

## **BOARD OF DIRECTORS MEETING**

### **THURSDAY, JANUARY 30, 2020 AT 1 PM**

At 1:03 Frank opened our meeting with the Pledge of Allegiance to our flag. Present board members were Frank King-president, Anne Warren-secretary, Pat Dubuc-treasurer, Jim Krueger-assistant treasurer, Bob Lewis-at large, and Bud Hodgkins-at large. Absent was Ed Landry-vice president.

Frank announced to the members that if any member would like to contact a member of the board, he would like them to contact the board member by going through the front office. The message can be either by an email or by a note with a signature on it.

Under old business, Frank announced that the state permit has been received for the sites in the boon dock area. What we need next are the county and city permits which our contractor will obtain. Next an update on our water/isolation valves which supply water to our park were discussed. Some members have been trying to shut these 2 valves and this task has almost been completed. Once these two valves have been shut, Norm added that he and Ed will work on the other 7 valves.

Under new business, Jim gave us a report on some of the items discussed when Frank, Ed, Pat, Jim, and Bud met with our attorney. Jim started by reading page 40 item 3.21 of the "blue book" for Florida Cooperatives. Then Jim continued by saying that he had questions about The Resort's real estate tax bills.

Jim noted that our tax bill has been going up and he questioned why and did it have to go up so much? For these reasons, Jim wanted to find an attorney with this expertise. In his search he found Jonathan Damonte who has had 39 years of experience in this field. The board members were told by our attorney that we are NOT a co-op because we do not have leases, we do not pay a \$4.00 fee per year to the state for each lot, we do not sell our lots at the market price, we do not pay our own taxes on our lot, and our lots are not appraised by the county.

Jim added that we ARE a not-for-profit social and recreation club under Florida's State Statute 617, not 719 which is for co-ops.

Jim added that we have been relying on people who have been giving us the wrong answers so we must change parts of our By-Laws; parts of our By-laws must go if they are wrong.

Another question asked to the attorney was whether or not the board could have meetings before each Board meeting that is held before the members. The lawyer answered, "Yes", we can have meetings before the board goes before the members. He added that this first meeting does not need to be posted but meetings before the members do have to be posted. He added that our meetings are not subject to open laws or sunshine laws. We are a not-for-profit organization.

Voting was the next topic for discussion. The attorney said we do not have to limit ourselves to limited proxies; we can also have general proxies. The attorney also approved Ed's



ideas for Proposal #1 at this year's annual meeting. He added that Ed's proposal just needs some words changed but the concept is fine.

Next our Registered Agent was discussed. To protect our park, we must have a registered agent and this agent must be registered with the state. Many ideas were presented as to who could be our registered agent. Jim mentioned that our attorney would be happy to be our corporate agent and there would be no fee as long as he is our attorney. Jim made a motion "that we change our corporate registered agent to Jonathan Damonte as our corporate agent." Bud seconded the motion. Motion passed 100% by the present board members.

Pat then made a motion "to add the fictitious name DBA to Florida SKP Resort to all our applications." Bob seconded the motion. Again the motion was passed by all the present board members.

Bob asked Jim to prioritize our documents. Jim answered the order is Federal Law, State Law, our Articles of Incorporation, then our By-Laws.

Next, as promised, Jim opened the floor for comments and questions from our members. It was noted that next year will be a very busy year because anything relating to 719 must be deleted in our Articles of Incorporation, By-Laws, and Standing Rules. Norm added, "We are not in a crisis; we just need to get things right."

Bud read the following passage that he had emailed to all the board members:

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### Who Are We?

We at the SKP Resort ~~are~~ have always lived our lives in a mindset that we were a Co-Op. We are, in mind, spirit and actions. This has led us to a lifestyle that we all cherish and enjoy.

Now we have been told that we are not a Co-Op and that feels threatening but this will in no way affect the way we all choose to live here at The SKP Resort.

We should, and will, continue to govern ourselves as we have in the past, but as it turns out, we can do so with less stringent rules from the Florida State Statutes.

We are, in the eyes of Florida State Law, a "Member Benefit Corporation Not for Profit Equity Club". It's a big mouthful and a lot to take in all at once. We are ruled under Florida Law as a 617 not-for-profit corporation. This set of rules gives us the right to write our own Articles of Incorporation, By-Laws and Standing Rules the way WE want them to be and the way we have lived by them in the past.

There will be a few changes but with us all working together the changes can be to the good and our quality of life here will not change. We do NOT have to subject ourselves to a stringent set of rules that we all HAVE to live by, but a set of rules that we all WANT to live by.

These changes, we hope, will be for the good of the SKP Resort moving in to the future and will continue in the spirit of the people who put this park together back in 1989. Let's work together to make this a positive change where we can all return to a common ground and dispense with growing animosity we have all been feeling in recent years.



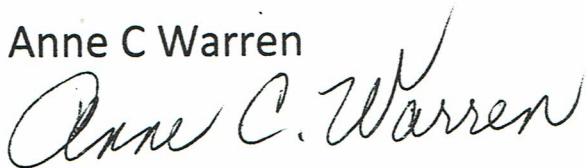
The next item on our agenda was the boon dock area because in the next few weeks this will be a work site and the office needs to know where to put any boon dockers for the remainder of this season. Bud "made a motion to put 1 or 2 sites by the kitchen propane tank and 3 or 4 sites by the exit gate." Bob seconded it. Art added that 3 or 4 sites could be used by the dumpsters. Bud made a motion to amend his earlier motion "to make this temporary pending further discussion." Jim seconded the amendment. Motion passed by the board.

Next on the printed agenda was a discussion on the services needed during the summer. Services mentioned were power, generators that may need to be moved, testing of our water and sewer, mowing the grass, people who need help with their lot, and debris on lots.

At 2:53 Bob made a motion to adjourn our meeting. Pat seconded it. Meeting adjourned.

Respectfully submitted,

Anne C Warren

A handwritten signature in cursive script that reads "Anne C. Warren". The signature is written in dark ink and is positioned below the printed name.

Board secretary

# Initial Presentation on Interactions with Attorney Johnathan Damonte -Short Form

The Primary Question most of the membership has is, "Why have we seen a need to meet with an Attorney"?

We as a Board are required to Guide and Protect the Membership. We have a Fiduciary duty to the membership to do this. A fiduciary duty is a fancy legal term that means we take actions that are beneficial for the membership. This is what we are trying to do.

How did discussions with the attorney get started?

I became concerned about increases to our real estate taxes that resulted from comparison of our park to two parks (Little Charlie Creek and Sable Palms RV Parks). The high sale prices of these parks led to a 10% increase of our appraised value each year by the appraiser. The County appraiser was limited by a state law that caps the increase at 10% per year. The current real estate taxes are about 8% of our total annual expenses which is significant.

I tried to find somebody that could potentially help us reduce our taxes reduced or slow the rate of increase. This led me to call Johnathan Damonte in Largo Florida, because he was highly experienced with Home Owner Association, Condo Association, Co-op, RV Park, and Not-for-profit law.

To provide us guidance on our tax situation Mr. Damonte needed to know what type of organization we were. If we were a Co-op under Florida Law 719, then we would have filed plats with the county identifying lot size and shape, filed leases for lots with the state, recorded lease changes for lots with Hardee county, and paid a \$4/lot annual fee to the state. We have never done this, and we believe we never intended to do this. He and I also quickly identified by looking at our corporate online records that our listed corporate agent was no longer valid.

Over the past year, information was sent to Mr. Damonte to provide him with a more complete picture of who we are and what we have stated in our Articles of Incorporation and our Bylaws. We provided a package of additional information (including a state certified copy of our Articles of Incorporation) to him in January and met with him in person on Tuesday, January 21, 2020. Articles of Incorporation on our web page had many differences from those received from the state and our paper records were not adequate for us to know this. The meeting was very productive and helped the Board understand who we are and what is or is not required by Law.

What are the primary results of communication efforts and meeting with the Attorney?

I will present four key items that I hope you can follow. Unfortunately, they involve reference to Florida laws which can sound rather complicated. Please ask questions at the end of my presentation. Hopefully we can help you understand the issues.

1. We discovered a document produced by O. Grant Simons (Escapee Membership No. 907) published in August 1993, Titled Manual for SKP CO-OPs and Boards of Directors.



# Initial Presentation on Interactions with Attorney Johnathan Damonte -Short Form

Mr. Simons is believed to have been a member of the Evergreen COHO Escapee Retreat at Chimacum, Washington. The document provides an excellent description of how the Escapees established so called CO-OPs across the country and the problems faced with management of these under differing state legal requirements. Copies of this document will be made available for those who want to read it. It is 76 pages long.

2. We are very clear that we are a Not-For-Profit Corporation under Florida Statue 617 and organized as Mutual Benefit Club. We are also a 501 (c) (7) tax exempt organization known as **social and recreational clubs** under the Internal Revenue Service rules. We are clear that this was the intent of the original organizers and that following these laws provide the flexibility to continue to operate in the manner we have since 1987.

We are not a Cooperative under Florida Statute 719 which would require us to treat lot leaseholds as real property under Florida law and force the leasehold owner to sell their own lot. This would also eliminate how we currently use the wait list. The property would be sold at "Market Price", each lot would be appraised by the county appraiser, and real estate taxes would be paid by the lot leasehold owner. Many other burdensome requirements would need to be followed under this law. A significant expense would be incurred to convert to this type of Florida corporation in addition to other ongoing management expenses.

3. Regarding meetings, we are only subject to whatever rules we put into our Bylaws and the requirements of Florida 617.0820 through 617.0824. We are not subject to the "sunshine" laws that governs meeting of Federal, State, County, Municipality, and school board organizations. The work sessions we have held to discuss questions for the attorney are not illegal as has been alleged by some members. Board work sessions to perform planning activities before presenting issues to the members are perfectly legal.
4. Regarding voting, both General and Limited proxies are allowed under Florida law. Also, the membership may set our rules for quorums and majorities required to pass an item as we desire. The quorum requirement can not less than 20%. We can change our voting requirements to count votes of all members present (in person or by proxy) to determine whatever majority applies to pass an item. Only votes that require a majority of the "entire membership", must include a count of members not present and their votes count as a NO. Our use of the words "entire membership" in our Bylaws, conflicts with our Articles of Incorporation. Our Articles use the words, "members of the corporation entitled to vote", not "entire membership". Our Articles of Incorporation take precedence over the Bylaws.

# Initial Presentation on Interactions with Attorney Johnathan Damonte -Short Form

Other items were discussed with the Attorney including:

- Use of year end excess funds for a capital or contingency fund
- A potential income basis for reducing our real estate taxes
- Correcting our name via use of a state allowed "fictitious name" to avoid a possible fraud suit for stating we are a CO-OP
- Correction of our membership agreement and certificate to say we are a 617, not a 719 corporation
- Numerous other minor items

All the items addressed with the attorney will be provided to the membership in a subsequent report. Some items will be explained as the Board presents selected short-term actions for Board approval.

Respectfully presented by,

Jim Krueger

Assistant Treasurer (2018-2020)