2011

1	A bill to be entitled
2	An act relating to condominium, cooperative, and
3	homeowners' associations; amending s. 633.0215, F.S.;
4	exempting certain residential buildings from a requirement
5	to install a manual fire alarm system; amending s.
6	718.111, F.S.; revising provisions relating to the
7	official records of condominium associations; providing
8	for disclosure of certain employment agreements with and
9	compensation paid to association employees; amending s.
10	718.112, F.S.; revising provisions relating to bylaws;
11	providing that board of administration meetings discussing
12	personnel matters are not open to unit owners; revising
13	requirements for electing the board of directors;
14	providing a definition; providing for continued office and
15	for filling vacancies under certain circumstances;
16	specifying unit owner eligibility for board membership;
17	requiring that certain educational curriculum be completed
18	within a specified time before or after the election or
19	appointment of a board director; providing application;
20	amending s. 718.113, F.S.; authorizing the board of a
21	condominium association to install impact glass or other
22	code-compliant windows under certain circumstances;
23	amending s. 718.114, F.S.; requiring the vote or written
24	consent of a majority of the total voting interests before
25	a condominium association may enter into certain
26	agreements to acquire leaseholds, memberships, or other
27	possessory or use interests; amending s. 718.116, F.S.;
28	revising provisions relating to condominium assessments;
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29 requiring any rent payments received by an association 30 from a tenant to be applied to the unit owner's oldest 31 delinquent monetary obligation; conforming a cross-32 reference; amending s. 718.117, F.S.; providing procedures and requirements for termination of a condominium property 33 34 that has been totally destroyed or demolished; providing 35 procedures and requirements for partial termination of a 36 condominium property; requiring that a lien against a condominium unit being terminated be transferred to the 37 38 proceeds of sale for certain portions of that property; 39 amending s. 718.303, F.S.; revising provisions relating to imposing remedies against a delinguent unit owner or a 40 unit owner's tenant, quest, or invitee; providing for the 41 42 suspension of certain rights of use; revising provisions 43 relating to the suspension of a member's voting rights; 44 requiring that the suspension of certain rights of use and voting rights be approved at a noticed board meeting; 45 amending s. 718.703, F.S.; redefining the term "bulk 46 47 assignee" and revising the definition of the term "bulk buyer" for purposes of the Distressed Condominium Relief 48 49 Act; amending s. 718.704, F.S.; revising provisions 50 relating to the assignment and assumption of developer 51 rights by a bulk assignee; amending s. 718.705, F.S.; 52 revising provisions relating to the transfer of control of a condominium board of administration to unit owners; 53 amending s. 718.706, F.S.; revising provisions relating to 54 55 the offering of units by a bulk assignee or bulk buyer; 56 amending s. 718.707, F.S.; revising the time limitation Page 2 of 69

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57	for classification as a bulk assignee or bulk buyer;
58	amending s. 719.108, F.S.; requiring any rent payments
59	received by a cooperative association from a tenant to be
60	applied to the unit owner's oldest delinquent monetary
61	obligation; amending s. 719.303, F.S.; revising provisions
62	relating to imposing remedies against a delinquent unit
63	owner or a unit owner's tenant, guest, or invitee;
64	providing for the suspension of certain rights of use and
65	voting rights; requiring that the suspension of certain
66	rights of use and voting rights be approved at a noticed
67	board meeting; amending s. 720.301, F.S.; revising the
68	definition of the term "declaration of covenants";
69	amending s. 720.303, F.S.; revising provisions relating to
70	records that are not accessible to members of a
71	homeowners' association; providing for disclosure of
72	employment agreements with and compensation paid to
73	association employees; amending s. 720.305, F.S.; revising
74	provisions relating to imposing remedies against a
75	delinquent member of a homeowners' association or any
76	member's tenant, guest, or invitee; providing for the
77	suspension of certain rights of use; revising provisions
78	relating to the suspension of a member's voting rights;
79	requiring that the suspension of certain rights of use and
80	voting rights be approved at a noticed board meeting;
81	amending s. 720.306, F.S.; specifying additional
82	requirements for candidates to be a member of the board of
83	a homeowners' association; amending s. 720.3085, F.S.;
84	requiring any rent payments received by an association
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85 from a tenant to be applied to the parcel owner's oldest 86 delinquent monetary obligation; amending s. 720.309, F.S.; 87 providing for the allocation of communications services by 88 a homeowners' association; providing for the cancellation 89 of communication contracts; providing that hearing-90 impaired or legally blind parcel owners and parcel owners 91 receiving certain supplemental security income or food 92 assistance may discontinue the service without incurring 93 certain costs; providing that parcel residents may not be 94 denied access to available franchised, licensed, or 95 certificated cable or video service providers under certain circumstances; providing an effective date. 96 97 98 Be It Enacted by the Legislature of the State of Florida: 99 100 Section 1. Subsection (14) of section 633.0215, Florida 101 Statutes, is amended to read: 102 633.0215 Florida Fire Prevention Code.-103 A condominium, cooperative, or multifamily (14)104 residential building that is less than four one or two stories 105 in height and has an exterior corridor providing a means of 106 egress is exempt from installing a manual fire alarm system as 107 required in s. 9.6 of the most recent edition of the Life Safety 108 Code adopted in the Florida Fire Prevention Code. This 109 subsection is intended to clarify existing law. 110 Section 2. Paragraphs (a) and (c) of subsection (12) of 111 section 718.111, Florida Statutes, are amended to read: 718.111 The association.-112

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(12) OFFICIAL RECORDS.-

(a) From the inception of the association, the association shall maintain each of the following items, if applicable, which <u>constitutes</u> <del>shall constitute</del> the official records of the association:

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

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

123 3. A photocopy of the recorded bylaws of the association
124 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.

128

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

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

133 7. A current roster of all unit owners and their mailing 134 addresses, unit identifications, voting certifications, and, if 135 known, telephone numbers. The association shall also maintain 136 the electronic mailing addresses and facsimile the numbers 137 designated by unit owners for receiving notice sent by electronic transmission of those unit owners consenting to 138 receive notice by electronic transmission. The electronic 139 mailing addresses and facsimile telephone numbers are not 140

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141 <u>accessible to unit owners</u> must be removed from association 142 records if consent to receive notice by electronic transmission 143 is <u>not provided in accordance with subparagraph (c)5</u> revoked. 144 However, the association is not liable for an <u>inadvertent</u> 145 <u>erroneous</u> disclosure of the electronic mail address or <u>facsimile</u> 146 the number for receiving electronic transmission of notices.

147 8. All current insurance policies of the association and148 condominiums 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.

153 10. Bills of sale or transfer for all property owned by154 the association.

155 Accounting records for the association and separate 11. 156 accounting records for each condominium that which the 157 association operates. All accounting records must shall be 158 maintained for at least 7 years. Any person who knowingly or intentionally defaces or destroys such accounting records 159 160 required to be created and maintained by this chapter during the 161 period for which such records are required to be maintained, or 162 who knowingly or intentionally fails to create or maintain such 163 records, with the intent of causing harm to the association or 164 one or more of its members, is personally subject to a civil penalty pursuant to s. 718.501(1)(d). The accounting records 165 166 must include, but are not limited to:

167 a. Accurate, itemized, and detailed records of all168 receipts and expenditures.

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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 upon</u> the account, and the balance
due.

174 c. All audits, reviews, accounting statements, and
175 financial reports of the association or condominium.

d. All contracts for work to be performed. Bids for work
to be performed are also considered official records and must be
maintained by the association.

179 12. Ballots, sign-in sheets, voting proxies, and all other 180 papers relating to voting by unit owners, which must be 181 maintained for 1 year from the date of the election, vote, or 182 meeting to which the document relates, notwithstanding paragraph 183 (b).

184 13. All rental records if the association is acting as185 agent for the rental of condominium units.

186 14. A copy of the current question and answer sheet as187 described in s. 718.504.

188 15. All other records of the association not specifically 189 included in the foregoing which are related to the operation of 190 the association.

191 16. A copy of the inspection report as <u>described</u> provided
192 in s. 718.301(4)(p).

(c) The official records of the association are open to
inspection by any association member or the authorized
representative of such member at all reasonable times. The right
to inspect the records includes the right to make or obtain

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197 copies, at the reasonable expense, if any, of the member. The 198 association may adopt reasonable rules regarding the frequency, 199 time, location, notice, and manner of record inspections and 200 copying. The failure of an association to provide the records 201 within 10 working days after receipt of a written request 202 creates a rebuttable presumption that the association willfully 203 failed to comply with this paragraph. A unit owner who is denied 204 access to official records is entitled to the actual damages or 205 minimum damages for the association's willful failure to comply. 206 Minimum damages are shall be \$50 per calendar day for up to 10 207 days, beginning the calculation to begin on the 11th working day 208 after receipt of the written request. The failure to permit 209 inspection of the association records as provided herein 210 entitles any person prevailing in an enforcement action to 211 recover reasonable attorney's fees from the person in control of 212 the records who, directly or indirectly, knowingly denied access 213 to the records. Any person who knowingly or intentionally 214 defaces or destroys accounting records that are required by this 215 chapter to be maintained during the period for which such 216 records are required to be maintained, or who knowingly or 217 intentionally fails to create or maintain accounting records 218 that are required to be created or maintained, with the intent 219 of causing harm to the association or one or more of its 220 members, is personally subject to a civil penalty pursuant to s. 718.501(1)(d). The association shall maintain an adequate number 221 of copies of the declaration, articles of incorporation, bylaws, 222 and rules, and all amendments to each of the foregoing, as well 223 as the question and answer sheet as described provided for in s. 224

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718.504 and year-end financial information required <u>under</u> in this section, on the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the documents. Notwithstanding <del>the</del> <del>provisions of</del> this paragraph, the following records are not accessible to unit owners:

232 Any record protected by the lawyer-client privilege as 1. 233 described in s. 90.502; and any record protected by the workproduct privilege, including a any record prepared by an 234 association attorney or prepared at the attorney's express 235 236 direction, + which reflects a mental impression, conclusion, 237 litigation strategy, or legal theory of the attorney or the 238 association, and which was prepared exclusively for civil or 239 criminal litigation or for adversarial administrative 240 proceedings, or which was prepared in anticipation of such 241 imminent civil or criminal litigation or imminent adversarial 242 administrative proceedings until the conclusion of the 243 litigation or adversarial administrative proceedings.

244 2. Information obtained by an association in connection
245 with the approval of the lease, sale, or other transfer of a
246 unit.

3. Personnel records of association <u>or management company</u> employees, including, but not limited to, disciplinary, payroll, health, and insurance records<u>. For purposes of this</u> <u>subparagraph, the term "personnel records" does not include</u> <u>written employment agreements with an association employee or</u> <u>management company, or budgetary or financial records that</u>

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253 indicate the compensation paid to an association employee. Medical records of unit owners. 254 4. 255 Social security numbers, driver's license numbers, 5. 256 credit card numbers, e-mail addresses, telephone numbers, 257 facsimile numbers, emergency contact information, any addresses 258 of a unit owner other than as provided to fulfill the 259 association's notice requirements, and other personal 260 identifying information of any person, excluding the person's 261 name, unit designation, mailing address, and property address, and any address, e-mail address, or facsimile number provided to 262 263 the association to fulfill the association's notice 264 requirements. However, an owner may consent in writing to the 265 disclosure of protected information described in this 266 subparagraph. The association is not liable for the inadvertent 267 disclosure of information that is protected under this 268 subparagraph if the information is included in an official 269 record of the association and is voluntarily provided by an 270 owner and not requested by the association. 271 6. Any Electronic security measures measure that are is 272 used by the association to safeguard data, including passwords. 273 The software and operating system used by the 7. 274 association which allow the allows manipulation of data, even if 275 the owner owns a copy of the same software used by the 276 association. The data is part of the official records of the 277 association. Section 3. Paragraphs (b), (c), and (d) of subsection (2) 278 of section 718.112, Florida Statutes, are amended to read: 279 280 718.112 Bylaws.-

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(2) REQUIRED PROVISIONS.—The bylaws shall provide for the following and, if they do not do so, shall be deemed to include the following:

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(b) Quorum; voting requirements; proxies.-

285 Unless a lower number is provided in the bylaws, the 1. 286 percentage of voting interests required to constitute a quorum 287 at a meeting of the members is shall be a majority of the voting 288 interests. Unless otherwise provided in this chapter or in the 289 declaration, articles of incorporation, or bylaws, and except as provided in subparagraph (d)4. (d)3., decisions shall be made by 290 291 owners of a majority of the voting interests represented at a 292 meeting at which a quorum is present.

Except as specifically otherwise provided herein, after 293 2. 294 January 1, 1992, unit owners may not vote by general proxy, but 295 may vote by limited proxies substantially conforming to a limited proxy form adopted by the division. A  $\frac{NO}{NO}$  voting interest 296 297 or consent right allocated to a unit owned by the association 298 may not shall be exercised or considered for any purpose, 299 whether for a quorum, an election, or otherwise. Limited proxies 300 and general proxies may be used to establish a quorum. Limited 301 proxies shall be used for votes taken to waive or reduce 302 reserves in accordance with subparagraph (f)2.; for votes taken 303 to waive the financial reporting requirements of s. 718.111(13); 304 for votes taken to amend the declaration pursuant to s. 718.110; for votes taken to amend the articles of incorporation or bylaws 305 pursuant to this section; and for any other matter for which 306 this chapter requires or permits a vote of the unit owners. 307 308 Except as provided in paragraph (d), a after January 1, 1992,

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309 proxy, limited or general, may not shall be used in the election 310 of board members. General proxies may be used for other matters 311 for which limited proxies are not required, and may also be used 312 in voting for nonsubstantive changes to items for which a 313 limited proxy is required and given. Notwithstanding the provisions of this subparagraph, unit owners may vote in person 314 315 at unit owner meetings. This subparagraph does not Nothing contained herein shall limit the use of general proxies or 316 317 require the use of limited proxies for any agenda item or election at any meeting of a timeshare condominium association. 318

319 3. Any proxy given <u>is shall be</u> effective only for the 320 specific meeting for which originally given and any lawfully 321 adjourned meetings thereof. <u>A</u> In no event shall any proxy <u>is not</u> 322 be valid for a period longer than 90 days after the date of the 323 first meeting for which it was given. Every proxy is revocable 324 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.

5. <u>If When</u> any of the board or committee members meet by telephone conference, those board or committee members <del>attending</del> by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker must be used so that the conversation of those <del>board or committee</del> members attending by telephone may be heard by the board or committee

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337 members attending in person as well as by any unit owners 338 present at a meeting.

339 (c) Board of administration meetings.-Meetings of the 340 board of administration at which a quorum of the members is 341 present are shall be open to all unit owners. A Any unit owner 342 may tape record or videotape the meetings of the board of 343 administration. The right to attend such meetings includes the 344 right to speak at such meetings with reference to all designated 345 agenda items. The division shall adopt reasonable rules governing the tape recording and videotaping of the meeting. The 346 347 association may adopt written reasonable rules governing the 348 frequency, duration, and manner of unit owner statements.

349 1. Adequate notice of all board meetings, which must 350 notice shall specifically identify all incorporate an 351 identification of agenda items, must shall be posted 352 conspicuously on the condominium property at least 48 continuous 353 hours before preceding the meeting except in an emergency. If 20 354 percent of the voting interests petition the board to address an 355 item of business, the board shall at its next regular board 356 meeting or at a special meeting of the board, but not later than 357 60 days after the receipt of the petition, shall place the item 358 on the agenda. Any item not included on the notice may be taken 359 up on an emergency basis by at least a majority plus one of the 360 board members of the board. Such emergency action must shall be noticed and ratified at the next regular board meeting of the 361 board. However, written notice of any meeting at which 362 nonemergency special assessments, or at which amendment to rules 363 364 regarding unit use, will be considered must shall be mailed,

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365 delivered, or electronically transmitted to the unit owners and 366 posted conspicuously on the condominium property at least not 367 less than 14 days before prior to the meeting. Evidence of 368 compliance with this 14-day notice requirement must shall be 369 made by an affidavit executed by the person providing the notice 370 and filed with among the official records of the association. 371 Upon notice to the unit owners, the board shall, by duly adopted 372 rule, designate a specific location on the condominium property 373 or association property where upon which all notices of board 374 meetings are to shall be posted. If there is no condominium 375 property or association property where upon which notices can be 376 posted, notices of board meetings shall be mailed, delivered, or 377 electronically transmitted at least 14 days before the meeting 378 to the owner of each unit. In lieu of or in addition to the 379 physical posting of the notice of any meeting of the board of 380 administration on the condominium property, the association may, 381 by reasonable rule, adopt a procedure for conspicuously posting 382 and repeatedly broadcasting the notice and the agenda on a 383 closed-circuit cable television system serving the condominium 384 association. However, if broadcast notice is used in lieu of a 385 notice posted physically posted on the condominium property, the 386 notice and agenda must be broadcast at least four times every 387 broadcast hour of each day that a posted notice is otherwise 388 required under this section. If When broadcast notice is provided, the notice and agenda must be broadcast in a manner 389 390 and for a sufficient continuous length of time so as to allow an 391 average reader to observe the notice and read and comprehend the 392 entire content of the notice and the agenda. Notice of any

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393 meeting in which regular or special assessments against unit 394 owners are to be considered for any reason <u>must shall</u> 395 specifically state that assessments will be considered and 396 <u>provide</u> the nature, estimated cost, and description of the 397 purposes for such assessments.

398 2. Meetings of a committee to take final action on behalf 399 of the board or make recommendations to the board regarding the 400 association budget are subject to the provisions of this 401 paragraph. Meetings of a committee that does not take final action on behalf of the board or make recommendations to the 402 403 board regarding the association budget are subject to the 404 provisions of this section, unless those meetings are exempted 405 from this section by the bylaws of the association.

406 <u>3.</u> Notwithstanding any other law, the requirement that 407 board meetings and committee meetings be open to the unit owners 408 <u>does not apply</u> is inapplicable to:

409 <u>a.</u> Meetings between the board or a committee and the 410 association's attorney, with respect to proposed or pending 411 litigation, <u>if</u> when the meeting is held for the purpose of 412 seeking or rendering legal advice; or

413 b. Board meetings held for the purpose of discussing
414 personnel matters.

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(d) Unit owner meetings.-

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

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421 a timeshare condominium.

422 Unless the bylaws provide otherwise, a vacancy on the 2. 423 board caused by the expiration of a director's term shall be 424 filled by electing a new board member, and the election must be 425 by secret ballot. An election is not required However, if the 426 number of vacancies equals or exceeds the number of candidates, 427 an election is not required. For purposes of this paragraph, the 428 term "candidate" means an eligible person who has timely 429 submitted the written notice, as described in sub-subparagraph 4.a., of his or her intention to become a candidate. Except in a 430 431 timeshare condominium, or if the staggered term of a board 432 member does not expire until a later annual meeting, or if all members terms would otherwise expire but there are no 433 434 candidates, the terms of all board members of the board expire 435 at the annual meeting, and such board members may stand for 436 reelection unless prohibited otherwise permitted by the bylaws. 437 If the bylaws permit staggered terms of no more than 2 years and 438 upon approval of a majority of the total voting interests, the 439 association board members may serve 2-year staggered terms. If 440 the number of board members whose terms expire at the annual 441 meeting equals or have expired exceeds the number of candidates, 442 the candidates become members of the board effective upon the 443 adjournment of the annual meeting. Unless the bylaws provide otherwise, any remaining vacancies shall be filled by the 444 445 affirmative vote of the majority of the directors making up the newly constituted board even if the directors constitute less 446 447 than a quorum or there is only one director eligible members 448 showing interest in or demonstrating an intention to run for the Page 16 of 69

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449 vacant positions, each board member whose term has expired is 450 eligible for reappointment to the board of administration and 451 need not stand for reelection. In a condominium association of 452 more than 10 units or in a condominium association that does not 453 include timeshare units or timeshare interests, coowners of a 454 unit may not serve as members of the board of directors at the 455 same time unless they own more than one unit or unless there are 456 not enough eligible candidates to fill the vacancies on the 457 board at the time of the vacancy. Any unit owner desiring to be 458 a candidate for board membership must comply with sub-459 subparagraph 4.a. and must be eligible to serve on the board of 460 directors at the time of the deadline for submitting a notice of 461 intent to run in order to have his or her name listed as a 462 proper candidate on the ballot or to serve on the board 3.a. A 463 person who has been suspended or removed by the division under 464 this chapter, or who is delinquent in the payment of any fee, 465 fine, or special or regular assessment as provided in paragraph 466 (n), is not eligible for board membership. A person who has been 467 convicted of any felony in this state or in a United States 468 District or Territorial Court, or who has been convicted of any 469 offense in another jurisdiction which that would be considered a 470 felony if committed in this state, is not eligible for board 471 membership unless such felon's civil rights have been restored for at least 5 years as of the date on which such person seeks 472 election to the board. The validity of an action by the board is 473 474 not affected if it is later determined that a board member of 475 the board is ineligible for board membership due to having been 476 convicted of a felony.

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477 3.2. The bylaws must provide the method of calling 478 meetings of unit owners, including annual meetings. Written 479 notice, which must include an agenda, must shall be mailed, hand 480 delivered, or electronically transmitted to each unit owner at 481 least 14 days before the annual meeting, and must be posted in a 482 conspicuous place on the condominium property at least 14 483 continuous days before preceding the annual meeting. Upon notice 484 to the unit owners, the board shall, by duly adopted rule, 485 designate a specific location on the condominium property or 486 association property where upon which all notices of unit owner 487 meetings shall be posted. This requirement does not apply 488 However, if there is no condominium property or association 489 property for posting upon which notices can be posted, this 490 requirement does not apply. In lieu of, or in addition to, the physical posting of meeting notices, the association may, by 491 492 reasonable rule, adopt a procedure for conspicuously posting and 493 repeatedly broadcasting the notice and the agenda on a closed-494 circuit cable television system serving the condominium 495 association. However, if broadcast notice is used in lieu of a 496 notice posted physically on the condominium property, the notice 497 and agenda must be broadcast at least four times every broadcast 498 hour of each day that a posted notice is otherwise required 499 under this section. If broadcast notice is provided, the notice 500 and agenda must be broadcast in a manner and for a sufficient 501 continuous length of time so as to allow an average reader to 502 observe the notice and read and comprehend the entire content of 503 the notice and the agenda. Unless a unit owner waives in writing 504 the right to receive notice of the annual meeting, such notice

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505 must be hand delivered, mailed, or electronically transmitted to 506 each unit owner. Notice for meetings and notice for all other 507 purposes must be mailed to each unit owner at the address last 508 furnished to the association by the unit owner, or hand 509 delivered to each unit owner. However, if a unit is owned by 510 more than one person, the association must shall provide notice, 511 for meetings and all other purposes, to the that one address 512 that which the developer initially identifies for that purpose 513 and thereafter as one or more of the owners of the unit shall 514 advise the association in writing, or if no address is given or 515 the owners of the unit do not agree, to the address provided on 516 the deed of record. An officer of the association, or the 517 manager or other person providing notice of the association 518 meeting, must shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official 519 520 records of the association affirming that the notice was mailed 521 or hand delivered, in accordance with this provision.

522 <u>4.3.</u> The members of the board shall be elected by written 523 ballot or voting machine. Proxies may not be used in electing 524 the board in general elections or elections to fill vacancies 525 caused by recall, resignation, or otherwise, unless otherwise 526 provided in this chapter.

a. At least 60 days before a scheduled election, the association shall mail, deliver, or electronically transmit, <del>whether</del> by separate association mailing or included in another association mailing, delivery, or transmission, including regularly published newsletters, to each unit owner entitled to a vote, a first notice of the date of the election. Any unit

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owner or other eligible person desiring to be a candidate for the board must give written notice of his or her intent to be a candidate to the association at least 40 days before a scheduled election. Together with the written notice and agenda as set forth in subparagraph 3.2., the association shall mail, deliver, or electronically transmit a second notice of the election to all unit owners entitled to vote, together with a ballot that lists all candidates. Upon request of a candidate, an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate at least 35 days before

541 542 which must be furnished by the candidate at least 35 days before 543 the election, must be included with the mailing, delivery, or transmission of the ballot, with the costs of mailing, delivery, 544 or electronic transmission and copying to be borne by the 545 546 association. The association is not liable for the contents of 547 the information sheets prepared by the candidates. In order to 548 reduce costs, the association may print or duplicate the 549 information sheets on both sides of the paper. The division 550 shall by rule establish voting procedures consistent with this 551 sub-subparagraph, including rules establishing procedures for 552 giving notice by electronic transmission and rules providing for 553 the secrecy of ballots. Elections shall be decided by a 554 plurality of those ballots cast. There is no quorum requirement; 555 however, at least 20 percent of the eligible voters must cast a 556 ballot in order to have a valid election of members of the 557 board. A unit owner may not permit any other person to vote his 558 or her ballot, and any ballots improperly cast are invalid.  $A_{\tau}$ provided any unit owner who violates this provision may be fined 559 560 by the association in accordance with s. 718.303. A unit owner

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who needs assistance in casting the ballot for the reasons stated in s. 101.051 may obtain such assistance. The regular election must occur on the date of the annual meeting. This subsubparagraph does not apply to timeshare condominium associations. Notwithstanding this sub-subparagraph, an election is not required unless more candidates file notices of intent to run or are nominated than board vacancies exist.

568 Within 90 days after being elected or appointed to the b. 569 board, each newly elected or appointed director shall certify in writing to the secretary of the association that he or she has 570 read the association's declaration of condominium, articles of 571 572 incorporation, bylaws, and current written policies; that he or she will work to uphold such documents and policies to the best 573 574 of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the 575 association's members. In lieu of this written certification, 576 577 within 90 days after being elected or appointed to the board, 578 the newly elected or appointed director may submit a certificate 579 of having satisfactorily completed satisfactory completion of 580 the educational curriculum administered by a division-approved 581 condominium education provider within 1 year before or 90 days 582 after the date of election or appointment. The written 583 certification or educational certificate is valid and does not 584 have to be resubmitted as long as the director serves on the board without interruption. A director who fails to timely file 585 the written certification or educational certificate is 586 suspended from service on the board until he or she complies 587 588 with this sub-subparagraph. The board may temporarily fill the

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589 vacancy during the period of suspension. The secretary shall 590 cause the association to retain a director's written 591 certification or educational certificate for inspection by the 592 members for 5 years after a director's election. Failure to have 593 such written certification or educational certificate on file 594 does not affect the validity of any board action. This chapter 595 does not limit the use of general or limited proxies, require 596 the use of general or limited proxies, or require the use of a 597 written ballot or voting machine for any agenda item or election 598 at any meeting of a timeshare condominium association.

599 5.4. Any approval by unit owners called for by this 600 chapter or the applicable declaration or bylaws, including, but not limited to, the approval requirement in s. 718.111(8), must 601 602 shall be made at a duly noticed meeting of unit owners and is subject to all requirements of this chapter or the applicable 603 604 condominium documents relating to unit owner decisionmaking, 605 except that unit owners may take action by written agreement, 606 without meetings, on matters for which action by written 607 agreement without meetings is expressly allowed by the 608 applicable bylaws or declaration or any law statute that 609 provides for such action.

610 <u>6.5.</u> Unit owners may waive notice of specific meetings if 611 allowed by the applicable bylaws or declaration or any <u>law</u> 612 statute. If authorized by the bylaws, notice of meetings of the 613 board of administration, unit owner meetings, except unit owner 614 meetings called to recall board members under paragraph (j), and 615 committee meetings may be given by electronic transmission to 616 unit owners who consent to receive notice by electronic

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617 transmission.

618 <u>7.6.</u> Unit owners shall have the right to participate in 619 meetings of unit owners with reference to all designated agenda 620 items. However, the association may adopt reasonable rules 621 governing the frequency, duration, and manner of unit owner 622 participation.

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

9.8. Unless otherwise provided in the bylaws, any vacancy 626 627 occurring on the board before the expiration of a term may be 628 filled by the affirmative vote of the majority of the remaining 629 directors, even if the remaining directors constitute less than 630 a quorum, or by the sole remaining director. In the alternative, 631 a board may hold an election to fill the vacancy, in which case 632 the election procedures must conform to the requirements of sub-633 subparagraph 4.a. 3.a. unless the association governs 10 units 634 or fewer and has opted out of the statutory election process, in 635 which case the bylaws of the association control. Unless 636 otherwise provided in the bylaws, a board member appointed or 637 elected under this section shall fill the vacancy for the 638 unexpired term of the seat being filled. Filling vacancies 639 created by recall is governed by paragraph (j) and rules adopted 640 by the division.

641

Notwithstanding subparagraph (b)2. and sub-subparagraph <u>4.a.</u>
(d)3.a., an association of 10 or fewer units may, by affirmative
vote of a majority of the total voting interests, provide for

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645 different voting and election procedures in its bylaws, which 646 vote may be by a proxy specifically delineating the different 647 voting and election procedures. The different voting and 648 election procedures may provide for elections to be conducted by 649 limited or general proxy.

650 Section 4. Subsection (5) of section 718.113, Florida 651 Statutes, is amended to read:

652 718.113 Maintenance; limitation upon improvement; display
653 of flag; hurricane shutters; display of religious decorations.-

(5) Each board of administration shall adopt hurricane
shutter specifications for each building within each condominium
operated by the association which shall include color, style,
and other factors deemed relevant by the board. All
specifications adopted by the board <u>must shall</u> comply with the
applicable building code.

660 (a) The board may, subject to the provisions of s. 661 718.3026, and the approval of a majority of voting interests of 662 the condominium, install hurricane shutters, impact glass or 663 other code-compliant windows, or hurricane protection that 664 complies with or exceeds the applicable building code. However, 665 or both, except that a vote of the owners is not required if the 666 maintenance, repair, and replacement of hurricane shutters, 667 impact glass, or other code-compliant windows or other forms of 668 hurricane protection are the responsibility of the association pursuant to the declaration of condominium. If However, where 669 hurricane protection or laminated glass or window film 670 architecturally designed to function as hurricane protection 671 which complies with or exceeds the current applicable building 672

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673 code has been previously installed, the board may not install 674 hurricane shutters, or other hurricane protection, or impact 675 glass or other code-compliant windows except upon approval by a 676 majority vote of the voting interests.

677 The association is shall be responsible for the (b) 678 maintenance, repair, and replacement of the hurricane shutters 679 or other hurricane protection authorized by this subsection if 680 such hurricane shutters or other hurricane protection is the 681 responsibility of the association pursuant to the declaration of condominium. If the hurricane shutters or other hurricane 682 683 protection authorized by this subsection are the responsibility 684 of the unit owners pursuant to the declaration of condominium, 685 the responsibility for the maintenance, repair, and replacement of such items are shall be the responsibility of the unit owner. 686

687 The board may operate shutters installed pursuant to (C) 688 this subsection without permission of the unit owners only if 689 where such operation is necessary to preserve and protect the 690 condominium property and association property. The installation, 691 replacement, operation, repair, and maintenance of such shutters 692 in accordance with the procedures set forth in this paragraph 693 are herein shall not be deemed a material alteration to the 694 common elements or association property within the meaning of 695 this section.

(d) Notwithstanding any <u>other</u> provision to the contrary in
the condominium documents, if approval is required by the
documents, a board <u>may shall</u> not refuse to approve the
installation or replacement of hurricane shutters by a unit
owner conforming to the specifications adopted by the board.

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701 Section 5. Section 718.114, Florida Statutes, is amended 702 to read:

703 718.114 Association powers. - An association may has the 704 <del>power to</del> enter into agreements<sub>au</sub> to acquire leaseholds, 705 memberships, and other possessory or use interests in lands or 706 facilities such as country clubs, golf courses, marinas, and 707 other recreational facilities, . It has this power whether or not 708 the lands or facilities are contiguous to the lands of the 709 condominium, if such lands and facilities they are intended to provide enjoyment, recreation, or other use or benefit to the 710 711 unit owners. All of these leaseholds, memberships, and other 712 possessory or use interests existing or created at the time of recording the declaration must be stated and fully described in 713 714 the declaration. Subsequent to the recording of the declaration, 715 agreements acquiring these leaseholds, memberships, or other 716 possessory or use interests which are not entered into within 12 717 months following the recording of the declaration are shall be 718 considered a material alteration or substantial addition to the 719 real property that is association property, and the association 720 may not acquire or enter into such agreements acquiring these 721 leaseholds, memberships, or other possessory or use interests 722 except upon a vote of, or written consent by, a majority of the 723 total voting interests or as authorized by the declaration as 724 provided in s. 718.113. The declaration may provide that the 725 rental, membership fees, operations, replacements, and other expenses are common expenses and may impose covenants and 726 restrictions concerning their use and may contain other 727 provisions not inconsistent with this chapter. A condominium 728 Page 26 of 69

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729 association may conduct bingo games as provided in s. 849.0931.
730 Section 6. Subsection (3), paragraph (b) of subsection
731 (5), and subsection (11) of section 718.116, Florida Statutes,
732 are amended to read:

733 718.116 Assessments; liability; lien and priority; 734 interest; collection.-

735 (3) Assessments and installments on assessments which are 736 not paid when due bear interest at the rate provided in the 737 declaration, from the due date until paid. The This rate may not 738 exceed the rate allowed by law, and, if no rate is provided in 739 the declaration, interest accrues at the rate of 18 percent per 740 year. Also, If provided by the declaration or bylaws, the 741 association may, in addition to such interest, charge an 742 administrative late fee of up to the greater of \$25 or 5 percent 743 of each installment of the assessment for each delinquent 744 installment for which the payment is late. Any payment received 745 by an association must be applied first to any interest accrued 746 by the association, then to any administrative late fee, then to 747 any costs and reasonable attorney's fees incurred in collection, 748 and then to the delinquent assessment. The foregoing is 749 applicable notwithstanding any restrictive endorsement, 750 designation, or instruction placed on or accompanying a payment. 751 A late fee is not subject to chapter 687 or s. 718.303(4) (3). 752 (5)

(b) To be valid, a claim of lien must state the description of the condominium parcel, the name of the record owner, the name and address of the association, the amount due, and the due dates. It must be executed and acknowledged by an

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757 officer or authorized agent of the association. The lien is not 758 effective longer than 1 year after the claim of lien was 759 recorded unless, within that time, an action to enforce the lien 760 is commenced. The 1-year period is automatically extended for 761 any length of time during which the association is prevented 762 from filing a foreclosure action by an automatic stay resulting 763 from a bankruptcy petition filed by the parcel owner or any 764 other person claiming an interest in the parcel. The claim of 765 lien secures all unpaid assessments that are due and that may accrue after the claim of lien is recorded and through the entry 766 767 of a final judgment, as well as interest and all reasonable 768 costs and attorney's fees incurred by the association incident 769 to the collection process. Upon payment in full, the person 770 making the payment is entitled to a satisfaction of the lien.

772 After notice of contest of lien has been recorded, the clerk of 773 the circuit court shall mail a copy of the recorded notice to 774 the association by certified mail, return receipt requested, at 775 the address shown in the claim of lien or most recent amendment 776 to it and shall certify to the service on the face of the 777 notice. Service is complete upon mailing. After service, the 778 association has 90 days in which to file an action to enforce 779 the lien; and, if the action is not filed within the 90-day 780 period, the lien is void. However, the 90-day period shall be extended for any length of time during which that the 781 association is prevented from filing its action because of an 782 automatic stay resulting from the filing of a bankruptcy 783 784 petition by the unit owner or by any other person claiming an

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785 interest in the parcel.

786 If the unit is occupied by a tenant and the unit (11)787 owner is delinquent in paying any monetary obligation due to the 788 association, the association may make a written demand that the 789 tenant pay rent to the association the future monetary 790 obligations related to the condominium unit to the association, 791 and continue to the tenant must make such payments until all monetary obligations of the unit owner related to the unit have 792 793 been paid in full to the association payment. The demand is 794 continuing in nature and, upon demand, The tenant must pay the 795 monetary obligations to the association until the association 796 releases the tenant or the tenant discontinues tenancy in the 797 unit. The association must mail written notice to the unit owner 798 of the association's demand that the tenant make payments to the 799 association. The association shall, upon request, provide the 800 tenant with written receipts for payments made. A tenant who 801 acts in good faith in response to a written demand from an 802 association is immune from any claim by from the unit owner 803 related to the rent once the association has made written 804 demand. Any payment received from a tenant must be applied to 805 the unit owner's oldest delinquent monetary obligation.

(a) If the tenant <u>paid</u> prepaid rent to the unit owner <u>for</u>
a given rental period before receiving the demand from the
association and provides written evidence of <u>prepaying</u> 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 be credited against the monetary

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813 obligations of the unit owner to the association.

814 The tenant is not liable for increases in the amount (b) 815 of the monetary obligations due unless the tenant was notified 816 in writing of the increase at least 10 days before the date the 817 rent is due. The liability of the tenant may not exceed the amount due from the tenant to the tenant's landlord. The 818 819 tenant's landlord shall provide the tenant a credit against 820 rents due to the unit owner in the amount of moneys paid to the 821 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> <del>duties</del> under s. 83.51.

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

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

Section 7. Subsections (2), (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 718.117, Florida Statutes, are amended to read:

Termination of condominium.-

839

840 (2) TERMINATION BECAUSE OF ECONOMIC WASTE OR

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718.117

841 IMPOSSIBILITY.-

(a) Notwithstanding any provision in the declaration, the
condominium form of ownership of a property may be terminated by
a plan of termination approved by the lesser of the lowest
percentage of voting interests necessary to amend the
declaration or as otherwise provided in the declaration for
approval of termination if:

1. The total estimated cost of construction or repairs necessary to construct the intended improvements or restore the improvements to their former condition or bring them into compliance with applicable laws or regulations exceeds the combined fair market value of the units in the condominium after completion of the construction or repairs; or

2. It becomes impossible to operate or reconstruct a
condominium to its prior physical configuration because of land
use laws or regulations.

857 Notwithstanding paragraph (a), a condominium in which (b) 858 75 percent or more of the units are timeshare units may be 859 terminated only pursuant to a plan of termination approved by 80 860 percent of the total voting interests of the association and the 861 holders of 80 percent of the original principal amount of 862 outstanding recorded mortgage liens of timeshare estates in the 863 condominium, unless the declaration provides for a lower voting 864 percentage.

865 (c) Notwithstanding paragraph (a), a condominium that
866 includes units and timeshare estates where the improvements have
867 been totally destroyed or demolished may be terminated pursuant
868 to a plan of termination proposed by a unit owner upon the

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869	filing of a petition in court seeking equitable relief. Within
870	10 days after the filing of a petition as provided in this
871	paragraph and in lieu of the requirements of paragraph (15)(a),
872	the petitioner shall record the proposed plan of termination and
873	mail a copy of the proposed plan and a copy of the petition to:
874	1. If the association has not been dissolved as a matter
875	of law, each member of the board of directors of the association
876	identified in the most recent annual report filed with the
877	Department of State and the registered agent of the association;
878	2. The managing entity as defined in s. 721.05(22);
879	3. Each unit owner and each timeshare estate owner at the
880	address reflected in the official records of the association,
881	or, if the association records cannot be obtained by the
882	petitioner, each unit owner and each timeshare estate owner at
883	the address listed in the office of the tax collector for tax
884	notices; and
885	4. Each holder of a recorded mortgage lien affecting a
886	unit or timeshare estate at the address appearing on the
887	recorded mortgage or any recorded assignment thereof.
888	
889	The association, if it has not been dissolved as a matter of
890	law, acting as class representative, or the managing entity as
891	defined in s. 721.05(22), any unit owner, any timeshare estate
892	owner, or any holder of a recorded mortgage lien affecting a
893	unit or timeshare estate may intervene in the proceedings to
894	contest the proposed plan of termination brought pursuant to
895	this paragraph. The provisions of subsection (9), to the extent
896	inconsistent with this paragraph, and subsection (16) are not
I	

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897 applicable to a party contesting a plan of termination under 898 this paragraph. If no party intervenes to contest the proposed 899 plan within 45 days after the filing of the petition, the 900 petitioner may move the court to enter a final judgment to 901 authorize implementation of the plan of termination. If a party 902 timely intervenes to contest the proposed plan, the plan may not 903 be implemented until a final judgment has been entered by the 904 court finding that the proposed plan of termination is fair and 905 reasonable and authorizing implementation of the plan.

906 OPTIONAL TERMINATION.-Except as provided in subsection (3) 907 (2) or unless the declaration provides for a lower percentage, 908 the condominium form of ownership of the property may be 909 terminated for all or a portion of the condominium property 910 pursuant to a plan of termination approved by at least 80 911 percent of the total voting interests of the condominium if no 912 not more than 10 percent of the total voting interests of the 913 condominium have rejected the plan of termination by negative 914 vote or by providing written objections thereto. This subsection 915 does not apply to condominiums in which 75 percent or more of 916 the units are timeshare units.

917 (4) EXEMPTION.-A plan of termination is not an amendment 918 subject to s. 718.110(4). In a partial termination, a plan of 919 termination is not an amendment subject to s. 718.110(4) if the 920 ownership share of the common elements of a surviving unit in 921 the condominium remains in the same proportion to the surviving 922 units as it was before the partial termination.

923 (11) PLAN OF TERMINATION; OPTIONAL PROVISIONS; CONDITIONAL 924 TERMINATION.-

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925 The plan of termination may provide that each unit (a) 926 owner retains the exclusive right of possession to the portion 927 of the real estate which that formerly constituted the unit if  $\tau$ 928 in which case the plan specifies must specify the conditions of 929 possession. In a partial termination, the plan of termination as 930 specified in subsection (10) must also identify the units that 931 survive the partial termination and provide that such units 932 remain in the condominium form of ownership pursuant to an 933 amendment to the declaration of condominium or an amended and restated declaration. In a partial termination, title to the 934 935 surviving units and common elements that remain part of the 936 condominium property specified in the plan of termination remain 937 vested in the ownership shown in the public records and do not 938 vest in the termination trustee.

In a conditional termination, the plan must specify 939 (b) 940 the conditions for termination. A conditional plan does not vest 941 title in the termination trustee until the plan and a 942 certificate executed by the association with the formalities of 943 a deed, confirming that the conditions in the conditional plan 944 have been satisfied or waived by the requisite percentage of the 945 voting interests, have been recorded. In a partial termination, 946 the plan does not vest title to the surviving units or common 947 elements that remain part of the condominium property in the 948 termination trustee.

949 (12) ALLOCATION OF PROCEEDS OF SALE OF CONDOMINIUM950 PROPERTY.-

951 (a) Unless the declaration expressly provides for the 952 allocation of the proceeds of sale of condominium property, the Page 34 of 69

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953 plan of termination must first apportion the proceeds between 954 the aggregate value of all units and the value of the common 955 elements, based on their respective fair market values 956 immediately before the termination, as determined by one or more 957 independent appraisers selected by the association or 958 termination trustee. In a partial termination, the aggregate 959 values of the units and common elements that are being 960 terminated must be separately determined, and the plan of 961 termination must specify the allocation of the proceeds of sale for the units and common elements. 962

Liens that encumber a unit shall be transferred to the 963 (d) 964 proceeds of sale of the condominium property and the proceeds of 965 sale or other distribution of association property, common 966 surplus, or other association assets attributable to such unit 967 in their same priority. In a partial termination, liens that 968 encumber a unit being terminated must be transferred to the proceeds of sale of that portion of the condominium property 969 970 being terminated which are attributable to such unit. The 971 proceeds of any sale of condominium property pursuant to a plan 972 of termination may not be deemed to be common surplus or 973 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
unit owners thereafter become the beneficiaries of the proceeds

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981 realized from the plan of termination as set forth in the plan. 982 The termination trustee may deal with the condominium property 983 being terminated or any interest therein if the plan confers on 984 the trustee the authority to protect, conserve, manage, sell, or 985 dispose of the condominium property. The trustee, on behalf of 986 the unit owners, may contract for the sale of real property 987 being terminated, but the contract is not binding on the unit 988 owners until the plan is approved pursuant to subsection (2) or 989 subsection (3).

990

(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 <u>unless otherwise set forth in the plan of termination</u>.

997 (18) ASSOCIATION STATUS.-The termination of a condominium 998 does not change the corporate status of the association that 999 operated the condominium property. The association continues to 1000 exist to conclude its affairs, prosecute and defend actions by 1001 or against it, collect and discharge obligations, dispose of and 1002 convey its property, and collect and divide its assets, but not 1003 to act except as necessary to conclude its affairs. In a partial termination, the association may continue as the condominium 1004 1005 association for the property that remains subject to the 1006 declaration of condominium.

1007(19) CREATION OF ANOTHER CONDOMINIUM.—The termination or1008partial terminationof a condominium does not bar the filing of

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1009 a new declaration of condominium or an amended and restated 1010 declaration of condominium by the termination trustee, or the 1011 trustee's successor in interest, for the terminated property or 1012 affecting any portion thereof of the same property. The partial 1013 termination of a condominium may provide for the simultaneous 1014 filing of an amendment to the declaration of condominium or an 1015 amended and restated declaration of condominium by the 1016 condominium association for any portion of the property not 1017 terminated from the condominium form of ownership. Section 8. Subsections (3), (4), and (5) of section 1018 1019 718.303, Florida Statutes, are amended, and subsection (6) is 1020 added to that section, to read: 1021 718.303 Obligations of owners and occupants; remedies.-1022 (3) If a unit owner is delinquent for more than 90 days in 1023 paying a monetary obligation due to the association, the 1024 association may suspend the right of a unit owner or a unit's 1025 occupant, licensee, or invitee to use common elements, common 1026 facilities, or any other association property until the monetary 1027 obligation is paid. This subsection does not apply to limited 1028 common elements intended to be used only by that unit, common 1029 elements that must be used to access the unit, utility services 1030 provided to the unit, parking spaces, or elevators. The 1031 association may also levy reasonable fines for the failure of 1032 the owner of the unit  $\tau$  or its occupant, licensee, or invitee  $\tau$  to comply with any provision of the declaration, the association 1033 1034 bylaws, or reasonable rules of the association. A fine may <del>does</del> 1035 not become a lien against a unit. A fine may not exceed \$100 per 1036 violation. However, A fine may be levied on the basis of each Page 37 of 69

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day of a continuing violation, with a single notice and 1037 1038 opportunity for hearing. However, the fine may not exceed \$100 1039 per violation, or \$1,000 in the aggregate exceed \$1,000. 1040 An association may suspend, for a reasonable period of (a) 1041 time, the right of a unit owner, or a unit owner's tenant, 1042 guest, or invitee, to use the common elements, common 1043 facilities, or any other association property for failure to comply with any provision of the declaration, the association 1044 1045 bylaws, or reasonable rules of the association. 1046 A fine or suspension may not be imposed levied and a (b) 1047 suspension may not be imposed unless the association first 1048 provides at least 14 days' written notice and an opportunity for 1049 a hearing to the unit owner and, if applicable, its occupant, 1050 licensee, or invitee. The hearing must be held before a committee of other unit owners who are neither board members nor 1051 1052 persons residing in a board member's household. If the committee 1053 does not agree with the fine or suspension, the fine or 1054 suspension may not be levied or imposed. 1055 If a unit owner is more than 90 days delinquent in (4) 1056 paying a monetary obligation due to the association, the 1057 association may suspend the right of the unit owner or the 1058 unit's occupant, licensee, or invitee to use common elements, 1059 common facilities, or any other association property until the 1060 monetary obligation is paid in full. This subsection does not 1061 apply to limited common elements intended to be used only by 1062 that unit, common elements needed to access the unit, utility services provided to the unit, parking spaces, or elevators. The 1063 1064 notice and hearing requirements under subsection (3) do not

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1065 apply to suspensions imposed under this subsection.

(4) The notice and hearing requirements of subsection (3) 1066 1067 do not apply to the imposition of suspensions or fines against a 1068 unit owner or a unit's occupant, licensee, or invitee because of 1069 failing to pay any amounts due the association. If such a fine 1070 -suspension is imposed, the association must levy the fine 1071 impose a reasonable suspension at a properly noticed board 1072 meeting, and after the imposition of such fine or suspension, 1073 the association must notify the unit owner and, if applicable, 1074 the unit's occupant, licensee, or invitee by mail or hand delivery. 1075

1076 An association may also suspend the voting rights of a (5)member due to nonpayment of any monetary obligation due to the 1077 1078 association which is more than 90 days delinquent. The suspension ends upon full payment of all obligations currently 1079 1080 due or overdue the association. A voting interest or consent 1081 right allocated to a unit which has been suspended by the 1082 association may not be exercised or considered for any purpose, 1083 including, but not limited to, a quorum, an election, or the 1084 votes required to approve an action under this chapter or 1085 pursuant to the declaration, articles of incorporation, or 1086 bylaws. The notice and hearing requirements under subsection (3) 1087 do not apply to a suspension imposed under this subsection. 1088 (6) All suspensions imposed pursuant to subsection (4) or 1089 subsection (5) must be approved at a properly noticed board meeting. Upon approval, the association must notify the unit 1090 1091 owner and, if applicable, the unit's occupant, licensee, or

1092 invitee by mail or hand delivery.

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1093 Section 9. Section 718.703, Florida Statutes, is amended 1094 to read: 718.703 Definitions.-As used in this part, the term: 1095 1096 "Bulk assignee" means a person who is not a bulk buyer (1)1097 and who: 1098 Acquires more than seven condominium parcels in a (a) 1099 single condominium as set forth in s. 718.707; and 1100 (b) Receives an assignment of any of the developer rights, 1101 other than or in addition to those rights described in 1102 subsection (2), some or all of the rights of the developer as 1103 set forth in the declaration of condominium or this chapter: by 1104 1. By a written instrument recorded as part of or as an 1105 exhibit to the deed; or as 1106 2. By a separate instrument recorded in the public records 1107 of the county in which the condominium is located; or 1108 3. Pursuant to a final judgment or certificate of title issued in favor of a purchaser at a foreclosure sale. 1109 1110 1111 A mortgagee or its assignee may not be deemed a bulk assignee or 1112 a developer by reason of the acquisition of condominium units 1113 and receipt of an assignment of some or all of a developer 1114 rights unless the mortgagee or its assignee exercises any of the 1115 developer rights other than those described in subsection (2). "Bulk buyer" means a person who acquires more than 1116 (2)1117 seven condominium parcels in a single condominium as set forth 1118 in s. 718.707, but who does not receive an assignment of any 1119 developer rights, or receives only some or all of the following 1120 rights: other than

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1121 (a) The right to conduct sales, leasing, and marketing 1122 activities within the condominium;

(b) The right to be exempt from the payment of working capital contributions to the condominium association arising out of, or in connection with, the bulk buyer's acquisition of <u>the</u> <del>a</del> <u>bulk number of</u> units; and

1127 (c) The right to be exempt from any rights of first 1128 refusal which may be held by the condominium association and 1129 would otherwise be applicable to subsequent transfers of title 1130 from the bulk buyer to a third party purchaser concerning one or 1131 more units.

1132 Section 10. Section 718.704, Florida Statutes, is amended 1133 to read:

1134 718.704 Assignment and assumption of developer rights by 1135 bulk assignee; bulk buyer.-

(1) A bulk assignee <u>is deemed to have assumed</u> assumes and is liable for all duties and responsibilities of the developer under the declaration and this chapter <u>upon its acquisition of</u> <u>title to units and continuously thereafter</u>, except <u>that it is</u> not liable for:

1141 Warranties of the developer under s. 718.203(1) or s. (a) 1142 718.618, except as expressly provided by the bulk assignee in a 1143 prospectus or offering circular, or the contract for purchase 1144 and sale executed with a purchaser, or for design, construction, 1145 development, or repair work performed by or on behalf of the 1146 such bulk assignee.; 1147 (b) The obligation to:

1148 1. Fund converter reserves under s. 718.618 for a unit

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1170

1149 that was not acquired by the bulk assignee; or

1150 2. Provide <u>implied</u> converter warranties on any portion of 1151 the condominium property except as expressly provided by the 1152 bulk assignee in <u>a prospectus or offering circular, or</u> the 1153 contract for purchase and sale executed with a purchaser<u>, or for</u> 1154 and pertaining to any design, construction, development, or 1155 repair work performed by or on behalf of the bulk assignee<u>.;</u>

1156 (c) The requirement to provide the association with a 1157 cumulative audit of the association's finances from the date of 1158 formation of the condominium association as required by s. 1159 718.301(4)(c). However, the bulk assignee must provide an audit 1160 for the period during which the bulk assignee elects <u>or appoints</u> 1161 a majority of the members of the board of administration. $\div$ 

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

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

1171 The bulk assignee is also responsible <u>only</u> for delivering 1172 documents and materials in accordance with s. 718.705(3). A bulk 1173 assignee may expressly assume some or all of the <u>developer</u> 1174 obligations <del>of the developer</del> described in paragraphs (a)-(e).

(2) A bulk assignee <u>assigned the developer right</u> receiving the assignment of the rights of the developer to guarantee the Page 42 of 69

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1177 level of assessments and fund budgetary deficits pursuant to s. 1178 718.116 assumes and is liable for all obligations of the 1179 developer with respect to such guarantee upon its acquisition of 1180 title to the units and continuously thereafter, including any 1181 applicable funding of reserves to the extent required by law, 1182 for as long as the guarantee remains in effect. A bulk assignee 1183 not receiving such assignment, or a bulk buyer, does not assume and is not liable for the obligations of the developer with 1184 1185 respect to such guarantee, but is responsible for payment of assessments due on or after acquisition of the units in the same 1186 1187 manner as all other owners of condominium parcels or as 1188 otherwise provided in s. 718.116.

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

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

1197

(a) Before the effective date of this part;

1198 (b) With the intent to hinder, delay, or defraud any 1199 purchaser, unit owner, or the association; or if the acquirer 1200 is

1201 (c) By a person who would be considered an insider under 1202 s. 726.102(7).

1203 (5) An assignment of developer rights to a bulk assignee
1204 may be made by <u>a</u> the developer, a previous bulk assignee, <u>a</u>

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1205 mortgagee or assignee who has acquired title to the units and 1206 received an assignment of rights, or a court acting on behalf of 1207 the developer or the previous bulk assignee if such developer 1208 rights are held by the predecessor in title to the bulk 1209 assignee. At any particular time, there may not be no more than 1210 one bulk assignee within a condominium; however, but there may 1211 be more than one bulk buyer. If more than one acquirer of 1212 condominium parcels in the same condominium receives an 1213 assignment of developer rights in addition to those rights 1214 described in s. 718.703(2) from the same person, the bulk 1215 assignee is the acquirer whose instrument of assignment is 1216 recorded first in the public records of the county in which the 1217 condominium is located, and any subsequent purported bulk 1218 assignee may still qualify as a bulk buyer. Section 11. Subsections (1) and (3) of section 718.705, 1219

1220 Florida Statutes, are amended to read:

1221 718.705 Board of administration; transfer of control.-1222 If, at the time the bulk assignee acquires title to (1)1223 the units and receives an assignment of developer rights, the 1224 developer has not relinquished control of the board of 1225 administration, for purposes of determining the timing for 1226 transfer of control of the board of administration of the 1227 association to unit owners other than the developer under s. 1228 718.301(1)(a) and (b), if a bulk assignee is entitled to elect a 1229 majority of the members of the board, a condominium parcel 1230 acquired by the bulk assignee is not deemed to be conveyed to a 1231 purchaser, or owned by an owner other than the developer, until 1232 the condominium parcel is conveyed to an owner who is not a bulk Page 44 of 69

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1233 assignee.

1259

to read:

1234 (3)If a bulk assignee relinquishes control of the board 1235 of administration as set forth in s. 718.301, the bulk assignee 1236 must deliver all of those items required by s. 718.301(4). 1237 However, the bulk assignee is not required to deliver items and 1238 documents not in the possession of the bulk assignee if some 1239 items were or should have been in existence before the bulk 1240 assignee's acquisition of the units during the period during 1241 which the bulk assignee was entitled to elect at least a 1242 majority of the members of the board of administration. In conjunction with the acquisition of units condominium parcels, a 1243 1244 bulk assignee shall undertake a good faith effort to obtain the 1245 documents and materials that must be provided to the association 1246 pursuant to s. 718.301(4). If the bulk assignee is not able to obtain all of such documents and materials, the bulk assignee 1247 1248 must certify in writing to the association the names or 1249 descriptions of the documents and materials that were not 1250 obtainable by the bulk assignee. Delivery of the certificate 1251 relieves the bulk assignee of responsibility for delivering the 1252 documents and materials referenced in the certificate as 1253 otherwise required under ss. 718.112 and 718.301 and this part. 1254 The responsibility of the bulk assignee for the audit required 1255 by s. 718.301(4) commences as of the date on which the bulk 1256 assignee elected or appointed a majority of the members of the 1257 board of administration. Section 12. Section 718.706, Florida Statutes, is amended 1258

1260 718.706 Specific provisions pertaining to offering of Page 45 of 69

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1261 units by a bulk assignee or bulk buyer.-

(1) Before offering more than seven any units in a single 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);

1272 (b) An updated Frequently Asked Questions and Answers
1273 sheet;

1274 (c) The executed escrow agreement if required under s.1275 718.202; and

1276 (d) The financial information required by s. 718.111(13). 1277 However, if a financial information report did does not exist 1278 for the fiscal year before the acquisition of title by the bulk 1279 assignee or bulk buyer, and if or accounting records that cannot 1280 be obtained in good faith by the bulk assignee or the bulk buyer 1281 which would permit preparation of the required financial 1282 information report for that period cannot be obtained despite 1283 good faith efforts by the bulk assignee or the bulk buyer, the 1284 bulk assignee or bulk buyer is excused from the requirement of 1285 this paragraph. However, the bulk assignee or bulk buyer must 1286 include in the purchase contract the following statement in 1287 conspicuous type:

1288

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1289	ALL OR A PORTION OF THE FINANCIAL INFORMATION REPORT
1290	REQUIRED UNDER S. 718.111(13) FOR THE TIME PERIOD
1291	BEFORE THE SELLER'S ACQUISITION OF THE UNIT
1292	IMMEDIATELY PRECEDING FISCAL YEAR OF THE ASSOCIATION
1293	IS NOT AVAILABLE OR CANNOT BE OBTAINED DESPITE THE
1294	GOOD FAITH EFFORTS OF <del>CREATED BY</del> THE SELLER <del>DUE TO THE</del>
1295	INSUFFICIENT ACCOUNTING RECORDS OF THE ASSOCIATION.
1296	
1297	(2) Before offering <u>more than seven</u> <del>any</del> units <u>in a single</u>
1298	condominium for sale or for lease for a term exceeding 5 years,
1299	a bulk assignee <u>or a bulk buyer</u> must file with the division and
1300	provide to a prospective purchaser <u>or tenant under a lease for a</u>
1301	term exceeding 5 years a disclosure statement that includes, but
1302	is not limited to:
1303	(a) A description of any <del>rights</del> of the <u>developer rights</u>
1304	<u>that</u> <del>developer which</del> have been assigned to the bulk assignee or
1305	bulk buyer;
1306	(b) The following statement in conspicuous type:
1307	
1308	THE SELLER IS NOT OBLIGATED FOR ANY WARRANTIES OF THE
1309	DEVELOPER UNDER S. 718.203(1) OR S. 718.618, AS
1310	APPLICABLE, EXCEPT FOR DESIGN, CONSTRUCTION,
1311	DEVELOPMENT, OR REPAIR WORK PERFORMED BY OR ON BEHALF
1312	OF THE SELLER; and
1313	
1314	(c) If the condominium is a conversion subject to part VI,
1315	the following statement in conspicuous type:
1316	
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1325

1317 THE SELLER HAS NO OBLIGATION TO FUND CONVERTER 1318 RESERVES OR TO PROVIDE CONVERTER WARRANTIES UNDER S. 718.618 ON ANY PORTION OF THE CONDOMINIUM PROPERTY 1319 1320 EXCEPT AS MAY BE EXPRESSLY REQUIRED OF THE SELLER IN 1321 THE CONTRACT FOR PURCHASE AND SALE EXECUTED BY THE 1322 SELLER AND THE PREVIOUS DEVELOPER AND PERTAINING TO 1323 ANY DESIGN, CONSTRUCTION, DEVELOPMENT, OR REPAIR WORK 1324 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
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.

1337 A bulk assignee or a bulk buyer must comply with all (4) 1338 the requirements of s. 718.302 regarding any contracts entered 1339 into by the association during the period the bulk assignee or 1340 bulk buyer maintains control of the board of administration. 1341 Unit owners shall be provided afforded all of the rights and the protections contained in s. 718.302 regarding agreements entered 1342 1343 into by the association which are under the control of before 1344 unit owners other than the developer, bulk assignee, or bulk

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1345	buyer <del>elected a majority of the board of administration</del> .
1346	(5) Notwithstanding any other provision of this part, a
1347	bulk assignee or a bulk buyer is not required to comply with the
1348	filing or disclosure requirements of subsections (1) and (2) if
1349	all of the units owned by the bulk assignee or bulk buyer are
1350	offered and conveyed to a single purchaser in a single
1351	transaction. A bulk buyer must comply with the requirements
1352	contained in the declaration regarding any transfer of a unit,
1353	including sales, leases, and subleases. A bulk buyer is not
1354	entitled to any exemptions afforded a developer or successor
1355	developer under this chapter regarding the transfer of a unit,
1356	including sales, leases, or subleases.
1357	Section 13. Section 718.707, Florida Statutes, is amended
1358	to read:
1359	718.707 Time limitation for classification as bulk
1260	aggignes or bulk buyer. A person acquiring condeminium parcels

1360 assignee or bulk buyer.-A person acquiring condominium parcels 1361 may not be classified as a bulk assignee or bulk buyer unless 1362 the condominium parcels were acquired on or after July 1, 2010, 1363 but before July 1, 2012. The date of such acquisition shall be 1364 determined by the date of recording of a deed or other 1365 instrument of conveyance for such parcels in the public records 1366 of the county in which the condominium is located, or by the 1367 date of issuing issuance of a certificate of title in a 1368 foreclosure proceeding with respect to such condominium parcels. 1369 Section 14. Subsections (3), (4), and (10) of section

1370 719.108, Florida Statutes, are amended to read:

1371 719.108 Rents and assessments; liability; lien and 1372 priority; interest; collection; cooperative ownership.-

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1373 Rents and assessments, and installments on them, not (3)1374 paid when due bear interest at the rate provided in the 1375 cooperative documents from the date due until paid. This rate 1376 may not exceed the rate allowed by  $law_{\overline{\tau}}$  and, if a rate is not 1377 provided in the cooperative documents, interest accrues at 18 1378 percent per annum. If the cooperative documents or bylaws so 1379 provide, the association may charge an administrative late fee 1380 in addition to such interest, in an amount not to exceed the 1381 greater of \$25 or 5 percent of each installment of the 1382 assessment for each delinquent installment that the payment is 1383 late. Any payment received by an association must be applied 1384 first to any interest accrued by the association, then to any 1385 administrative late fee, then to any costs and reasonable 1386 attorney's fees incurred in collection, and then to the 1387 delinquent assessment. The foregoing applies notwithstanding any 1388 restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee is not subject to chapter 1389 1390 687 or s. 719.303(4)(3).

1391 (4)The association has a lien on each cooperative parcel 1392 for any unpaid rents and assessments, plus interest, and any 1393 authorized administrative late fees, and any reasonable costs 1394 for collection services for which the association has contracted 1395 against the unit owner of the cooperative parcel. If authorized 1396 by the cooperative documents, the lien also secures reasonable attorney's fees incurred by the association incident to the 1397 collection of the rents and assessments or enforcement of such 1398 1399 lien. The lien is effective from and after recording a claim of 1400 lien in the public records in the county in which the

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1401 cooperative parcel is located which states the description of the cooperative parcel, the name of the unit owner, the amount 1402 1403 due, and the due dates. The lien expires if a claim of lien is 1404 not filed within 1 year after the date the assessment was due, 1405 and the lien does not continue for longer than 1 year after the 1406 claim of lien has been recorded unless, within that time, an 1407 action to enforce the lien is commenced. Except as otherwise provided in this chapter, a lien may not be filed by the 1408 1409 association against a cooperative parcel until 30 days after the 1410 date on which a notice of intent to file a lien has been delivered to the owner. 1411

1412 (a) The notice must be sent to the unit owner at the1413 address of the unit by first-class United States mail and:

1414 1. If the most recent address of the unit owner on the 1415 records of the association is the address of the unit, the 1416 notice must be sent by registered or certified mail, return 1417 receipt requested, to the unit owner at the address of the unit.

1418 2. If the most recent address of the unit owner on the 1419 records of the association is in the United States, but is not 1420 the address of the unit, the notice must be sent by registered 1421 or certified mail, return receipt requested, to the unit owner 1422 at his or her most recent address.

1423 3. If the most recent address of the unit owner on the 1424 records of the association is not in the United States, the 1425 notice must be sent by first-class United States mail to the 1426 unit owner at his or her most recent address.

(b) A notice that is sent pursuant to this subsection isdeemed delivered upon mailing.

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1429 If the unit is occupied by a tenant and the unit (10)1430 owner is delinquent in paying any monetary obligation due to the 1431 association, the association may make a written demand that the 1432 tenant pay rent to the association the future monetary 1433 obligations related to the cooperative share to the association 1434 and continue to the tenant must make such payments until all 1435 monetary obligations of the unit owner related to the unit have 1436 been paid in full to the association payment. The demand is 1437 continuing in nature, and upon demand, The tenant must pay the 1438 monetary obligations to the association until the association 1439 releases the tenant or the tenant discontinues tenancy in the 1440 unit. The association must mail written notice to the unit owner 1441 of the association's demand that the tenant make payments to the 1442 association. The association shall, upon request, provide the 1443 tenant with written receipts for payments made. A tenant who 1444 acts in good faith in response to a written demand from an association is immune from any claim by from the unit owner 1445 1446 related to the rent once the association has made written 1447 demand. Any payment received from a tenant by the association 1448 must be applied to the unit owner's oldest delinquent monetary 1449 obligation.

(a) If the tenant <u>paid</u> prepaid rent to the unit owner <u>for</u>
a given rental period before receiving the demand from the
association and provides written evidence of <u>prepaying</u> 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 be credited against the monetary

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1457 obligations of the unit owner to the association.

1458 (b) The tenant is not liable for increases in the amount 1459 of the regular monetary obligations due unless the tenant was 1460 notified in writing of the increase at least 10 days before the 1461 date on which the rent is due. The liability of the tenant may 1462 not exceed the amount due from the tenant to the tenant's 1463 landlord. The tenant's landlord shall provide the tenant a 1464 credit against rents due to the unit owner in the amount of 1465 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 tenant fails to pay a required payment. However, the association is not otherwise considered a landlord under chapter 83 and specifically has no <u>obligations</u> 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.

1476 (e) A court may supersede the effect of this subsection by1477 appointing a receiver.

1478 Section 15. Subsection (3) of section 719.303, Florida 1479 Statutes, is amended, and subsections (4), (5), and (6) are 1480 added to that section, to read:

1481

719.303 Obligations of owners.-

1482 (3) If the cooperative documents so provide, The
1483 association may levy reasonable fines against a unit owner for
1484 failure of the unit owner or the unit's occupant, his or her

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1485 licensee, or invitee or the unit's occupant to comply with any 1486 provision of the cooperative documents or reasonable rules of the association. A fine may not No fine shall become a lien 1487 1488 against a unit. No fine shall exceed \$100 per violation. 1489 However, A fine may be levied on the basis of each day of a 1490 continuing violation, with a single notice and opportunity for 1491 hearing. However, the fine may not exceed \$100 per violation, or \$1,000 provided that no such fine shall in the aggregate exceed 1492 1493 \$1,000.

1494 (a) An association may suspend, for a reasonable period of
1495 time, the right of a unit owner, or a unit owner's tenant,
1496 guest, or invitee, to use the common elements, common
1497 facilities, or any other association property for failure to
1498 comply with any provision of the cooperative documents or
1499 reasonable rules of the association.

(b) A No fine or suspension may not be imposed levied except after giving reasonable notice and opportunity for a hearing to the unit owner and, if applicable, the unit's his or her licensee or invitee. The hearing must shall be held before a committee of other unit owners. If the committee does not agree with the fine or suspension, it may shall not be imposed levied. This subsection does not apply to unoccupied units.

1507 (4) If a unit owner is more than 90 days delinquent in
paying a monetary obligation due to the association, the
association may suspend the right of the unit owner or the
unit's occupant, licensee, or invitee to use common elements,
common facilities, or any other association property until the
monetary obligation is paid in full. This subsection does not

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1513	apply to limited common elements intended to be used only by
1514	that unit, common elements needed to access the unit, utility
1515	services provided to the unit, parking spaces, or elevators. The
1516	notice and hearing requirements under subsection (3) do not
1517	apply to suspensions imposed under this subsection.
1518	(5) An association may suspend the voting rights of a
1519	member due to nonpayment of any monetary obligation due to the
1520	association which is more than 90 days delinquent. The
1521	suspension ends upon full payment of all obligations currently
1522	due or overdue the association. A voting interest or consent
1523	right allocated to a unit which has been suspended by the
1524	association may not be exercised or considered for any purpose,
1525	including, but not limited to, a quorum, an election, or the
1526	votes required to approve an action under this chapter or
1527	pursuant to the cooperative documents. The notice and hearing
1528	requirements under subsection (3) do not apply to a suspension
1529	imposed under this subsection.
1530	(6) All suspensions imposed pursuant to subsection (4) or
1531	subsection (5) must be approved at a properly noticed board
1532	meeting. Upon approval, the association must notify the unit
1533	owner and, if applicable, the unit's occupant, licensee, or
1534	invitee by mail or hand delivery.
1535	Section 16. Subsection (4) of section 720.301, Florida
1536	Statutes, is amended to read:
1537	720.301 Definitions.—As used in this chapter, the term:
1538	(4) "Declaration of covenants," or "declaration," means a
1539	recorded written instrument or instruments in the nature of
1540	covenants running with the land which <u>subject</u> subjects the land
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1541 comprising the community to the jurisdiction and control of an 1542 association or associations in which the owners of the parcels, 1543 or their association representatives, must be members.

1544 Section 17. Paragraph (c) of subsection (5) of section 1545 720.303, Florida Statutes, is amended to read:

1546 720.303 Association powers and duties; meetings of board; 1547 official records; budgets; financial reporting; association 1548 funds; recalls.-

INSPECTION AND COPYING OF RECORDS. - The official 1549 (5) 1550 records shall be maintained within the state and must be open to 1551 inspection and available for photocopying by members or their 1552 authorized agents at reasonable times and places within 10 1553 business days after receipt of a written request for access. 1554 This subsection may be complied with by having a copy of the 1555 official records available for inspection or copying in the 1556 community. If the association has a photocopy machine available 1557 where the records are maintained, it must provide parcel owners 1558 with copies on request during the inspection if the entire 1559 request is limited to no more than 25 pages.

1560 The association may adopt reasonable written rules (C) 1561 governing the frequency, time, location, notice, records to be 1562 inspected, and manner of inspections, but may not require a 1563 parcel owner to demonstrate any proper purpose for the 1564 inspection, state any reason for the inspection, or limit a 1565 parcel owner's right to inspect records to less than one 8-hour 1566 business day per month. The association may impose fees to cover 1567 the costs of providing copies of the official records, 1568 including, without limitation, the costs of copying. The

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1569 association may charge up to 50 cents per page for copies made 1570 on the association's photocopier. If the association does not 1571 have a photocopy machine available where the records are kept, 1572 or if the records requested to be copied exceed 25 pages in 1573 length, the association may have copies made by an outside 1574 vendor or association management company personnel and may charge the actual cost of copying, including any reasonable 1575 1576 costs involving personnel fees and charges at an hourly rate for 1577 vendor or employee time to cover administrative costs to the 1578 vendor or association. The association shall maintain an 1579 adequate number of copies of the recorded governing documents, 1580 to ensure their availability to members and prospective members. 1581 Notwithstanding this paragraph, the following records are not 1582 accessible to members or parcel owners:

1583 Any record protected by the lawyer-client privilege as 1. 1584 described in s. 90.502 and any record protected by the workproduct privilege, including, but not limited to, a any record 1585 1586 prepared by an association attorney or prepared at the 1587 attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney 1588 1589 or the association and which was prepared exclusively for civil 1590 or criminal litigation or for adversarial administrative 1591 proceedings or which was prepared in anticipation of such 1592 imminent civil or criminal litigation or imminent adversarial 1593 administrative proceedings until the conclusion of the 1594 litigation or administrative proceedings.

1595 2. Information obtained by an association in connection 1596 with the approval of the lease, sale, or other transfer of a

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1597 parcel.

3. Personnel records of the association's employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subparagraph, the term "personnel records" does not include written employment agreements with an association employee or budgetary or financial records that indicate the compensation paid to an association employee.

1605 4. Medical records of parcel owners or community1606 residents.

1607 Social security numbers, driver's license numbers, 5. credit card numbers, electronic mailing addresses, telephone 1608 numbers, facsimile numbers, emergency contact information, any 1609 1610 addresses for a parcel owner other than as provided for 1611 association notice requirements, and other personal identifying 1612 information of any person, excluding the person's name, parcel designation, mailing address, and property address. However, an 1613 1614 owner may consent in writing to the disclosure of protected 1615 information described in this subparagraph. The association is 1616 not liable for the disclosure of information that is protected 1617 under this subparagraph if the information is included in an 1618 official record of the association and is voluntarily provided 1619 by an owner and not requested by the association.

1620 6. Any electronic security measure that is used by the1621 association to safeguard data, including passwords.

1622 7. The software and operating system used by the 1623 association which allows the manipulation of data, even if the 1624 owner owns a copy of the same software used by the association.

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1625 The data is part of the official records of the association. 1626 Section 18. Section 720.305, Florida Statutes, is amended 1627 to read: 1628 720.305 Obligations of members; remedies at law or in 1629 equity; levy of fines and suspension of use rights.-1630 Each member and the member's tenants, quests, and (1)1631 invitees, and each association, are governed by, and must comply 1632 with, this chapter, the governing documents of the community, 1633 and the rules of the association. Actions at law or in equity, 1634 or both, to redress alleged failure or refusal to comply with 1635 these provisions may be brought by the association or by any 1636 member against: 1637 The association; (a) 1638 (b) A member; 1639 Any director or officer of an association who (C) 1640 willfully and knowingly fails to comply with these provisions; 1641 and 1642 Any tenants, quests, or invitees occupying a parcel or (d) 1643 using the common areas. 1644 1645 The prevailing party in any such litigation is entitled to 1646 recover reasonable attorney's fees and costs. A member 1647 prevailing in an action between the association and the member 1648 under this section, in addition to recovering his or her 1649 reasonable attorney's fees, may recover additional amounts as 1650 determined by the court to be necessary to reimburse the member 1651 for his or her share of assessments levied by the association to 1652 fund its expenses of the litigation. This relief does not Page 59 of 69

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1653 exclude other remedies provided by law. This section does not 1654 deprive any person of any other available right or remedy. 1655 The association If a member is delinquent for more (2)1656 than 90 days in paying a monetary obligation due the 1657 association, an association may suspend, until such monetary 1658 obligation is paid, the rights of a member or a member's 1659 tenants, quests, or invitees, or both, to use common areas and 1660 facilities and may levy reasonable fines of up to \$100 per 1661 violation, against any member or any member's tenant, guest, or invitee for the failure of the owner of the parcel or its 1662 1663 occupant, licensee, or invitee to comply with any provision of 1664 the declaration, the association bylaws, or reasonable rules of 1665 the association. A fine may be levied for each day of a 1666 continuing violation, with a single notice and opportunity for 1667 hearing, except that the  $\frac{1}{2}$  fine may not exceed \$1,000 in the 1668 aggregate unless otherwise provided in the governing documents. 1669 A fine of less than \$1,000 may not become a lien against a 1670 parcel. In any action to recover a fine, the prevailing party is 1671 entitled to collect its reasonable attorney's fees and costs 1672 from the nonprevailing party as determined by the court. 1673 An association may suspend, for a reasonable period of (a) 1674 time, the right of a member, or a member's tenant, guest, or 1675 invitee, to use common areas and facilities for the failure of 1676 the owner of the parcel or its occupant, licensee, or invitee to 1677 comply with any provision of the declaration, the association 1678 bylaws, or reasonable rules of the association. The provisions regarding the suspension-of-use rights do not apply to the 1679

1680 portion of common areas that must be used to provide access to

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1681 the parcel or utility services provided to the parcel.

1682 (b) (a) A fine or suspension may not be imposed without at 1683 least 14 days' notice to the person sought to be fined or 1684 suspended and an opportunity for a hearing before a committee of 1685 at least three members appointed by the board who are not 1686 officers, directors, or employees of the association, or the 1687 spouse, parent, child, brother, or sister of an officer, director, or employee. If the committee, by majority vote, does 1688 1689 not approve a proposed fine or suspension, it may not be 1690 imposed. If the association imposes a fine or suspension, the 1691 association must provide written notice of such fine or 1692 suspension by mail or hand delivery to the parcel owner and, if 1693 applicable, to any tenant, licensee, or invitee of the parcel 1694 owner.

1695 (3) If a member is more than 90 days delinquent in paying a monetary obligation due to the association, the association 1696 1697 may suspend the rights of the member, or the member's tenant, 1698 guest, or invitee, to use common areas and facilities until the monetary obligation is paid in full. This subsection does not 1699 1700 apply to that portion of common areas used to provide access or 1701 utility services to the parcel.

1702 (b) Suspension does of common-area-use rights do not 1703 impair the right of an owner or tenant of a parcel to have 1704 vehicular and pedestrian ingress to and egress from the parcel, 1705 including, but not limited to, the right to park. The notice and 1706 hearing requirements under subsection (2) do not apply to a 1707 suspension imposed under this subsection. 1708

(4) (3) If the governing documents so provide, An

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1709 association may suspend the voting rights of a member for the 1710 nonpayment of any monetary obligation that is more than regular 1711 annual assessments that are delinquent in excess of 90 days 1712 delinquent. A voting interest or consent right allocated to a 1713 parcel which has been suspended by the association may not be 1714 exercised or considered for any purpose, including, but not 1715 limited to, a quorum, an election, or the votes required to 1716 approve an action under this chapter or pursuant to the 1717 governing documents. The notice and hearing requirements under 1718 subsection (3) do not apply to a suspension imposed under this 1719 subsection. The suspension ends upon full payment of all 1720 obligations currently due or overdue to the association. 1721 (5) All suspensions imposed pursuant to subsection (3) or 1722 subsection (4) must be approved at a properly noticed board meeting. Upon approval, the association must notify the parcel 1723 1724 owner and, if applicable, the parcel's occupant, licensee, or 1725 invitee by mail or hand delivery. 1726 Section 19. Subsection (9) of section 720.306, Florida 1727 Statutes, is amended to read: 1728 720.306 Meetings of members; voting and election 1729 procedures; amendments.-1730 (9) (a) ELECTIONS AND BOARD VACANCIES. - Elections of 1731 directors must be conducted in accordance with the procedures 1732 set forth in the governing documents of the association. All 1733 members of the association are eligible to serve on the board of directors, and a member may nominate himself or herself as a 1734

1735 candidate for the board at a meeting where the election is to be 1736 held or, if the election process allows voting by absentee

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1737 ballot, in advance of the balloting. Except as otherwise 1738 provided in the governing documents, boards of directors must be 1739 elected by a plurality of the votes cast by eligible voters.

1740 (b) A person who is delinquent in the payment of any fee, 1741 fine, or other monetary obligation to the association for more 1742 than 90 days is not eligible for board membership. A person who 1743 has been convicted of any felony in this state or in a United 1744 States District or Territorial Court, or has been convicted of 1745 any offense in another jurisdiction which would be considered a 1746 felony if committed in this state, is not eligible for board 1747 membership unless such felon's civil rights have been restored 1748 for at least 5 years as of the date on which such person seeks 1749 election to the board. The validity of any action by the board 1750 is not affected if it is later determined that a member of the 1751 board is ineligible for board membership.

1752 (C) Any election dispute between a member and an 1753 association must be submitted to mandatory binding arbitration 1754 with the division. Such proceedings must be conducted in the 1755 manner provided by s. 718.1255 and the procedural rules adopted 1756 by the division. Unless otherwise provided in the bylaws, any 1757 vacancy occurring on the board before the expiration of a term 1758 may be filled by an affirmative vote of the majority of the 1759 remaining directors, even if the remaining directors constitute 1760 less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, 1761 in which case the election procedures must conform to the 1762 1763 requirements of the governing documents. Unless otherwise provided in the bylaws, a board member appointed or elected 1764

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1771

1765 under this section is appointed for the unexpired term of the 1766 seat being filled. Filling vacancies created by recall is 1767 governed by s. 720.303(10) and rules adopted by the division.

1768 Section 20. Paragraph (a) of subsection (1) and 1769 subsections (3) and (8) of section 720.3085, Florida Statutes, 1770 are amended to read:

720.3085 Payment for assessments; lien claims.-

1772 When authorized by the governing documents, the (1)1773 association has a lien on each parcel to secure the payment of 1774 assessments and other amounts provided for by this section. 1775 Except as otherwise set forth in this section, the lien is 1776 effective from and shall relate back to the date on which the original declaration of the community was recorded. However, as 1777 to first mortgages of record, the lien is effective from and 1778 1779 after recording of a claim of lien in the public records of the 1780 county in which the parcel is located. This subsection does not 1781 bestow upon any lien, mortgage, or certified judgment of record 1782 on July 1, 2008, including the lien for unpaid assessments 1783 created in this section, a priority that, by law, the lien, mortgage, or judgment did not have before July 1, 2008. 1784

1785 To be valid, a claim of lien must state the (a) 1786 description of the parcel, the name of the record owner, the 1787 name and address of the association, the assessment amount due, 1788 and the due date. The claim of lien secures shall secure all 1789 unpaid assessments that are due and that may accrue subsequent 1790 to the recording of the claim of lien and before entry of a 1791 certificate of title, as well as interest, late charges, and 1792 reasonable costs and attorney's fees incurred by the association

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1793 incident to the collection process. The person making the 1794 payment is entitled to a satisfaction of the lien upon payment 1795 in full.

(3) Assessments and installments on assessments that are not paid when due bear interest from the due date until paid at the rate provided in the declaration of covenants or the bylaws of the association, which rate may not exceed the rate allowed by law. If no rate is provided in the declaration or bylaws, interest accrues at the rate of 18 percent per year.

(a) If the declaration or bylaws so provide, the
association may also charge an administrative late fee in an
amount not to exceed the greater of \$25 or 5 percent of the
amount of each installment that is paid past the due date.

1806 Any payment received by an association and accepted (b) 1807 shall be applied first to any interest accrued, then to any 1808 administrative late fee, then to any costs and reasonable 1809 attorney's fees incurred in collection, and then to the 1810 delinquent assessment. This paragraph applies notwithstanding 1811 any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee is not subject to the 1812 1813 provisions of chapter 687 and is not a fine.

1814 (8) If the parcel is occupied by a tenant and the parcel
1815 owner is delinquent in paying any monetary obligation due to the
1816 association, the association may demand that the tenant pay <u>rent</u>
1817 to the association <u>and continue to make such payments until all</u>
1818 <u>the monetary obligations of the parcel owner related to the</u>
1819 <u>parcel have been paid in full and the future monetary</u>
1820 obligations related to the parcel. The demand is continuing in

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1821 nature, and upon demand, the tenant must continue to pay the 1822 monetary obligations until the association releases the tenant 1823 or until the tenant discontinues tenancy in the parcel. A tenant 1824 who acts in good faith in response to a written demand from an 1825 association is immune from any claim by from the parcel owner 1826 related to the rent once the association has made written 1827 demand. Any payment received from a tenant by the association 1828 must be applied to the parcel owner's oldest delinquent monetary 1829 obligation.

1830 If the tenant paid prepaid rent to the parcel owner (a) 1831 for a given rental period before receiving the demand from the 1832 association and provides written evidence of prepaying paying 1833 the rent to the association within 14 days after receiving the 1834 demand, the tenant shall receive credit for the prepaid rent for 1835 the applicable period but and must make any subsequent rental 1836 payments to the association to be credited against the monetary 1837 obligations of the parcel owner to the association. The 1838 association shall, upon request, provide the tenant with written 1839 receipts for payments made. The association shall mail written 1840 notice to the parcel owner of the association's demand that the 1841 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. <u>The liability of the tenant may not</u> exceed the amount due from the tenant to the tenant's landlord. The tenant shall be given a credit against rents due to the parcel owner in the amount of assessments paid to the

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1849 association. 1850 (C) The association may issue notices under s. 83.56 and 1851 may sue for eviction under ss. 83.59-83.625 as if the 1852 association were a landlord under part II of chapter 83 if the 1853 tenant fails to pay a monetary obligation. However, the 1854 association is not otherwise considered a landlord under chapter 1855 83 and specifically has no obligations duties under s. 83.51. 1856 The tenant does not, by virtue of payment of monetary (d) 1857 obligations, have any of the rights of a parcel owner to vote in 1858 any election or to examine the books and records of the association. 1859 1860 A court may supersede the effect of this subsection by (e) 1861 appointing a receiver. 1862 Section 21. Section 720.309, Florida Statutes, is amended to read: 1863 1864 720.309 Agreements entered into by the association.-1865 Any grant or reservation made by any document, and any (1) 1866 contract that has with a term greater than in excess of 10 1867 years, that is made by an association before control of the association is turned over to the members other than the 1868 1869 developer, and that provides which provide for the operation, 1870 maintenance, or management of the association or common areas, 1871 must be fair and reasonable. (2) If the governing documents provide for the cost of 1872 1873 communications services as defined in s. 202.11, information 1874 services or Internet services obtained pursuant to a bulk 1875 contract shall be deemed an operating expense of the 1876 association. If the governing documents do not provide for such

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1877 services, the board may contract for the services, and the cost shall be deemed an operating expense of the association but must 1878 1879 be allocated on a per-parcel basis rather than a percentage 1880 basis, notwithstanding that the governing documents provide for 1881 other than an equal sharing of operating expenses. Any contract 1882 entered into before July 1, 2011, in which the cost of the 1883 service is not equally divided among all parcel owners may be 1884 changed by a majority of the voting interests present at a 1885 regular or special meeting of the association in order to 1886 allocate the cost equally among all parcels. 1887 (a) Any contract entered into by the board may be canceled 1888 by a majority of the voting interests present at the next 1889 regular or special meeting of the association, whichever occurs first. Any member may make a motion to cancel such contract, but 1890 if no motion is made or if such motion fails to obtain the 1891 1892 required vote, the contract shall be deemed ratified for the 1893 term expressed therein. 1894 Any contract entered into by the board must provide, (b) 1895 and shall be deemed to provide if not expressly set forth 1896 therein, that a hearing-impaired or legally blind parcel owner 1897 who does not occupy the parcel with a non-hearing-impaired or 1898 sighted person, or a parcel owner who receives supplemental 1899 security income under Title XVI of the Social Security Act or 1900 food assistance as administered by the Department of Children 1901 and Family Services pursuant to s. 414.31, may discontinue the 1902 service without incurring disconnect fees, penalties, or 1903 subsequent service charges, and may not be required to pay any 1904 operating expenses charge related to such service for those

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1905 parcels. If fewer than all parcel owners share the expenses of the communications services, information services, or Internet 1906 1907 services, the expense must be shared by all participating parcel 1908 owners. The association may use the provisions of s. 720.3085 to 1909 enforce payment by the parcel owners receiving such services. 1910 (c) A resident of any parcel, whether a tenant or parcel 1911 owner, may not be denied access to available franchised, 1912 licensed, or certificated cable or video service providers if 1913 the resident pays the provider directly for services. A resident 1914 or a cable or video service provider may not be required to pay 1915 anything of value in order to obtain or provide such service 1916 except for the charges normally paid for like services by 1917 residents of single-family homes located outside the community 1918 but within the same franchised, licensed, or certificated area, 1919 and except for installation charges agreed to between the 1920 resident and the service provider. 1921 Section 22. This act shall take effect July 1, 2011.

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