

Loon Estates in Northwood, NH is now a Cooperative!

By Thomas Blake
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On September 3, 2007, Tasker Mobile Home Park was officially listed for sale. None of us in the park had an inkling that the owners wanted out. Since its founding in 1968, the park had been owned by Esther Tasker and her family. There had been no communication from them of their intention to sell.

To the 47 residents and 17 pets in the park, this place is home. To a real estate investor, it probably looked like a good deal.

Our 10.5-acre park has 1,200 feet of frontage on Northwood Lake. It is located in Northwood, along Route 4, amid commercial traffic, restaurants and antique shops. In addition to 27 home sites, the parcel includes a Cape-style house with 10 rooms, a commercial garage, and an advertising billboard.

We had visions of an investor forcing us off the land to build condos.

In mid-September, two park residents contacted the NH Community Loan Fund for advice. Jim Mathes of the Community Loan Fund came to Northwood Town Hall and conducted our first introductory meeting. It was lots of great information and just the right amount of inspiration.

On October 2, we incorporated as Loon Estates Cooperative. Less than three weeks later, we held our first membership meeting and elected a five-member Board of Directors. We were off and running with high expectations and a degree of trepidation.

Through the end of 2007 and into 2008, we were happily flying along. We were learning how we could buy and manage the park. There were lots of updated pro-formas, as we sought to prepare a Purchase and Sales Agreement.

Everything changed on March 16, 2008, when we learned we had competition. An outside investor had offered to buy the park at the \$1.5-million listing price. The offer included outrageous conditions – including no pre-purchase inspections of any kind and an agreement that the park owner could live in her Cape home, rent free, for 36 months. We would have to meet those conditions to remain competitive. Our attorney recommended that we shelve our proposed offer and await a formal notice of the owner's intent to sell to the other buyer.

A week later, we began to receive those notices. Lots of fear and uncertainty established itself in our community. Once again, we had worries of being kicked off the land. Most of us lacked the financial resources to move our homes.

Over the next two months, our activity picked up as we tried to see if we could match the \$1.5 million offer. There were many expanded pro-formas, a two-stage bank financing plan, loan commitment and promissory agreements, and a reworked Purchase and Sales Agreement.

We submitted our revised offer on May 14. We reluctantly agreed to the very same conditions that the other buyer had proposed. The bottom line was we had little bargaining power and we wanted to save our homes. We closed on the sale in August, with expert guidance from Chris Clasby at the Community Loan Fund.

At this writing, we are now more relaxed – relieved even. We’ve had to learn to “keep the faith” – to avoid worrying about every new challenge that comes our way.

We have produced permanent bylaws, park rules and membership agreements. We are planning to refinance our mortgage with the Community Loan Fund to a commercial bank after the clean-up of some contaminated soil. We did knowingly inherit this problem.

In future months and years, we will improve the quality of our well water, upgrade our septic systems, and beautify the park in multiple ways. We also will lease or sell the Cape house, as well as the commercial garage and the land surrounding it. Our real work has just begun, and it is already a satisfying feeling.