

2/8/22



(Draft)

Open Board Meeting- Minutes - Zoom - Part 1

Board Present-

Rich McCall-President
Carol Hudak-Vice President
Jim Anderson- Treasurer
Jim Netis -Secretary
Joanne Grzywinski-Director
Dan Carney - Director
Lou Mangerpan- Director

94 Participants-

Rich McCall opened the meeting at 7:00 pm.
Moment of Silence- Silence all cell phones

Rich M - Introduced Paul Leodori- HH legal counsel - to address social media allegations.

What follows is a recap of Paul Leodori's presentation to the participants including questions and answers.

First topic -Flipper Agreements: As far back as 2008-2009- a real estate crash and houses damaged by storms- corporate contractors expressed interest in renovating homes that could not be lived in as they were. An agreement was drawn up with the following criteria- must complete renovation in 9 months-put down a security deposit of \$5,000 held in an escrow account by the law firm, comply with all associations rules and the contractor would have the \$5,000 refunded to them.

Paul's firm has been accused of pocketing this security deposit - it has been addressed in court and neither the Association nor the Association attorney has received that money. Flipper agreements are a win-win for all parties .(the seller-flipper -buyer and the Association)-There is a \$300 fee to draft the flipper agreement and that fee is paid by the flipper.

Second Topic- Background to allegations: A couple in Holiday City Berkeley under 55 was living in a home illegally. The Association asked Paul Leodori to intervene and advise the couple to move out within 30 days or legal action would be taken. There was no response, so Paul filed to sue the couple on behalf of the Association. Their rebuttal was selective enforcement- other people under 55 were living there as well. There was no intent to seek out any individual case but rather to follow up on a reported violation. The couple filed to dismiss and the judge did not do so and also held the couple had to pay all attorney accrued costs. This created an agitated state for the one person who created some issues and distractions publicly and the Association filed a restraining order against that person. As a background- this person served jail time in 2019 and 2020 and has confessed to 3 indictable offenses.

As a handyman he collected deposits and never did the work and was given probation. He also teamed up with someone in HC West who was arrested for selling cannabis out of his home.

The Association approached Paul to enter an order restraining him from selling any more. One month later the Berkeley Police raided and found over \$500,000 in cash from money laundering and cannabis.

Paul is hoping this all dies down soon and the truth will be told. Paul has represented HH for over 20 years.

Paul ended his segment and the meeting was opened up for questions

Questions

C. Loiodice- Cases involving underage issues- were they owners or residents? - Occupants/ residents only.

Is there a limit on the number of flippers allowed? It is limited to unique circumstances and held to criteria and time frame of 9 months to turn over or a \$25 daily fine kicks in. How would the association know if the flipper is over 55? When completing documentation if over 55 - no issue. Under 55 - Berkeley Twp would not issue a CO without age documentation from the Association.

Dede- Questioned a civil action in Burlington County representing the Bienvenue Community? There was a Board fight among members- A rogue group sued the Board and alleged Paul was stealing money and sued Paul. Paul filed action against the rogue group and the other attorney and agreed to binding mediation. It was agreed that the group Paul handled was in fact legal. The case was dropped by the other group and the allegations posted were dropped and proved false.

The case was filed in 2016 and settled in 2020. Did that interfere with working on the By Laws? No - it did not interfere and documents are being prepared for the Covenants and Bylaws

Note: Paul has been working with Berkeley Twp. to support and protect communities regarding purchasers being over 55.

Paul has drafted a resolution to be approved at the next Twp. Council meeting on Feb 28, 2022. It should become a law and then we can incorporate that law into our ByLaws and Declarations. Paul will send a copy of the law when passed to be shared with the Community.

L Capobianco- (A realtor)- How do flippers get the houses? They get a call from a business person or 90% get the home through the owner directly. There are other ways to gain access to the homes- by Short Sales- Foreclosures and tax sales. These are unique situations only. Will not be possible if under 55.

Rita- Any issues with flipper agreements and fines for not living up to the agreement? No issue with fine money and any fines incurred goes to the community. HH is a hot commodity- no issues in selling homes. Why weren't details of the two cases and court documents not made public? There is a case currently in Carefree regarding an individual under 55 who bought two properties and was offered a flipper agreement. The properties were sold. It was countered that they had no right to be there and the case has proceeded from the Appellate court to now being petitioned to the Supreme Court to be allowed to buy the home being under 55. It is a provision of our communities by Berkeley Township that you need to be over 55 to purchase and live in the home. The new ordinance/ resolution will explain that position. If we lose our age restricted status- it would bring more schools - higher taxes etc.

Anthony- Do Bylaws require only persons over 55 and prohibits people under 55 from purchasing? Yes- the bylaws state at least one owner must be 55. Under 55 cannot purchase a home but can live with an owner who is of age.

Is it specified that no LLC or Corporation or business can purchase a home? Yes - it is stated in the Bylaws. Estate planning - no opposition to putting property in trust to take advantage of laws. To be clarified in the By laws. Do state laws supersede Twp. Laws etc? Community Associations that are age restricted are protected under the federal HOPA Act (Housing for Older People Act)- which states a Homeowner Association can be 55 and over. Federal Law supersedes and says a Homeowners Association can be 55 and over. NJ has restrictions on how deeds are filed and the deeds state 55 and over and alerts purchasers.

George. - What fees are involved with Flipper Agreements? The Flipper pays all maintenance fees until the house is finished- they pay the standard \$750 Association Admin fee for home sales and all necessary fees. Can we monitor purchase by Flippers? Yes- we must maintain that the buyer is an individual over 55. If the individual

purchased the home and flips it in their own name - it is legal. How did the Carefree case of underage purchase go through? Vigilance in the Association documentation is necessary to prevent issues from arising.

Paula- People look at Paul Leodori as an enemy- but he works for the community. People are frustrated with the building closures. When will we reopen? That is a Board decision - to be answered tonight. The Board discusses with their attorney all issues and matters of legality. The extension of the Indemnification Bill has not been approved. No lawsuits have been heard or known about and there is no way to prove where someone contracted Covid. Insurance carriers put Covid Exclusions in effect in 2020 and weren't going to provide coverage for claims. Covid Lawsuits were against health care facilities and institutions. Anyone can sue for anything but Covid cases are not lucrative and can't be proved.

Note- The Coalition sued the Governor over issues surrounding protecting our 55 and over communities.

Ron-How many communities do you represent . Answer -7 or 8.

How many communities have filed mask resolutions like HH? No other communities.

Why have no other communities filed a mask mandate ? There is no known answer to that question.

Our answer- HH acted on behalf of the people in this community to try and protect and maintain the health and safety of all the members of our Association.

Paul Leodori ended his segment at 8:16 pm.

Rich M - thanked Paul for his time and knowledge shared with our community.

Rich M - adjourned the first segment of our Open Board meeting and called to order the official open Board Meeting at 8:16pm

Respectfully submitted - Jim Netis- Secretary