

Status of the LALLOA Revitalization MRTA Project

Lake Asbury Lakelot Owners Assoc., Inc.

November 2022

How and Why did LALLOA's need to revitalize begin?

- 2020 – LALLOA Hired New Attorney
- New attorney reviewed our governing documents and found **LALLOA was out of compliance** with Florida Statute 712.
 - Florida Statute 712 – Marketable Record Title Act (MRTA)
 - MRTA introduces two new title concepts:
 - 1) marketable record title, and
 - 2) root of title.
- Reference [Floridabar.org](https://www.floridabar.org) for details

What is the Florida's Marketable Records Title Act?

The Basics of MRTA:

- Passed to liberate real property from older title dates by prescribing a 30-year limitations period.
- It's purpose was to simplify and limit the record search process necessary to establish marketability of title thus aiding in the closing of real estate transactions.
- Lake Asbury governing documents are over the 30-year limit.

How does an HOA Repair itself when out of compliance?

- In 2018 Legislature created process within Florida Statute 712 for HOAs to Revitalize their Governing Documents.
- The Law requires :
 - Signature on Consent Form;
 - Revitalization of Original Restrictive Covenants; and
 - Simple majority of signatures – 50 percent plus one.
- The Florida Department of Economic Opportunity (DEO)
 - applies processing rules; and
 - approves or declines submitted packages.

LALLOA began the process to Revitalize our Governing documents

2020-2021 Initial Attempt

- LALLOA sent Emails and/or Hard-copies of all of the documents to all affected homeowners in Lake Asbury.
- LALLOA received a return of more than a majority of signed Consent Forms to revitalize our multiple Restrictive Covenants.
- Attorney filed the completed package with the State of Florida Department of Economic Opportunity.
- The DEO returned the package, it was not accepted. The basis was a NEW Rule at DEO that was implemented after we started our project. The Consent Forms had to be unit specific.

2022 Second Attempt

- LALLOA identified and paired each lot to their specific unit. Unit Specific documents were created.
- Project began once again on a unit by unit basis.
- A majority was collected in 4 units and these were submitted to DEO.
- DEO denied the 4 submissions. The basis was a NEW Rule at DEO. The documents had to be delivered to the property owners in hard copy.
- Email related Consent Forms were no longer acceptable

MRTA Expenses to Date **\$11,358.57**

- **2020 Expenses - \$1,983.81**

- \$1750.00 – Attorney
- \$233.81 – Printing

- **2021 Expenses - \$5403**

- \$1734.20 – Attorney
- \$400 – Website maintenance
- \$1718.66 – Printing
- \$1550.25 – Postage

- **2022 Expenses – \$3,971.76**

- \$2,222.40 – Attorney
- \$373.80 – Postage
- \$803.92 – Printing
- \$555.00 – Email and Website maintenance
- \$16.64 – Labels

LALLOA - No Income for 2021 & 2022

- While LALLOA works through the MRTA Revitalization process,
 - The board suspended collection of Annual Dues upon attorney's recommendation;
- LALLOA's annual income of \$22,400 from the \$50 Annual Dues, was suspended for the years 2021 and 2022.
- LALLOA's routine expenses must continue to be paid:
 - Mowing
 - Electric
 - Insurance
 - Website Management
 - CPA fees
 - Property Maintenance (repairs to docks, ramps, gates)

LALLOA Options

- **Option 1:** Continue to work through the Revitalization Process to reestablish LALLOA as an HOA with Restrictive Covenants.
 - Following attorney's recommendation, LALLOA has elected not to collect Annual Dues until Revitalization is certified by DEO.
 - Costs for a 3rd reworking of the process - \$10,000+.
 - There is no assurance DEO will not have any further rule changes that would prevent success with a 3rd attempt.

LALLOA Options continued . . .

- **Option 2:** Stop the Revitalization Process and reform as a voluntary HOA/Civic Association.
- Not a viable option:
 - LALLOA is named as co-owner of the dams in the LAMSBD Charter.
 - Changing LAMSBD Charter is not possible without county and state government involvement and approval.
 - Furthermore:
 - There would be no income until the “re-org” is completed.
 - The timeline would be approximately 6-12 months.
 - Costs include dis-forming LALLOA and creating a new organization. Potential expenses are unknown – could be exorbitant.
 - Voluntary dues are not always paid by property owners. Current required expenses are at risk.

LALLOA Options continued . . .

- **Option 3:** Form a new Entity/Org under the LALLOA umbrella to manage secured access to the Lakes and collect income from charging for keys to the boat ramps until such time as the MRTA Revitalization process is completed.
 - Current By-Laws allow for the formation of clubs, organizations and societies. (Article XI)
 - Forming “Organization” would be a LALLOA Board action.
 - The new Organization would manage and provide private access to members to the Lakes.
 - Membership to the “Organization” would be voluntary.
 - LALLOA would continue as the ‘parent’ organization.
 - Current LALLOA Lake Rules will be enforced

LALLOA Option 3 continued . . .

- Lakelot property owners would join the “Lakelot Owners Access & Privacy Organization” to obtain access to the lakes via the boat ramps.
- Varied levels of membership:
 - Partial membership that Does NOT include access to the Boat Ramps, or
 - Full access membership that Does include access to the Boat Ramps.
- All fees will be used toward annual operating costs
- Timeline to get new Organization up and running is expected to take less than 6 months.
- LALLOA will continue to own the properties it holds now.
- Expenses would include attorney review and approval of documents and recording the documents with Clay County Clerk of Court. Expenses expected to be approximately \$3000.
- LALLOA Revitalization process would continue once the organization is established.

Thoughts???

- Time for Lakelot Owners Feedback