## LEGISLATIVE HISTORY CHECKLIST Compiled by the NJ State Law Library

(Mobil homeowners--

first refusal)

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LAWS OF:

1991

CHAPTER: 483

BILL NO:

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SPONSOR(S):

Pelly

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COMMITTEE:

ASSEMBLY:

Consumer Affairs

SENATE:

County & Municipal Government

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Yes Amendments during passage denoted

by asterisks

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FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT:

Yes

COMMITTEE STATEMENT:

ASSEMBLY:

Yes

SENATE:

Yes

FISCAL NOTE:

No

VETO MESSAGE:

No

MESSAGE ON SIGNING:

No

FOLLOWING WERE PRINTED:

REPORTS:

No

HEARINGS:

No

KBG/pp

# [SECOND REPRINT] ASSEMBLY, No. 1461

## STATE OF NEW JERSEY

#### PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

#### By Assemblymen PELLY and SPADORO

4	IN ACT to establish a right of first refusal for owners of mobile
	homes in a mobile home park upon the sale or offering for sale
	of such a park <sup>2</sup> in certain cases <sup>2</sup> , and to provide for the
	acquisition and management of such a park by an association of
	the mobile home owners therein, and supplementing P.L.1973,
	c.153 (C.46:8C~1 et seg.).

## BE IT ENACTED by the Senate and General Assembly of the State of New Jersev:

- 1. a. For the purposes of this act, "mobile home" means a "manufactured home" located in a "mobile home park," as those terms are defined in the "Manufactured Home Taxation Act," P.L.1983, c.400 (C.54:4-1.4 et seq.).
- b. As used in sections 2 and 3 of this act, "notify" means to place in the United States mail a notice addressed to the officers of the homeowners' association. Each such notice shall be deemed to have been given upon the deposit thereof in the United States mail.
- c. As used in section 2 of this act, "offer" means any solicitation by the park owner to the general public.
- 2. a. If a mobile home park owner offers a mobile home park 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 mobile home owners, by and through an association duly formed in accordance with section 6 of this act, shall have the right to purchase the park, <sup>1</sup>provided two-thirds of the unit owners in the mobile home park have approved the purchase, and further <sup>1</sup> provided that 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 of being notified under subsection a., except as an extension of time may be mutually agreed upon by the owner and the association; provided, however, that if there is no homeowners' association at the time a mobile home park owner offers a mobile home park for sale and the park owner notifies homeowners individually as required under subsection b. of section 6 of this act, the period within which the terms and conditions of the mobile home park owner

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
Assembly ACO committee amendments adopted September 10, 1990.
Senate SJU committee amendments adopted December 5, 1991.

may be met by execution of a contract between the owner 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 park owner that a homeowners' association has been formed, in accordance the provisions of subsection a. of section 7 of this act. If a contract between the park owner and the association is not executed within that extension period, then, unless the park owner thereafter elects to offer the park at the same price or at a lower price than specified in his notice to the directors 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.

- c. If the park owner thereafter elects to offer the park at the same price or at a lower price than specified in his notice to the directors 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 park owner 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 park under this subsection, the association shall have <sup>1</sup>[45] 30<sup>1</sup> days after receipt of the subsequent offer to meet the price and terms of conditions of the park owners by executing a contract.
- 3. a. If a mobile home park owner receives a bona fide offer to purchase the park that he intends to consider or make a counter-offer to, he shall notify the directors of the homeowners' association within <sup>1</sup>[five] 10<sup>1</sup> 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, that he has received the offer. If a homeowners' association has not been formed, the park owner shall, within <sup>1</sup>[five] 10<sup>1</sup> business days, notify individual homeowners as required under section 6 of this act. The park owner shall not <sup>1</sup>[enter into] conclude <sup>1</sup> any agreement to sell the park until after the 30 day period therein specified has elapsed.
- b. Upon receipt of such notice the board of directors 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 park owner the price and terms of the offer that has been made, and to negotiate the terms upon which the park owner would be willing to sell the mobile home park to the homeowners' association. Members and assistants to the committee shall be pledged to maintain in confidence any information disclosed to them by the park owner in the course of such negotiations, and shall be personally liable to the park owner and any other party to the transaction for any damages resulting from unauthorized disclosure thereof.

- c. Not later than the <sup>1</sup>[45th] 30th<sup>1</sup> 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 park owner, the committee appointed pursuant to subsection b. of this section shall report to the board of directors of the homeowners' association the price and other material terms upon which the mobile home park owner has agreed to sell the mobile home park to the association. In the absence of any agreement between the park owner and the committee, the park owner 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 park owner 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 park owner for 10 days next following the submission of the committee's report, and if agreed to by the board of directors of the homeowners' association <sup>1</sup>and consented to by two-thirds of the homeowners in that mobile home park<sup>1</sup> shall constitute a contract of sale.
- d. During the period provided for negotiations and for consideration by the association's board of directors under subsection c. of this section the park owner shall not conclude <sup>1</sup>[or negotiate for]<sup>1</sup> any agreement for sale of the mobile home park to any other party <sup>1</sup>, 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<sup>1</sup>.
- 4. The provisions of sections 2 and 3 of this act shall not apply to:
- <sup>2</sup>a. Any sale or transfer of the property of a mobile home park which is not made in contemplation of changing that property to a use or uses other than as a mobile home park.<sup>2</sup>
- <sup>2</sup>[a.] <u>b.</u><sup>2</sup> 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.
  - <sup>2</sup>[b.] c.<sup>2</sup> Any transfer by gift, devise, or operation of law.
- <sup>2</sup>[c.] <u>d.</u><sup>2</sup> 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.
  - <sup>2</sup>[d.] <u>e.</u><sup>2</sup> Any transfer by a partnership to any of its partners,

whether general partners or limited partners <sup>1</sup>, or partners or individuals to a corporation where the control of the corporation is substantially the same <sup>1</sup>.

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- $^{2}$ [e.]  $\underline{f}$ . Any conveyance of an interest in a mobile home park incidental to the financing of that park.
- <sup>2</sup>[f.] g.<sup>2</sup> 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.
- $^{2}$ [g.]  $\underline{h}$ . Any sale or transfer between or among joint tenants or tenants in common owning a mobile home park.
- $^{2}$ [h.] <u>i.</u><sup>2</sup> The purchase of a mobile home park by a governmental entity under its powers of eminent domain.
- $^{2}$ [i.] <u>i.</u><sup>2</sup> Any sale which occurs as a result of a condominium or cooperative conversion.
- $^2$ [j.]  $\underline{k}$ . Any sale of real estate owned by the mobile home park owner which is adjacent to the mobile home park, but does not have appurtenant to it mobile home spaces or related recreational facilities.
- 5. In addition to other prerequisites for recording, no deed evidencing transfer of title to a mobile home park shall be recorded in the office of any county recording officer unless, accompanying the application to transfer the title is an affidavit annexed thereto in which the owner of the mobile home park certifies:
- a. with reference to an offer by him for the sale of the park, he has complied with the provisions of section 2 of this act; or
- b. with reference to an offer received by him for the purchase of the park, or with reference to a counter-offer which he has made or intends to make to such an offer, he has complied with the provisions of section 3 of this act; or
- c. notwithstanding his compliance with section 2 or 3 of this act, as applicable, no contract has been executed for the sale of the park between himself and the homeowners' association; or
- d. the provisions of sections 2 and 3 of this act are not applicable to a particular sale or transfer of the park by him, and compliance therewith is not required; or
- e. a particular sale or transfer of the park is exempted from the provisions of sections 2 through 5 of this act.
- 6. a. In order to exercise the rights provided in sections 2 and 3 of this act, the owners of mobile homes in a mobile home park shall form an association in compliance with this section and sections 7 and 8 of this act. 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 mobile homes in the park 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 mobile home unit. Upon consent by two-thirds of the homeowners, all consenting homeowners

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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 mobile home owners in all matters relating to the provisions of this act.

b. If at the time when a park owner determines to offer a mobile home park for sale, or receives a bona fide offer from a prospective purchaser, there is no homeowners' association then in being in the mobile home park, the park owner shall, at least 15 days before proceeding to make such offer of sale, or within \$\$^{1}[5]\$ 10\$^{1}\$ business days of receiving such a bona fide offer, as the case may be, notify in writing each owner of a mobile home within the mobile home park 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 mobile home park owner pursuant to section 7 of this act.

7. 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 park owner in writing of such incorporation, or establishment, as appropriate, 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 or by certified mail, return receipt requested.

b. The homeowners' association shall file with the clerk of the county in which the mobile home park is located a notice of its rights under sections 2 and 3 of this act. The notice shall contain the name of the association, the name of the park owner, and the address or legal description of the park. Within 10 days of the recording of the notice, the 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.

- 8. a. The articles of incorporation of a homeowners' association or the by-laws of any <sup>1</sup>[incorporated] unincorporated homeowners' association formed under this act shall provide:
- (1) that the association has the power to negotiate for, acquire, and operate the mobile home park on behalf of the mobile home owners; and
- (2) that the association shall convert the mobile home park, once acquired by the homeowners, to a condominium, a cooperative, or other type of ownership.
- b. Upon acquisition of the property, the association shall be the entity that creates a condominium, or offers condominium

parcels for sale or lease in the ordinary course of business, or, if the homeowners choose a different form of ownership, the entity that owns the record interest in the property and is responsible for the operation of property; provided, however, that if the association converts the mobile home park to a cooperative, an election shall be held within 30 days following the establishment of the cooperative to elect a board of directors of the cooperative.

- 9. In order for a homeowners' association to exercise the rights provided in section 2 or 3 of this act, the bylaws of the association shall provide for the following:
- a. The directors of the association and the operation of the association shall be governed by the bylaws.
- b. The bylaws shall include, and, if they do not, shall be deemed to include, the following provisions:
- (1) The form of administration of the association shall be described, providing for the titles of the officers and for a board of-directors, specifying the powers, duties, manner of selection and removal, and compensation, if any, of the officers and directors. Unless otherwise provided in the bylaws, the board of directors shall consist of five members. The board of directors shall elect from among its members a president, secretary, and treasurer, who shall perform the duties of those offices customarily performed by officers of corporations, and these officers shall serve without compensation and at the pleasure of the board of directors. The board of directors may appoint and designate other officers and assign them such duties as it deems appropriate.
- (2) Meetings of the board of directors shall be open to all members of the homeowners' association, and notice of meetings shall be posted in a conspicuous place upon the park property at least 48 hours in advance, except in an emergency. Notice of any meeting in which assessments against members are to be considered for any reason shall specifically contain a statement that assessments will be considered, and of the nature of those assessments.
- (3) Members of the association shall meet at least once each calendar year, and the meeting shall be the annual meeting. All members of the board of directors shall be elected at the annual meeting unless the bylaws provide for staggered election terms or for their election at another meeting. The bylaws shall not restrict any member desiring to be a candidate for board membership from being nominated from the floor. The bylaws shall provide the method for calling the meetings of the members, including annual meetings. The method shall provide at least 14 days' written notice to each member in advance of the meeting and require the posting in a conspicuous place on the park property of a notice at least 14 days prior to the meeting. Unless a member waives in writing the right to receive notice of

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the annual meeting by mail, the notice of the annual meeting and of any meeting other than the annual meeting in which acquisition or conversion of the mobile home park as provided under section 8 of this act is to be voted on, shall be sent by mail to each member, and the mailing shall constitute notice. An officer of the association shall provide an affidavit affirming that the notices were mailed or hand delivered in accordance with the provisions of this section to each member at the address last furnished to the association. These meeting requirements shall not prevent members from waiving notice of meetings or from acting by written agreement without meetings, if allowed by the bylaws.

- (4) A majority of the members shall constitute a quorum. Decisions shall be made by a majority of members represented at a meeting at which a quorum is present; provided, however, that any decision to acquire the mobile home park <sup>1</sup>[or] shall only be made by not less than two-thirds of all the homeowners and any decision 1 to convert the mebile home park to a condominium or cooperative or other form of ownership following its acquisition by the homeowners' association shall only be made by not less than a majority vote of all of the members of the homeowners' association. In addition, provision shall be made in the bylaws for definition and use of proxy. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it.
- (5) The board of directors shall mail a meeting notice and copies of the proposed annual budget of expenses to the members not less than 30 days prior to the meeting at which the budget will be considered. If the bylaws provide that the budget may be adopted by the board of directors, the members shall be given written notice of the time and place at which the meeting of the board of directors to consider the budget will be held. The meeting shall be open to all members.
- (6) The board of directors may, in any event, propose a budget to the members of the association at a general membership meeting or in writing, and, if the budget or proposed budget is approved by the members at the meeting, or by a majority of their whole number in writing, that budget shall be adopted.
- (7) Minutes of all meetings of members and of the board of directors shall be kept in a businesslike manner and shall be available for inspection by members, or their authorized representatives, and board members at reasonable times. The association shall retain these minutes for a period of not less than seven years.
- (8) The share or percentage of, and manner of sharing, expenses for each member shall be stated.

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- (9) The manner of collecting from the members their shares of the expenses for the maintenance of the park property shall be stated. Assessments shall be made against members not less frequently than quarterly, in amounts not less than are required to provide funds in advance for payments of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.
- (10) The method by which the bylaws may be amended consistent with the provisions of this act shall be stated. If the bylaws fail to provide a method of amendment, the bylaws may be amended if the amendment is approved by no less than two-thirds of the members. No bylaw shall be revised or amended by reference to its title only.
- (11) The officers and directors of the association have fiduciary relationship to the members.
- (12) Any member of the board of directors may be recalled and removed from office, with or without cause, by the vote of, or agreement in writing by, a majority of all members. A special meeting of the association membership to recall a member or members of the board of directors may be called by 10 per cent of the members giving notice of the meeting as required for a meeting of members, and the notice shall state the purpose of the meeting.
  - c. The bylaws may provide the following:
- (1) A method of adopting and of amending administrative rules and regulations governing the details of the operation and use of the park property.
- (2) Restrictions on, and requirements respecting, the use and maintenance of mobile homes located within the park, and the use of the park property, so long as such restrictions and requirements are not inconsistent with the articles of incorporation of the association.
- (3) Other provisions not inconsistent with the provisions of this act or with other documents governing the park property or mobile homes located therein.
- d. No amendment to the bylaws may change the proportion or percentage by which members share in the expenses as initially established, unless all the members affected by such change approve the amendment.
- 10. a. An association may contract, sue, or be sued, with respect to the exercise or non-exercise of its powers. For these purposes, the powers of the association include, but are not limited to, the maintenance, management, and operation of the park property. The association may institute, maintain, settle or appeal actions or hearings in its name on behalf of all homeowners concerning matters of common interest, including, but not limited to: the common property; structural components of a building or other improvements; mechanical, electrical and plumbing elements serving the park property; and protests of

ad-valorem taxes on commonly used facilities. If the association has the authority to maintain a class action, the association may be joined in an action as representative of that class with reference to litigation and disputes involving the matters for which the association could bring a class action. Nothing herein limits any statutory or common-law right of any individual homeowner or class of homeowners to bring any action which may otherwise be available.

b. The powers and duties of an association include those set forth in this section, in sections 6 and 9 of this act, and in the articles of incorporation and bylaws and any recorded declarations or restrictions encumbering the park property, if not inconsistent with the provisions of this act.

- c. An association has the power to make and collect assessments and to lease, maintain, repair and replace the common areas upon purchase of the mobile home park.
- d. An association shall maintain financial records in accordance with generally accepted accounting standards and principles. The records shall be open to inspection by association members or their authorized representatives at reasonable times, and written summaries of such records shall be supplied at least annually to the members or their authorized representatives. The failure of the association to permit inspection of its accounting records by members or their authorized representatives entitles any persons prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the books and records who, directly or indirectly, knowingly denied access to the books and records for inspection. The records shall include, but not be limited to:
  - (1) A record of all receipts and expenditures.
- (2) An account for each member, designating the name and current mailing address of the member, the amount of each assessment, the dates on which and amounts in which the assessments come due, the amount paid on the account, and the balance due.
- e. An association has the power to purchase lots in the park and to acquire, hold, lease, mortgage and convey them.
- f. An association shall use its best efforts to obtain and maintain adequate insurance to protect the association and the park property upon purchase of the mobile home park. A copy of each policy of insurance in effect shall be made available for inspection by members at reasonable times.
- g. An association has the authority, without the joinder of any homeowner, to modify, move, or create any easement for ingress and egress, or for the purpose of utilities, if the easement constitutes part of or crosses the park property upon purchase of the mobile home park. This subsection does not authorize the association to modify or move any easement created in whole or part for the use or benefit of anyone other than the members, or

crossing the property of anyone other than the members, without the consent or approval of such person as required by law or the instrument creating the easement. Nothing in this subsection affects the rights of ingress or egress of any member of the association.

each owner of a mobile home park shall notify in writing each owner of a mobile home therein or, if a homeowners' association has been established under the provisions of this act, the directors of the association, of any application by the owner of the mobile home park for a variance within <sup>1</sup>[five] 10<sup>1</sup> days after the filing for such variance with the approving authority <sup>1</sup>, if the granting of such variance would result in the removal or relocation of the mobile home owners residing in that mobile home park <sup>1</sup>.

12. 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 or relocation of mobile home owners residing in a mobile home park, without first determining that adequate mobile home parks or other suitable facilities exist for the relocation of those mobile home owners.

13. This act shall take effect <sup>1</sup>[immediately] on the 90th day following enactment <sup>1</sup>.

#### HOUSING AND CONSTRUCTION

Gives mobile homeowners right of first refusal upon sale of mobile home park in certain cases.

- 11. The owner of a mobile home park shall notify in writing each owner of a mobile home therein or, if a homeowners' association has been established under the provisions of this act, the directors of the association, of any application by the owner of the mobile home park for a variance within five days after the filing for such variance with the approving authority.
- 12. 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 or relocation of mobile home owners residing in a mobile home park, without first determining that adequate mobile home parks or other suitable facilities exist for the relocation of those mobile home owners.
  - 13. This act shall take effect immediately.

#### **STATEMENT**

This bill would require that a mobile home park owner who intends to sell the park, or has received an unsolicited offer from a potential buyer, should give the mobile home owners in the park a right of first refusal based upon the price and other terms which the park owner is seeking or is willing to accept.

In order to exercise this right, at least two-thirds of the mobile homeowners in the park would be required to form a homeowners' association through which the park would be acquired and subsequently managed. Each mobile home unit is accorded one vote wherever homeowner consent is indicated in the bill. The association would be required, after acquiring the park, to convert it to cooperative, condominium or other such form of ownership. This decision, however, in addition to the decision to acquire the mobile home park by the association, could only be made by a majority vote of the members of the homeowners' association. The bill sets requirements for the bylaws of such an association; and the required bylaw provisions are intended to assure the protection and participation of individual homeowners in the affairs of the

If the homeowners have not formed an association when the park owner either offers the property for sale or receives an offer, the park owner is required to notify individual homeowners, who are then given opportunity to form an association which could purchase the park. In such cases, the usual 45-day negotiation period, as described below, is extended to 60 days, in order to allow time for the organizing of such an association. If homeowners do not organize, they are not accorded right of first refusal under this bill.

Once the homeowners form such an association, however, the park owner would have the following obligations:

- (1) If he contemplated seeking buyers for the park, he would be required to notify the directors of the homeowners' association, setting forth the price and other terms on which he was offering the park for sale. The association would then have 45 days (which might, however, be extended by mutual agreement) to meet those terms and enter into a contract to purchase the park. If the park owner subsequently elects to offer the park at the same price or at a lower price, the homeowners would have an additional 10 days to consider the next offer. If, however, there has elapsed a period of more than three months since their receipt of the previous offer, the homeowners would have 45 days in which to consider the subsequent offer under this provision.
- (2) If, on the other hand, the owner had received an unsolicited offer of purchase, which he was prepared to consider or to make a counter-offer upon, he would be required to notify the directors of the association within five business days. The homeowners would then be required to appoint a negotiating committee which would be pledged to maintain confidence regarding the pertinent details of any negotiations conducted. After 45 days and any agreed upon extension, the committee would be required to report to the association regarding any agreement and any price and terms agreed to would be binding on the park owner for 10 days following the submission of the negotiating committee's report to the board of directors.

Certain sales or other transfers of mobile home park property are exempted from the above requirements: transfers by inheritance, by gift, through foreclosure or other legal process, sales or transfers among limited or general partners or shareholders with a controlling interest in the same business entity or affiliates thereof; acquisitions by governmental entities through eminent domain; sales of units through condominium or cooperative conversion; and any sale of contiguous property to the mobile home park by the park owner which is not used for mobile home or related recreational facilities.

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#### HOUSING AND CONSTRUCTION

Gives mobile homeowners right of first refusal upon sale of mobile home park.

#### ASSEMBLY CONSUMER AFFAIRS COMMITTEE

#### STATEMENT TO

## ASSEMBLY, No. 1461

with Assembly committee amendments

### STATE OF NEW JERSEY

DATED: SEPTEMBER 10, 1990

The Assembly Consumer Affairs Committee favorably reports Assembly Bill No. 1461 with committee amendments.

Assembly Bill No. 1461, as amended by the committee, requires that the mobile homeowners in a mobile home park be given the right of first refusal to purchase that park whenever the owner intends to sell it or has received an unsolicited offer from a potential buyer.

To exercise this right, at least two-thirds of the mobile homeowners in the park must form a homeowner's association through which the park would be acquired and subsequently managed. Under the provisions of the bill, the association is required, after acquiring the park, to convert it into a cooperative, condominium, or other such form of ownership.

The bill sets forth certain requirements for the bylaws of the association. These bylaw requirements are designed to assure the participation and the protection of the individual homeowners.

If the homeowners have not formed an association when the park owner either offers the property for sale or receives an offer, the owner is required to notify the individual homeowners, who are then given the opportunity to form an association to purchase the park. In such cases, the negotiation period for the purchase of the park is extended an additional 15 days in order to allow the homeowners to establish an association. If the homeowners in such cases do not organize, they are not accorded the right of first refusal under the bill.

Where there is an association, the park owner has the following obligations:

1) In cases where the owner is contemplating seeking buyers for the park, he must notify the directors of the association, setting forth the price and other terms on which he is offering the park for sale. The association then has 45 days (or longer, if mutually agreed) in which to meet those terms and enter into an sales agreement. If the park owner subsequently elects to offer the park at the same price or at a lower price, the homeowners are accorded an additional 10 day days in which to consider the offer and reach an agreement. In those cases where there is a period of more than three months between the receipt of the owner's initial notice and the subsequent offer, the association is afforded 30 days, rather than 10, in which to review the offer.

2) In cases where the owner has received an unsolicited offer of purchase which he either is prepared to consider or to make a counter-offer upon, he is required to so notify the association within 10 days. The homeowners are then required to appoint a negotiating committee. After 30 days, and any mutually agreed upon extension, the committee is required to report to the association. The agreement, the price and terms of sale, worked out by the committee and the owner is to be binding for 10 days.

Certain sales or other transfers of mobile park property are exempted from the provisions of the bill. For example, transfers by inheritance, by gift, through foreclosure or other legal process, sales or transfers among limited or general partners or shareholder with a controlling interest in the same business entity or affiliates thereof; acquisitions by governmental entities through eminent domain; sales of units through condominium or cooperative conversion; and any sale of contiguous property to the mobile home park by the park owner which is not used for mobile home or related recreational facilities.

In addition to revising the time periods in which certain notices must be given and certain agreements must be completed, the committee amendments, clarify that a park owner may negotiate with other parties while the association is considering whether or not it should enter into an agreement to purchase, and specify that two-thirds of the mobile home owners must give their consent for a purchase.

This bill was prefiled for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

#### **ASSEMBLY ACO COMMITTEE**

**ADOPTED** 

**AMENDMENTS** 

SEP 1 0 1990

to

ASSEMBLY, No. 1461

(Sponsored by Assemblymen PELLY and SPADORO)

#### REPLACE SECTION 2 TO READ:

2. a. If a mobile home park owner offers a mobile home park 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 mobile home owners, by and through an association duly formed in accordance with section 6 of this act, shall have the right to purchase the park, 1 provided two-thirds of the unit owners in the mobile home park have approved the purchase, and further provided that 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 of being notified under subsection a., except as an extension of time may be mutually agreed upon by the owner and the association; provided, however, that if there is no homeowners' association at the time a mobile home park owner offers a mobile home park for sale and the park owner notifies homeowners individually as required under subsection b. of section 6 of this act, the period within which the terms and conditions of the mobile home park owner may be met by execution of a contract between the owner and a homeowners' association shall be 60 days from the date of "a notification of individual homeowners and at any time after notification to the park owner that a homeowners' association has been formed, in accordance the provisions of subsection a. of section 7 of this act. If a contract between the park owner and the association is not executed within that extension period, then, unless the park owner thereafter elects to offer the park at the same price or at a lower price than specified in his notice to the directors 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.

c. If the park owner thereafter elects to offer the park at the same price or at a lower price than specified in his notice to the directors 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 park owner 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 park under this subsection, the association shall have <sup>1</sup>[45] 30<sup>1</sup> days after receipt of the subsequent offer to meet the price and terms of conditions of the park owners by executing a contract.

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REPLACE SECTION 3 TO READ:

3. a. If a mobile home park owner receives a bona fide offer to purchase the park that he intends to consider or make a counter-offer to, he shall notify the directors of the homeowners' association within <sup>1</sup>[five] 10<sup>1</sup> 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, that he has received the offer. If a homeowners' association has not been formed, the park owner shall, within <sup>1</sup>[five] 10<sup>1</sup> business days, notify individual homeowners as required under section 6 of this act. The park owner shall not <sup>1</sup>[enter into] conclude<sup>1</sup> any agreement to sell the park until after the 30 day period therein specified has elapsed.

b. Upon receipt of such notice the board of directors 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 park owner the price and terms of the offer that has been made, and to negotiate the terms upon which the park owner would be willing to sell the mobile home park to the homeowners' association. Members and assistants to the committee shall be pledged to maintain in confidence any information disclosed to them by the park owner in the course of such negotiations, and shall be personally liable to the park owner and any other party to the transaction for any damages resulting from unauthorized disclosure thereof.

c. Not later than the 1[45th] 30th1 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 park owner, the committee appointed pursuant to subsection b. of this section shall report to the board of directors of the homeowners' association the price and other material terms upon which the mobile home park owner has agreed to sell the mobile home park to the association. In the absence of any agreement between the park owner and the committee, the park owner 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 park owner 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 park owner for 10 days next following the submission of the committee's report, and if agreed to by the board of directors of the homeowners' association 1 and consented to by two-thirds of the homeowners in that mobile home park shall constitute a contract of sale.

d. During the period provided for negotiations and for consideration by the association's board of directors under subsection c. of this section the park owner shall

not conclude <sup>1</sup>[or negotiate for]<sup>1</sup> any agreement for sale of the mobile home park to any other party <sup>1</sup>, 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<sup>1</sup>.

#### REPLACE SECTION 4 TO READ:

- 4. The provisions of sections 2 and 3 of this act shall not apply
- 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, "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.
- d. Any transfer by a partnership to any of its partners, whether general partners or limited partners <sup>1</sup>, or partners or individuals to a corporation where the control of the corporation is substantially the same <sup>1</sup>.
- e. Any conveyance of an interest in a mobile home park incidental to the financing of that park.
- f. Any conveyance resulting from the foreclosure of a mortgage, deed of trust, or other instrument of the balls 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. The purchase of a mobile home park by a governmental entity under its powers of eminent domain.
- "i. Any sale which occurs as a result of a condominium or cooperative conversion.
- j. Any sale of real estate owned by the mobile home park owner which is adjacent to the mobile home park, but does not have appurtenant to it mobile home spaces or related recreational facilities.

### REPLACE SECTION 6 TO READ:

6. a. In order to exercise the rights provided in sections 2 and 3 of this act, the owners of mobile homes in a mobile home park shall form an association in compliance with this section and sections 7 and 8 of this act. 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 mobile homes in the park to become members or shareholders therein. For the purposes of this act,

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whenever the consent of homeowners is required on any question, there shall be counted only one vote for each mobile home 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 mobile home owners in all matters relating to the provisions of this act.

b. If at the time when a park owner determines to offer a mobile home park for sale, or receives a bona fide offer from a prospective purchaser, there is no homeowners' association then in being in the mobile home park, the park owner shall, at least 15 days before proceeding to make such offer of sale, or within 1[5] 10<sup>1</sup> business days of receiving such a bona fide offer, as the case may be, notify in writing each owner of a mobile home within the mobile home park 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 mobile home park owner pursuant to section 7 of this act.

#### REPLACE SECTION 8 TO READ:

- 8. a. The articles of incorporation of a homeowners' association or the by-laws of any <sup>1</sup>[incorporated] unincorporated homeowners' association formed under this act shall provide:
- (1) that the association has the power to negotiate for, acquire, and operate the mobile home park on behalf of the mobile home owners; and
- (2) that the association shall convert the mobile home park, once acquired by the homeowners, to a condominium, a cooperative, or other type of ownership.
- b. Upon acquisition of the property, the association shall be the entity that creates a condominium, or offers condominium parcels for sale or lease in the ordinary course of business, or, if the homeowners choose a different form of ownership, the entity that owns the record interest in the property and is responsible for the operation of property; provided, however, that if the association converts the mobile home park to a cooperative, an election shall-be-held-within 30 days following the establishment of the cooperative to elect a board of directors of the cooperative.

### REPLACE SECTION 9 TO READ:

9. In order for a homeowners' association to exercise the rights provided in section 2 or 3 of this act, the bylaws of the association shall provide for the following:

- a. The directors of the association and the operation of the association shall be governed by the bylaws.
- b. The bylaws shall include, and, if they do not, shall be deemed to include, the following provisions:
- (1) The form of administration of the association shall be described, providing for the titles of the officers and for a board of directors, specifying the powers, duties, manner of selection and removal, and compensation, if any, of the officers and directors. Unless otherwise-provided in the bylaws, the board of directors shall consist of five members. The board of directors shall elect from among its members a president, secretary, and treasurer, who shall perform the duties of those offices customarily performed by officers of corporations, and these officers shall serve without compensation and at the pleasure of the board of directors. The board of directors may appoint and designate other officers and assign them such duties as it deems appropriate.
- (2) Meetings of the board of directors shall be open to all members of the homeowners' association, and notice of meetings shall be posted in a conspicuous place upon the park property at least 48 hours in advance, except in an emergency. Notice of any meeting in which assessments against members are to be considered for any reason shall specifically contain a statement that assessments will be considered, and of the nature of those assessments.
- (3) Members of the association shall meet at least once each calendar year, and the meeting shall be the annual meeting. All members of the board of directors shall be elected at the annual meeting unless the bylaws provide for staggered election terms or for their election at another meeting. The bylaws shall not restrict any member desiring to be a candidate for board membership from being nominated from the floor. The bylaws shall provide the method for calling the meetings of the members, including annual meetings. The method shall provide at least 14 days' written notice to each member in advance of the meeting and require the posting in a conspicuous place on the park property of a notice at least 14 days prior to the meeting. Unless a member waives in writing the right to receive notice of the annual meeting by mail, the notice of the annual meeting and of any meeting other than the annual meeting in which acquisition or conversion of the mobile home park as provided under section 8 of this act is to be voted on, shall be sent by mail to each member, and the mailing shall constitute notice. An officer of the association shall provide an affidavit affirming that the notices were mailed or hand delivered in accordance with the provisions of this section to each member at the address last furnished to the association. These meeting requirements shall not prevent members from waiving notice of meetings or from acting by written agreement without meetings, if allowed by the bylaws.
- (4) A majority of the members shall constitute a quorum. Decisions shall be made by a majority of members

represented at a meeting at which a quorum is present; provided, however, that any decision to acquire the mobile home park <sup>1</sup>[or] shall only be made by not less than two-thirds of all the homeowners and any decision of the convert the mobile home park to a condominium or cooperative or other form of ownership following its acquisition by the homeowners association shall only be made by not less than a majority vote of all of the members of the homeowners association. In addition, provision shall be made in the bylaws for definition and use of proxy. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the member executing it.

- (5) The board of directors shall mail a meeting notice and copies of the proposed annual budget of expenses to the members not less than 30 days prior to the meeting at which the budget will be considered. If the bylaws provide that the budget may be adopted by the board of directors, the members shall be given written notice of the time and place at which the meeting of the board of directors to consider the budget will be held. The meeting shall be open to all members.
- (6) The board of directors may, in any event, propose a budget to the members of the association at a general membership meeting or in writing, and, if the budget or proposed budget is approved by the members at the meeting, or by a majority of their whole number in writing, that budget shall be adopted.
- (7) Minutes of all meetings of members and of the board of directors shall be kept in a businesslike manner and shall be available for inspection by members, or their of orized representatives, and board members at reasonable times. The association shall retain these minutes for a period of not less than seven years.
- (8) The share or percentage of, and manner of sharing, expenses for each member shall be stated.
- (9) The manner of collecting from the members their shares of the expenses for the maintenance of the park property shall be stated. Assessments shall be made against members not less frequently than quarterly, in amounts not less than are required to provide funds in advance for payments of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.
- (10) The method by which the bylaws may be amended consistent with the provisions of this act shall be stated. If the bylaws fail to provide a method of amendment, the bylaws may be amended if the amendment is approved by no less than two-thirds of the members. No bylaw shall be revised or amended by reference to its title only.
- (11) The officers and directors of the association have fiduciary relationship to the members.

- (12) Any member of the board of directors may be recalled and removed from office, with or without cause, by the vote of, or agreement in writing by, a majority of all members. A special meeting of the association membership to recall a member or members of the board of directors may be called by 10 per cent of the members giving notice of the meeting as required for a meeting of members, and the notice shall state the purpose of the meeting.
  - c. The bylaws may provide the following:
- (1) A method of adopting and of amending administrative rules and regulations governing the details of the operation and use of the park property.
- (2) Restrictions on, and requirements respecting, the use and maintenance of mobile homes located within the park, and the use of the park property, so long as such restrictions and requirements are not inconsistent with the articles of incorporation of the association.
- (3) Other provisions not inconsistent with the provisions of this act or with other documents governing the park property or mobile homes located therein.
- d. No amendment to the bylaws may change the proportion or percentage by which members share in the expenses as initially established, unless all the members affected by such change approve the amendment.

#### REPLACE SECTION 11 TO READ:

11. The owner of a mobile home park shall notify in writing each owner of a mobile home therein or, if a homeowners' association has been established under the provisions of this act, the directors of the association, of any application by the owner of the mobile home park for a variance within the approving authority 1, if the granting of such variance would result in the removal or relocation of the mobile home owners residing in that mobile home park1.

### REPLACE SECTION 13 TO READ:

13. This act shall take effect <sup>1</sup>[immediately] on the 90th day following enactment <sup>1</sup>.

## SENATE COUNTY AND MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

## ASSEMBLY, No. 1461 STATE OF NEW JERSEY

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DATED: JANUARY 17, 1991

The Senate County and Municipal Government Committee reports favorably Assembly Bill No. 1461.

Assembly Bill No. 1461 requires that the mobile homeowners in a mobile home park be given the right of first refusal to purchase that park whenever the owner intends to sell it or has received an unsolicited offer from a potential buyer.

To exercise this right, at least two-thirds of the mobile homeowners in the park must form a homeowner's association through which the park would be acquired and subsequently managed. Under the provisions of the bill, the association is required, after acquiring the park, to convert it into a cooperative, condominium, or other such form of ownership.

The bill sets forth certain requirements for the bylaws of the association. These bylaw requirements are designed to assure the participation and the protection of the individual homeowners.

If the homeowners have not formed an association when the park owner either offers the property for sale or receives an offer, the owner is required to notify the individual homeowners, who are then given the opportunity to form an association to purchase the park. In such cases, the negotiation period for the purchase of the park is extended an additional 15 days in order to allow the homeowners to establish an association. If the homeowners in such cases do not organize, they are not accorded the right of first refusal under the bill.

Where there is an association, the park owner has the following obligations:

1) In cases where the owner is contemplating seeking buyers for the park, he must notify the directors of the association, setting forth the price and other terms on which he is offering the park for sale. The association then has 45 days (or longer, if mutually agreed) in which to meet those terms and enter into an sales agreement. If the park owner subsequently elects to offer the park at the same price or at a lower price, the homeowners are accorded an additional 10 day days in which to consider the offer and reach an agreement. In those cases where there is a period of more than three months between the receipt of the owner's initial notice and the subsequent offer, the association is afforded 30 days, rather than 10, in which to review the offer.

2) In cases where the owner has received an unsolicited offer of purchase which he either is prepared to consider or to make a counter-offer upon, he is required to so notify the association within 10 days. The homeowners are then required to appoint a negotiating committee. After 30 days, and any mutually agreed upon extension, the committee is required to report to the association. The agreement, the price and terms of sale, worked out by the committee and the owner is to be binding for 10 days.

Certain sales or other transfers of mobile park property are exempted from the provisions of the bill. For example, transfers by inheritance, by gift, through foreclosure or other legal process, sales or transfers among limited or general partners or shareholder with a controlling interest in the same business entity or affiliates thereof; acquisitions by governmental entities through eminent domain; sales of units through condominium or cooperative conversion; and any sale of contiguous property to the mobile home park by the park owner which is not used for mobile home or related recreational facilities.

In addition to revising the time periods in which certain notices must be given and certain agreements must be completed, the committee amendments, clarify that a park owner may negotiate with other parties while the association is considering whether or not it should enter into an agreement to purchase, and specify that two-thirds of the mobile home owners must give their consent for a purchase.

This bill is identical to Senate Bill No. 3078, also reported by the committee on January 17, 1991.

CONTRACTOR)

STATEMENT TO

[FIRST REPRINT]
ASSEMBLY, No. 1461

with committee amendments

### STATE OF NEW JERSEY

DATED: DECEMBER 5, 1991.

The Senate Judiciary Committee reports favorably and with committee amendments Assembly Bill No. 1461.

This bill requires that the mobile homeowners in a mobile home park be given the right of first refusal to purchase that park whenever the owner intends to sell it or has received an unsolicited offer from a potential buyer.

To exercise this right, at least two-thirds of the mobile homeowners in the park must form a homeowner's association through which the park would be acquired and subsequently managed. Under the provisions of the bill, the association is required after acquiring the park, to convert it into a cooperative, condominium, or other such form of ownership.

The bill sets forth certain requirements for the bylaws of the association. These bylaw requirements are designed to assure the participation and the protection of the individual homeowners.

If the homeowners have not formed an association when the park owner either offers the property for sale or receives an offer, the owner is required to notify the individual homeowners, who are then given the opportunity to form an association to purchase the park. In such cases, the negotiation period for the purchase of the park is extended an additional 15 days in order to allow the homeowners to establish an association. If the homeowners in such cases do not organize, they are not accorded the right of first refusal under the bill.

Where there is an association, the park owner has the following obligations:

1) In cases where the owner is contemplating seeking buyers for the park, he must notify the directors of the association, setting forth the price and other terms on which he is offering the park for sale. The association then has 45 days (or longer, it mutually agreed) in which to meet those terms and enter into a sales agreement. If the park owner subsequently elects to offer the park at the same price or at a lower price, the homeowners are accorded an additional 10 days in which to consider the offer and reach an agreement. In those cases where there is a period of more than three months between the receipt of the owner's initial notice and the subsequent offer, the association is afforded 30 days, rather than 10, in which to review the offer.

2) In cases where the owner has received an unsolicited offer of purchase which he either is prepared to consider or to make a

counter-offer upon, he is required to so notify the association within 10 days. The homeowners are then required to appoint a negotiating committee. After 30 days, and any mutually agreed upon extension, the committee is required to report to the association. The agreement, the price and terms of sale, worked out by the committee and the owner is to be binding for 10 days.

A park owner may negotiate with other parties while the association is considering whether or not to enter into a purchase agreement.

Certain sales or other transfers of mobile park property are exempted from the provisions of the bill. Under an amendment adopted by the committee, the bill would not apply to any sale or transfer of property which is not made in contemplation of changing the use of the property from that of a mobile home park. Other transfers not subject to the bill's provisions include transfers by inheritance, by gift, through foreclosure or other legal process, sales or transfers among limited or general partners or shareholder with a controlling interest in the same business entity or affiliates thereof; acquisitions by governmental entities through eminent domain; sales of units through condominium or cooperative conversion; and any sale of contiguous property to the mobile home park by the park owner which is not used for mobile home or related recreational facilities.

#### THE PARTY IN

#### SENATE HUDICIARY COMMITTEE

## <u>A M E N D M E N T S</u>

to

ADOPTED

Assembly, No.1461(IR)
(Sponsored by Assemblymen Pelly and Spadoro) DEC 5 1991

#### REPLACE TITLE TO READ:

AN ACT to establish a right of first refusal for owners of mobile homes in a mobile home park upon the sale or offering for sale of such a park2 in certain cases2, and to provide for the acquisition and management of such a park by an association of the mobile home owners therein, and supplementing P.L.1973, c.153 (C.46:8C-1 et seq.).

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#### REPLACE SECTION 4 TO READ:

4. The provisions of sections 2 and 3 of this act shall not apply to:

<sup>2</sup>a. Any sale or transfer of the property of a mobile home park which is not made in contemplation of changing that property to a use or uses other than as a mobile home park.<sup>2</sup>

2[a.] b.<sup>2</sup> 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.

<sup>2</sup>[b.]  $\underline{c}^2$  Any transfer by gift, devise, or operation of law.

<sup>2</sup>[c.] d.<sup>2</sup> 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.

 $^2$ [d.] <u>e.</u><sup>2</sup> Any transfer by a partnership to any of its partners, whether general partners or limited partners  $^1$ , or partners or individuals to a corporation where the control of the corporation is substantially the same  $^1$ .  $^2$ [e.]  $\underline{f.}^2$  Any conveyance of an interest in a mobile home park

<sup>2</sup>[e.] <u>f.</u><sup>2</sup> Any conveyance of an interest in a mobile home park incidental to the financing of that park.

 $^2$ [f.] g. $^2$  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.

<sup>2</sup>[g.] h.<sup>2</sup> Any sale or transfer between or among joint tenants or tenants in common owning a mobile home park.

 $^{2}[h.]$   $\underline{i.}^{2}$  The purchase of a mobile home park

governmental entity under its powers of eminent domain.

2[i.] j.<sup>2</sup> Any sale which occurs as a result of a condominium or cooperative conversion.

<sup>2</sup>[j.] <u>k.</u><sup>2</sup> Any sale of real estate owned by the mobile home park owner which is adjacent to the mobile home park, but does not have appurtenant to it mobile home spaces or related recreational facilities.

#### REPLACE SYNOPSIS TO READ:

#### HOUSING AND CONSTRUCTION

Gives mobile homeowners right of first refusal upon sale of mobile home park in certain cases.