



OURROC-SWF

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Our Resident Owned Communities - SouthwestFlorida, Inc.

Minutes: March 12, 2024, Membership Meeting.

Location: Oak Park Village, Alva, FL.

- 1. Roll Call:** Director/ President Bob Snyder (Sun-N-Fun) called the meeting to order at 9:30AM with the Pledge of Allegiance. Other Directors present were Vice President Ken DeWalt (Oak Park). Treasurer Gary Mathews (River Forest), Secretary Dennis Kriesen (Orange Harbor), Bill Bauer (Oak Park), and Sandi Hogue (Imperial Bonita). Mona Kadow (Moorhead Manor) was excused.

Communities in attendance were Horizon Village., Imperial Bonita, Moorhead Manor, Oak Park, Park Hill, Poinsettia, Port Charlotte, River Forest, River Haven, and Sun-N-Fun. Total attendance thirty-six plus six Board Members.

- 2. Proof of notice of meeting:** Announcements were emailed to all on the mailing list, in weeks prior.
- 3. Reading of Minutes of prior meeting:** Minutes of the February Meeting, previously mailed, were not read but passed, by MOTION to accept, ayes all.
- 4. Report of Officers:**

President: Spoke to the results of the 61 Training Survey sheets, noting forty-six reported the program was excellent. Suggestions for future programs yielded the following: Alcoholic Beverages in Clubhouse – OURROC will not discuss other than refer to community documents and attorney guidance. Suggestion to provide Training outline prior to the meeting is under review. Duties of Officers – not something OURROC will discuss as such should be found in community documents. Role of FS607 – ‘provide inspection of community documents’, will be considered. Understanding financial statements will be considered.
- 5. Vice President:** Elections are forthcoming next month. Of importance to know is two senior members, Bob Snyder, and Bill Bauer, will be stepping down creating voids that need to be filled. The primary Board function is working together developing educational programs. Folks willing to put in the time to help developing programs are encouraged to contact Bob or Ken. Board Meetings are held via ZOOM, the first Tuesday of each seasonal month, with an occasional off-season meeting, as required.
- 6. Treasurer:** February (Training) expenses of \$741.75, leaves a current balance of \$3980.76. Motion to approve carried. Membership renewals are in process.

- 7. **Old Business:** None.
- 8. **New Business:** None

Business Meeting Adjourned.
Program Began.

PROGRAM: *The GOOD and VERY BAD of accepting an offer to purchase your RESIDENT OWNED COMMUNITY.*

PRESENTER: J. Robert Caves III, Attorney – Becker-Poliakoff, speaking from an outline, all received.

HIGHLIGHTS:

Note: Below commentary is the writers summary of discussions on the topic and shall not be construed as any OURROC position.

- Historically, all Co-Operatives were formed when communities of folks who owned their homes and paid the landowner rent, for the piece of land their home sat on, and subsequently purchased the land. The formed Co-Op became governed by the (Not-For-Profit) Florida Statute FS719.
- Co-Ops are run a Board of Directors. In the event an outsider wants to purchase the Community and turn it into a rental community, or for some other purpose, the Board has the authority to explore the offer and present it, or not, to the Shareholders, who would make the final yes/no decision.
- Of importance to know, the Board should be asking itself what does the purchaser want to do with the land – typically, (e.g. pre-land) turn it into a rental property (FS723) or perhaps (e.g. post-land) turn the property into something else, a *re-development* of the land with the accompanying downside of current resident would have no place to live. Each scenario would have its own financial impact to shareholders.
- The rental scenario has aspects that need to be carefully studied such as rent increases to current or future inhabitants – e.g., CPI or current market value, and termination of lease, for various causes.
- The redevelopment scenario should be studied as to what happen to the home -e.g., getting it off the land.
- Regardless of the decision made by shareholders, community documents should spell out terms of approval, e.g., supermajority percentage of votes required, for termination.
- Suggested was get your community attorney and real estate attorney to study contract contingencies, e.g., zoning issues, involved with a redevelopment which could affect the financial outcome.

- Total transparency of the Board to members on the purchase offer is paramount.

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Q&A.

- Q. How difficult will it be for the purchaser to change certain elements of the contract, e.g, keeping the land a rental property for specified years.
A. Have your real estate attorney draft wording in the contract that prevents the purchaser from changing its mind and who/how will it be enforced. Enforcement will be amongst attorney's rather than expect the county to enforce.
- Q. Can terms of the lease be negotiated during the sale process?
A. Yes, the timing of when to do what can be a strong negotiating tool. Just be sure all the possible scenarios are covered.
- Q. After the purchase is concluded, if contingencies on the sale, e.g., zoning, have a negative impact, to the seller, can the purchaser walk away from the sale?
A. Yes. But any deposits made would be forfeited. Your professional lawyer's team should be involved. There is a due-diligence period for contingency issues to be decided or not.
- Q. if the purchaser decides to sell to another, is the new owner responsible for adherence to previously decided covenants and lease agreements?
A. Yes
- Q. Can purchaser negotiate with individual owners.
A. Yes, but documents could limit the number or membership certificates an individual or entity can own.
- Q. Can the Board outright refuse to act on a purchase.
A. Yes, but documents should spell out procedures for overruling any decision the board makes.

Further clarification of interpreted points above made should be directed to the presenter or your community attorney.

Program adjourned.

Respectively submitted,
Dennis Kriesen, Secretary.