

ISSUE #1

MARKUP #1 ->

2. The Co-op may exercise its right of first refusal to purchase the Cooperative Parcel as set forth in S 21-B of the Master Form Proprietary Lease.
3. Existing Homeowners (non-Shareholders) or prospective purchasers of a home from a Homeowner may purchase a Membership Certificate and Proprietary Lease from the Co-op at a price determined by the Co-op.
4. Any Shareholder/Homeowner who wishes to have a new or replacement home placed on their lot, may purchase a new home from the Co-op, together with all associated appurtenances, including all installation, construction and landscaping, all in accordance with plans and specifications approved by the Board of Directors of the Co-op. At the sole option of the Co-op, the Resident may be permitted to purchase a home from an alternate source.
5. Prospective Shareholders must close on the purchase of their Cooperative Parcel (lot) within ninety (90) days of their deposit and commence payment of their Monthly Assessment. The closing of the sale of a new (previously unissued) Membership Certificate and the closing of an assignment or resale of a Cooperative Parcel shall be conducted by the Co-op's attorney pursuant to Sections 20 and 21, respectively, of the Master Form Proprietary Lease. The closing costs involved in the closing of a new previously unissued Membership Certificate and Proprietary Lease shall be borne by the Purchaser. The closing costs of an assignment or resale of a Cooperative Parcel shall be prorated and paid as agreed upon by the Assignor and Assignee in the Agreement of Assignment.
6. Monthly Assessments, Lot Rental Amounts, Fees and Water Bills

a. All monthly assessment lot rental amounts are due on the FIRST DAY of the month and are considered PAST DUE if not received by the 12th day of the same month. No monthly assessment or rental amount due statements will be sent by the Co-op. Any payment past due will be automatically assessed a late penalty. Boat slip and long-term parking payments are due as stated in each contract.

b. Checks returned unpaid for any reason will be charged the fees allowed by law.

c. Water bills will be mailed to the Shareholder or Homeowner each month. The water payment is due upon receipt of the water bill.

IV. GUESTS

- A. In addition to the foregoing, the home may be occupied from time to time by qualifying guests of Residents, as long as such occupancy does not violate these Rules, applicable zoning laws, building codes or other rules and regulations of governmental authorities having jurisdiction. Occupancy by guests of Residents shall be for a period of time not exceeding fifteen (15) consecutive days or thirty (30) total days per year, unless the Co-op Board of Directors approves an extension in writing for a longer period. Guests using their own vehicle while at Old Bridge Village for extended visits of up to 15 days must obtain a pass at the office. No guests shall occupy the home unless one (1) or more of the Residents are then in residence or unless such occupancy is approved in writing by the Co-op Board of Directors.
- B. Management may provide Park entry permits for approved extended stay guests.
- C. No guest will be admitted to the Park without the consent of the Resident whom the guest is visiting. Residents must notify the guard at the gate to advise of expected guests and contractors. All guests and contractors must check in with the security guard at the front gate. If you do not expect to be at your home when a guest arrives, you may call the security guard at the front gate on the day of the visit. Exceptions are allowed for Residents who are away from the Park for an extended period of time for the purpose of maintaining the Resident's site and home, and the names of those persons performing such services must be registered with Management.
- D. Visits of children and grandchildren are welcome. Their behavior must not inconvenience other Park Residents. Children under the age of sixteen (16) must be accompanied by a parent or other responsible adult when in or using any recreational facility.
- E. Residents will be held financially responsible for damage caused by their guests to Old Bridge Village property and resident property.

MARKUP #1 · FAIR HOUSING ACT (FHA) LIABILITY RISK

BOARD & COUNSEL REVIEW

Sec. 3 (p. 4): Right of First Refusal (ROFR) clause lacks mandatory exemptions for foreclosure, deeds in lieu of foreclosure, and FHA/GSE-insured mortgages.

Statutory / Legal Reference: Fannie Mae Selling Guide B4-2.1-03; Freddie Mac Guide Ch. 5701; 24 C.F.R. §§ 203.41, 203.43b (HUD/FHA); 38 C.F.R. § 36.4354 (VA)

Statutory Comparison: Under federal HUD/FHA regulations (24 C.F.R. §§ 203.41, 203.43b), VA regulations (38 C.F.R. § 36.4354), and Fannie Mae / Freddie Mac project eligibility standards, any Right of First Refusal in the governing documents renders the entire community non-warrantable for federal and conventional secondary-market mortgages unless it expressly exempts foreclosures, deeds-in-lieu of foreclosure, and mortgagee transfers, and complies with anti-discrimination mandates.

CURRENT WORDING IN DOCUMENT:

of 13 2. The Co-op may exercise its right of first refusal to purchase the Cooperative Parcel as set forth in Section 21-B of the Master Form Proprietary Lease.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Any Right of First Refusal reserved herein shall not apply to or impair the rights of any institutional First Mortgagee, nor shall it apply to any transfer or conveyance by foreclosure, deed in lieu of foreclosure, or subsequent sale by a First Mortgagee, Fannie Mae, Freddie Mac, FHA/HUD, or VA, in compliance with 24 C.F.R. §§ 203.41, 203.43b, 38 C.F.R. § 36.4354, and Fannie Mae Selling Guide B4-2.1-03.