

## The Transition Begins

We stand at the dawn of a new Bridgewater at Viera. Within days or weeks at the most, the 777<sup>th</sup> home will have closed and we will be at 90% closed homes. This number is what will trigger the Transition and Transfer of Control from the builder, Lennar to the Residents. Let's look at how this can happen.

On February 6, 2017 WCI Communities, LLC recorded a plan to develop the community of Bridgewater at Viera. WCI, with Lennar as its agent, is known as the Developer and they are finishing construction and sale of 863 individual residences. As is the case in all developments, the Developer (aka the Declarant) creates the rules and regulations and is responsible for the oversight of the community and the residents therein. When 90% of all planned units are closed, 777 units, control of the community begins to Transition from Developer/Declarant Control to Resident Control. The process is defined in Florida Statute 729 paragraph 307. The Statute states:

1. Within 3 months if the trigger point (777) the residents will elect a majority of the BOD. (In our case Lennar has elected to not hold a seat, so all BOD members will be resident/owners). There will be at least 60 days notice of the election and the opportunity for nominations, and then the election of a majority owner BOD. This is called TRANSFER OF CONTROL because control of the HOA will be transferred from the Declarant to the owners. Note that, in our case, Lennar has agreed to increase the BOD to seven members. It should be noted that each unit/home has ONE VOTE in the selection of a resident Board of Directors (BOD).
2. Within ninety (90) days after Transfer of Control, the Declarant is required to deliver to the association a long list of documents related to ownership and operation of the HOA (see F.S.720.307 (4) for the detailed list.)
3. This completes the Transition process as outlined in the statute.

Please note that this process has NOTHING TO DO WITH THE AMENITY FACILITY. The Amenity will continue to be owned by WCI and while we continue to have certain rights of use, we will have no management control and will continue to be required to pay assessments set by the Amenity owner who unilaterally prepares the budget.

## **What Will Actually Happen at Transfer of Control?**

The resident BOD will have authority to manage the community in accordance with the appropriate laws and community documents, independent of the Declarant. This includes the authorization to schedule meetings, create committees, sign contracts and hire experts, amend rules, prepare budgets and spend money. Some of the immediate tasks ahead of the new Resident BOD will include:

- A. Review, establish, adopt and implement procedures for routine and ongoing management of the community. A schedule for BOD meetings will need to be established and published; Governing Operational Committees will need to be established; documents will need review and amending; oversight of financial operations and the establishment of a Reserve and possibly an Improvement Fund will need to take place.
- B. The BOD will need to determine if the Declarant has fulfilled all its responsibilities for completion of the Transition process. This will require:
  - 1. Engineering experts to determine the adequacy of design and identify possible defects in any of the facilities that are a part of the HOA.
  - 2. Financial experts to review and recommend correction of financial transactions since the inception of the community.
  - 3. Legal advice, and if necessary, legal actions necessary to ensure that the Developer has met all its obligations to the community and satisfactorily completed the Transition process.
- C. Determine if the Amenity Center should be purchased and if so, carry out the necessary actions to execute the transaction.

## **When Will This Process Begin?**

It is anticipated that the 90% trigger number will be reached in April and the election for Transfer of Control will occur in early summer. You will receive official notification when this occurs. Once that happens, the call for nominations will go out and this wild and exciting ride will be taking off. Shortly after the election of the Resident BOD, there will be a call for volunteers to populate the Committees that will advise the BOD.

In our next TRANSITION NEWS piece we will be introducing to you the folks who have volunteered to serve on the Transition Team and the plan to expand the team. We will also be sharing with you some of the committees that will likely be formed immediately after the resident BOD has been elected. These are all opportunities for you to become involved in the leadership of our beautiful community.

Susan Speece  
Transition Team Communications and Education