



*COBRA Group*

# **2028/Recreation Facilities Buyout & Acquisition of Community Services**

**Action Plan/Worksheet**

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# I. Recreation Facilities

- ❑ Every owner, by taking title, is a party to a Long-Term Lease with the owner of the Rec. Facilities, which allows owners the right to use the Rec. Facilities.
- ❑ Governed by Declaration of Restrictive Covenants Re: Recreational Facilities for Century Village, Boca Raton, Florida (OR Book 3030 Pg. 1322)
- ❑ As part of the Declaration for the Rec. Facilities, there is an Option Contract for Sale and Purchase of the Rec. Facilities.

# II. Purchase Terms

- ❑ **Notify Rec. Facilities owner between Sept. 15, 2028-Nov. 15, 2028 of intent to exercise.**
- ❑ **Closing to take place on Dec. 29, 2028.**
- ❑ **Price= the lesser of rent scheduled to be collected under the Lease in 2028 (Base Rent-\$4.765 Million); OR value appraised for ad valorem taxation of the lands for 2028 (Current appraisal is \$6.9 million).**
  - ❑ **1. A \$100.00 deposit upon execution of the Option Contract (which, again, takes place between Sept. 15, 2028 and Nov. 15, 2028);**
  - ❑ **2: An amount equivalent to the base rent for January 2028 paid at the December 29, 2028 closing;**
  - ❑ **3: Balance of the purchase price paid in 11 installments starting Feb 1. 2029 with a non-interest note on the property.**
- ❑ **In addition to the \$4.765 million Base Rent Purchase Price, \$8.343 million in continuing rent obligations for those Associations whose leases have not expired by the purchase date (“Runout”) will be owed.**

# III. Master Management

- ❑ Upon the expiration of the Master Management Agreement, the Cen-West Community Services and Facilities Association, Inc. automatically takes over the management of the services and facilities. (See OR Book 3030 Page 1307)
- ❑ At least 60 days prior to the expiration of the Agreement, this Association will have a Unit Owner election and be turned over to Unit Owner control.
- ❑ Expiration of the Agreement requires the purchase of all equipment owned by the Master Management Firm (vehicles, trams, golf carts, ladders, office equipment, etc.)
- ❑ Price: Fair market value of the equipment as determined by the Master Management Firm

# V. Governance After Acquisition

- ❑ **The current Articles of Incorporation & Bylaws for Cen-West Recreational Facilities Association, Inc. & Cen-West Communities, Inc., the entities currently in control of the recreation facilities and community services, control the details of governance.**
- ❑ **Currently, the documents call for each surviving entity to be controlled by a Board of Directors elected by a popular vote of all 5712 residents. This structure would be unwieldy.**
- ❑ **Therefore, need to determine how to handle the initial governance of these entities once the acquisitions are complete.**
- ❑ **The Cen-West & Cen-West documents will need to be amended sometime before the acquisition to develop how the election process takes place, i.e., handled by each condominium association, instead of a community wide referendum, as well as the composition of the respective Boards.**

# VII. Working Timeline

<b>Year</b>	<b>Task</b>
<b>2023</b>	Amendments (including possible corporate merger of successor entities)
<b>2024</b>	Meeting with financial analysts to evaluate payment options for runout.
<b>2025</b>	Initial due diligence on management.
<b>2026</b>	Accounting/Financial review of books and records
<b>2027</b>	Engineering evaluation and re-evaluation of financing/buyout structure. Title & Survey.
<b>2028</b>	Vote (Referendum) & Exercise Option
<b>2029</b>	Elections of Board of Directors

# VII. Questions

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