

WHAT YOU SHOULD KNOW

By Bob Anderson, Communications Chairman

This column will explain various facets of Chapter 723, other Florida laws, federal law, legislative bills, and anything related to manufactured housing in Florida.

The Prospectus

What is a Prospectus? It is a **legally enforceable** document that governs living in a manufactured home park. The Prospectus can:

- Prevent surprise fees or rule changes.
- Limit the park owner's power to change terms mid-tenancy.
- It protects residents' statutory rights.
- It can **serve as evidence in disputes or court cases.**

The Prospectus is **not optional, not informal, and not just a policy document.** It is a **legally enforceable disclosure** with "force of law" behind it. Once issued, the prospectus legally binds the park owner and cannot be changed arbitrarily.

Below is a breakdown of what a Florida mobile home prospectus must contain:

General Identifying Information

The prospectus must include basic facts about the park and its ownership, including:

- Name and address of the park.
- Name, address, and contact information of the park owner or operator.
- A statement that the prospectus is given pursuant to Chapter 723, Florida Statutes.
- The effective date of the prospectus.

Description of the Park and Facilities

The prospectus must describe the physical and operational aspects of the park, including:

- Total number of mobile home lots.
- Description of common areas and recreational facilities.
- Identification of services and amenities provided by the park owner.
- Roads, utilities, drainage, lighting, and other infrastructure responsibilities.

Lot Rental Terms and Charges

This is one of the most critical sections. The prospectus must clearly disclose:

- Lot rental amount.
- Method and frequency of payment.
- All additional fees or charges, such as:
 - Maintenance fees.
 - Utility charges.
 - Pass-through charges.
 - Late fees
- Basis for increases in lot rent or other charges.
- Any indexing or formula used to calculate rent increases (if applicable).
- **Fees or charges not disclosed in the prospectus cannot be enforced against residents.**

Utilities and Services

The prospectus must specify:

- Which utilities are:
 - Provided by the park owner.
 - Sub-metered or billed separately.
- Responsibility for:
 - Water.
 - Sewer.
 - Electric.

- Trash.
- Cable or Internet (if applicable).
- How utility charges are calculated and passed through to residents.

Rules and Regulations

The prospectus must include or attach the park's rules and regulations, including:

- Use of lots and common areas.
- Pets.
- Guests.
- Parking.
- Noise.
- Home appearance and maintenance standards.

Rules must be:

- **Reasonable.**
- **Uniformly enforced.**
- Consistent with Chapter 723.

Term of Tenancy and Eviction Provisions

The prospectus must disclose:

- Whether tenancies are:
 - Annual.
 - Month-to-month.
- Grounds for termination or eviction.
- Notice requirements for nonrenewal or eviction.
- Reference to residents' statutory rights under Chapter 723.

Home Sale and Transfer Restrictions

The prospectus must explain:

- Whether the homeowner may sell the mobile home in place.
- Any park approval requirements for purchasers.
- Screening criteria and application procedures.
- Any fees related to transfer or resale.

Prospectus Amendment Procedures

The prospectus must include:

- The process for amending the prospectus.
- Required notice periods.
- Limits on amendments that can affect current residents.
- Statement of residents' rights to object or challenge amendments.
- **Certain amendments (especially those increasing rent or adding fees) are strictly regulated and often limited to prospective residents only.**

Enforceability Statement

The prospectus must clearly state that:

- It is **binding on both the park owner and the resident.**
- It has the **force of law** under Chapter 723.
- Conflicts are resolved in favor of the statute.

Exhibits and Attachments

Typically included as part of the prospectus:

- Park rules and regulations.
- Lot layout or site plan (if provided).

- Utility billing policies.
- Sample lease or rental agreement (if used).

Other Information that should be included:

- **Right of First Refusal**
- **Required statements(F.S. 723.012) in conspicuous type:**
 1. THIS PROSPECTUS CONTAINS VERY IMPORTANT INFORMATION REGARDING YOUR LEGAL RIGHTS AND YOUR FINANCIAL OBLIGATIONS IN LEASING A MOBILE HOME LOT. MAKE SURE THAT YOU READ THE ENTIRE DOCUMENT AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING THE INFORMATION SET FORTH IN THIS DOCUMENT.
 2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE LESSEE SHOULD REFER TO ALL REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND SALES MATERIALS.
 3. ORAL REPRESENTATIONS SHOULD NOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE PARK OWNER OR OPERATOR. REFER TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR CORRECT REPRESENTATIONS.
 4. UPON DELIVERY OF THE PROSPECTUS TO A PROSPECTIVE LESSEE, THE RENTAL AGREEMENT IS VOIDABLE BY THE LESSEE FOR A PERIOD OF 15 DAYS.

Why the Prospectus Matters

Under Florida law, the prospectus is not just informational:

- It functions as a statutory contract.
- It limits what fees, rules, and rent increases can be imposed.
- Anything not properly disclosed is generally unenforceable.



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