

Consolidated Legal Fund

Federation of Manufactured Home Owners of Florida



Why ?

- **We are dependent upon park owners**
 - They must meet needs specified in prospectus
 - Repairs to infrastructure, clubhouse, pool, etc.
 - They can try to change the rules & regulations
 - They can try to change our prospectus



Why ?

- **Park owners are changing**
 - Old days of mom & pop park owners gone
 - More parks owned by multi-park conglomerates
 - Equity Life Style – Chicago, IL
 - Sun Communities – Southfield, MI
 - Hometown America – Chicago, IL



Why ?

- **Lack of leverage with park owners**
 - Legislation is very difficult to pass
 - Legal system remains ultimate leverage

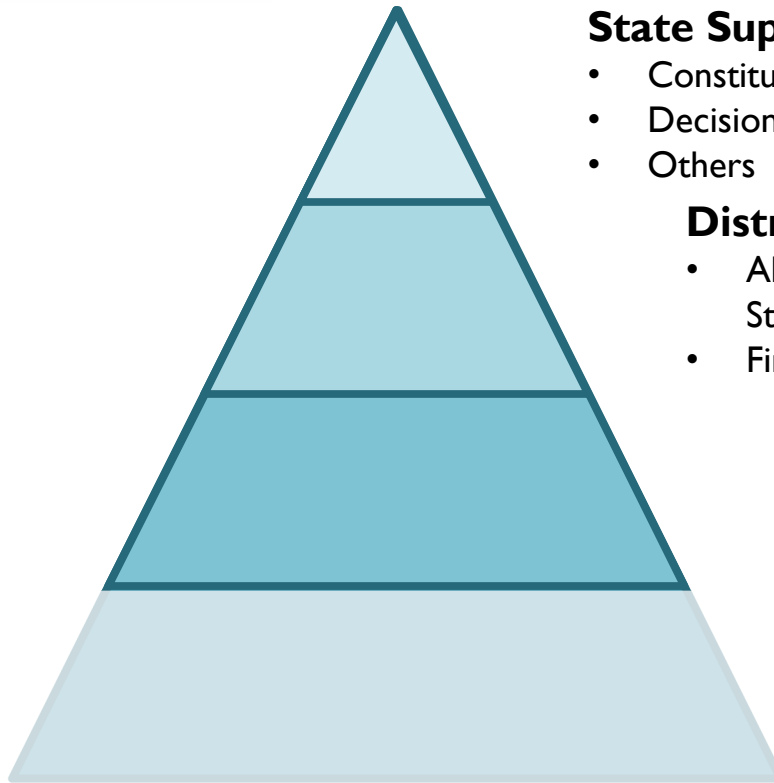
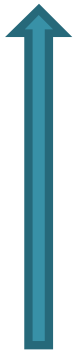


Why ?

- **Entering the legal arena is expensive**
- **Most HOAs can't afford it**
 - Park owners know that and use it to their advantage



Why ?



Florida Judicial System

State Supreme Court

- Constitutional Questions
- Decisions affecting a class of constituents
- Others

District Courts of Appeal

- All matters not directly appealable to State Supreme Court
- Final actions of State Agencies

Circuit Courts

- Civil (> \$15,000)
- Others

County Courts

- Small Claims (< \$5,000)
- Civil (< \$15,001)
- Others



Why ?

LEVERAGE

FEARFUL



How?

Establish a legal defense “Super Fund”

- Accessible by the contributing HOA’s
- Managed by a committee consisting of volunteers from both the FMO and HOAs with diverse experience in law, business, and finance.



How?

MISSION STATEMENT

- Provide funding for HOA to pursue litigation
- Funded by participating HOAs
- Managed by committee
 - HOA experience
 - Financial experience
 - Legal experience
- Grants to support HOA litigation
 - State-wide impact
 - Regional impact



Who?

- **Organizational Structure**

- What form?
 - 501(c)(3) Non-profit
 - FS 617 Not-for-profit
 - LLC
 - Wholly owned subsidiary
 - FMO Committee



Who?

- **FMO Standing Committee**

- Reduced start-up costs
- Reduced annual operating costs (insurance)
- Quickest route to implementation
- Can be “upgraded” in future if needed



FMO Consolidated Legal Fund

• Management Structure

- 9 member Management Committee
 - 3 FMO board members (including Treasurer)
 - 2 FMO district presidents
 - 3 HOA presidents / past presidents
 - 1 FMO legal counsel
- HOA experience
- Legal experience
- Financial experience



FMO Consolidated Legal Fund

• Current Committee Members

- **FMO Board –**
 - Jerry Durham – Director at Large
 - Sam Rudland – Treasurer
 - Tom Bertz – Section V Director
- **FMO District Presidents –**
 - Randy Holeyfield – District 10
 - Patti Timm – District 4
- **HOA Presidents –**
 - Tom “Skip” Boll – Woodbrook Estates, Lakeland
 - Judy Hale – Pine Lakes, Lee
 - < Open >
- **FMO Legal Counsel –**
 - Lee Jay Colling – Maitland



FMO Consolidated Legal Fund

• Financial Structure

- Funded by member HOAs
 - \$3,000 Commitment by HOA
 - Option 1
 - Initial subscription of \$3,000
 - Option 2
 - Initial subscription of \$1,000
 - 2 payments of \$250 per year over 4 years
 - Option 3
 - Initial subscription of \$600
 - 4 payments of \$600 per year over 4 years
 - Objective - \$250,000 within 2 years



FMO Consolidated Legal Fund

- **Financial Structure**

- Total separation of funds from FMO
- Investments managed by committee
 - Money markets & CD's – liquidity & growth



FMO Consolidated Legal Fund

- **Marketing Strategy**

- Target – mobile home parks in state
 - > 1700 parks with 25 or more sites
 - Parks must fall under FS 723
 - Resident Owned Communities not eligible



FMO Consolidated Legal Fund

- **Marketing Strategy**

- Initial focus – Polk County (District 1)
 - Relatively small geographic area
 - Centrally located
 - Large number of parks



FMO Consolidated Legal Fund

- **Marketing Strategy**
 - District presentations
 - Park presentations
 - Development of collateral material
 - Handouts
 - Slide shows / Video
 - FMO “Watchdog” articles



FMO Consolidated Legal Fund

- **Litigation Strategy**

- Issues with statewide or regional impact
- Not for mediation/arbitration
- No single-park issues (HOA vs. member)
- Application reviewed by Committee
 - Decision final
- Develop a pool of qualified attorneys
 - Experienced with FS 723



Common Questions -

- **Aside from the fees, are there any requirements to join the CLF?**
 - **HOA's must be in compliance with Sections 723.075 through 723.079(1), Florida Statutes, and be able to furnish proof of such compliance.**



Common Questions -

- What ownership does the HOA have over the contributed funds once vested in the CLF?
 - **None**



Common Questions -

- Can grants be used to fund mediation or arbitration actions between the HOA and its park owner?
 - **No**



Common Questions -

- What control does the HOA have over which cases the CLF will back?
 - **Very little, the HOA must demonstrate a clear state-wide / regional impact to the CLF Committee.**



Common Questions -

- What happens if the HOA wins a suit and is awarded costs, damages and attorneys fees?
 - **The HOA will be required to repay all granted funds, thus replenishing the CLF. Balance of awarded funds would remain with the HOA.**



Common Questions -

- **What happens if the CLF loses a case?**
 - **The CLF will not be a litigant. If the HOA loses a case, funds granted by the CLF to the HOA will be lost.**



Common Questions -

- What happens if the CLF runs out of money?
 - **Member HOAs may be assessed an additional contribution.**



Common Questions -

- What happens if an HOA goes out of business or a park files change of use?
 - **The HOA funds will be retained by the CLF.**



Common Questions -

- What happens if the CLF goes out of business?
 - Any net funds will be distributed back to member HOAs in the percentage contributed.



FMO Consolidated Legal Fund

• Participating Communities / Counties

- Kings Point – Polk
- Winds of St Armands South – Sarasota
- Ariana Village – Polk
- Hickory Hills – Polk
- Citrus Center Colony – Polk
- Wood Brook – Polk
- Woodalls – Polk
- Lamplighter – Volusia
- City of Ft. Meade MHP – Polk
- Buttonwood Bay – Highlands
- Swiss Village – Polk
- Arrowood – Brevard
- Featherrock – Hillsborough
- Westside Ridge – Polk
- Colony Cove – Manatee
- Lakeshore Villas – Hillsborough
- Buccaneer Estates – Lee
- Sugar Creek – Pinellas
- Aqua Isles – Hendry



Consolidated Legal Fund

Questions?

