**Things You Need To Know About Ownership and Renting In A Cooperative!**

**Florida Cooperatives**

The purpose of a cooperative is **to realize the economic, cultural and social needs of the organization's members and its surrounding community**. Cooperatives often have a strong commitment to their community and a focus on strengthening the community they exist in or serve.

**In a Florida Cooperative, you don't own the land or the fixtures or the improvements built on the land. Instead,** **you own stock in a corporation**. **You don't actually buy real estate** -- you buy shares in a corporation, whose only asset is the property. You own no greater part of it than any other member. You gain the right to occupy it through what's called a**proprietary lease or occupancy agreement**. Florida cooperatives are governed by the Florida Cooperative Act, which is [Chapter 719 of the Florida Real and Personal Property Code](http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=0700-0799/0719/0719.html). **(Since the cooperative actually owns the land and all fixtures and improvements contained thereon, the Regal Ridge shareowners give the Board of Directors the responsibility of maintaining oversight of all buildings and construction on all lots and common areas. This is accomplished through the requirement of submitting a Permanent Improvement and Addition form to the Board of Directors for approval.)**

While a condo owner can freely sell his or her home to anyone, the common-ownership element of a co-op means **its bylaws usually require potential shareholders to be approved by the board of directors**. That means the co-op gets a say about who can move into the building (or onto the parceled lots) and who can't.

The approval process includes a close examination of the applicant's finances. This doesn't necessarily mean you have to be rich; the board just wants to know that you are a responsible, gainfully employed person who pays your bills and doesn't default on your debts. This process may seem restrictive on the surface, but there's a good reason for it: If one tenant defaults on his or her part of the mortgage, maintenance and tax payments, all of the shareholders have to pay for it.

In a condo, if you don't meet your mortgage or tax obligations, liens are placed on your property, preventing you from selling it. But **in a co-op you're a co-owner of your home,** **so all the other owners are on the hook for your failure to pay.** If this happens, the corporation may be unable to shoulder the burden, and the property may be lost to foreclosure -- and all the shareholders' interests along with it. **Now you can see why co-op boards carefully scrutinize prospective buyers. One bad shareholder can bring everyone down.**

**The board approval requirements also apply to tenants (renters) if you ever need to sublet your co-op. Some co-ops restrict subletting by placing time limits and other controls on it to preserve the integrity of the corporation.**

**Such scrutiny usually results in an overall high caliber of owner -- co-op shareholders are likely to be financially responsible individuals who adhere to the organization's rules and genuinely care about the best interests of the property and corporation**. As a result, co-ops generally have low default rates and low turnover of occupants, another attractive feature of this type of ownership.

**Are age restricted communities legal in Florida?**

A: **Yes**. Effective July 1, 2020, Section 760.29(4) of Florida Statutes was amended to delete the requirement that “housing for older persons communities,” often called “55 and over communities” register with the Florida Commission on Human Relations

**Things You Need To Know About The Regal Ridge 55+ Cooperative**

What is the 80/20 rule in a retirement community?

The 80/20 rule in 55+ communities is that **at least 80% of units must be occupied by at least one person 55 or older**. The remaining 20% of households in the community may be available for persons of any age, if the community so chooses**. {Regal Ridge has elected to set the minimum at 40 years of age.** **This applies to all shareowners and tenants (renters).**

**Rules and Regulations:**

**II. OWNERSHIP IN THE COOPERATIVE**

**D. The Corporation requires all Residents of the Community to be at least forty (40) years of age**

**G. In accordance with the requirements established by the Federal Housing for Older Persons Act of 1995, (HOPA),**

**1. The Board of Directors must approve or reject applications for the purchase of shares in the Corporation. All prospective Shareowners shall be considered desirable and compatible with the Community in order to be approved for admittance and must meet the age criteria as set forth above.**

**2. The Corporation reserves the right to refuse admittance to any prospective Shareowner on the basis of the criteria established to determine the background, character, and financial responsibility of the prospective Shareowner.}**

**X. GUESTS**

**A. A Guest may remain with a Resident for no more than fifteen (15) consecutive days or thirty (30) total days per year, unless such person has the permission of the Corporationor unless permitted by a properly promulgated rule or regulation. As provided under HOPA, the Corporation will consider exceptions to the thirty (30) days a year maximum for live-in health aids that provide care to disabled Shareowners.**

**B. All Guests must be registered with the Board of Directors after seventy-two (72) hours using the “Guest Registration” form. It is the shareowner responsible for notifying Regal Ridge Cooperative via email. Children under sixteen (16) years of age must be accompanied by a Resident at all times when in any common area.**

**XV. SELLING, SOLICITING AND SUBLETTING**

**B. Shareowners shall not allow any other person or persons to occupy, rent, sublet, lease or sublease any portion of the Lot, for fee or gratis, without prior written consent and approval of the Board of Directors. Approval of the Board of Directors shall be required and at its discretion, may require a personal interview with each person or persons prior to approval.**

**D. The Corporation requires that all Residents of the Community be at least forty (40) years of age, and all prospective Residents of the Community be screened for compliance with these provisions, and no application for residency will be accepted without satisfactory proof of age such as a valid driver’s license, birth certificate or passport. All new Residents must be approved in writing by the Corporation before any sale of a share/Lot is consummated.**