

Welcome!

**To The Introduction Of
The Consolidated Legal Fund**



Consolidated Legal Fund

- ▶ **Recognizing the need**



Consolidated Legal Fund

- ▶ **Recognizing the need**
- ▶ **Researching a solution**



Consolidated Legal Fund

- ▶ **Recognizing the need**
- ▶ **Researching a solution**
- ▶ **Defining the organization**



Why Is The Fund Needed?

Dependent upon park owners

- **They must meet needs specified in prospectus**



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Dependent upon park owners

- They must meet needs specified in prospectus
- 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
 - ✓ New investors buying parks at inflated prices



Why Is The Fund Needed?

Lack of leverage with park owners

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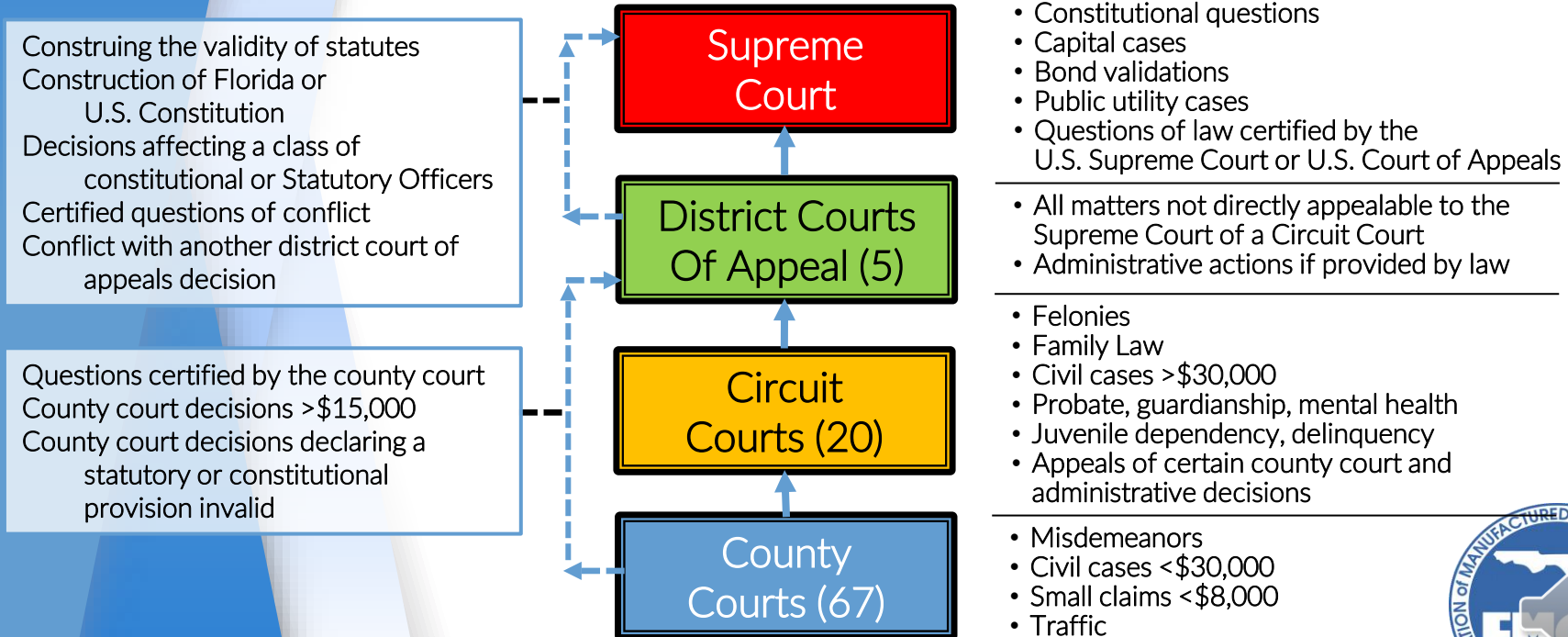
Lack of leverage with park owners

- **Legislation is very difficult to pass**
- **Legal system remains ultimate leverage**
- **Entering the legal arena is very expensive**
 - ✓ **Most individuals and HOA's can't afford it**
 - ✓ **Park Owners know that and use it to their advantage**
 - ✓ **Encourage use of County Courts for small claims
(under \$30,000)**
 - ✓ **Fund is not used for disputes between
Members and the HOA**



Florida Judicial System

Florida Courts Jurisdiction



Researching a Solution

Establish a Legal defense “Super Fund”

- Accessible by the contributing HOA’s.
- This pool of money could be made available as a grant after an application process to vet the viability of the litigation.
- There would be restrictions, for example, it would not be available for mediation or individual park rent disputes which are clearly defined in their prospectus.



Organizational Structure

What form best serves members?

- **501(c)(3) Non-profit**
- **FS 617 Not-for-profit**
- **LLC**
- **Wholly owned subsidiary**
- **Standing Committee**



Organizational Structure

FMO Standing Committee

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



Organizational Structure

Committee Structure

- **9 Member Management Committee**
 - ✓ **3 HOA Presidents / Past Presidents**
 - ✓ **2 FMO District Presidents**
 - ✓ **2 FMO Board Members**
 - ✓ **1 FMO Treasurer (non-voting)**
 - ✓ **1 FMO Legal Counsel (non-voting)**



Mission Statement

“The mission of the committee will be to assess the need to support legal actions that will have significant impact statewide, or within a county or municipality that may result in appellate precedent of law.”



Financial Structure

Funding Strategy

- **Funded 100% by subscriber HOAs**
- **Objective - \$250,000**
- **Self Sustainable**
- **Currently \$135,000 with 44 HOA's Enrolled**



Payment Schedules

Flexible Payment Schedules Available

- **Option 1**
 - **One time payment upon contract signing \$3,000**
- **Option 2**
 - **Initial payment of \$1,000 on contract signing, \$250 on April 1 & \$250 on December 1 for 4 years.**
- **Option 3**
 - **Initial Payment of \$300 on contract signing, \$300 on April 1 & \$300 on December 1 until the total \$3,000 is paid.**

In the event installment payments are not paid the HOA will no longer be a member of the fund.



Growth Strategy

Key Growth Strategies

The CLF will message the benefits of joining the family of HOA participants through

- District presentations
- Park presentations
- Informational material at www.fmo.org

Our strength is in our membership numbers and our available resources.



Litigation Strategy

Maintain a Pool of Qualified Attorneys

- Experienced with FS 723
- State-wide pool



Litigation Strategy

Application Prerequisites

- **Potential for Statewide or Regional impact**
- **No single-park issues (HOA vs. member)**
- **Application reviewed by Committee**
- **Complied with mediation prerequisites**



Frequently Asked Questions

What ownership does the HOA have over the contributed funds once vested in the CLF?

✓ **None**



Frequently Asked Questions

What control does the HOA have over which cases the CLF will fund?

- ✓ **Very little, the HOA must demonstrate a clear state-wide / regional impact to the CLF committee.**



Frequently Asked 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 funds would remain with the HOA.**



Frequently Asked Questions

What happens if the CLF loses the case?

- ✓ **The CLF will never be a litigant.**
 - **If the HOA loses its case, funds granted by the CLF will be lost.**
 - **The HOA will not be responsible for repayment of the granted funds should the suit be lost.**



Frequently Asked Questions

What happens if the CLF runs out of money?

- ✓ **Members may be assessed an additional contribution.**



Frequently Asked 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.**



Consolidated Legal Fund

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