

IN THE CIRCUIT COURT OF THE 15TH
JUDICIAL CIRCUIT IN AND FOR PALM
BEACH COUNTY, FLORIDA

CIVIL DIVISION (AD)

CASE NO.: 502020CA011561XXXXMB

PALM BEACH RESORT AND BEACH CLUB
CONDOMINIUM ASSOCIATION, INC., a Florida
corporation, not-for-profit,

Plaintiff,

v.

HPP Holdings, LLC, et. al.

Defendants.

PLAINTIFF'S MEMORANDUM
REGARDING CASE INFORMATION

Plaintiff, PALM BEACH RESORT AND BEACH CLUB CONDOMINIUM ASSOCIATION, INC. (the "Association"), by and through its undersigned counsel, hereby files the following memorandum.

The Association has filed this lawsuit in order to sell the twenty-nine condominium units comprising the Palm Beach Resort and Beach Club Condominium in what is known as a partition action. Said property includes 29 residential condominium units with 51 deeded interval ownership interests per unit, along with the common elements appurtenant thereto. There are a total of 1479 deeded ownership interests, in addition to one (1) maintenance week per Unit.

The partition action filed by the Association is necessary pursuant to Section 25.6 of the Association's Declaration of Condominium, which provides that the timeshare form of ownership will sunset in the year 2021. Specifically, Section 25.6 provides:

25.6 It is understood that in the year 2021 the purchasers of Units committed to Interval Ownership shall become tenants in common. The Board of Directors of the Association shall, no less than 30 days, nor more than 60 days prior to the actual date of such conversion to tenancy in common, call a meeting of all Owners of Unit Weeks in Units committed to Interval Ownership. At such meeting, a vote shall be taken to decide the disposition of the Units committed to Interval Ownership. A quorum at such meeting shall be a majority of the total outstanding votes of all Owners of Unit Weeks in Units committed to Interval Ownership. At such meeting the Owners, by a majority vote, may vote to continue their intervals, in which case the restrictive covenants set forth below will be adopted as covenants running with the land for a period of ten (10) years. The Board of Directors of the Association shall, no less than 30 days, nor more than 60 days prior to the actual expiration of said ten year period, call a meeting of all Owners of Unit Weeks in Units committed to Interval Ownership. A quorum at such meeting shall be a majority of the total outstanding votes of all Owners of Unit Weeks in Units committed to Interval Ownership. The Owners may then vote to continue the interval for an additional 10 year period. This process shall be repeated as the end of each successive 10 year period approaches. Should less than a majority of the Owners vote to continue the intervals at any such meeting, then the Board of Directors of the Association shall file suit in a Court of competent jurisdiction in Palm Beach County, Florida, for partition of the Units.

In order to ultimately convey a clear title to a buyer, the Association must sue every owner and all parties who may claim an interest in the property due to findings in the public record. Many Defendants are named in this suit because of a defect in a prior deed which must be cured to convey clear title to a buyer. The intent of the partition is to sell the Units free and clear of all claims of ownership of all Defendants so that when a buyer receives the property, they will have clear title as the sole owner to the respective Unit(s).

In simplified terms, if the Court grants the relief requested by the Association, the case will proceed in the following manner:

After service of the complaint by mail or publication (and/or waiver thereof) is had upon all of the Defendants, the Association will seek an appraisal of the real estate that is requested to be sold. The goal will be to secure a buyer to purchase the Units at or above appraised value. If a buyer is not secured and approved by the Court, then the Units will be sold by public auction. After the sale, the Court will determine how to distribute the proceeds, less costs, expenses and fees of the action, among the parties in accordance with their respective interests as set forth in the governing documents. The Association has requested that no party receive any proceeds until their delinquent balance with the Association is satisfied. That means that if a Defendant owns more money to the Association than their pro-rata share in the proceeds, that Defendant will not receive any share of the proceeds of the partition sale.

If you are a Defendant in this matter, you are encouraged to consult an attorney regarding your legal rights. Enclosed is a proposed form for Defendants to consent to the prayer for relief – which simply means you do not object to anything the Association has requested in the Complaint. If you wish to waive service, consent to the prayer for relief, and enter your appearance in this case, you may fill out the form and return via U.S. Mail or E-mail it to:

Carolina Sznajderman Sheir
Eisinger Law
4000 Hollywood Blvd., Ste. 265-S
Hollywood, Florida 33021
E-mail: csheir@eisingerlaw.com

If you do not file a pleading in the case or contest the claims for relief, the property sells, and you are owed money from the sale proceeds, you may still be entitled to the proceeds of the sale that the Court orders awarded to you. This partition action is not requesting that you pay all current outstanding amounts owed to the Association, but is asking the Court to set-off any

proceeds you may be entitled to by the amounts you owe the Association for unpaid assessments. Again, you are encouraged to contact an attorney to discuss your legal rights in this case.

In the following pages you will find question and answer section for information purposes only. **The questions and answers provided are not to be construed as legal advice and each person reading this memorandum is encouraged to consult an attorney regarding their legal rights in this case.**

Respectfully submitted,

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By: /s/Carolina Sznajderman Sheir
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Florida Bar No.: (Pending)

None of these materials are offered, nor should be construed, as legal advice. Communication of information by or through this memorandum and your receipt or use of such information is not intended to create an attorney-client relationship with Eisinger Law or any of the firm's attorneys. Eisinger Law is representing no other party other than Plaintiff, PALM BEACH RESORT AND BEACH CLUB CONDOMINIUM ASSOCIATION, INC. in this case. You should not act or rely upon information contained in these materials without specifically seeking professional legal advice.

YOU ARE ENCOURAGED TO CONSULT AN ATTORNEY REGARDING YOUR LEGAL RIGHTS IN THIS CASE.

PALM BEACH RESORT AND BEACH CLUB QUESTIONS AND ANSWERS

The information below is provided solely to address questions pertaining to the Palm Beach Resort and Beach Club Condominium Association, Inc.'s Complaint for Partition filed in Case No.: 502020CA011561XXXXMB in the 15th Judicial Circuit in and for Palm Beach County, Florida. The purpose of this information is to provide the public with frequently asked questions and answers. The information will be updated when needed to address additional questions.

As Eisinger Law cannot provide legal advice in this matter to anyone other than our client, PALM BEACH RESORT AND BEACH CLUB CONDOMINIUM ASSOCIATION (the "Association"), we will be unable to provide further information over the phone or through email. We will be directing callers to this information which will be posted on the Association's Website, as well as Eisinger Law's website to assist in answering questions.

The Question & Answer section is not offering legal advice to Defendants in this case. You should consult an attorney to discuss your legal rights.

Q1: If I call Eisinger Law, is an attorney at the firm able to give me legal advice on this case?

A1: Eisinger Law will not be able to provide you legal advice in this case because doing so would create a conflict of interest.

Q2: What is a partition action?

A2: A partition is the division, among several persons, of property that belongs to them as co-owners or co-proprietors. It is an equitable remedy codified in Florida's partition statute, F.S. Chapter 64. Specifically, partition secures peace, facilitates the transfer of title, and eliminates the inconvenience of joint ownership. The end result of a partition action is the sale of the property and distribution of the proceeds of the sale, after payment of attorney's fees and costs, amongst the parties according to their respective interests.

Q3: Why is the Association seeking a partition?

A3: The partition action filed by the Association is necessary pursuant to Section 25.6 of the Association's Declaration of Condominium, which provides that the timeshare form of ownership will sunset in the year 2021, and requires the institution of a partition of the Units.

Q4: If I am a timeshare owner, what do I really own?

A4: If you have a timeshare ownership interest, then you likely have at least a 1/51 interest in a particular unit. There are a total of 29 condominium units, and 1479 unit weeks at the Palm Beach Resort and Beach Club Condominium. It has been requested by the Association to divide the sale proceeds among the 1479 owners in accordance with their respective percentages as set forth in the Condominium Documents.

Q5: I am a timeshare owner. Will I receive money from the sale of the property?

A5: It depends. The Association has requested that each owner's proceeds be set off against their account balance. Therefore, as requested by the Association, if you owe money to the association for unpaid assessments, then you do not receive any proceeds until your delinquent balance is satisfied. Please note that all owners continue to be responsible for their respective assessments through the date of the partition sale.

Q6: What happens if I am a "Delinquent Owner" and I do not respond to the Complaint.

A6: In the event you do not file an Answer and the partition sale is completed, then you may still receive proceeds from the sale of the property, but only if, as requested by the Association, your share of the proceeds exceeds your account balance. Please note that the Association maintains its right to pursue all other collection efforts pursuant to its governing documents and applicable law during the pendency of this litigation. All owners continue to be responsible for their respective assessments from through the date of the partition sale. You are reminded to consult an attorney regarding your rights.

Q7: What does a "Defect Defendant" mean?

A7: A "Defect Defendant" means that you may have a claim of an ownership interest in a timeshare(s) due to a defective deed conveyance. Many deed defects arise because the public record is lacking a key fact or occurrence. A conveyance is when ownership in real property is transferred from one party to another by a deed. You may have a property interest, but you must assert your interest in the case. You are reminded to consult an attorney regarding your rights.

Q8: I am not sure if I am a timeshare owner because I am on the "Defect Defendants" list. Will I get proceeds from the sale of the property?

A8: It depends. You may have a property interest, but you must assert your interest in the case. If you validly assert your interest, you may be subject to an account set-off before you receive proceeds.

If the Court finds that you are a property owner, please be advised that you may become a delinquent owner as anyone establishing a property interest may be assessed their portion of past condominium fees, maintenance, or any other charges related to unpaid fees owed based on your respective percentage of property ownership.

Q9: What happens if I am a “Defect Defendant” and I do not respond to the Complaint?

A9: In the event you do not file an Answer, then the Association requests the property to be sold free from your potential interest in the property. This means that if you do not respond to the Complaint, you are not asserting your potential interest in the property and you cannot sue the purchaser in the future to assert your potential interest. As requested by the Association, the buyer will receive the property free from all claims of all persons named in the lawsuit. You are reminded to consult an attorney regarding your rights.

Q10: What happens if I sign the “Waiver of Service and Consent to Process and Order of Partition” form?

A10: If you sign the “Waiver of Service and Consent to Process and Order of Partition” form, then you are consenting to the partition action as described in the Complaint. By signing the “Waiver of Service and Consent to Process and Order of Partition” form, you will also save the cost of service of process, which is ultimately deducted from the proceeds of any sale.

Q11: Where do I find the “Waiver of Service and Consent to Process and Order of Partition” form?

A11: A copy of the form is included in this memorandum. Please visit <https://www.eisingerlaw.com/palm-beach-resort-partition-action> to find a copy of the form.

AS A REMINDER, EISINGER LAW IS NOT PROVIDING LEGAL ADVICE. BY READING THIS MEMORANDUM, YOU ARE NOT A CLIENT OF EISINGER LAW. IF YOU ARE A DEFENDANT AND HAVE LEGAL QUESTIONS ABOUT THE COMPLAINT RECEIVED, THEN YOU MUST CONSULT AN ATTORNEY TO DISCUSS YOUR LEGAL RIGHTS IN THIS CASE.

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CONDOMINIUM ASSOCIATION, INC., a Florida
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Defendants.

WAIVER OF SERVICE AND CONSENT TO PROCESS AND ORDER OF PARTITION

TO: Palm Beach Resort and Beach Club Condominium Association, Inc.
c/o Carolina Sznajderman Sheir, Esq.
Eisinger Law
4000 Hollywood Blvd., Ste. 265-S
Hollywood, Florida 33021
E-mail: csheir@eisingerlaw.com

I acknowledge receipt of your request that I waive service of process in the lawsuit of *Palm Beach Resort and Beach Club Condominium Association, Inc. v. HPP Holdings, LLC, et. al.*, Case No.: 502020CA011561XXXXMB. Additionally:

By signing below, I agree to the following:

1. The undersigned, being a defendant in the above-styled case, being over the age of eighteen (18) years and not under disability, does hereby waive issuance of summons and service of a copy of the Compliant in accordance with Fla. R. Civ. P. 1.070.
2. I have received a copy of the complaint electronically, and a means by which I can return the signed waiver to you without cost to me.

3. I agree to save the cost of service of process and an additional copy of the complaint in this lawsuit by not requiring that I (or the entity on whose behalf I am acting) be served with judicial process in the manner provided by Fla. R. Civ. P. 1.070.
4. I voluntarily enter my appearance in the above styled case and I do further consent to the issuance of an Order to Partition the Property set forth in the Complaint.
5. I consent to the sale of the Property at or above appraised value and subject to approval of the Court.
6. I consent that the proceeds be paid to Plaintiff and Defendants according to their interests pursuant to the Association's governing documents.
7. If I am not the Defendant to whom the notice of lawsuit and waiver of service of process was sent, I declare that my relationship to the entity or person to whom the notice was sent and my authority to accept service on behalf of such person or entity is as follows:

Please describe relationship to person or entity and authority to accept service:

Signature: _____ Date: _____

Print Name: _____ (Please print clearly)

Print Entity Name: _____ (Please print clearly)

Unit Number: _____ Week: _____ (Please print clearly)

Unit Number: _____ Week: _____

**Please identify all of the unit weeks that you own.

Mailing Address: _____ (Please print clearly)

City, State & Zip: _____

E-mail: _____

Phone Number: _____