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| 1 | A bill to be entitled |
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| 2 | An act relating to condominium, cooperative, and |
| 3 | homeowners' associations; amending s. 718.111, F.S.; |
| 4 | revising provisions relating to the official records of |
| 5 | condominium associations; providing for disclosure of |
| 6 | employment agreements or compensation paid to association |
| 7 | employees; amending s. 718.112, F.S.; revising provisions |
| 8 | relating to board of administration and unit owner |
| 9 | meetings; providing that board of administration meetings |
| 10 | discussing personnel matters are not open to unit members; |
| 11 | requiring that certain educational curriculum be completed |
| 12 | within a specified time before the election or appointment |
| 13 | of a board director; amending s. 718.114, F.S.; requiring |
| 14 | the vote or written consent of a majority of the voting |
| 15 | interests before a condominium association may enter into |
| 16 | certain agreements to acquire leaseholds, memberships, or |
| 17 | other possessory or use interests; amending s. 718.116, |
| 18 | F.S.; revising provisions relating to condominium |
| 19 | assessments; authorizing the association to charge for |
| 20 | collection services for delinquent accounts; authorizing a |
| 21 | claim of lien to secure reasonable expenses for collection |
| 22 | services for a delinquent account; requiring any rent |
| 23 | payments received by an association from a tenant to be |
| 24 | applied to the most delinquent monetary obligation of a |
| 25 | unit owner; amending s. 718.117, F.S.; providing |
| 26 | procedures and requirements for partial termination of a |
| 27 | condominium property; requiring that a lien against a |
| 28 | condominium unit being terminated be transferred to the |
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29 proceeds of sale for that property; amending s. 718.303, 30 F.S.; revising provisions relating to imposing remedies 31 against a delinquent unit owner; requiring that the 32 suspension of certain rights of use or voting rights be approved at a noticed board meeting; amending s. 718.703. 33 34 F.S.; redefining the term "bulk assignee" for purposes of 35 the Distressed Condominium Relief Act; amending s. 718.704, F.S.; revising provisions relating to the 36 37 assignment of developer rights by a bulk assignee; 38 amending s. 718.705, F.S.; revising provisions relating to the transfer of control of a condominium board of 39 administration to unit owners; amending s. 718.706, F.S.; 40 revising provisions relating to the offering of units by a 41 42 bulk assignee or bulk buyer; amending s. 718.707, F.S.; revising the time limitation for classification as a bulk 43 44 assignee or bulk buyer; amending s. 719.108, F.S.; requiring any rent payments received by a cooperative 45 association from a tenant to be applied to the most 46 47 delinquent monetary obligation of a unit owner; amending s. 719.303, F.S.; revising provisions relating to imposing 48 49 remedies against a delinquent unit owner in a cooperative; 50 requiring that the suspension of certain rights of use or 51 voting rights be approved at a noticed board meeting; amending s. 720.303, F.S.; revising provisions relating to 52 records that are not accessible to members of a 53 homeowners' association; providing for disclosure of 54 55 employment agreements and compensation paid to association 56 employees; amending s. 720.305, F.S.; revising provisions Page 2 of 56

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57 relating to imposing remedies against a delinguent member 58 of a homeowners' association; requiring that the 59 suspension of certain rights of use or voting rights be 60 approved at a noticed board meeting; amending s. 720.3085, F.S.; authorizing a claim of lien to secure expenses for 61 62 collection services for a delinquent account; requiring 63 any rent payments received by an association from a tenant to be applied to the most delinquent monetary obligation 64 65 of a parcel owner; amending s. 720.309, F.S.; providing 66 for the allocation of communication services by a 67 homeowners' association; providing for the cancellation of communication contracts; providing that hearing-impaired 68 69 or legally blind owners and owners receiving certain 70 supplemental security income or food stamps may 71 discontinue the service without incurring costs; providing 72 that residents may not be denied access to available 73 franchised, licensed, or certificated cable or video 74 service providers; providing an effective date. 75 76 Be It Enacted by the Legislature of the State of Florida: 77 78 Section 1. Paragraphs (a) and (c) of subsection (12) of 79 section 718.111, Florida Statutes, are amended to read: 80 The association.-718.111 (12) OFFICIAL RECORDS.-81 82 (a) From the inception of the association, the association 83 shall maintain each of the following items, if applicable, which 84 constitutes shall constitute the official records of the Page 3 of 56

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85 association:

A copy of the plans, permits, warranties, and other
items provided by the developer pursuant to s. 718.301(4).

2. A photocopy of the recorded declaration of condominium
of each condominium operated by the association and of each
amendment to each declaration.

3. A photocopy of the recorded bylaws of the association
and of each amendment to the bylaws.

4. A certified copy of the articles of incorporation of
the association, or other documents creating the association,
and of each amendment thereto.

96

5. A copy of the current rules of the association.

97 6. A book or books <u>that</u> which contain the minutes of all
98 meetings of the association, of the board of administration, and
99 <u>the</u> of unit owners, which minutes must be retained for at least
100 7 years.

7. A current roster of all unit owners and their mailing 101 102 addresses, unit identifications, voting certifications, and, if 103 known, telephone numbers. The association shall also maintain 104 the e-mail the electronic mailing addresses and facsimile the 105 numbers designated by unit owners for receiving notice sent by electronic transmission of those unit owners consenting to 106 107 receive notice by electronic transmission. The e-mail electronic mailing addresses and facsimile telephone numbers may not be 108 109 accessible to unit owners must be removed from association records if consent to receive notice by electronic transmission 110 111 is not provided in accordance with subparagraph (c)5 revoked. However, the association is not liable for an erroneous 112

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113 disclosure of <u>an e-mail</u> the electronic mail address or <u>facsimile</u> 114 the number for receiving electronic transmission of notices.

8. All current insurance policies of the association andcondominiums operated by the association.

9. A current copy of any management agreement, lease, or other contract to which the association is a party or under which the association or the unit owners have an obligation or responsibility.

121 10. Bills of sale or transfer for all property owned by122 the association.

123 Accounting records for the association and separate 11. 124 accounting records for each condominium that which the 125 association operates. All accounting records must shall be maintained for at least 7 years. Any person who knowingly or 126 127 intentionally defaces or destroys such accounting records 128 required to be created and maintained by this chapter during the 129 period for which such records are required to be maintained, or 130 who knowingly or intentionally fails to create or maintain such 131 records, with the intent of causing harm to the association or 132 one or more of its members, is personally subject to a civil 133 penalty pursuant to s. 718.501(1)(d). The accounting records 134 must include, but are not limited to:

135 a. Accurate, itemized, and detailed records of all136 receipts and expenditures.

b. A current account and a monthly, bimonthly, or
quarterly statement of the account for each unit designating the
name of the unit owner, the due date and amount of each
assessment, the amount paid <u>on</u> upon the account, and the balance
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| 141 | due. | | | |
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| 142 | c. All audits, reviews, accounting statements, and | | | |
| 143 | financial reports of the association or condominium. | | | |
| 144 | d. All contracts for work to be performed. Bids for work | | | |
| 145 | to be performed are also considered official records and must be | | | |
| 146 | maintained by the association. | | | |
| 147 | 12. Ballots, sign-in sheets, voting proxies, and all other | | | |
| 148 | papers relating to voting by unit owners, which must be | | | |
| 149 | maintained for 1 year from the date of the election, vote, or | | | |
| 150 | meeting to which the document relates, notwithstanding paragraph | | | |
| 151 | (b). | | | |
| 152 | 13. All rental records if the association is acting as | | | |
| 153 | agent for the rental of condominium units. | | | |
| 154 | 14. A copy of the current question and answer sheet as | | | |
| 155 | described in s. 718.504. | | | |
| 156 | 15. All other records of the association not specifically | | | |
| 157 | included in the foregoing which are related to the operation of | | | |
| 158 | the association. | | | |
| 159 | 16. A copy of the inspection report as <u>described</u> provided | | | |
| 160 | in s. 718.301(4)(p). | | | |
| 161 | (c) The official records of the association are open to | | | |
| 162 | inspection by any association member or the authorized | | | |
| 163 | representative of such member at all reasonable times. The right | | | |
| 164 | to inspect the records includes the right to make or obtain | | | |
| 165 | copies, at the reasonable expense, if any, of the member. The | | | |
| 166 | association may adopt reasonable rules regarding the frequency, | | | |
| 167 | time, location, notice, and manner of record inspections and | | | |
| 168 | copying. The failure of an association to provide the records | | | |
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169 within 10 working days after receipt of a written request 170 creates a rebuttable presumption that the association willfully 171 failed to comply with this paragraph. A unit owner who is denied access to official records is entitled to the actual damages or 172 173 minimum damages for the association's willful failure to comply. 174 Minimum damages are shall be \$50 per calendar day for up to 10 175 days, beginning the calculation to begin on the 11th working day after receipt of the written request. The failure to permit 176 inspection of the association records as provided herein 177 178 entitles any person prevailing in an enforcement action to 179 recover reasonable attorney's fees from the person in control of the records who, directly or indirectly, knowingly denied access 180 181 to the records. Any person who knowingly or intentionally 182 defaces or destroys accounting records that are required by this 183 chapter to be maintained during the period for which such 184 records are required to be maintained, or who knowingly or 185 intentionally fails to create or maintain accounting records 186 that are required to be created or maintained, with the intent 187 of causing harm to the association or one or more of its members, is personally subject to a civil penalty pursuant to s. 188 189 718.501(1)(d). The association shall maintain an adequate number 190 of copies of the declaration, articles of incorporation, bylaws, 191 and rules, and all amendments to each of the foregoing, as well as the question and answer sheet as described provided for in s. 192 718.504 and year-end financial information required under in 193 194 this section, on the condominium property to ensure their availability to unit owners and prospective purchasers, and may 195 196 charge its actual costs for preparing and furnishing these Page 7 of 56

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197 documents to those requesting the documents. Notwithstanding the 198 provisions of this paragraph, the following records are not 199 accessible to unit owners:

1. Any record protected by the lawyer-client privilege as 200 201 described in s. 90.502; and any record protected by the work-202 product privilege, including a any record prepared by an 203 association attorney, or prepared at the attorney's express 204 direction, + which reflects a mental impression, conclusion, 205 litigation strategy, or legal theory of the attorney or the 206 association, and which was prepared exclusively for civil or 207 criminal litigation or for adversarial administrative 208 proceedings, or which was prepared in anticipation of such imminent civil or criminal litigation or imminent adversarial 209 210 administrative proceedings until the conclusion of the 211 litigation or adversarial administrative proceedings.

212 2. Information obtained by an association in connection
213 with the approval of the lease, sale, or other transfer of a
214 unit.

3. Personnel records of association employees, including, but not limited to, disciplinary, payroll, health, and insurance records, but not including written employment agreements with an association employee or budgetary or financial records that indicate the compensation paid to an association employee.

220

4. Medical records of unit owners.

5. Social security numbers, driver's license numbers,
credit card numbers, e-mail addresses, telephone numbers,
<u>facsimile numbers</u>, emergency contact information, any addresses
of a unit owner other than as provided to fulfill the

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| 225 | association's notice requirements, and other personal |
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| 226 | identifying information of any person, excluding the person's |
| 227 | name, unit designation, mailing address, and property address <u>,</u> |
| 228 | and any address, e-mail address, or facsimile number provided to |
| 229 | the association to fulfill the association's notice |
| 230 | requirements. However, an owner may consent to the disclosure of |
| 231 | protected information described in this subparagraph. The |
| 232 | association is not liable for the disclosure of information that |
| 233 | is protected under this subparagraph if the information is |
| 234 | included in other official records of the association which are |
| 235 | not protected. |
| 236 | 6. Any Electronic security <u>measures</u> measure that <u>are</u> is |
| 237 | used by the association to safeguard data, including passwords. |
| 238 | 7. The software and operating system used by the |
| 239 | association which allows <u>the</u> manipulation of data, even if the |
| 240 | owner owns a copy of the same software used by the association. |
| 241 | The data is part of the official records of the association. |
| 242 | Section 2. Paragraphs (b), (c), and (d) of subsection (2) |
| 243 | of section 718.112, Florida Statutes, are amended to read: |
| 244 | 718.112 Bylaws |
| 245 | (2) REQUIRED PROVISIONSThe bylaws shall provide for the |
| 246 | following and, if they do not do so, shall be deemed to include |
| 247 | the following: |
| 248 | (b) Quorum; voting requirements; proxies |
| 249 | 1. Unless a lower number is provided in the bylaws, the |
| 250 | percentage of voting interests required to constitute a quorum |
| 251 | at a meeting of the members <u>is</u> shall be a majority of the voting |
| 252 | interests. Unless otherwise provided in this chapter or in the |
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declaration, articles of incorporation, or bylaws, and except as provided in subparagraph (d)4. (d)3., decisions shall be made by owners of a majority of the voting interests represented at a meeting at which a quorum is present.

257 Except as specifically otherwise provided herein, after 2. 258 January 1, 1992, unit owners may not vote by general proxy, but 259 may vote by limited proxies substantially conforming to a 260 limited proxy form adopted by the division. A No voting interest 261 or consent right allocated to a unit owned by the association 262 may not shall be exercised or considered for any purpose, 263 whether for a quorum, an election, or otherwise. Limited proxies 264 and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce 265 266 reserves in accordance with subparagraph (f)2.; for votes taken 267 to waive the financial reporting requirements of s. 718.111(13); 268 for votes taken to amend the declaration pursuant to s. 718.110; 269 for votes taken to amend the articles of incorporation or bylaws 270 pursuant to this section; and for any other matter for which 271 this chapter requires or permits a vote of the unit owners. 272 Except as provided in paragraph (d), a after January 1, 1992, no 273 proxy, limited or general, may not shall be used in the election 274 of board members. General proxies may be used for other matters 275 for which limited proxies are not required, and may also be used 276 in voting for nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding the 277 provisions of this subparagraph, unit owners may vote in person 278 279 at unit owner meetings. This subparagraph does not Nothing 280 contained herein shall limit the use of general proxies or Page 10 of 56

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281 require the use of limited proxies for any agenda item or 282 election at any meeting of a timeshare condominium association.

3. Any proxy given <u>is shall be</u> effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. <u>A</u> In no event shall any proxy <u>is not</u> be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy is revocable at any time at the pleasure of the unit owner executing it.

4. A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken <u>or to create</u> and may not be used for the purposes of creating a quorum.

If When any of the board or committee members meet by 295 5. 296 telephone conference, those board or committee members attending 297 by telephone conference may be counted toward obtaining a quorum 298 and may vote by telephone. A telephone speaker must be used so that the conversation of those board or committee members 299 300 attending by telephone may be heard by the board or committee 301 members attending in person as well as by any unit owners 302 present at a meeting.

(c) Board of administration meetings.-Meetings of the board of administration at which a quorum of the members is present <u>are shall be</u> open to all unit owners. <u>A</u> Any unit owner may tape record or videotape <u>the</u> meetings of the board of administration. The right to attend such meetings includes the right to speak at such meetings with reference to all designated

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309 agenda items. The division shall adopt reasonable rules 310 governing the tape recording and videotaping of the meeting. The 311 association may adopt written reasonable rules governing the 312 frequency, duration, and manner of unit owner statements.

313 1. Adequate notice of all board meetings, which must notice shall specifically identify all incorporate an 314 315 identification of agenda items, must shall be posted conspicuously on the condominium property at least 48 continuous 316 317 hours before preceding the meeting except in an emergency. If 20 percent of the voting interests petition the board to address an 318 319 item of business, the board shall at its next regular board meeting or at a special meeting of the board, but not later than 320 60 days after the receipt of the petition, shall place the item 321 322 on the agenda. Any item not included on the notice may be taken 323 up on an emergency basis by at least a majority plus one of the 324 board members of the board. Such emergency action must shall be 325 noticed and ratified at the next regular board meeting of the 326 board. However, written notice of any meeting at which 327 nonemergency special assessments, or at which amendment to rules 328 regarding unit use, will be considered must shall be mailed, 329 delivered, or electronically transmitted to the unit owners and 330 posted conspicuously on the condominium property at least not 331 less than 14 days before prior to the meeting. Evidence of compliance with this 14-day notice requirement must shall be 332 made by an affidavit executed by the person providing the notice 333 and filed with among the official records of the association. 334 335 Upon notice to the unit owners, the board shall, by duly adopted 336 rule, designate a specific location on the condominium property

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337 or association property where upon which all notices of board 338 meetings are to shall be posted. If there is no condominium 339 property or association property where upon which notices can be 340 posted, notices of board meetings shall be mailed, delivered, or 341 electronically transmitted at least 14 days before the meeting 342 to the owner of each unit. In lieu of or in addition to the 343 physical posting of the notice of any meeting of the board of 344 administration on the condominium property, the association may, 345 by reasonable rule, adopt a procedure for conspicuously posting 346 and repeatedly broadcasting the notice and the agenda on a 347 closed-circuit cable television system serving the condominium 348 association. However, if broadcast notice is used in lieu of a notice posted physically posted on the condominium property, the 349 350 notice and agenda must be broadcast at least four times every 351 broadcast hour of each day that a posted notice is otherwise 352 required under this section. If When broadcast notice is 353 provided, the notice and agenda must be broadcast in a manner 354 and for a sufficient continuous length of time so as to allow an 355 average reader to observe the notice and read and comprehend the 356 entire content of the notice and the agenda. Notice of any 357 meeting in which regular or special assessments against unit 358 owners are to be considered for any reason must shall 359 specifically state that assessments will be considered and 360 provide the nature, estimated cost, and description of the 361 purposes for such assessments.

362 <u>2.</u> Meetings of a committee to take final action on behalf 363 of the board or make recommendations to the board regarding the 364 association budget are subject to the provisions of this

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365 paragraph. Meetings of a committee that does not take final 366 action on behalf of the board or make recommendations to the 367 board regarding the association budget are subject to the 368 provisions of this section, unless those meetings are exempted 369 from this section by the bylaws of the association.

370 <u>3.</u> Notwithstanding any other law, the requirement that 371 board meetings and committee meetings be open to the unit owners 372 does not apply is inapplicable to:

<u>a.</u> Meetings between the board or a committee and the association's attorney, with respect to proposed or pending litigation, <u>if</u> when the meeting is held for the purpose of seeking or rendering legal advice<u>; or</u>

Board meetings held for the purpose of discussing
 personnel matters.

379

(d) Unit owner meetings.-

1. An annual meeting of the unit owners shall be held at the location provided in the association bylaws and, if the bylaws are silent as to the location, the meeting shall be held within 45 miles of the condominium property. However, such distance requirement does not apply to an association governing a timeshare condominium.

386 <u>2.</u> Unless the bylaws provide otherwise, a vacancy on the 387 board caused by the expiration of a director's term shall be 388 filled by electing a new board member, and the election must be 389 by secret ballot. <u>An election is not required</u> However, if the 390 number of vacancies equals or exceeds the number of candidates, 391 an election is not required. Except in a timeshare condominium, 392 the terms of all <u>board</u> members of the board expire at the annual

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393 meeting and such board members may stand for reelection unless 394 otherwise permitted by the bylaws. If the bylaws permit 395 staggered terms of no more than 2 years and upon approval of a 396 majority of the total voting interests, the association board 397 members may serve 2-year staggered terms. If the number of board 398 members whose terms have expired exceeds the number of eligible 399 members showing interest in or demonstrating an intention to run 400 for the vacant positions, each board member whose term has 401 expired is eligible for reappointment to the board of administration and need not stand for reelection. In a 402 condominium association of more than 10 units or in a 403 404 condominium association that does not include timeshare units or 405 timeshare interests, coowners of a unit may not serve as members 406 of the board of directors at the same time unless they own more 407 than one unit or unless there are not enough eligible candidates to fill the vacancies on the board at the time of the vacancy. 408 409 Any unit owner desiring to be a candidate for board membership 410 must comply with sub-subparagraph 4.a. 3.a. A person who has 411 been suspended or removed by the division under this chapter, or 412 who is delinquent in the payment of any fee, fine, or special or 413 regular assessment as provided in paragraph (n), is not eligible 414 for board membership. A person who has been convicted of any 415 felony in this state or in a United States District or 416 Territorial Court, or who has been convicted of any offense in 417 another jurisdiction which that would be considered a felony if committed in this state, is not eligible for board membership 418 419 unless such felon's civil rights have been restored for at least 5 years as of the date on which such person seeks election to 420 Page 15 of 56

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421 the board. The validity of an action by the board is not 422 affected if it is later determined that a <u>board</u> member of the 423 board is ineligible for board membership due to having been 424 convicted of a felony.

425 3.2. The bylaws must provide the method of calling 426 meetings of unit owners, including annual meetings. Written 427 notice, which must include an agenda, must shall be mailed, hand 428 delivered, or electronically transmitted to each unit owner at 429 least 14 days before the annual meeting, and must be posted in a 430 conspicuous place on the condominium property at least 14 431 continuous days before preceding the annual meeting. Upon notice 432 to the unit owners, the board shall, by duly adopted rule, 433 designate a specific location on the condominium property or 434 association property where upon which all notices of unit owner 435 meetings shall be posted. This requirement does not apply 436 However, if there is no condominium property or association 437 property for posting upon which notices can be posted, this 438 requirement does not apply. In lieu of, or in addition to, the 439 physical posting of meeting notices, the association may, by 440 reasonable rule, adopt a procedure for conspicuously posting and 441 repeatedly broadcasting the notice and the agenda on a closed-442 circuit cable television system serving the condominium 443 association. However, if broadcast notice is used in lieu of a 444 notice posted physically on the condominium property, the notice and agenda must be broadcast at least four times every broadcast 445 446 hour of each day that a posted notice is otherwise required 447 under this section. If broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient 448

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449 continuous length of time so as to allow an average reader to 450 observe the notice and read and comprehend the entire content of 451 the notice and the agenda. Unless a unit owner waives in writing 452 the right to receive notice of the annual meeting in writing, 453 such notice must be hand delivered, mailed, or electronically 454 transmitted to each unit owner. Notice for meetings and notice 455 for all other purposes must be mailed to each unit owner at the 456 address last furnished to the association by the unit owner, or 457 hand delivered to each unit owner. However, if a unit is owned 458 by more than one person, the association must shall provide 459 notice, for meetings and all other purposes, to the that one 460 address that which the developer initially identified identifies 461 for that purpose and thereafter as one or more of the owners of 462 the unit shall advise the association in writing, or if no 463 address is given or the owners of the unit do not agree, to the 464 address provided on the deed of record. An officer of the 465 association, or the manager or other person providing notice of 466 the association meeting, must shall provide an affidavit or 467 United States Postal Service certificate of mailing, to be 468 included in the official records of the association affirming 469 that the notice was mailed or hand delivered τ in accordance with 470 this provision.

471 <u>4.3.</u> The members of the board shall be elected by written 472 ballot or voting machine. Proxies may not be used in electing 473 the board in general elections or elections to fill vacancies 474 caused by recall, resignation, or otherwise, unless otherwise 475 provided in this chapter.

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a. At least 60 days before a scheduled election, the Page 17 of 56

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477 association shall mail, deliver, or electronically transmit, 478 whether by separate association mailing or included in another 479 association mailing, delivery, or transmission, including 480 regularly published newsletters, to each unit owner entitled to 481 a vote, a first notice of the date of the election. Any unit 482 owner or other eligible person desiring to be a candidate for 483 the board must give written notice of his or her intent to be a 484 candidate to the association at least 40 days before a scheduled 485 election. Together with the written notice and agenda as set 486 forth in subparagraph 3. $\frac{2}{2}$, the association shall mail, 487 deliver, or electronically transmit a second notice of the 488 election to all unit owners entitled to vote, together with a 489 ballot that lists all candidates. Upon request of a candidate, 490 an information sheet, no larger than 8 1/2 inches by 11 inches, 491 which must be furnished by the candidate at least 35 days before 492 the election, must be included with the mailing, delivery, or 493 transmission of the ballot, with the costs of mailing, delivery, 494 or electronic transmission and copying to be borne by the 495 association. The association is not liable for the contents of 496 the information sheets prepared by the candidates. In order to 497 reduce costs, the association may print or duplicate the 498 information sheets on both sides of the paper. The division 499 shall by rule establish voting procedures consistent with this sub-subparagraph, including rules establishing procedures for 500 501 giving notice by electronic transmission and rules providing for 502 the secrecy of ballots. Elections shall be decided by a 503 plurality of those ballots cast. There is no quorum requirement; 504 however, at least 20 percent of the eliqible voters must cast a Page 18 of 56

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505 ballot in order to have a valid election of members of the 506 board. A unit owner may not permit any other person to vote his 507 or her ballot, and any ballots improperly cast are invalid. A_{τ} 508 provided any unit owner who violates this provision may be fined 509 by the association in accordance with s. 718.303. A unit owner 510 who needs assistance in casting the ballot for the reasons 511 stated in s. 101.051 may obtain such assistance. The regular 512 election must occur on the date of the annual meeting. This sub-513 subparagraph does not apply to timeshare condominium 514 associations. Notwithstanding this sub-subparagraph, an election is not required unless more candidates file notices of intent to 515 516 run or are nominated than board vacancies exist.

Within 90 days after being elected or appointed to the 517 b. 518 board, each newly elected or appointed director shall certify in writing to the secretary of the association that he or she has 519 520 read the association's declaration of condominium, articles of 521 incorporation, bylaws, and current written policies; that he or 522 she will work to uphold such documents and policies to the best 523 of his or her ability; and that he or she will faithfully 524 discharge his or her fiduciary responsibility to the 525 association's members. In lieu of this written certification, 526 within 90 days after being elected or appointed to the board, 527 the newly elected or appointed director may submit a certificate 528 of having satisfactorily completed satisfactory completion of the educational curriculum administered by a division-approved 529 condominium education provider within 1 year before the date of 530 531 election or appointment. The written certification or 532 educational certificate is valid and does not have to be

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533 resubmitted as long as the director continuously serves on the 534 board. A director who fails to timely file the written 535 certification or educational certificate is suspended from 536 service on the board until he or she complies with this sub-537 subparagraph. The board may temporarily fill the vacancy during 538 the period of suspension. The secretary shall cause the 539 association to retain a director's written certification or 540 educational certificate for inspection by the members for 5 years after a director's election. Failure to have such written 541 certification or educational certificate on file does not affect 542 543 the validity of any board action.

544 5.4. Any approval by unit owners called for by this chapter or the applicable declaration or bylaws, including, but 545 546 not limited to, the approval requirement in s. 718.111(8), must shall be made at a duly noticed meeting of unit owners and is 547 548 subject to all requirements of this chapter or the applicable 549 condominium documents relating to unit owner decisionmaking, 550 except that unit owners may take action by written agreement, 551 without meetings, on matters for which action by written 552 agreement without meetings is expressly allowed by the 553 applicable bylaws or declaration or any law statute that 554 provides for such action.

555 <u>6.5.</u> Unit owners may waive notice of specific meetings if 556 allowed by the applicable bylaws or declaration or any <u>law</u> 557 statute. If authorized by the bylaws, notice of meetings of the 558 board of administration, unit owner meetings, except unit owner 559 meetings called to recall board members under paragraph (j), and 560 committee meetings may be given by e-mail electronic

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561 transmission to unit owners who consent to receive notice by 562 electronic transmission.

563 <u>7.6.</u> Unit owners <u>may shall have the right to</u> participate 564 in meetings of unit owners with reference to all designated 565 agenda items. However, the association may adopt reasonable 566 rules governing the frequency, duration, and manner of unit 567 owner participation.

568 <u>8.7.</u> <u>A</u> Any unit owner may tape record or videotape a
569 meeting of the unit owners subject to reasonable rules adopted
570 by the division.

9.8. Unless otherwise provided in the bylaws, any vacancy 571 572 occurring on the board before the expiration of a term may be filled by the affirmative vote of the majority of the remaining 573 574 directors, even if the remaining directors constitute less than 575 a quorum, or by the sole remaining director. In the alternative, 576 a board may hold an election to fill the vacancy, in which case 577 the election procedures must conform to the requirements of sub-578 subparagraph 4.a. 3.a. unless the association governs 10 units 579 or fewer and has opted out of the statutory election process, in 580 which case the bylaws of the association control. Unless 581 otherwise provided in the bylaws, a board member appointed or 582 elected under this section shall fill the vacancy for the 583 unexpired term of the seat being filled. Filling vacancies 584 created by recall is governed by paragraph (j) and rules adopted 585 by the division.

586

587 Notwithstanding subparagraph (b)2. and sub-subparagraph <u>4.a.</u>
588 (d)3.a., an association of 10 or fewer units may, by affirmative
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vote of a majority of the total voting interests, provide for different voting and election procedures in its bylaws, which wote may be by a proxy specifically delineating the different voting and election procedures. The different voting and election procedures may provide for elections to be conducted by limited or general proxy.

595 Section 3. Section 718.114, Florida Statutes, is amended 596 to read:

597 718.114 Association powers.-An association may has the 598 power to enter into agreements_{τ} to acquire leaseholds, 599 memberships, and other possessory or use interests in lands or 600 facilities such as country clubs, golf courses, marinas, and 601 other recreational facilities, . It has this power whether or not 602 the lands or facilities are contiguous to the lands of the 603 condominium, if such lands and facilities they are intended to 604 provide enjoyment, recreation, or other use or benefit to the 605 unit owners. All of these leaseholds, memberships, and other 606 possessory or use interests existing or created at the time of 607 recording the declaration must be stated and fully described in 608 the declaration. Subsequent to the recording of the declaration, 609 agreements acquiring these leaseholds, memberships, or other 610 possessory or use interests which are not entered into within 12 611 months following the recording of the declaration are shall be 612 considered a material alteration or substantial addition to the real property that is association property, and the association 613 614 may not acquire or enter into such agreements acquiring these 615 leaseholds, memberships, or other possessory or use interests except upon a vote of, or written consent by, a majority of the 616

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617 total voting interests as authorized by the declaration as 618 provided in s. 718.113. The declaration may provide that the 619 rental, membership fees, operations, replacements, and other 620 expenses are common expenses and may impose covenants and 621 restrictions concerning their use and may contain other 622 provisions not inconsistent with this chapter. A condominium 623 association may conduct bingo games as provided in s. 849.0931. 624 Subsection (3), paragraph (b) of subsection Section 4. 625 (5), and subsection (11) of section 718.116, Florida Statutes, are amended to read: 626 627 718.116 Assessments; liability; lien and priority; 628 interest; collection.-629 Assessments and installments on assessments which are (3) 630 not paid when due bear interest at the rate provided in the 631 declaration, from the due date until paid. The This rate may not 632 exceed the rate allowed by law, and, if no rate is provided in 633 the declaration, interest accrues at the rate of 18 percent per 634 year. Also, If provided by the declaration or bylaws, the 635 association may, in addition to such interest, charge an 636 administrative late fee of up to the greater of \$25 or 5 percent 637 of each installment of the assessment for each delinquent 638 installment for which the payment is late. The association may 639 also charge for any reasonable expenses for collection services 640 incurred relating to the delinquent account. Any payment 641 received by an association must be applied first to any interest accrued by the association, then to any administrative late fee, 642 then to any expenses for collection services, then to any costs 643 644 and reasonable attorney's fees incurred in collection, and then Page 23 of 56

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645 to the delinquent assessment. The foregoing is applicable 646 notwithstanding any restrictive endorsement, designation, or 647 instruction placed on or accompanying a payment. A late fee is 648 not subject to chapter 687 or s. <u>718.303(4)</u> 718.303(3).

649

650 To be valid, a claim of lien must state the (b) 651 description of the condominium parcel, the name of the record 652 owner, the name and address of the association, the amount due, 653 and the due dates. It must be executed and acknowledged by an officer or authorized agent of the association. The lien is not 654 effective longer than 1 year after the claim of lien was 655 656 recorded unless, within that time, an action to enforce the lien 657 is commenced. The 1-year period is automatically extended for 658 any length of time during which the association is prevented 659 from filing a foreclosure action by an automatic stay resulting 660 from a bankruptcy petition filed by the parcel owner or any 661 other person claiming an interest in the parcel. The claim of 662 lien secures all unpaid assessments that are due and that may 663 accrue after the claim of lien is recorded and through the entry 664 of a final judgment, as well as interest and all reasonable 665 costs and attorney's fees incurred by the association incident 666 to the collection process. The claim of lien also secures any 667 reasonable expenses for collection services relating to the 668 delinquent account which the association incurred before filing a claim. Upon payment in full, the person making the payment is 669 entitled to a satisfaction of the lien. 670 671

672 After notice of contest of lien has been recorded, the clerk of Page 24 of 56

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673 the circuit court shall mail a copy of the recorded notice to 674 the association by certified mail, return receipt requested, at 675 the address shown in the claim of lien or most recent amendment 676 to it and shall certify to the service on the face of the 677 notice. Service is complete upon mailing. After service, the 678 association has 90 days in which to file an action to enforce 679 the lien; and, if the action is not filed within the 90-day 680 period, the lien is void. However, the 90-day period shall be 681 extended for any length of time during which that the 682 association is prevented from filing its action because of an 683 automatic stay resulting from the filing of a bankruptcy 684 petition by the unit owner or by any other person claiming an 685 interest in the parcel.

686 If the unit is occupied by a tenant and the unit (11)687 owner is delinquent in paying any monetary obligation due to the 688 association, the association may make a written demand that the 689 tenant pay all unpaid rent due to the association the future 690 monetary obligations related to the condominium unit to the 691 association, and continue to the tenant must make such payment 692 until all monetary obligations of the unit owner related to the 693 unit have been paid in full to the association. The demand is 694 continuing in nature and, upon demand, The tenant must pay the 695 rent the monetary obligations to the association until the 696 association releases the tenant or the tenant discontinues tenancy in the unit. The association must mail written notice to 697 the unit owner of the association's demand that the tenant make 698 payments to the association. The association shall, upon 699 700 request, provide the tenant with written receipts for payments

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701 made. A tenant who acts in good faith in response to a written 702 demand from an association is immune from any claim by from the 703 unit owner. <u>Any payment received from a tenant must be applied</u> 704 to the unit owner's most delinquent monetary obligation.

705 If the tenant prepaid rent to the unit owner before (a) 706 receiving the demand from the association and provides written 707 evidence of prepaying paying the rent to the association within 708 14 days after receiving the demand, the tenant shall receive 709 credit for the prepaid rent for the applicable period but and 710 must make any subsequent rental payments to the association to 711 be credited against the monetary obligations of the unit owner 712 to the association.

The tenant is not liable for increases in the amount 713 (b) 714 of the monetary obligations due unless the tenant was notified 715 in writing of the increase at least 10 days before the date the 716 rent is due. The liability of the tenant may not exceed the 717 amount due from the tenant to the tenant's landlord. The 718 tenant's landlord shall provide the tenant a credit against 719 rents due to the unit owner in the amount of moneys paid to the 720 association under this section.

(c) The association may issue notices under s. 83.56 and may sue for eviction under ss. 83.59-83.625 as if the association were a landlord under part II of chapter 83 if the tenant fails to pay a required payment to the association. However, the association is not otherwise considered a landlord under chapter 83 and specifically has no <u>obligations</u> duties under s. 83.51.

728

(d)

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The tenant does not, by virtue of payment of rent

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729 monetary obligations to the association, have any of the rights 730 of a unit owner to vote in any election or to examine the books 731 and records of the association.

(e) A court may supersede the effect of this subsection byappointing a receiver.

Section 5. Subsections (3), (4), and (11), paragraphs (a) and (d) of subsection (12), subsection (14), paragraph (a) of subsection (17), and subsections (18) and (19) of section 737 718.117, Florida Statutes, are amended to read:

738

718.117 Termination of condominium.-

739 OPTIONAL TERMINATION.-Except as provided in subsection (3) 740 (2) or unless the declaration provides for a lower percentage, 741 the condominium form of ownership of the property may be 742 terminated for all or a portion of the condominium property 743 pursuant to a plan of termination approved by at least 80 744 percent of the total voting interests of the condominium if no 745 not more than 10 percent of the total voting interests of the 746 condominium have rejected the plan of termination by negative 747 vote or by providing written objections thereto. This subsection 748 does not apply to condominiums in which 75 percent or more of 749 the units are timeshare units.

(4) EXEMPTION.-A plan of termination is not an amendment
subject to s. 718.110(4). In a partial termination, a plan of
termination is not an amendment subject to s. 718.110(4) if the
ownership share of the common elements of a surviving unit in
the condominium remains in the same proportion to the surviving
units as it was before the partial termination.
(11) PLAN OF TERMINATION; OPTIONAL PROVISIONS; CONDITIONAL

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757 TERMINATION.-

758 The plan of termination may provide that each unit (a) 759 owner retains the exclusive right of possession to the portion 760 of the real estate which that formerly constituted the unit if τ 761 in which case the plan specifies must specify the conditions of 762 possession. In a partial termination, the plan of termination as 763 specified in subsection (10) must also identify the units that 764 survive the partial termination and provide that such units 765 remain in the condominium form of ownership pursuant to an amendment to the declaration of condominium or an amended and 766 767 restated declaration. In a partial termination, title to the 768 surviving units and common elements that remain part of the 769 condominium property specified in the plan of termination remain 770 vested in the ownership shown in the public records and do not 771 vest in the termination trustee.

772 (b) In a conditional termination, the plan must specify 773 the conditions for termination. A conditional plan does not vest 774 title in the termination trustee until the plan and a 775 certificate executed by the association with the formalities of 776 a deed, confirming that the conditions in the conditional plan 777 have been satisfied or waived by the requisite percentage of the 778 voting interests, have been recorded. In a partial termination, 779 the plan does not vest title to the surviving units or common 780 elements that remain part of the condominium property in the 781 termination trustee. 782 (12) ALLOCATION OF PROCEEDS OF SALE OF CONDOMINIUM

- 783 PROPERTY.-
- 784

(a) Unless the declaration expressly provides for the

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785 allocation of the proceeds of sale of condominium property, the 786 plan of termination must first apportion the proceeds between 787 the aggregate value of all units and the value of the common 788 elements, based on their respective fair market values 789 immediately before the termination, as determined by one or more 790 independent appraisers selected by the association or 791 termination trustee. In a partial termination, the aggregate 792 values of the units and common elements that are being 793 terminated must be separately determined, and the plan of 794 termination must specify the allocation of the proceeds of sale 795 for the units and common elements.

796 Liens that encumber a unit shall be transferred to the (d) 797 proceeds of sale of the condominium property and the proceeds of 798 sale or other distribution of association property, common 799 surplus, or other association assets attributable to such unit 800 in their same priority. In a partial termination, liens that encumber a unit being terminated must be transferred to the 801 802 proceeds of sale of that portion of the condominium property 803 being terminated which are attributable to such unit. The 804 proceeds of any sale of condominium property pursuant to a plan 805 of termination may not be deemed to be common surplus or 806 association property.

(14) TITLE VESTED IN TERMINATION TRUSTEE.-If termination
is pursuant to a plan of termination under subsection (2) or
subsection (3), the unit owners' rights and title to as tenants
in common in undivided interests in the condominium property
being terminated vests vest in the termination trustee when the
plan is recorded or at a later date specified in the plan. The

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813 unit owners thereafter become the beneficiaries of the proceeds 814 realized from the plan of termination as set forth in the plan. 815 The termination trustee may deal with the condominium property 816 being terminated or any interest therein if the plan confers on 817 the trustee the authority to protect, conserve, manage, sell, or 818 dispose of the condominium property. The trustee, on behalf of 819 the unit owners, may contract for the sale of real property 820 being terminated, but the contract is not binding on the unit 821 owners until the plan is approved pursuant to subsection (2) or 822 subsection (3).

823

(17) DISTRIBUTION.-

(a) Following termination of the condominium, the
condominium property, association property, common surplus, and
other assets of the association shall be held by the termination
trustee <u>pursuant to the plan of termination</u>, as trustee for unit
owners and holders of liens on the units, in their order of
priority unless otherwise set forth in the plan of termination.

830 (18) ASSOCIATION STATUS.-The termination of a condominium 831 does not change the corporate status of the association that 832 operated the condominium property. The association continues to 833 exist to conclude its affairs, prosecute and defend actions by 834 or against it, collect and discharge obligations, dispose of and 835 convey its property, and collect and divide its assets, but not 836 to act except as necessary to conclude its affairs. In a partial 837 termination, the association may continue as the condominium 838 association for the property that remains subject to a 839 declaration of condominium. 840 (19) CREATION OF ANOTHER CONDOMINIUM.-The termination or

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841 partial termination of a condominium does not bar the filing of 842 a declaration of condominium or an amended and restated 843 declaration of condominium by the termination trustee or the 844 trustee's successor in interest which affects affecting any 845 portion of the same property that does not continue under the 846 condominium form of ownership pursuant to the plan of 847 termination. The partial termination may provide for the 848 simultaneous filing of an amendment to the declaration of 849 condominium or an amended and restated declaration of condominium by the condominium association for any portion of 850 851 the property remaining in the condominium form of ownership. 852 Subsections (3), (4), and (5) of section Section 6. 853 718.303, Florida Statutes, are amended, and subsection (6) is 854 added to that section, to read: 855 718.303 Obligations of owners and occupants; remedies.-856 (3) If a unit owner is delinquent for more than 90 days in 857 paying a monetary obligation due to the association, the 858 association may suspend the right of a unit owner or a unit's 859 occupant, licensee, or invitee to use common elements, common 860 facilities, or any other association property until the monetary 861 obligation is paid. This subsection does not apply to limited 862 common elements intended to be used only by that unit, common 863 elements that must be used to access the unit, utility services 864 provided to the unit, parking spaces, or elevators. The 865 association may also levy reasonable fines for the failure of the owner of the unit, or its occupant, licensee, or invitee, to 866 comply with any provision of the declaration, the association 867 868 bylaws, or reasonable rules of the association. A fine may does Page 31 of 56

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not become a lien against a unit. A fine may not exceed \$100 per 869 870 violation. However, A fine may be levied on the basis of each 871 day of a continuing violation, with a single notice and 872 opportunity for hearing. However, the fine may not exceed \$100 873 per violation, or \$1,000 in the aggregate exceed \$1,000. A fine 874 may not be levied and a suspension may not be imposed unless the 875 association first provides at least 14 days' written notice and 876 an opportunity for a hearing to the unit owner and, if 877 applicable, its occupant, licensee, or invitee. The hearing must be held before a committee of other unit owners who are neither 878 879 board members nor persons residing in a board member's 880 household. If the committee does not agree with the fine or 881 suspension, the fine or suspension may not be levied or imposed. 882 If a unit owner is more than 90 days delinquent in (4) paying a monetary obligation due to the association, the 883 884 association may suspend the right of the unit owner or the unit's occupant, licensee, or invitee to use common elements, 885 886 common facilities, or any other association property until the 887 monetary obligation is paid. This subsection does not apply to 888 limited common elements intended to be used only by that unit, 889 common elements needed to access the unit, utility services 890 provided to the unit, parking spaces, or elevators. The notice 891 and hearing requirements under subsection (3) do not apply to 892 suspensions imposed under this subsection. 893 (4) The notice and hearing requirements of subsection (3) 894 do not apply to the imposition of suspensions or fines against a unit owner or a unit's occupant, licensee, or invitee because of 895 896 to pay any amounts due the association. If such ling Page 32 of 56

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or suspension is imposed, the association must levy the fine or 897 898 impose a reasonable suspension at a properly noticed board 899 meeting, and after the imposition of such fine or suspension, 900 the association must notify the unit owner and, if applicable, 901 the unit's occupant, licensee, or invitee by mail or hand 902 delivery. 903 (5) An association may also suspend the voting rights of a 904 member due to nonpayment of any monetary obligation due to the 905 association which is more than 90 days delinquent. The 906 suspension ends upon full payment of all obligations currently 907 due or overdue the association. The notice and hearing 908 requirements under subsection (3) do not apply to a suspension 909 imposed under this subsection. All suspensions imposed pursuant to subsection (4) or 910 (6) 911 subsection (5) must be approved at a properly noticed board 912 meeting. Upon approval, the association must notify the unit owner and, if applicable, the unit's occupant, licensee, or 913 914 invitee by mail or hand delivery. 915 Section 7. Section 718.703, Florida Statutes, is amended 916 to read: 917 718.703 Definitions.—As used in this part, the term: 918 (1)"Bulk assignee" means a person who is not a bulk buyer

919 and who:

920 (a) Acquires more than seven condominium parcels <u>in a</u>
 921 <u>single condominium</u> as set forth in s. 718.707; and
 922 (b) Receives an assignment of <u>any of the developer rights</u>,

923 other than or in addition to those rights described in

924 subsection (2), some or all of the rights of the developer as

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925 set forth in the declaration of condominium or this chapter: by 926 1. By a written instrument recorded as part of, or an 927 exhibit to the deed; or as 928 2. By a separate instrument recorded in the public records 929 of the county in which the condominium is located; or 930 3. Pursuant to a final judgment or certificate of title 931 issued in favor of a purchaser at a foreclosure sale. 932 A mortgagee or its assignee may not be deemed a bulk assignee or 933 a developer by reason of the acquisition of condominium units 934 935 and receipt of an assignment of some or all of a developer 936 rights unless the mortgagee or its assignee exercises any of the 937 developer rights other than those described in subsection (2). 938 (2)"Bulk buyer" means a person who acquires more than seven condominium parcels in a single condominium as set forth 939 940 in s. 718.707, but who does not receive an assignment of any 941 developer rights, or receives only some or all of the following 942 rights: other than 943 The right to conduct sales, leasing, and marketing (a) activities within the condominium; 944 945 The right to be exempt from the payment of working (b) 946 capital contributions to the condominium association arising out 947 of, or in connection with, the bulk buyer's acquisition of the a 948 bulk number of units; and The right to be exempt from any rights of first 949 (C) refusal which may be held by the condominium association and 950 would otherwise be applicable to subsequent transfers of title 951 952 from the bulk buyer to a third party purchaser concerning one or Page 34 of 56

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953 more units. 954 Section 8. Section 718.704, Florida Statutes, is amended 955 to read: 956 718.704 Assignment and assumption of developer rights by 957 bulk assignee; bulk buyer.-958 A bulk assignee is deemed to have assumed assumes and (1)959 is liable for all duties and responsibilities of the developer 960 under the declaration and this chapter upon its acquisition of 961 title to units, except that it is not liable for: 962 Warranties of the developer under s. 718.203(1) or s. (a) 963 718.618, except as expressly provided by the bulk assignee in a 964 prospectus or offering circular, or the contract for purchase 965 and sale executed with a purchaser, or for design, construction, 966 development, or repair work performed by or on behalf of the 967 such bulk assignee.; 968 (b) The obligation to: 969 Fund converter reserves under s. 718.618 for a unit 1. 970 that was not acquired by the bulk assignee; or 971 2. Provide implied converter warranties on any portion of 972 the condominium property except as expressly provided by the 973 bulk assignee in a prospectus or offering circular, or the 974 contract for purchase and sale executed with a purchaser, or for 975 and pertaining to any design, construction, development, or 976 repair work performed by or on behalf of the bulk assignee.+ 977 The requirement to provide the association with a (C) 978 cumulative audit of the association's finances from the date of 979 formation of the condominium association as required by s. 980 718.301(4)(c). However, the bulk assignee must provide an audit

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981 for the period during which the bulk assignee elects <u>or appoints</u> 982 a majority of the members of the board of administration. \cdot

983 (d) Any liability arising out of or in connection with 984 actions taken by the board of administration or the developer-985 appointed directors before the bulk assignee elects <u>or appoints</u> 986 a majority of the members of the board of administration.; and

987 (e) Any liability for or arising out of the developer's
988 failure to fund previous assessments or to resolve budgetary
989 deficits in relation to a developer's right to guarantee
990 assessments, except as otherwise provided in subsection (2).

992 The bulk assignee is also responsible <u>only</u> for delivering 993 documents and materials in accordance with s. 718.705(3). A bulk 994 assignee may expressly assume some or all of the <u>developer</u> 995 obligations of the developer described in paragraphs (a)-(e).

996 (2) A bulk assignee assigned the developer rights 997 receiving the assignment of the rights of the developer to 998 quarantee the level of assessments and fund budgetary deficits 999 pursuant to s. 718.116 assumes and is liable for all obligations 1000 of the developer with respect to such guarantee upon its 1001 acquisition of title to the units, including any applicable 1002 funding of reserves to the extent required by law, for as long 1003 as the guarantee remains in effect. A bulk assignee not 1004 receiving such assignment, or a bulk buyer, does not assume and 1005 is not liable for the obligations of the developer with respect to such guarantee, but is responsible for payment of assessments 1006 1007 due on or after acquisition of the units in the same manner as 1008 all other owners of condominium parcels or as otherwise provided

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1009 in s. 718.116.

1010 (3) A bulk buyer is liable for the duties and
1011 responsibilities of <u>a</u> the developer under the declaration and
1012 this chapter only to the extent <u>that such</u> provided in this part,
1013 together with any other duties or responsibilities <u>are</u> of the
1014 developer expressly assumed in writing by the bulk buyer.

1015 (4) An acquirer of condominium parcels is not a bulk 1016 assignee or a bulk buyer if the transfer to such acquirer was 1017 made:

1018

(a) Before the effective date of this part;

1019 (b) With the intent to hinder, delay, or defraud any 1020 purchaser, unit owner, or the association<u>;</u>, or if the acquirer 1021 is

1022 (c) By a person who would be considered an insider under 1023 s. 726.102(7).

1024 (5) An assignment of developer rights to a bulk assignee may be made by a the developer, a previous bulk assignee, a 1025 mortgagee or assignee who has acquired title to the units and 1026 1027 received an assignment of rights, or a court acting on behalf of 1028 the developer or the previous bulk assignee if such developer 1029 rights are held by the predecessor in title to the bulk 1030 assignee. At any particular time, there may not be no more than 1031 one bulk assignee within a condominium; however, but there may 1032 be more than one bulk buyer. If more than one acquirer of 1033 condominium parcels in the same condominium receives an 1034 assignment of developer rights in addition to those rights 1035 described in s. 718.703(2) from the same person, the bulk 1036 assignee is the acquirer whose instrument of assignment is Page 37 of 56

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recorded first in the public records of the county in which the condominium is located, and any subsequent purported bulk

1039 <u>assignee may still qualify as a bulk buyer</u>.

1040 Section 9. Subsections (1) and (3) of section 718.705, 1041 Florida Statutes, are amended to read:

1042 718.705 Board of administration; transfer of control.-1043 If, at the time the bulk assignee acquires title to (1)1044 the units and receives an assignment of developer rights, the 1045 developer has not relinquished control of the board of 1046 administration, for purposes of determining the timing for 1047 transfer of control of the board of administration of the 1048 association to unit owners other than the developer under s. 1049 718.301(1)(a) and (b), if a bulk assignee is entitled to elect a 1050 majority of the members of the board, a condominium parcel 1051 acquired by the bulk assignee is not deemed to be conveyed to a 1052 purchaser, or owned by an owner other than the developer, until 1053 the condominium parcel is conveyed to an owner who is not a bulk 1054 assignee.

1055 If a bulk assignee relinquishes control of the board (3)1056 of administration as set forth in s. 718.301, the bulk assignee 1057 must deliver all of those items required by s. 718.301(4). 1058 However, the bulk assignee is not required to deliver items and 1059 documents not in the possession of the bulk assignee if some 1060 items were or should have been in existence before the bulk assignee's acquisition of the units during the period during 1061 1062 which the bulk assignce was entitled to elect at least a 1063 majority of the members of the board of administration. In 1064 conjunction with the acquisition of units condominium parcels, a Page 38 of 56

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1065 bulk assignee shall undertake a good faith effort to obtain the 1066 documents and materials that must be provided to the association 1067 pursuant to s. 718.301(4). If the bulk assignee is not able to 1068 obtain all of such documents and materials, the bulk assignee 1069 must certify in writing to the association the names or 1070 descriptions of the documents and materials that were not 1071 obtainable by the bulk assignee. Delivery of the certificate 1072 relieves the bulk assignee of responsibility for delivering the documents and materials referenced in the certificate as 1073 1074 otherwise required under ss. 718.112 and 718.301 and this part. 1075 The responsibility of the bulk assignee for the audit required 1076 by s. 718.301(4) commences as of the date on which the bulk assignee elected or appointed a majority of the members of the 1077 1078 board of administration.

1079 Section 10. Section 718.706, Florida Statutes, is amended 1080 to read:

1081 718.706 Specific provisions pertaining to offering of 1082 units by a bulk assignee or bulk buyer.-

(1) Before offering <u>more than seven</u> any units <u>in a single</u> condominium for sale or for lease for a term exceeding 5 years, a bulk assignee or a bulk buyer must file the following documents with the division and provide such documents to a prospective purchaser or tenant:

(a) An updated prospectus or offering circular, or a supplement to the prospectus or offering circular, filed by the original developer prepared in accordance with s. 718.504, which must include the form of contract for sale and for lease in compliance with s. 718.503(2);

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1093 (b) An updated Frequently Asked Questions and Answers
1094 sheet;

1095 (c) The executed escrow agreement if required under s. 1096 718.202; and

1097 The financial information required by s. 718.111(13). (d) 1098 However, if a financial information report did does not exist for the fiscal year before the acquisition of title by the bulk 1099 assignee or bulk buyer, and or accounting records that cannot be 1100 1101 obtained in good faith by the bulk assignce or the bulk buyer 1102 which would permit preparation of the required financial 1103 information report for that period cannot be obtained despite 1104 good faith efforts by the bulk assignee or the bulk buyer, the 1105 bulk assignee or bulk buyer is excused from the requirement of 1106 this paragraph. However, the bulk assignee or bulk buyer must 1107 include in the purchase contract the following statement in 1108 conspicuous type:

1110ALL OR A PORTION OF
THE FINANCIAL INFORMATION REPORT1111REQUIRED UNDER S. 718.111(13) FOR THE
TIME PERIOD1112BEFORE THE SELLER'S ACQUISITION OF THE UNIT1113IMMEDIATELY PRECEDING FISCAL YEAR OF THE ASSOCIATION1114IS NOT AVAILABLE OR CANNOT BE
OBTAINED DESPITE THE1115GOOD FAITH EFFORTS OF
THE GOOD FAITH EFFORTS OF
THE ASSOCIATION.

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1118 (2) Before offering more than seven any units in a single 1119 <u>condominium</u> for sale or for lease for a term exceeding 5 years, 1120 a bulk assignee <u>or a bulk buyer</u> must file with the division and Page 40 of 56

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| 1123 is not limited to: 1124 (a) A description of any rights of the developer rights 1125 that developer which have been assigned to the bulk assignee or 1126 bulk buyer; 1127 (b) The following statement in conspicuous type: 1128 THE SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE 1129 THE SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE 1130 DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS 1131 APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION, 1132 DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF 1133 OF THE SELLER; and 1134 (c) If the condominium is a conversion subject to part VI, 1136 the following statement in conspicuous type: 1137 THE SELLER HAS NO OBLIGATION TO FUND CONVERTER 1135 (c) If the condominium is a conversion subject to part VI, 1136 THE SELLER HAS NO OBLIGATION TO FUND CONVERTER 1137 THE SELLER HAS NO OBLIGATION TO FUND CONVERTER 1138 THE SELLER HAS NO OBLIGATION TO FUND CONVERTER 1139 RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S. 1140 THE SELLER HAS NO OBLIGATION OF THE SELLER IN 1141 | 1121 | provide to a prospective purchaser <u>or tenant under a lease for a</u> |
|--|------|---|
| 1124(a) A description of any rights of the developer rights1125that developer which have been assigned to the bulk assignee or1126bulk buyer;1127(b) The following statement in conspicuous type:11281129THE SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE1130DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS1131APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION,1132DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS1133OF THE SELLER; and1134(c) If the condominium is a conversion subject to part VI,1135the following statement in conspicuous type:1137THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1138THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1139RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S.1140718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY1141EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN1142THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE1143SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO1144ANY DESIGN, CONSTRUCTION, DEVELOPERNT, OR REPAIR WORK1145PERFORMED BY OR ON BEHALF OF THE SELLER.1146(3) A bulk assignee, while it is in control of the board1147(3) A bulk assignee, while it is in control of the board1148of administration of the association, may not authorize, on | 1122 | term exceeding 5 years a disclosure statement that includes, but |
| 1125that developer which have been assigned to the bulk assignee or1126bulk buyer;1127(b) The following statement in conspicuous type:11281129THE SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE1130DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS1131APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION,1132DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF1133OF THE SELLER; and1134(c) If the condominium is a conversion subject to part VI,1135the following statement in conspicuous type:1137THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1138THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1139RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S.1140718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY1141EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN1142THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE1143SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO1144ANY DESIGN, CONSTRUCTION, DEVELOPERAND PERTAINING TO1145PERFORMED BY OR ON BEHALF OF THE SELLER.1146(3) A bulk assignee, while it is in control of the board1146of administration of the association, may not authorize, on | 1123 | is not limited to: |
| 1126Julk buyer;1127(b) The following statement in conspicuous type:11281129THE SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE1130DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS1131APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION,1132DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF1133OF THE SELLER; and1134(c) If the condominium is a conversion subject to part VI,1135the following statement in conspicuous type:1137THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1138THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1139RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S.1140718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY1141EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN1142THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE1143SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO1144ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK1145PERFORMED BY OR ON BEHALF OF THE SELLER.1146(3) A bulk assignee, while it is in control of the board1148of administration of the association, may not authorize, on | 1124 | (a) A description of any rights of the <u>developer rights</u> |
| (b) The following statement in conspicuous type: (c) The seller IS NOT OBLIGATED FOR ANY WARRANTIES OF THE DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF OF <u>THE</u> SELLER; and (c) If the condominium is a conversion subject to part VI, the following statement in conspicuous type: THE SELLER HAS NO OBLIGATION TO FUND CONVERTER RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S. 718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY EXCEPT AS <u>MAY BE</u> EXPRESSLY REQUIRED OF THE SELLER IN THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF OF THE SELLER. (3) A bulk assignee, while <u>it is</u> in control of the board of administration of the association, may not authorize, on | 1125 | that developer which have been assigned to the bulk assignee or |
| 112811291129112911201120112011211120112111221131113211321133113411351135(c)114113611371138113911391139113911301131113211331134113511351136113711381140115111521163117411751175117611771178117911791170118119011 | 1126 | bulk buyer; |
| 1129THE SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE1130DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS1131APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION,1132DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF1133OF THE SELLER; and1134(c) If the condominium is a conversion subject to part VI,1136the following statement in conspicuous type:1137THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1138RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S.1140718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY1141EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN1142THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE1143SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO1144ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK1145PERFORMED BY OR ON BEHALF OF THE SELLER.1146(3) A bulk assignee, while it is in control of the board1148of administration of the association, may not authorize, on | 1127 | (b) The following statement in conspicuous type: |
| 1130DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS1131APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION,1132DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF1133OF THE SELLER; and1134(c) If the condominium is a conversion subject to part VI,1135the following statement in conspicuous type:1137THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1138THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1139RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S.1140718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY1141EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN1142THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE1143SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO1144ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK1145PERFORMED BY OR ON BEHALF OF THE SELLER.1146(3) A bulk assignee, while it is in control of the board1148of administration of the association, may not authorize, on | 1128 | |
| 1131APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION,1132DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF1133OF THE SELLER; and1134(c) If the condominium is a conversion subject to part VI,1136the following statement in conspicuous type:1137THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1138THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1139RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S.1140718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY1141EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN1142THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE1143SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO1144ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK1145PERFORMED BY OR ON BEHALF OF THE SELLER.1146(3) A bulk assignee, while it is in control of the board1148of administration of the association, may not authorize, on | 1129 | THE SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE |
| 1132DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF1133OF THE SELLER; and1134(c) If the condominium is a conversion subject to part VI,1135the following statement in conspicuous type:1137THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1139RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S.1140718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY1141EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN1142THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE1143SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO1144ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK1145PERFORMED BY OR ON BEHALF OF THE SELLER.1146(3) A bulk assignee, while it is in control of the board1148of administration of the association, may not authorize, on | 1130 | DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS |
| 1133OF THE SELLER; and113411351136113711371138THE SELLER HAS NO OBLIGATION TO FUND CONVERTER1139RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S.1140718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY1141EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN1142THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE1143SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO1144ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK1145PERFORMED BY OR ON BEHALF OF THE SELLER.11461147(3) A bulk assignee, while it is in control of the boardof administration of the association, may not authorize, on | 1131 | APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION, |
| 1134 1135 (c) If the condominium is a conversion subject to part VI, 1136 the following statement in conspicuous type: 1137 1138 THE SELLER HAS NO OBLIGATION TO FUND CONVERTER 1139 RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S. 1140 718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY 1141 EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN 1142 THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE 1143 SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO 1144 ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK 1145 PERFORMED BY OR ON BEHALF OF THE SELLER. 1146 1147 (3) A bulk assignee, while it is in control of the board of administration of the association, may not authorize, on | 1132 | DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF |
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| 1141 EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF OF THE SELLER. 1146 1147 (3) A bulk assignee, while it is in control of the board of administration of the association, may not authorize, on | 1139 | RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S. |
| 1142THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE1143SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO1144ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK1145PERFORMED BY OR ON BEHALF OF THE SELLER.1146(3) A bulk assignee, while it is in control of the board1148of administration of the association, may not authorize, on | 1140 | 718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY |
| SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF OF THE SELLER. (3) A bulk assignee, while it is in control of the board of administration of the association, may not authorize, on | 1141 | EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN |
| <pre>1144 ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK 1145 PERFORMED BY OR ON BEHALF OF THE SELLER. 1146 1147 (3) A bulk assignee, while it is in control of the board 1148 of administration of the association, may not authorize, on</pre> | 1142 | THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE |
| <pre>1145 PERFORMED BY OR ON BEHALF OF THE SELLER. 1146 1147 (3) A bulk assignee, while it is in control of the board 1148 of administration of the association, may not authorize, on</pre> | 1143 | SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO |
| <pre>1146 1147 (3) A bulk assignee, while it is in control of the board 1148 of administration of the association, may not authorize, on</pre> | 1144 | ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK |
| (3) A bulk assignee, while it is in control of the board of administration of the association, may not authorize, on | 1145 | PERFORMED BY OR ON BEHALF OF THE SELLER. |
| 1148 of administration of the association, may not authorize, on | 1146 | |
| | 1147 | (3) A bulk assignee, while it is in control of the board |
| Page 41 of 56 | 1148 | of administration of the association, may not authorize, on |
| | I | Page 41 of 56 |

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1149 behalf of the association:

(a) The waiver of reserves or the reduction of funding of the reserves pursuant to s. 718.112(2)(f)2., unless approved by a majority of the voting interests not controlled by the developer, bulk assignee, and bulk buyer; or

(b) The use of reserve expenditures for other purposes pursuant to s. 718.112(2)(f)3., unless approved by a majority of the voting interests not controlled by the developer, bulk assignee, and bulk buyer.

A bulk assignee or a bulk buyer must comply with all 1158 (4) 1159 the requirements of s. 718.302 regarding any contracts entered 1160 into by the association during the period the bulk assignee or bulk buyer maintains control of the board of administration. 1161 1162 Unit owners shall be provided afforded all of the rights and the protections contained in s. 718.302 regarding agreements entered 1163 1164 into by the association which are under the control of before 1165 unit owners other than the developer, bulk assignee, or bulk 1166 buyer elected a majority of the board of administration.

1167 (5)Notwithstanding any other provision of this part, a 1168 bulk assignee or a bulk buyer is not required to comply with the 1169 filing or disclosure requirements of subsections (1) and (2) if 1170 all of the units owned by the bulk assignee or bulk buyer are 1171 offered and conveyed to a single purchaser in a single 1172 transaction. A bulk buyer must comply with the requirements 1173 contained in the declaration regarding any transfer of a unit, including sales, leases, and subleases. A bulk buyer is not 1174 1175 entitled to any exemptions afforded a developer or successor 1176 developer under this chapter regarding the transfer of Page 42 of 56

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1177 including sales, leases, or subleases.

1178 Section 11. Section 718.707, Florida Statutes, is amended 1179 to read:

718.707 Time limitation for classification as bulk 1180 1181 assignee or bulk buyer.-A person acquiring condominium parcels 1182 may not be classified as a bulk assignee or bulk buyer unless 1183 the condominium parcels were acquired on or after July 1, 2010, but before July 1, 2012. The date of such acquisition shall be 1184 1185 determined by the date of recording of a deed or other 1186 instrument of conveyance for such parcels in the public records 1187 of the county in which the condominium is located, or by the 1188 date of issuing issuance of a certificate of title in a 1189 foreclosure proceeding with respect to such condominium parcels.

1190Section 12.Subsection (10) of section 719.108, Florida1191Statutes, is amended to read:

1192 719.108 Rents and assessments; liability; lien and 1193 priority; interest; collection; cooperative ownership.-

1194 (10) If the unit is occupied by a tenant and the unit 1195 owner is delinquent in paying any monetary obligation due to the 1196 association, the association may make a written demand that the 1197 tenant pay all unpaid rent due to the association the future 1198 monetary obligations related to the unit cooperative share to 1199 the association and continue to the tenant must make such 1200 payment until all monetary obligations of the unit owner related 1201 to the unit have been paid in full to the association. The demand is continuing in nature, and upon demand, The tenant must 1202 1203 pay the rent the monetary obligations to the association until 1204 the association releases the tenant or the tenant discontinues Page 43 of 56

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1205 tenancy in the unit. The association must mail written notice to 1206 the unit owner of the association's demand that the tenant make 1207 payments to the association. The association shall, upon 1208 request, provide the tenant with written receipts for payments 1209 made. A tenant who acts in good faith in response to a written 1210 demand from an association is immune from any claim by from the 1211 unit owner. Any payment received from a tenant by the 1212 association must be applied to the unit owner's most delinquent monetary obligation. 1213

1214 If the tenant prepaid rent to the unit owner before (a) 1215 receiving the demand from the association and provides written 1216 evidence of prepaying paying the rent to the association within 1217 14 days after receiving the demand, the tenant shall receive 1218 credit for the prepaid rent for the applicable period but and 1219 must make any subsequent rental payments to the association to 1220 be credited against the monetary obligations of the unit owner 1221 to the association.

1222 The tenant is not liable for increases in the amount (b) 1223 of the regular monetary obligations due unless the tenant was 1224 notified in writing of the increase at least 10 days before the 1225 date on which the rent is due. The liability of the tenant may 1226 not exceed the amount due from the tenant to the tenant's 1227 landlord. The tenant's landlord shall provide the tenant a 1228 credit against rents due to the unit owner in the amount of 1229 moneys paid to the association under this section.

(c) The association may issue notices under s. 83.56 and may sue for eviction under ss. 83.59-83.625 as if the association were a landlord under part II of chapter 83 if the

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1233 tenant fails to pay a required payment. However, the association 1234 is not otherwise considered a landlord under chapter 83 and 1235 specifically has no obligations duties under s. 83.51.

(d) The tenant does not, by virtue of payment of monetary obligations, have any of the rights of a unit owner to vote in any election or to examine the books and records of the association.

1240 (e) A court may supersede the effect of this subsection by1241 appointing a receiver.

Section 13. Subsection (3) of section 719.303, Florida Statutes, is amended, and subsections (4), (5), and (6) are added to that section, to read:

1245

719.303 Obligations of owners.-

1246 If the cooperative documents so provide, The (3) 1247 association may levy reasonable fines against a unit owner for failure of the unit owner or the unit's occupant, his or her 1248 1249 licensee, or invitee or the unit's occupant to comply with any 1250 provision of the cooperative documents or reasonable rules of 1251 the association. A fine may not No fine shall become a lien 1252 against a unit. No fine shall exceed \$100 per violation. 1253 However, A fine may be levied on the basis of each day of a 1254 continuing violation, with a single notice and opportunity for 1255 hearing. However, the fine may not exceed \$100 per violation, or 1256 \$1,000 provided that no such fine shall in the aggregate exceed 1257 \$1,000. A No fine may not be levied except after giving reasonable notice and opportunity for a hearing to the unit 1258 owner and, if applicable, the unit's his or her licensee or 1259 invitee. The hearing must shall be held before a committee of 1260

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1261 other unit owners. If the committee does not agree with the 1262 fine, it <u>may shall</u> not be levied. This subsection does not apply 1263 to unoccupied units.

1264 (4) If a unit owner is more than 90 days delinquent in 1265 paying a monetary obligation due to the association, the 1266 association may suspend the right of the unit owner or the 1267 unit's occupant, licensee, or invitee to use common elements, 1268 common facilities, or any other association property until the monetary obligation is paid. This subsection does not apply to 1269 1270 limited common elements intended to be used only by that unit, 1271 common elements needed to access the unit, utility services 1272 provided to the unit, parking spaces, or elevators. The notice 1273 and hearing requirements under subsection (3) do not apply to 1274 suspensions imposed under this subsection.

1275 (5) An association may suspend the voting rights of a
 1276 member due to nonpayment of any monetary obligation due to the
 1277 association which is more than 90 days delinquent. The
 1278 suspension ends upon full payment of all obligations currently
 1279 due or overdue the association. The notice and hearing
 1280 requirements under subsection (3) do not apply to a suspension
 1281 imposed under this subsection.

1282 (6) All suspensions imposed pursuant to subsection (4) or 1283 subsection (5) must be approved at a properly noticed board 1284 meeting. Upon approval, the association must notify the unit 1285 owner and, if applicable, the unit's occupant, licensee, or 1286 invitee by mail or hand delivery.

1287 Section 14. Paragraph (c) of subsection (5) of section 1288 720.303, Florida Statutes, is amended to read:

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1289 720.303 Association powers and duties; meetings of board; 1290 official records; budgets; financial reporting; association 1291 funds; recalls.-

1292 (5)INSPECTION AND COPYING OF RECORDS.-The official 1293 records shall be maintained within the state and must be open to 1294 inspection and available for photocopying by members or their 1295 authorized agents at reasonable times and places within 10 1296 business days after receipt of a written request for access. 1297 This subsection may be complied with by having a copy of the 1298 official records available for inspection or copying in the 1299 community. If the association has a photocopy machine available 1300 where the records are maintained, it must provide parcel owners 1301 with copies on request during the inspection if the entire 1302 request is limited to no more than 25 pages.

1303 The association may adopt reasonable written rules (C) 1304 governing the frequency, time, location, notice, records to be 1305 inspected, and manner of inspections, but may not require a 1306 parcel owner to demonstrate any proper purpose for the 1307 inspection, state any reason for the inspection, or limit a parcel owner's right to inspect records to less than one 8-hour 1308 1309 business day per month. The association may impose fees to cover 1310 the costs of providing copies of the official records, 1311 including, without limitation, the costs of copying. The 1312 association may charge up to 50 cents per page for copies made on the association's photocopier. If the association does not 1313 1314 have a photocopy machine available where the records are kept, 1315 or if the records requested to be copied exceed 25 pages in length, the association may have copies made by an outside 1316

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1317 vendor or association management company personnel and may 1318 charge the actual cost of copying, including any reasonable 1319 costs involving personnel fees and charges at an hourly rate for 1320 vendor or employee time to cover administrative costs to the 1321 vendor or association. The association shall maintain an adequate number of copies of the recorded governing documents, 1322 1323 to ensure their availability to members and prospective members. 1324 Notwithstanding this paragraph, the following records are not 1325 accessible to members or parcel owners:

1326 Any record protected by the lawyer-client privilege as 1. 1327 described in s. 90.502 and any record protected by the workproduct privilege, including, but not limited to, a any record 1328 1329 prepared by an association attorney or prepared at the 1330 attorney's express direction which reflects a mental impression, 1331 conclusion, litigation strategy, or legal theory of the attorney 1332 or the association and which was prepared exclusively for civil 1333 or criminal litigation or for adversarial administrative 1334 proceedings or which was prepared in anticipation of such 1335 imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the 1336 1337 litigation or administrative proceedings.

1338 2. Information obtained by an association in connection 1339 with the approval of the lease, sale, or other transfer of a 1340 parcel.

3. Personnel records of the association's employees,
including, but not limited to, disciplinary, payroll, health,
and insurance records, but not including written employment
agreements with an association employee or budgetary or

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1345 financial records that indicate the compensation paid to an 1346 association employee.

1347 4. Medical records of parcel owners or community1348 residents.

5. Social security numbers, driver's license numbers, credit card numbers, <u>e-mail</u> <u>electronic mailing</u> addresses, telephone numbers, <u>facsimile numbers</u>, emergency contact information, any addresses for a parcel owner other than as provided for association notice requirements, and other personal identifying information of any person, excluding the person's name, parcel designation, mailing address, and property address.

1356 6. Any electronic security measure that is used by the1357 association to safeguard data, including passwords.

1358 7. The software and operating system used by the 1359 association which allows the manipulation of data, even if the 1360 owner owns a copy of the same software used by the association. 1361 The data is part of the official records of the association.

Section 15. Subsections (2) and (3) of section 720.305, Florida Statutes, are amended and renumbered as subsections (3) and (4), respectively, and subsection (5) is added to that section, to read:

1366720.305Obligations of members; remedies at law or in1367equity; levy of fines and suspension of use rights.-

1368 (2) <u>The association</u> If a member is delinquent for more 1369 than 90 days in paying a monetary obligation due the 1370 association, an association may suspend, until such monetary 1371 obligation is paid, the rights of a member or a member's 1372 tenants, guests, or invitees, or both, to use common areas and Page 49 of 56

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1373 facilities and may levy reasonable fines of up to \$100 per 1374 violation, against any member or any member's tenant, guest, or invitee for the failure of the owner of the parcel, or its 1375 1376 occupant, licensee, or invitee, to comply with any provision of 1377 the declaration, the association bylaws, or reasonable rules of 1378 the association. A fine may be levied for each day of a 1379 continuing violation, with a single notice and opportunity for hearing, except that the a fine may not exceed \$1,000 in the 1380 1381 aggregate unless otherwise provided in the governing documents. 1382 A fine of less than \$1,000 may not become a lien against a 1383 parcel. In any action to recover a fine, the prevailing party is 1384 entitled to collect its reasonable attorney's fees and costs 1385 from the nonprevailing party as determined by the court.

1386 If the governing documents so provide, an association (a) may suspend, for a reasonable period of time, the rights of a 1387 1388 member or a member's tenant, guest, or invitee, to use common 1389 areas and facilities for the failure of the owner of the parcel, 1390 or its occupant, licensee, or invitee, to comply with any 1391 provision of the declaration, the association bylaws, or 1392 reasonable rules of the association. The provisions regarding 1393 the suspension-of-use rights do not apply to the portion of 1394 common areas that must be used to provide access to the parcel 1395 or utility services provided to the parcel.

1396 (b) (a) A fine or suspension may not be imposed without at 1397 least 14 days' notice to the person sought to be fined or 1398 suspended and an opportunity for a hearing before a committee of 1399 at least three members appointed by the board who are not 1400 officers, directors, or employees of the association, or the

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1401 spouse, parent, child, brother, or sister of an officer, 1402 director, or employee. If the committee, by majority vote, does 1403 not approve a proposed fine or suspension, it may not be 1404 imposed. If the association imposes a fine or suspension, the 1405 association must provide written notice of such fine or 1406 suspension by mail or hand delivery to the parcel owner and, if 1407 applicable, to any tenant, licensee, or invitee of the parcel 1408 owner.

1409 (3) If a member is more than 90 days delinquent in paying 1410 <u>a monetary obligation due the association, the association may</u> 1411 <u>suspend the rights of a member, or a member's tenant, guest, or</u> 1412 <u>invitee, to use common areas and facilities until the monetary</u> 1413 <u>obligation is paid. The subsection does not apply to that</u> 1414 <u>portion of common areas used to provide access to the parcel or</u> 1415 to utility services provided to the parcel.

1416 (b) Suspension <u>does</u> of common-area-use rights do not 1417 impair the right of an owner or tenant of a parcel to have 1418 vehicular and pedestrian ingress to and egress from the parcel, 1419 including, but not limited to, the right to park. <u>The notice and</u> 1420 <u>hearing requirements under subsection (2) do not apply to a</u> 1421 suspension imposed under this subsection.

1422 <u>(4) (3)</u> If the governing documents so provide, An 1423 association may suspend the voting rights of a member for the 1424 nonpayment of <u>any monetary obligation that is more than</u> regular 1425 annual assessments that are delinquent in excess of 90 days 1426 <u>delinquent</u>. The notice and hearing requirements under subsection 1427 <u>(2) do not apply to a suspension imposed under this subsection</u>. 1428 The suspension ends upon full payment of all obligations

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1429 currently due or overdue the association.

1430 (5) All suspensions imposed pursuant to subsection (3) or 1431 <u>subsection (4) must be approved at a properly noticed board</u> 1432 <u>meeting. Upon approval, the association must notify the parcel</u> 1433 <u>owner and, if applicable, the parcel's occupant, licensee, or</u> 1434 invitee by mail or hand delivery.

Section 16. Paragraph (a) of subsection (1) and subsection (8) of section 720.3085, Florida Statutes, are amended to read: 720.3085 Payment for assessments; lien claims.-

1438 When authorized by the governing documents, the (1)1439 association has a lien on each parcel to secure the payment of 1440 assessments and other amounts provided for by this section. Except as otherwise set forth in this section, the lien is 1441 1442 effective from and shall relate back to the date on which the 1443 original declaration of the community was recorded. However, as 1444 to first mortgages of record, the lien is effective from and after recording of a claim of lien in the public records of the 1445 county in which the parcel is located. This subsection does not 1446 1447 bestow upon any lien, mortgage, or certified judgment of record on July 1, 2008, including the lien for unpaid assessments 1448 1449 created in this section, a priority that, by law, the lien, 1450 mortgage, or judgment did not have before July 1, 2008.

(a) To be valid, a claim of lien must state the description of the parcel, the name of the record owner, the name and address of the association, the assessment amount due, and the due date. The claim of lien <u>secures</u> shall secure all unpaid assessments that are due and that may accrue subsequent to the recording of the claim of lien and before entry of a

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1457 certificate of title, as well as interest, late charges, and 1458 reasonable costs and attorney's fees incurred by the association 1459 incident to the collection process. <u>The claim of lien also</u> 1460 <u>secures any reasonable expenses for collection services relating</u> 1461 <u>to the delinquent account which the association incurred before</u> 1462 <u>filing a claim.</u> The person making the payment is entitled to a 1463 satisfaction of the lien upon payment in full.

1464 If the parcel is occupied by a tenant and the parcel (8) 1465 owner is delinquent in paying any monetary obligation due to the 1466 association, the association may demand that the tenant pay all 1467 unpaid rent due to the association the future monetary 1468 obligations related to the parcel until all the monetary 1469 obligations of the parcel owner related to the parcel have been 1470 paid. The demand is continuing in nature, and upon demand, the 1471 tenant must continue to pay the rent to the association the 1472 monetary obligations until the association releases the tenant 1473 or the tenant discontinues tenancy in the parcel. A tenant who 1474 acts in good faith in response to a written demand from an association is immune from any claim by from the parcel owner. 1475 Any payment received from a tenant by the association must be 1476 1477 applied to the parcel owner's most delinquent monetary 1478 obligation.

(a) If the tenant prepaid rent to the parcel owner before
receiving the demand from the association and provides written
evidence of prepaying paying the rent to the association within
14 days after receiving the demand, the tenant shall receive
credit for the prepaid rent for the applicable period <u>but</u> and
must make any subsequent rental payments to the association to

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be credited against the monetary obligations of the parcel owner to the association. The association shall, upon request, provide the tenant with written receipts for payments made. The association shall mail written notice to the parcel owner of the association's demand that the tenant pay monetary obligations to the association.

(b) The tenant is not liable for increases in the amount of the monetary obligations due unless the tenant was notified in writing of the increase at least 10 days before the date on which the rent is due. The tenant shall be given a credit against rents due to the parcel owner in the amount of assessments paid to the association.

(c) The association may issue notices under s. 83.56 and may sue for eviction under ss. 83.59-83.625 as if the association were a landlord under part II of chapter 83 if the tenant fails to pay a monetary obligation. However, the association is not otherwise considered a landlord under chapter 83 and specifically has no obligations duties under s. 83.51.

(d) The tenant does not, by virtue of payment of monetary obligations, have any of the rights of a parcel owner to vote in any election or to examine the books and records of the association.

1507 (e) A court may supersede the effect of this subsection by1508 appointing a receiver.

1509 Section 17. Section 720.309, Florida Statutes, is amended 1510 to read:

1511 720.309 Agreements entered into by the association.-1512 (1) Any grant or reservation made by any document, and any

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1513 contract <u>that has</u> with a term <u>greater than</u> in excess of 10 1514 years, <u>that is</u> made by an association before control of the 1515 association is turned over to the members other than the 1516 developer, <u>and that provides</u> which provide for <u>the</u> operation, 1517 maintenance, or management of the association or common areas, 1518 must be fair and reasonable.

1519 (2) If the governing documents provide for the cost of 1520 communication services as defined in s. 202.11, information 1521 services, or Internet services obtained pursuant to a bulk 1522 contract shall be deemed an operating expense of the 1523 association. If the governing documents do not provide for such 1524 services, the board may contract for the services and the cost 1525 shall be deemed an operating expense of the association but must 1526 be allocated on a per-parcel basis rather than a percentage 1527 basis notwithstanding that the governing documents provide for 1528 other than an equal sharing of operating expenses. Any contract 1529 entered into before July 1, 2011, in which the cost of the 1530 service is not equally divided among all parcel owners may be 1531 changed by a majority of the voting interests present at a 1532 regular or special meeting of the association in order to 1533 allocate the cost equally among all parcels.

(a) Any contract entered into may be canceled by a majority of the voting interests present at the next regular or special meeting of the association, whichever occurs first. Any member may make a motion to cancel such contract, but if no motion is made or if such motion fails to obtain the required vote, the contract shall be deemed ratified for the term expressed therein.

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1541 (b) Any contract entered into must provide, and shall be 1542 deemed to provide if not expressly set forth therein, that a 1543 hearing-impaired or legally blind parcel owner who does not 1544 occupy the parcel with a non-hearing-impaired or sighted person, 1545 or any parcel owner receiving supplemental security income under 1546 Title XVI of the Social Security Act or food stamps as 1547 administered by the Department of Children and Family Services pursuant to s. 414.31, may discontinue the service without 1548 1549 incurring disconnect fees, penalties, or subsequent service 1550 charges, and may not be required to pay any operating expenses 1551 charge related to such service for those parcels. If fewer than 1552 all parcel owners share the expenses of the communication 1553 services, information services, or Internet services, the 1554 expense must be shared by all participating parcel owners. The association may use the provisions of s. 720.3085 to enforce 1555 1556 payment by the parcel owners receiving such services. 1557 (c) A resident of any parcel, whether a tenant or parcel owner, may not be denied access to available franchised, 1558 1559 licensed, or certificated cable or video service providers if 1560 the resident pays the provider directly for services. A resident 1561 or cable or video service provider may not be required to pay 1562 anything of value in order to obtain or provide such service 1563 except for the charges normally paid for like services by 1564 residents of single-family homes located outside the community 1565 but within the same franchised, licensed, or certificated area, 1566 and except for installation charges agreed to between the 1567 resident and the service provider. 1568 Section 18. This act shall take effect July 1, 2011. Page 56 of 56

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