1, 2012: "During the 14-day period following the delivery of a notice to the facility owner under subsection (1) of this section, the tenants' association, facility purchase association or tenants' association supported nonprofit organization has a right of first refusal for any offer or agreement by the facility owner to sell the facility."

(3) A facility purchase association or tenants' association actively involved in negotiations with a facility owner may waive or reduce the time periods for notice described in this section. A facility purchase association or tenants' association may authorize a tenants' association supported nonprofit organization to waive notice on behalf of the association.

(4) This section, ORS 90.760 (2) and 90.810 do not apply to:

- (a) Any sale or transfer to a person who would be included within the table of descent and distribution if the facility owner were to die intestate.
- (b) Any transfer by gift, devise or operation of law.
- (c) Any transfer by a corporation to an affiliate. As used in this paragraph, "affiliate" means any shareholder of the transferring corporation, any corporation or entity owned or controlled, directly or indirectly, by the transferring corporation or any other corporation or entity owned or controlled, directly or indirectly, by any shareholder of the transferring corporation.
- (d) Any transfer by a partnership to any of its partners.
- (e) Any conveyance of an interest in a facility incidental to the financing of the facility.
- (f) Any conveyance resulting from the foreclosure of a mortgage, deed of trust or other instrument encumbering a facility or any deed given in lieu of a foreclosure.
- (g) Any sale or transfer between or among joint tenants or tenants in common owning a facility.
- (h) Any exchange of a facility for other real property, whether or not the exchange also involves the payment of cash or other boot.
- (i) The purchase of a facility by a governmental entity under that entity's powers of eminent domain.

§ 316.791 Tax exemptions.

2005 Or. Laws, ch. 826, § 6:

Section 6. Amounts received as a result of the sale of a manufactured dwelling park to a tenants' association, facility purchase association or tenants' association supported nonprofit organization as described in ORS 90.820, to a community development corporation as described in ORS 458.210 or to a housing authority as defined in ORS 456.005 are exempt from the tax imposed by this chapter.

[Temporary provision originally applying to tax years 2006 and 2007, but extended in 2007 to apply to tax years beginning on or after January 1, 2006, and before January 1, 2014].

Rhode Island

R.I. Gen. Laws § 31-44-3.1

§ 31-44-3.1. Sale of mobile home parks--Tenants association right of first refusal

(a) In any instance in which a mobile home park owner has been sent a certified letter from an incorporated home owner households association indicating that the association has at least fifty-one percent (51%) of the home owner households residing within that park as members, and has articles of incorporation specifying all rights and powers, including the power to negotiate for, acquire, and operate the mobile home park on behalf of the member residents, then, before a mobile home park may be sold for any purpose and before it may be leased for any purpose that would result in a discontinuance, the owner shall notify the association by certified mail return receipt requested of any bona fide offer that the owner intends to accept, to buy the park or to lease it for a use that would result in a discontinuance. The park owner shall also give notice by certified mail return receipt requested to the incorporated homeowners' association of any intention to sell or lease the park for a use which will result in a discontinuance within fourteen (14) days of any advertisement or other public notice by the owner or his or her agent that the park is for sale or the land upon which the park is located is for lease. Nothing in this

section shall limit the association from acting as an agent of the residents in any other cause of action, objective or purpose in advancing a stated purpose in the articles of incorporation of the homeowners' association.

(b) The notice of pending bona fide sale from the owner must contain at a minimum the following if known and available and applicable to the sale:

- (1) An affidavit from the buyer or lessee stating the offered purchase price or offered lease payment;
- (2) The terms of seller financing, including the amount, the interest rate and its amortization rate;
- (3) The terms of assumable financing, if any, including the amount, the interest rate and its amortization rate;
- (4) The legal description and a statement of appraised or assessed value of property included in any land trade involved in the sale of the park;
- (5) Proposed improvements to the property to be made by the owner in connection with the sale, or other economic concessions by the owner in connection with the sale, if any;
- (6) A statement that the owner will allow reasonable access to the property by parties involved in the potential purchase including, but not limited to, the tenants' association, consultants, and lenders;
- (7) A statement that the owner will make available to the residents copies of any easements either on or off the property to which the owner is a party and copies of all permits or licenses in force within seven (7) days of a signed purchase and sale agreement with the residents;
- (8) A statement that the owner will make available to the residents a survey and legal description of the park, plus an itemized list of monthly operating expenses, utility consumption rates, taxes, insurance and capital expenditures for each of the past three (3) years within seven (7) days of a signed purchase and sale agreement with the residents;
- (9) A statement that the owner will make available to the tenants' association the most recent rent roll, a list of tenants, a list of vacant units and a statement of the vacancy rate at the park for the three (3) preceding calendar years within seven (7) days of a signed purchase and sale agreement with the residents;
- (10) A statement that the owner will make available to the tenants' association any available data relating to the past and present existence of hazardous waste either on the property or in close proximity within seven (7) days of a signed purchase and sale agreement with the residents;
- (11) A statement that the owner will make available to the tenants' association any available data relating to the water, sewer and electrical systems of the park within seven (7) days of a signed purchase and sale agreement with the residents;
- (12) A statement that the owner will make available to the tenants' association all income and operating expenses relating to the property to be purchased for the three (3) preceding calendar years within seven (7) days of a signed purchase and sale agreement with the residents and any other information that may be required by the lender. Any additional information that is required by the lender shall be kept strictly confidential.

(c) Any incorporated home owners' association entitled to notice under this section shall have the right to purchase, in the case of a third party bona fide offer to purchase, or to lease in the case of a third party bona fide offer to lease, the park, provided it meets the same price and the same terms and conditions of any offer of which it is entitled to notice under this section by:

- (1) Executing a contract or purchase and sale or lease agreement with the owner within forty-five (45) days of notice of the offer; and
- (2) Obtaining any necessary financing or guarantees within an additional one hundred thirty-five (135) days.

(d) No owner shall unreasonably refuse to enter into, or unreasonably delay the execution of a purchase and sale or lease agreement with a home owners' association that has made a bona fide offer to meet the same price and the same terms and conditions of an offer for which notice is required to be given pursuant to this section.

(e) The deposit monies must be credited to the purchase price of the mobile home park.

(f) The incorporated home owners' association will use diligent efforts to obtain a commitment for financing from a lender by making immediate application for financing upon signing of the purchase and sale agreement. In the event that the incorporated home owners' association, with the exercise of reasonable efforts, is unable to obtain necessary financing or comply with other contingencies of the purchase and sale agreement, the incorporated home owners' association shall immediately notify the park owner and the deposit shall be returned to the incorporated home owners' association.

(g) If the incorporated home owners' association shall default in the performance of its obligations as a purchaser under the terms of the purchase and sale agreement, the park owner shall have, as sole and exclusive remedy for the default, the right to retain the deposit as liquidated damages in full settlement and discharge of all obligations of the incorporated home owners' association without further recourse in law or equity.

(h) Failure of the incorporated home owners' association to execute a purchase and sale agreement or lease within the forty-five (45) day period or to obtain a binding commitment for financing within the one hundred thirty-five (135) day period shall serve to terminate the right of the association to purchase or lease the mobile park home.

(i) Residents shall have a total of one hundred eighty (180) days from the receipt of notice of a bona fide sale to complete a transaction under the right of first refusal legislation. Any delays by the seller in supplying requested information as stated in this legislation or any delay resulting from litigation involving the sale and/or litigation affecting the marketability of the title of the mobile home park shall result in the same number of days over the due date being added to the one hundred eighty (180) days available to the residents for a right of first refusal purchase unless the litigation is frivolous and prompted for the sole purpose of delay by the home owners association.

(j) The time periods provided in this section may be extended by agreement of the association and the owner.

(k) Nothing in this section shall be construed to require an owner to provide financing to any association or to prohibit an owner from requiring an association which is offering to lease a park to have within its possession a sum equivalent to the capitalized value of the proposed rent of the park and requiring that a portion of that sum, of an amount necessary to pay the rent on the park for a period of no greater than two (2) years, be kept in escrow for that purpose during the term of the lease.

(l) The right of first refusal created in this section shall inure to a home owners' association for the time periods provided in this section, beginning on the date of notice to the home owners' association. The effective period of the right of first refusal shall apply separately for each substantially different bona fide offer to purchase the park or to lease it for a purpose that would result in a discontinuance, and for each offer the same as an offer made more than three (3) months prior to the later offer. However, in the case of the same offer made by a prospective buyer who has previously made an offer for which notice to a home owners' association was required by this section, the right of first refusal shall apply only if the subsequent offer is made more than six (6) months after the earlier offer. The right of first refusal shall not apply with respect to any offer received by the owner for which notice to a home owners' association is not required pursuant to this section.

(m) No right of first refusal shall apply to a government taking by eminent domain or negotiated purchase, a forced sale pursuant to a foreclosure, transfer by gift, devise, or operation of law, or a sale to a person who would be included within the table of descent and distribution if there were to be a death intestate of a park owner.

(n) In any instance in which the incorporated home owners' association of a mobile home park is not the successful purchaser or lessee of the mobile home park, the seller or lessor of the park shall prove compliance with this section by filing an affidavit of compliance in the official land evidence records of the city or town where the property is located within seven (7) days of the sale or lease of the park.

(o) In any instance in which the incorporated homeowners' association of a mobile home park is the successful purchaser or lessee of the mobile home park, the association shall have the right to distinguish in terms of lease conditions and rent and fees as between members of said association and non-members of said association. For

purposes of this chapter, members of a homeowners' association and non-members of a homeowners' association shall not be deemed residents of a similar class.

Vermont

Vt. Stat. Ann. tit. 10, § 6242, tit. 32, § 5828

§ 6242. Mobile home owners' right to notification prior to park sale

(a) A park owner shall give to each mobile home owner and to the commissioner of the department of housing and community affairs notice by certified mail of his or her intention to sell the mobile home park. Nothing herein shall be construed to restrict the price at which the park owner offers the park for sale. The notice shall state all the following:

- (1) That the park owner intends to sell the park;
- (2) The price, terms and conditions under which the park owner offers the park for sale;
- (3) A list of the affected mobile home owners and the number of leaseholds held by each;
- (4) The status of compliance with applicable statutes, regulations and permits, to the park owner's best knowledge, and the reasons for any noncompliance;
- (5) That for 45 days following the notice the park owner shall not make a final unconditional acceptance of an offer to purchase the park and that if within the 45 days the park owner receives notice pursuant to subsection (c) of this section that a majority of the mobile home owners intend to consider purchase of the park, the park owner shall not make a final unconditional acceptance of an offer to purchase the park for an additional 90 days, starting from the 46th day following notice, except one from a group representing a majority of the mobile home owners or from a nonprofit corporation approved by a majority of the mobile home owners.

(b) The mobile home owners shall have 45 days following notice under subsection (a) of this section in which to determine whether they intend to consider purchase of the park through a group representing a majority of the mobile home owners or a nonprofit corporation approved by a majority of the mobile home owners. A majority of the mobile home owners shall be determined by one vote per leasehold and no mobile home owner shall have more than three votes or 30 percent of the aggregate park vote, whichever is less. During this 45-day period, the owner shall not accept a final unconditional offer to purchase the park.

(c) If the park owner receives no notice from the mobile home owners during the 45-day period or if the mobile home owners notify the park owner that they do not intend to consider purchase of the park, the park owner has no further restrictions regarding sale of the park pursuant to this section. If during the 45-day period, the park owner receives notice in writing that a majority of the mobile home owners intend to consider purchase of the park then the park owner shall do all the following:

- (1) Not accept a final unconditional offer to purchase from a party other than mobile home owners for 90 days following the 45-day period, a total of 135 days following the notice from the mobile home owners;
- (2) Negotiate in good faith with the group representing a majority of the mobile home owners or a nonprofit corporation approved by a majority of the mobile home owners concerning purchase of the park;
- (3) Consider any offer to purchase from a group representing a majority of the mobile home owners or from a nonprofit corporation approved by a majority of the mobile home owners.

(d) A park owner who sells a mobile home park without complying with this section shall be liable to the mobile home owners in the aggregate amount of \$10,000.00 or 50 percent of the gain realized by the owner from the sale, whichever is greater. A sale, an offer to sell, or an attempt to sell a mobile home park without complying with this section shall also be subject to the remedies of section 6205 of this title, including actual and punitive damages.

(e) The provisions of this section do not apply when the sale, transfer or conveyance of the mobile home park is any one or more of the following:

- (1) Through a foreclosure sale;
- (2) To a member of the park owner's family or to a trust for the sole benefit of members of the owner's family;
- (3) Among the partners who own the mobile home park;
- (4) Incidental to financing the park;
- (5) Between joint tenants or tenants in common;
- (6) Pursuant to eminent domain.

(f) No additional notice pursuant to subsection (a) of this section shall be required if the sale is in compliance with either of the following:

(1) The park owner completes a sale of the park within one year from the expiration of the 45-day period following the date of the notice and the sale price is either of the following:

- (A) No less than the price for which the park was offered for sale pursuant to subsection (a) of this section.
- (B) Substantially higher than the final written offer from a group representing a majority of the mobile home owners or a nonprofit corporation approved by a majority of the mobile home owners.

(2) The park owner has entered into a binding purchase and sale agreement with a group representing a majority of the mobile home owners or a nonprofit corporation approved by a majority of the mobile home owners with a closing date later than one year from the date of the notice.

(g) A leaseholders representing a majority of the mobile home owners or a nonprofit corporation approved by a majority of the mobile home owners shall negotiate in good faith with the park owner for purchase of the park.

§ 5828. Mobile home park sale; capital gain credit

A taxpayer of this state shall receive a credit against the tax imposed under section 5822 or 5832 of this title for a qualified sale of a mobile home park. The credit shall be in the amount of seven percent of the taxpayer's gain subject to federal income tax for the taxable year. Credit in excess of the taxpayer's tax liability for the taxable year may be carried forward for credit in the next succeeding three taxable years. "Qualified sale of a mobile home park" means the land comprising a mobile home park that is transferred in a single purchase to a group composed of a majority of the mobile home park leaseholders as defined in 10 V.S.A. § 6242(a), or to a nonprofit organization that represents such a group.

Washington

Wash. Rev. Code §§ 59.20.030, 59.20.300, 59.20.305, 59.22.050, 82.45.010

Legislative findings (uncodified provisions of Second Substitute House Bill 1621, 60th Legislature, 2008 Regular Session, approved March 21, 2008):

(1) The legislature finds that:

- (a) Manufactured/mobile home communities provide a significant source of homeownership opportunities for Washington residents. However, the increasing closure and conversion of manufactured/mobile home communities to other uses, combined with increasing mobile home lot rents, low vacancy rates in existing manufactured/mobile home communities, and the extremely high cost of moving homes when manufactured/mobile home communities close, increasingly make manufactured/mobile home community living insecure for manufactured/mobile home tenants.
- (b) Many tenants who reside in manufactured/mobile home communities are low-income households and senior

citizens and are, therefore, those residents most in need of reasonable security in the siting of their manufactured/mobile homes because of the adverse impacts on the health, safety, and welfare of tenants forced to move due to closure, change of use, or discontinuance of manufactured/mobile home communities.

(c) The preservation of manufactured/mobile home communities:

- (i) Is a more economical alternative than providing new replacement housing units for tenants who are displaced from closing manufactured/mobile home communities;
- (ii) Is a strategy by which all local governments can meet the affordable housing needs of their residents;
- (iii) Is a strategy by which local governments planning under RCW 36.70A.040 may meet the housing element of their comprehensive plans as it relates to the provision of housing affordable to all economic sectors; and
- (iv) Should be a goal of all housing authorities and local governments.

(d) The loss of manufactured/mobile home communities should not result in a net loss of affordable housing, thus compromising the ability of local governments to meet the affordable housing needs of its residents and the ability of these local governments planning under RCW 36.70A.040 to meet affordable housing goals under chapter 36.70A RCW.

(e) The closure of manufactured/mobile home communities has serious environmental, safety, and financial impacts, including:

- (i) Homes that cannot be moved to other locations add to Washington's landfills;
- (ii) Homes that are abandoned might attract crime; and
- (iii) Vacant homes that will not be reoccupied need to be tested for asbestos and lead, and these toxic materials need to be removed prior to demolition.

(f) The self-governance aspect of tenants owning manufactured/mobile home communities results in a lesser usage of police resources as tenants experience fewer societal conflicts when they own the real estate as well as their homes.

(g) Housing authorities, by their creation and purpose, are the public body corporate and politic of the city or county responsible for addressing the availability of safe and sanitary dwelling accommodations available to persons of low income, senior citizens, and others.

(2) It is the intent of the legislature to encourage and facilitate the preservation of existing manufactured/mobile home communities in the event of voluntary sales of manufactured/mobile home communities and, to the extent necessary and possible, to involve manufactured/mobile home community tenants or an eligible organization representing the interests of tenants, such as a nonprofit organization, housing authority, or local government, in the preservation of manufactured/mobile home communities.

§ 59.20.030. Definitions.

For purposes of this chapter:

(1) "Abandoned" as it relates to a mobile home, manufactured home, or park model owned by a tenant in a mobile home park, mobile home park cooperative, or mobile home park subdivision or tenancy in a mobile home lot means the tenant has defaulted in rent and by absence and by words or actions reasonably indicates the intention not to continue tenancy;

(2) "Eligible organization" includes local governments, local housing authorities, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations;

(3) “Housing authority” or “authority” means any of the public body corporate and politic created in RCW 35.82.030;

(4) “Landlord” means the owner of a mobile home park and includes the agents of a landlord;

(5) “Local government” means a town government, city government, code city government, or county government in the state of Washington;

(6) “Manufactured home” means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and forty feet long when transported, or when installed on the site is three hundred twenty square feet or greater;

(7) “Manufactured/mobile home” means either a manufactured home or a mobile home;

(8) “Mobile home” means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of housing and urban development manufactured home construction and safety act;

(9) “Mobile home lot” means a portion of a mobile home park or manufactured housing community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park model;

(10) “Mobile home park,” “manufactured housing community,” or “manufactured/mobile home community” means any real property which is rented or held out for rent to others for the placement of two or more mobile homes, manufactured homes, or park models for the primary purpose of production of income, except where such real property is rented or held out for rent for seasonal recreational purpose only and is not intended for year-round occupancy;

(11) “Mobile home park cooperative” or “manufactured housing cooperative” means real property consisting of common areas and two or more lots held out for placement of mobile homes, manufactured homes, or park models in which both the individual lots and the common areas are owned by an association of shareholders which leases or otherwise extends the right to occupy individual lots to its own members;

(12) “Mobile home park subdivision” or “manufactured housing subdivision” means real property, whether it is called a subdivision, condominium, or planned unit development, consisting of common areas and two or more lots held for placement of mobile homes, manufactured homes, or park models in which there is private ownership of the individual lots and common, undivided ownership of the common areas by owners of the individual lots;

(13) “Notice of sale” means a notice required under section 4 of this act to be delivered to all tenants of a manufactured/mobile home community and other specified parties within fourteen days after the date on which any advertisement, multiple listing, or public notice advertises that a manufactured/mobile home community is for sale;

(14) “Park model” means a recreational vehicle intended for permanent or semi-permanent installation and is used as a primary residence;

(15) “Qualified sale of manufactured/mobile home community” means the sale, as defined in RCW 82.45.010, of land and improvements comprising a manufactured/mobile home community that is transferred in a single purchase

to a qualified tenant organization or to an eligible organization for the purpose of preserving the property as a manufactured/mobile home community;

(16) “Qualified tenant organization” means a formal organization of tenants within a manufactured/mobile home community, with the only requirement for membership consisting of being a tenant;

(17) “Recreational vehicle” means a travel trailer, motor home, truck camper, or camping trailer that is primarily designed and used as temporary living quarters, is either self-propelled or mounted on or drawn by another vehicle, is transient, is not occupied as a primary residence, and is not immobilized or permanently affixed to a mobile home lot;

(18) “Tenant” means any person, except a transient, who rents a mobile home lot;

(19) “Transient” means a person who rents a mobile home lot for a period of less than one month for purposes other than as a primary residence;

(20) “Occupant” means any person, including a live-in care provider, other than a tenant, who occupies a mobile home, manufactured home, or park model and mobile home lot.

§ 59.20.300. Manufactured/mobile home communities – Notice of sale

(1) A landlord must provide a written notice of sale of a manufactured/mobile home community by certified mail or personal delivery to:

- (a) Each tenant of the manufactured/mobile home community;
 - (b) The officers of any known qualified tenant organization;
 - (c) The office of manufactured housing;
 - (d) The local government within whose jurisdiction all or part of the manufactured/mobile home community exists;
 - (e) The housing authority within whose jurisdiction all or part of the manufactured/mobile home community exists;
- and
- (f) The Washington state housing finance commission.

(2) A notice of sale must include:

- (a) A statement that the landlord intends to sell the manufactured/mobile home community; and
- (b) The contact information of the landlord or landlord’s agent who is responsible for communicating with the qualified tenant organization or eligible organization regarding the sale of the property.

§ 59.20.305. Manufactured/mobile home communities – Good faith negotiations

A landlord intending to sell a manufactured/mobile home community is encouraged to negotiate in good faith with qualified tenant organizations and eligible organizations.

§ 59.22.050. Office of mobile home affairs – Duties

(1) In order to provide general assistance to manufactured/mobile home resident organizations, qualified tenant organizations, manufactured/mobile home community or park owners, and landlords and tenants, the department shall establish an office of manufactured housing.

This office will provide, either directly or through contracted services, technical assistance to qualified tenant organizations as defined in RCW 59.20.030 and resident organizations or persons in the process of forming a resident organization pursuant to chapter 59.22 RCW. The office will keep records of its activities in this area.

(2) The office shall administer the mobile home relocation assistance program established in chapter 59.21 RCW, including verifying the eligibility of tenants for relocation assistance.

§ 82.45.010. Excise Tax on Real Estate Sales

(1) As used in this chapter, the term “sale” shall have its ordinary meaning and shall include any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given to the purchaser, or any other person at the purchaser’s direction, and title to the property is retained by the vendor as security for the payment of the purchase price. The term also includes the grant, assignment, quitclaim, sale, or transfer of improvements constructed upon leased land.

(2) The term “sale” also includes the transfer or acquisition within any twelve-month period of a controlling interest in any entity with an interest in real property located in this state for a valuable consideration. For purposes of this subsection, all acquisitions of persons acting in concert shall be aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place. The department of revenue shall adopt standards by rule to determine when persons are acting in concert. In adopting a rule for this purpose, the department shall consider the following:

(a) Persons shall be treated as acting in concert when they have a relationship with each other such that one person influences or controls the actions of another through common ownership; and

(b) When persons are not commonly owned or controlled, they shall be treated as acting in concert only when the unity with which the purchasers have negotiated and will consummate the transfer of ownership interests supports a finding that they are acting as a single entity. If the acquisitions are completely independent, with each purchaser buying without regard to the identity of the other purchasers, then the acquisitions shall be considered separate acquisitions.

(3) The term “sale” shall not include:

...

(q) A qualified sale of a manufactured/mobile home community, as defined in RCW 59.20.030, that takes place on or after the effective date of this act but before December 31, 2018.