

**PROPOSED
AMENDMENT TO
DECLARATION OF
OAKS ROYAL PHASE III HOMEOWNERS ASSOCIATION, INC.**

[Additions are indicated by underline; deletions by ~~strike-through~~.]

**Article IV
Rights and Obligations of the Association**

Section 6 CONVEYANCES, SALES, RENTALS, LEASES, AND TRANSFER:

(a) Conveyances Sales and Right of First Refusal. In order to ensure a community of congenial residents and protect the value of the Lots, the sale and transfer of Lots by any Owner shall be subject to the following provisions:

- (i) The means by which the Association may refuse the sale of a Lot to a prospective purchaser is through the exercise of a right of first refusal. Prior to the sale conveyance or transfer of any Lot to any person other than the transferor's spouse, the Owner shall notify the Board of Directors of the Association, in writing, of the name, and address of the person or entity to whom the proposed sale, conveyance or transfer is to be made, and such other information as may be required by the Board of Directors of the Association. The Board of Directors may require a background and credit check of the individual with costs to be paid by Owner at the maximum rate allowable by Florida Statute Section 720, as amended from time to time, but not less than \$100.00 individual and \$100 per husband and wife or parent and minor child. Within twenty (20) days, the Board of Directors of the Association shall either approve or disapprove of the proposed sale, transfer or conveyance, in writing, and shall notify the owner of its decision. In the event the Board of Directors fails to approve or disapprove a proposed sale within said twenty (20) days, the failure to act shall be considered an approval of the sale.

- (ii) In the event the Board of Directors disapprove the sale, the Association shall pursue the first right to purchase the property to be sold. The Association must furnish a purchaser approved by the Association who will accept the transaction upon the terms and conditions contained in the seller initial notice to the Association, or purchase the Lot itself, at least ten (10) days prior to the intended closing date. In the event the member giving notice receives no written notice from the Association regarding the submission of an approved purchaser, the member giving notice

may complete the sale or transfer on the date and at the price and terms given in the notice, but, on no other price or terms without first resubmitting to the above procedure.

- (iii) In the event the member makes a sale or transfer without first complying with the terms hereof, the transfer shall be deemed a nullity. The board may seek injunctive resolution, or such other justifiable outcome as may be granted through a Court of competent jurisdiction to nullify the transfer. Any other member of the Association shall have the right to redeem from the purchaser according to the provisions hereof. The redemption rights shall be exercised by reimbursing the purchaser for the entirety of monies expensed as shown on the contract for purchase of the Lot, and immediately after such reimbursement the purchaser or transferee shall convey all his right, title and interest to the member of the Association making the redemption. Any Expenses which shall include but not be limited to attorney's fee and Court Costs incurred by the Association are recoverable against the Lot Owner initializing the transfer.
- (iv) An affidavit of the Secretary of the Association stating that the Association approved in all respects on a certain date the sale or transfer of a Lot shall be conclusive evidence of the fact and from the date of approval as stated in the affidavit the redemption rights set forth herein shall terminate. Such affidavit shall only be prepared upon demand of the transferee. A reasonable fee may be charged for the preparation of the same in the manner set forth in 720.3085, respective of the estoppel provision therein.
- (v) In the event of death the surviving spouse, and if no surviving spouse, the other member or members of the owner's family residing with the owner at the time of his death may continue to occupy said Lot and if such surviving spouse or other member or members of the decedent owner's family have succeeded to the ownership of the Lot, the ownership thereof shall be transferred by legal process to such new owner.
- (vi) In the event of death and conveyance of ownership of the Lot to some designated person or persons other than the surviving spouse of members of family described in paragraph (e) above, the Association shall have thirty (30) days from the date of such transfer to express their refusal or acceptance of such transfer in the same form or manner set forth in paragraph (a) of this Section. If the Association refuses the transfer within the thirty (30) days of purchase the Association shall purchase the Lot, with cash, at the fair market value thereof. In the event fair market value is disputed,

the parties shall seek the appointment of a mutually agreeable appraiser to provide the determination of such fair market value.

(b) Only entire Lots of the Association may be leased, and only upon Association Approval and adherence to the following criteria:

- i. No Lot shall be leased or rented without the prior written approval of the Association. A Lot Owner shall be prohibited from leasing its Lot more than two (2) times per calendar year and for a term of no less than three (3) months.
- ii. Each lease shall be in writing and shall specifically provide that the Association shall have the right to terminate the lease upon default by the Tenant in observing any of the provisions of the Association Documents, or other applicable provisions of any agreement or instrument governing the Association or administered by the Association. In the event the lease does not contain such a provision, the lease shall be interpreted by the parties to the lease to include such a provision by reference to this Declaration as a covenant running with the land to which the lease agreement is subject and subordinate.
- iii. Notice: In addition to any right of first refusal provided to the Association in this Declaration, an owner intending to lease his Lot must give to the Board of Directors (or its designee) written notice of such intention at least fifteen (15) days prior to the starting date of the proposed lease, together with the name and address of the proposed lessee, and other information about the lessee or the lease that the Board shall require. Failure to provide notice shall cause the leasehold to be treated as a nullity and the Board shall have the power to evict the lessee by summary proceeding as set forth in this section. The Board of Directors may promulgate, and require use of, a uniform form of Lot lease, for any lease.
- iv. Approval: Approval or disapproval of a proposed tenant shall be delivered to the Lot owner proposing the lease, in writing, at his or her Lot within fifteen (15) days after the Association's receipt of his application, therefore. The Association may deny the Owner permission to lease any Lot on grounds the Association may determine as further detailed in this section. The Association may charge a fee for review of the tenant application, as well as requiring background and credit checks, not to exceed the provisions of the Homeowners Association Act as it may be amended from time to time, but not less than \$100.00 individual, \$100 per husband and wife or \$100 per Parent and Minor Child.
- v. The prospective tenant shall make himself available for a personal interview, if desired by the Board, prior to approval of the tenancy. Within

fifteen (15) days after receipt of a fully completed notice and information, and the holding of a personal interview, whichever date last occurs, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by an Association officer or its agent, in recordable form. Failure of the Association to respond in writing with approval or disapproval within thirty-days of the last date to occur above, shall constitute approval.

vi. Disapproval: In the event approval is withheld, the Association shall consider the following factors and may confer with counsel in reaching its decision. Only the following may be deemed to constitute good cause for disapproval:

1. The application for approval on its face, or subsequent investigation thereof, indicates the person seeking approval (which shall include all proposed occupants) intends to conduct himself in a manner inconsistent with the Association governing documents.
2. The person seeking approval (which shall include all proposed occupants) has been designated by a Court as a sexual offender or sexual predator, or has been convicted or pled no contest to a felony.
3. The person seeking approval (which shall include all proposed occupants) has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his or her conduct in other social organizations, communities or association or by conduct in this Association as a Lot Owner, tenant, or Occupant.
4. The person seeking approval failed to provide the information, transfer fee, or failed to appear as required to process the application in a timely manner.
5. Assessments, fines, and other charges against the Lot or due from the Lot Owner have not been paid in full, provided however, the Association may grant approval subject to payment in full as a condition of the approval.
6. The proposed leasehold violates the terms of this Declaration, or the Homeowners Association Act.

vii. Violation: In the event of a Lot occupancy contrary to the provisions of this section, the Declaration, or the violation by a tenant or occupant of any provision of this Declaration or the Bylaws or Rules of the

Association, the Association's Board of Directors, after not less than ten (10) days after the mailing of notice by certified or registered letter to the owner of the Lot with a copy to the tenant or occupant, advising of the restriction, the violation, and an opportunity to comply, may act as agent of the Lot owner to evict such lessee or occupant and in such event the Lot owner shall pay to the Association all costs and attorney's fees incurred by the Association incident to the eviction. Every lease of a Lot shall specifically provide (or, if it does not, shall be automatically deemed to provide) that a material condition of the lease shall be the tenant's full compliance with the terms of this Declaration, Articles of Incorporation, Bylaws, Rules, and other Association documents. The Lot owner shall be jointly and severally liable with the tenant to the Association for any and all damages to the Association property caused by the acts or omissions of the lessee as well as any claim for injury or damage caused by the of the lessee. (as determined in the discretion of the Board of Directors).

- viii. There shall be no subleasing of Lots, or renewal of leases without application to and approval by the Association. A sublease, if approved, shall be considered a new lease transaction for purposes of this Section. Renewal applicants are not required to remit the application fee, which may be charged by the Association.
- ix. De Facto Tenancy: Owner agrees and understands that the continued presence of a Guest or Invitee that is present in a Lot for a period of 20 days within any 30-day period will, for the purposes of this Declaration, be considered a Tenant and subject to all lease requirements of this Declaration regardless of whether a written lease exists. This restriction includes family members residing on the property.
- x. The terms of this leasing Article, as well as the Declaration in its entirety, shall be effective upon any license, agreement, contract or agreement for occupancy, with or without compensation to the Lot Owner, as facilitated by home-sharing, short-term rental, vacation rental or similar type and style agreements facilitated by, but not solely restricted to, AirBnB.com, Homeaway.com and such similar services as may be utilized now or in the future.
- xi. Subordination: All leases are hereby made subordinate to any lien filed by the Homeowners Association, whether prior or subsequent to such lease.
- xii. Use of a Lot as a Congregate Living Facility, as defined herein is prohibited. A "Congregate Living Facility" shall be defined as transitional living facilities, community residential comes, community transitional residences; rehabilitative home care services, boarding home, assisted

living facilities, missionary housing, rehabilitative home care services, boarding homes, or homes for aged of any other residential structure, for profit or not for profit, which undertakes care, housing food service and one or more personal services for persons not related to the owner or administrator by second degree consanguinity, marriage or adoption.

xiii. Occupancy of a Lot is limited to a single Family – no more than one family may occupy a Lot. A “Family” for the purposes of occupancy is defined as:

(i) One person or a group of two or more persons, each of whom is related to each of the others by blood, marriage or adoption who reside together as a single household, or,

(ii) One unmarried couple and the children of either or both of them who reside together as a single household, all being subject to the 55+ restrictions set forth in this Declaration.

(iii) In no event shall the Association limit non-traditional family structures or extended family structures provided relationship by at least second-degree sanguinity, law or marriage are established.

(iv) Any caregiver which is licensed by the State of Florida in addition to any of the above criteria. Unlicensed caregivers shall be obligated to comply with the background and approval criteria set forth in Section 6(b) as though they were a proposed tenant.

Occupancy of a Lot by two or more couples (married or unmarried) is prohibited. In addition, an Owner or tenant is permitted to have live-in housekeepers, or care givers who reside in the home together with the Owner or Association approved tenants. If a Lot is owned by an entity, the entity must designate all occupants for the Association, and all occupants must have the relationship to each other as required above for single family occupancy. If a Lot is owned by an entity, occupancy is subject to Association Approval in the manner set forth herein for leases.

In the event the Board approves a rental or lease, such approval of a lease or rental shall not release the Lot Owner from any obligation under the Declaration, and either the lessee or the Lot Owner shall have the right to use the facilities and Common Elements, to the exclusion of the other party. The Association shall have the right to adopt rules to prohibit dual usage by a Lot Owner and a tenant of Association property and Common Elements otherwise readily available for use generally by Owners.