

## **TO: SELLERS, BUYERS, REALTORS AND ATTORNEYS**

*Please read this pertinent information to acquaint yourself with procedures regarding sales in a Co-op.*

1. Island House is a Co-op, not a condominium. The shareholders own shares of stock in the whole property. They do not own their apartment; they have the right to a proprietary lease of an apartment. The maintenance fees and special assessments are calculated by the total number of shares belonging to that particular unit and charged accordingly. Example: When figuring an assessment the amount of the assessment is divided by the number of shares in the building (5,973.5) and that figure is multiplied by the number of shares that each apartment owns. In an Annual meeting and/or members' meeting, the number of shares determine the number of votes for each apartment.
2. The seller must provide, in writing, the name of the realtor and authorization for the realtor to sign for the key and enter the apartment. Open houses to brokers or to the public are not allowed. All visits by real estate agents and clients require signing in at the front desk.
3. A walk through inspection by Island House staff must be performed prior to the sale of a unit, in order to determine if there are any non-compliance issues or unapproved modifications.
4. All application documents will be sent electronically and must be returned to the Management Office in printed form.
5. The registered agent cannot be a family member or, if the purchase is in the name of a corporation, a member of the corporation.
6. A familiarity with and acceptance of the House Rules and Proprietary Lease is required.
7. The names and ages of all children must be listed.
8. Letters of reference must be signed and must be written in English. Scanned copies of letters with signatures sent via email are acceptable, however; an email alone without an actual signature will not be accepted.
9. We must know how many people will be occupying the apartment. The rule is two people to a one bedroom, four people to a two bedroom and six people to a three bedroom.
10. Every line on the application must be filled out.
11. ALL paperwork given to the Management Office must be legible and complete before the information is submitted to the screening company. If the potential purchasers reside out of the country, the background check will take a little longer.
12. Once the information comes back from the screening company, an interview with two members of the Board of Directors will be scheduled and the attorney and/or realtor will be notified. All interviews must be in person. Allow one week for interview scheduling. Please do not assume that this interview or any part of our screening process is merely a formality and that approval will automatically be granted.
13. If the Board of Directors grants approval, a closing date will be set. Island House will not confirm a closing date until after the interview process and approval. The buyer and

seller do not have to be present at the closing if they grant a Power of Attorney to their legal representative.

14. An estoppels certificate must be ordered from The Continental Group.
15. We will need, in writing, the exact name that will appear on the stock certificate and proprietary lease.
16. All closings are done at Island House at a time and date determined by Island House.
17. Please make sure to allow at least five weeks between the effective date on the contract and the closing date. But remember, closing dates cannot be confirmed until after the interview.
18. The seller must surrender the stock certificate and proprietary lease at the closing. If they cannot find it, they must provide an affidavit from their attorney stating such.
19. A new stock certificate and proprietary lease will be given to the new shareholder, which will be provided by Island House.
20. At the closing, the attorney must provide the settlement statement and a check for any outstanding balances.
21. If financing option is exercised, their bank must sign the Island House Recognition Agreement. The maximum financing permitted, directly or indirectly, is 70% of the purchase price.
22. If the closing date is changed, there will be a \$75 fee to re-issue documents once they have been prepared.



***Island House Apartments, Inc.***  
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***Key Biscayne, Fl. 33149***  
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***ihapts@bellsouth.net***

**TO ALL REALTORS:**

Re: Island House Apartments, Inc.  
Rules and Policies

In the past, we have sent letters to the realtors on Key Biscayne who would like to sell or rent units in Island House to remind them of our rules. Our rules may be a little different than those of the condominiums that you are used to working with since Island House is a co-op, and because we are a co-op, it is much easier for us to enforce these rules.

Please remember that first and foremost, Island House is NOT a rental building and it is definitely not a building for short term rentals. All rentals (sub-leases) over two months must go through the background check and interview process and must be approved by the Board.

The House Rules state: *All sub-leases must be for a minimum period of 61 days and a maximum of 6 months and 1 day. Sub-leases may be extended to a maximum of 2 years and four days continuous occupancy with Board approval. Once an apartment has been sub-let for 2 years, either in six month increments or for the maximum 2 years and four days, there will be a hiatus of 5 YEARS before it may be sub-let again, at which time the same rules will apply.*

The shareholder must request the lease extension for his tenant and it must be approved by the Board for another six months.

The House Rules also state: ***Temporary Residents*** – *Relatives or close friends of stockholders visiting for less than 60 consecutive days do not require Board approval.* This rule has been abused by shareholders and realtors, by claiming that the renters are friends or family, thus avoiding the interview process and the two year minimum rental period. From the date of this letter, the Board will now require realtors to prove the relationship between the shareholder and the person wanting to stay in the apartment less than two months.

Again, since Island House is a co-op and shareholders do not own their apartment, but own shares in the building, using the name, *Island House*, is not permitted in advertising sales of apartments in this building.

When realtors come to Island House, they may either valet park or park in visitor's parking. They may not leave their car on the ramp.

All realtors must sign in at the front desk when they enter our building and they must identify which apartment(s) they are visiting and must give the front desk attendant the names of the persons they are taking with them.

We fervently request that you and your agents honor and abide by our rules so we can continue to have a good working relationship. It is in everyone's best interest to do so because violation of our rules could result in the revocation of your privileges to show apartments in this building.

Please make copies of this letter and distribute them to all of your agents.

Thank you for your help and cooperation in this matter.

Sincerely,

The Board of Directors