

MARKUP #1 ->

MARKUP #1 · CONFLICTS WITH FED LAW

BOARD & COUNSEL REVIEW

(b) The provisions of Article XII.B.5. (f), shall not be applicable to any Institutional First Mortgagee who shall have the right, if its mortgage so provides, to require application of the insurance proceeds to the payment or reduction of its mortgage debt. The Management Firm, as long as the Management Agreement remains in effect and, thereafter, the Board of Directors, shall ascertain, as promptly as possible, the net amount of insurance proceeds available for restoration and repair.

(c) Thereupon, a Membership Meeting shall be called by the Management Firm, or by the Board of Directors of the Association, to be held not later than sixty (60) days after the casualty, to determine the wishes of the membership with reference to the termination of the Condominium project, subject to the following: -

(1) If the net insurance proceeds available for restoration and repair, together with the funds advanced by unit owners to replace insurance proceeds paid over to Institutional First Mortgagees, are sufficient to cover the cost thereof, so that no special assessment is required, then the Condominium property shall be restored and repaired, unless two-thirds (2/3rds) of the unit owners of this Condominium shall vote to terminate the Condominium project, in which case the Condominium property shall be removed from the provisions of the law by the recording in the Public Records of Palm Beach County, Florida, an instrument terminating this Condominium, which said instrument shall further set forth the facts effecting the termination, certified by the Association and executed by its President and Secretary. The termination of the Condominium shall become effective upon the recording of said instrument, and the unit owners shall, thereupon, become owners as tenants in common in the property -i.e., the real, personal, tangible, and intangible personal property, and the Association's interest in the Long-Term Lease, and any remaining structures of the Condominium, and their undivided interests in the property shall be the same as their undivided interests in the common elements of this Condominium prior to its termination, and the mortgages and liens upon Condominium parcels shall become mortgages and liens upon the undivided interests of such tenants in common, with the same priority as existed prior to the termination of the Condominium.

(2) If the net insurance proceeds available for restoration and repair, together with funds advanced by unit owners to replace insurance proceeds paid over to Institutional First Mortgagees, are not sufficient to cover the costs thereof, so that a special assessment will be required, and if a majority of the unit owners of this Condominium vote against such special assessment and to terminate the Condominium project, then it shall be so terminated and the Condominium property removed from the provisions of the law, as set forth in Paragraph 6. (c) (1) above, and the unit owners shall be tenants in common in the property in such undivided interests - and all mortgages and liens upon the Condominium parcels shall encumber the undivided interests of such tenants in common, as is provided in said Paragraph 6. (c) (1) above. In the event a majority of the unit owners of this Condominium vote in favor of special assessments, the Management Firm, as long as the Management Agreement remains in effect, acting on behalf of the Association, shall immediately levy such special assessment and, thereupon, the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, shall proceed to negotiate and contract for such repairs and restoration, subject to the provisions of Paragraph 5. (c) and (d) above. The special assessment funds shall be delivered by the Management Firm and, thereafter, by the Association, to the Insurance Trustee and added by said Trustee to the proceeds available for the restoration and repair of the property. The proceeds shall be disbursed by the Insurance Trustee for the repair and restoration of the property, as provided in Paragraph 5. (c) above. To the extent that any insurance proceeds are paid over to such Mortgagee, and in the event it is determined not to terminate the Condominium project and to vote a special assessment, the unit owners shall be obliged to replenish the funds so paid over to his Mortgagee, and said unit owner and his unit shall be subject to special assessment for such sum.

(d) In the event any dispute shall arise as to whether or not "very substantial" damage has occurred, it is agreed that such a finding made by the Management Firm, as long as the Management Agreement remains in effect, and thereafter, by the Board of Directors of the Association, shall be binding upon all unit owners.

7. Surplus: - It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from the insurance proceeds; and if there is a balance in the funds held by the Insurance Trustee after the payment of all costs of the repair and restoration, such balance shall be distributed to the beneficial owners of the fund, in the manner elsewhere herein stated.

8. Certificate: - The Insurance Trustee may rely upon a Certificate of the Management Firm, as long as the Management Agreement remains in effect, and thereafter, of the Association, certifying as to whether or not the damaged property is to be repaired and restored. Upon request of the Insurance Trustee, the Management Firm, and thereafter, the Association, shall forthwith deliver such Certificate.

9. Plans and Specifications: - Any repair and restoration must be substantially in accordance with the Plans and Specifications for the original building, or as the building was last constructed, or according to the Plans approved by the Management Firm and the Board of Directors of the Association, which approval shall not be unreasonably withheld. If any material or substantial change is contemplated, the approval of all Institutional First Mortgagees shall also be required.

10. Association's Power to Compromise Claim: - The Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Association, is hereby irrevocably appointed Agent for each unit owner, for the purpose of compromising and settling claims arising under Insurance Policies purchased by the Management Firm and, thereafter, by the Association, and to execute and deliver Releases therefor, upon the payment of claims.

C. WORKMEN'S COMPENSATION POLICY - to meet the requirements of law.

D. Such other Insurance as the Management Firm, as long as the Management Agreement remains in effect, and thereafter, the Board of Directors of the Association, shall determine from time to time to be desirable.

E. Each individual unit owner shall be responsible for purchasing, at his own expense, Liability Insurance to cover accidents occurring within his own unit, and for purchasing insurance upon his own personal property.

F. If available, and where applicable, the Management Firm, and thereafter the Association, shall endeavor to obtain Policies which provide that the Insurer waives its right of subrogation as to any claims against unit owners, the Association, their respective servants, agents and guests, and the Management Firm.

XIII.

USE AND OCCUPANCY

ISSUE #1

The owner of a unit shall occupy and use his apartment unit as a single family private dwelling, for himself and the adult members of his family, and his social guests, and for no other purpose. No children under fifteen (15) years of age shall be permitted to reside in any of the units or rooms thereof in this Condominium, except that children may be permitted to visit and temporarily reside for reasonable periods, not in excess of 30 days, in any calendar year.

The unit owner shall not permit or suffer anything to be done or kept in his unit which will increase the rate of insurance on the Condominium property, or which will obstruct or interfere with the rights of other unit owners, or annoy them by unreasonable noises, or otherwise, nor shall the unit owners commit or permit any nuisance, immoral or illegal acts in or about the Condominium property.

No animals or pets of any kind shall be kept in any unit, or on any property of the Condominium, except with the written consent of and subject to the Rules and Regulations adopted by the Management Firm for the keeping of said pets, as long as the Management Agreement remains in effect, and, thereafter, by the Board of Directors; provided that they are not kept, bred or maintained for any commercial purposes, and further provided that such house pets causing or creating a nuisance or unreasonable disturbance, shall be permanently removed from the property subject to these restrictions, upon three (3) days written notice from the Management Firm or the Board of Directors of the Association.

Sec. **USE AND OCCUPANCY (p. 7):** Occupancy or amenity restriction discriminates based on familial status / disability or imposes an overbroad age restriction under the Fair Housing Act and HOPA.

Statutory / Legal Reference: 42 U.S.C. §§ 3604(b), 3604(f), 3607(b)(2) & 24 C.F.R. §§ 100.304 - 100.307 (HOPA)

Statutory Comparison: The Fair Housing Act (42 U.S.C. § 3604(b)) prohibits familial-status discrimination against families with children - including adult-only rental age floors (e.g., 24+), mandatory hourly pool exclusions targeting all minors under 18, blanket Common Area parental-escort rules for children, and caps on grandchildren - unless the community actively qualifies as 55+ Housing for Older Persons under 42 U.S.C. § 3607(b)(2) and 24 C.F.R. §§ 100.304 - 100.307 (which regulates occupancy rather than fee-simple title ownership and does not authorize intrusive medical/disability disclosures for live-in caregivers under 42 U.S.C. § 3604(f)).

CURRENT WORDING IN DOCUMENT:

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SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Any age-based occupancy restriction shall be enforceable only while the Association actively qualifies as "Housing for Older Persons" pursuant to 42 U.S.C. § 3607(b)(2)(C) and 24 C.F.R. §§ 100.304 - 100.307, including maintaining at least 80% occupancy of units by at least one person 55 years of age or older and conducting mandatory biennial age-verification surveys. Absent active HOPA qualification, no restriction shall discriminate on the basis of familial status.