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1 in the applicable declarations of each such condominium ~~as~~
2 ~~initially recorded~~ or in the bylaws ~~as initially adopted~~. An
3 association for such condominiums may also provide for
4 consolidated financial operation as described in this section
5 either by amending its declaration pursuant to s.
6 718.110(1)(a) or by amending its bylaws and having the
7 amendment approved by not less than two-thirds of the total
8 voting interests. Notwithstanding any provision in this
9 chapter, common expenses for residential condominiums in such
10 a project being operated by a single association may be
11 assessed against all unit owners in such project pursuant to
12 the proportions or percentages established therefor in the
13 declarations as initially recorded or in the bylaws as
14 initially adopted, subject, however, to the limitations of ss.
15 718.116 and 718.302.

16 (11) INSURANCE.--

17 (a) A unit-owner controlled ~~The~~ association shall use
18 its best efforts to obtain and maintain adequate insurance to
19 protect the association, the association property, the common
20 elements, and the condominium property required to be insured
21 by the association pursuant to paragraph (b). If the
22 association is developer-controlled, the association shall
23 exercise due diligence to obtain and maintain such insurance.
24 Failure to obtain and maintain adequate insurance during any
25 period of developer control shall constitute a breach of
26 fiduciary responsibility by the developer appointed members of
27 the board of directors of the association, unless said members
28 can show that despite such failure, they have exercised due
29 diligence. An ~~The~~ association may also obtain and maintain
30 liability insurance for directors and officers, insurance for
31 the benefit of association employees, and flood insurance for

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1 common elements, association property, and units. An
2 association or group of associations may self-insure against
3 claims against the association, the association property, and
4 the condominium property required to be insured by an
5 association, upon compliance with ss. 624.460-624.488. A copy
6 of each policy of insurance in effect shall be made available
7 for inspection by unit owners at reasonable times.

8 (b) Every hazard policy which is issued to protect a
9 condominium building shall provide that the word "building"
10 wherever used in the policy include, but not necessarily be
11 limited to, fixtures, installations, or additions comprising
12 that part of the building within the unfinished interior
13 surfaces of the perimeter walls, floors, and ceilings of the
14 individual units initially installed, or replacements thereof
15 of like kind or quality, in accordance with the original plans
16 and specifications, or as they existed at the time the unit
17 was initially conveyed if the original plans and
18 specifications are not available. However, unless prior to
19 October 1, 1986, the association is required by the
20 declaration to provide coverage therefor, the word "building"
21 does not include unit floor coverings, wall coverings, or
22 ceiling coverings, and, as to contracts entered into after
23 July 1, 1992, does not include the following equipment if it
24 is located within a unit and the unit owner is required to
25 repair or replace such equipment: electrical fixtures,
26 appliances, air conditioner or heating equipment, water
27 heaters, or built-in cabinets. With respect to the coverage
28 provided for by this paragraph, the unit owners shall be
29 considered additional insureds under the policy.

30 (c) Every insurance policy issued to an individual
31 unit owner shall provide that the coverage afforded by such

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1 policy is excess over the amount recoverable under any other
2 policy covering the same property without rights of
3 subrogation against the association.

4 (d) The association shall obtain and maintain adequate
5 insurance or fidelity bonding of all persons who control or
6 disburse funds of the association. The insurance policy or
7 fidelity bond must cover the maximum funds that will be in the
8 custody of the association or its management agent at any one
9 time. As used in this paragraph, the term "persons who control
10 or disburse funds of the association" includes, but is not
11 limited to, those individuals authorized to sign checks and
12 the president, secretary, and treasurer of the association.
13 The association shall bear the cost of bonding.

14 (12) OFFICIAL RECORDS.--

15 (c) The official records of the association are open
16 to inspection by any association member or the authorized
17 representative of such member at all reasonable times. The
18 right to inspect the records includes the right to make or
19 obtain copies, at the reasonable expense, if any, of the
20 association member. The association may adopt reasonable
21 rules regarding the frequency, time, location, notice, and
22 manner of record inspections and copying. The failure of an
23 association to provide the records within 10 working days
24 after receipt of a written request shall create a rebuttable
25 presumption that the association willfully failed to comply
26 with this paragraph. A unit owner who is denied access to
27 official records is entitled to the actual damages or minimum
28 damages for the association's willful failure to comply with
29 this paragraph. The minimum damages shall be \$50 per calendar
30 day up to 10 days, the calculation to begin on the 11th
31 working day after receipt of the written request. The failure

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1 to permit inspection of the association records as provided
2 herein entitles any person prevailing in an enforcement action
3 to recover reasonable attorney's fees from the person in
4 control of the records who, directly or indirectly, knowingly
5 denied access to the records for inspection. The association
6 shall maintain an adequate number of copies of the
7 declaration, articles of incorporation, bylaws, and rules, and
8 all amendments to each of the foregoing, as well as the
9 question and answer sheet provided for in s. 718.504 and
10 year-end financial information required in this section on the
11 condominium property to ensure their availability to unit
12 owners and prospective purchasers, and may charge its actual
13 costs for preparing and furnishing these documents to those
14 requesting the same. Notwithstanding the provisions of this
15 paragraph, the following records shall not be accessible to
16 unit owners:

17 1. A record which was prepared by an association
18 attorney or prepared at the attorney's express direction,
19 which reflects a mental impression, conclusion, litigation
20 strategy, or legal theory of the attorney or the association,
21 and which was prepared exclusively for civil or criminal
22 litigation or for adversarial administrative proceedings, or
23 which was prepared in anticipation of imminent civil or
24 criminal litigation or imminent adversarial administrative
25 proceedings until the conclusion of the litigation or
26 adversarial administrative proceedings.

27 2. Information obtained by an association in
28 connection with the approval of the lease, sale, or other
29 transfer of a unit.

30 3. Medical records of unit owners.

31 (15) COMMINGLING.--All funds shall be maintained

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1 separately in the association's name. Reserve and operating
2 funds of the association shall not be commingled unless
3 combined for investment purposes. This subsection is not meant
4 to prohibit prudent investment of association funds even if
5 combined with operating or other reserve funds of the same
6 association, but such funds must be accounted for separately,
7 and the combined account balance may not, at any time, be less
8 than the amount identified as reserve funds in the combined
9 account.No manager or business entity required to be licensed
10 or registered under s. 468.432, and no agent, employee,
11 officer, or director of a condominium association shall
12 commingle any association funds with his or her funds or with
13 the funds of any other condominium association or community
14 association as defined in s. 468.431.

15 Section 3. Subsection (2) of section 718.112, Florida
16 Statutes, is amended to read:

17 718.112 Bylaws.--

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

21 (a) Administration.--

22 1. The form of administration of the association shall
23 be described indicating the title of the officers and board of
24 administration and specifying the powers, duties, manner of
25 selection and removal, and compensation, if any, of officers
26 and boards. In the absence of such a provision, the board of
27 administration shall be composed of five members, except in
28 the case of a condominium which has five or fewer units, in
29 which case in a not-for-profit corporation the board shall
30 consist of not fewer than three members. In the absence of
31 provisions to the contrary in the bylaws, the board of

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1 administration shall have a president, a secretary, and a
 2 treasurer, who shall perform the duties of such officers
 3 customarily performed by officers of corporations. Unless
 4 prohibited in the bylaws, the board of administration may
 5 appoint other officers and grant them the duties it deems
 6 appropriate. Unless otherwise provided in the bylaws, the
 7 officers shall serve without compensation and at the pleasure
 8 of the board of administration. Unless otherwise provided in
 9 the bylaws, the members of the board shall serve without
 10 compensation.

11 2. When a unit owner files a written inquiry by
 12 certified mail with the board of administration, the board
 13 shall respond in writing to the unit owner within 30 days of
 14 receipt of the inquiry. The board's response shall either
 15 give a substantive response to the inquirer, notify the
 16 inquirer that a legal opinion has been requested, or notify
 17 the inquirer that advice has been requested from the division.
 18 If the board requests advice from the division, the board
 19 shall, within 10 days of its receipt of the advice, provide in
 20 writing a substantive response to the inquirer. If a legal
 21 opinion is requested, the board shall, within 60 days after
 22 the receipt of the inquiry, provide in writing a substantive
 23 response to the inquiry. The failure to provide a substantive
 24 response to the inquiry as provided herein precludes the board
 25 from recovering attorney's fees and costs in any subsequent
 26 litigation, administrative proceeding, or arbitration arising
 27 out of the inquiry. The association may through its board of
 28 administration adopt reasonable rules and regulations
 29 regarding the frequency and manner of responding to unit owner
 30 inquiries, one of which may be that the association is only
 31 obligated to respond to one written inquiry per unit in any

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1 given 30-day period. In such a case, any additional inquiry
2 or inquiries must be responded to in the subsequent 30-day
3 period, or periods, as applicable.

4 (b) Quorum; voting requirements; proxies.--

5 1. Unless a lower number is provided in the bylaws,
6 the percentage of voting interests required to constitute a
7 quorum at a meeting of the members shall be a majority of the
8 voting interests. Unless otherwise provided in this chapter or
9 in the declaration, articles of incorporation, or bylaws, and
10 except as provided in subparagraph (d)3., decisions shall be
11 made by owners of a majority of the voting interests
12 represented at a meeting at which a quorum is present.

13 2. Except as specifically otherwise provided herein,
14 after January 1, 1992, unit owners may not vote by general
15 proxy, but may vote by limited proxies substantially
16 conforming to a limited proxy form adopted by the division.
17 Limited proxies and general proxies may be used to establish a
18 quorum. Limited proxies shall be used for votes taken to
19 waive or reduce reserves in accordance with subparagraph
20 (f)2.; for votes taken to waive financial statement
21 requirements as provided by s. 718.111(14); for votes taken to
22 amend the declaration pursuant to s. 718.110; for votes taken
23 to amend the articles of incorporation or bylaws pursuant to
24 this section; and for any other matter for which this chapter
25 requires or permits a vote of the unit owners. Except as
26 provided in paragraph (d), after January 1, 1992, no proxy,
27 limited or general, shall be used in the election of board
28 members. General proxies may be used for other matters for
29 which limited proxies are not required, and may also be used
30 in voting for nonsubstantive changes to items for which a
31 limited proxy is required and given. Notwithstanding the

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1 provisions of this subparagraph, unit owners may vote in
2 person at unit owner meetings. Nothing contained herein shall
3 limit the use of general proxies or require the use of limited
4 proxies for any agenda item or election at any meeting of a
5 timeshare condominium association.

6 3. Any proxy given shall be effective only for the
7 specific meeting for which originally given and any lawfully
8 adjourned meetings thereof. In no event shall any proxy be
9 valid for a period longer than 90 days after the date of the
10 first meeting for which it was given. Every proxy is
11 revocable at any time at the pleasure of the unit owner
12 executing it.

13 (c) Board of administration meetings.--Meetings of the
14 board of administration at which a quorum of the members is
15 present shall be open to all unit owners. Any unit owner may
16 tape record or videotape meetings of the board of
17 administration. The right to attend such meetings includes
18 the right to speak at such meetings with reference to all
19 designated agenda items. The division shall adopt reasonable
20 rules governing the tape recording and videotaping of the
21 meeting. The association may adopt reasonable rules governing
22 the frequency, duration, and manner of unit owner statements.
23 Adequate notice of all meetings, which notice shall
24 specifically incorporate an identification of agenda items,
25 shall be posted conspicuously on the condominium property at
26 least 48 continuous hours preceding the meeting except in an
27 emergency. Any item not included on the notice may be taken
28 up on an emergency basis by at least a majority plus one of
29 the members of the board. Such emergency action shall be
30 noticed and ratified at the next regular meeting of the board.
31 However, written notice of any meeting at which nonemergency

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1 special assessments, or at which amendment to rules regarding
2 unit use, will be considered shall be mailed or delivered to
3 the unit owners and posted conspicuously on the condominium
4 property not less than 14 days prior to the meeting. Evidence
5 of compliance with this 14-day notice shall be made by an
6 affidavit executed by the person providing the notice and
7 filed among the official records of the association. Upon
8 notice to the unit owners, the board shall by duly adopted
9 rule designate a specific location on the condominium property
10 or association property upon which all notices of board
11 meetings shall be posted. If there is no condominium property
12 or association property upon which notices can be posted,
13 notices of board meetings shall be mailed or delivered at
14 least 14 days before the meeting to the owner of each unit.
15 Notice of any meeting in which regular assessments against
16 unit owners are to be considered for any reason shall
17 specifically contain a statement that assessments will be
18 considered and the nature of any such assessments. Meetings of
19 a committee to take final action on behalf of the board or
20 make recommendations to the board regarding the association
21 budget are subject to the provisions of this paragraph.
22 Meetings of a committee that does not take final action on
23 behalf of the board or make recommendations to the board
24 regarding the association budget are subject to the provisions
25 of this section, unless those meetings are exempted from this
26 section by the bylaws of the association. Notwithstanding any
27 other law, the requirement that board meetings and committee
28 meetings be open to the unit owners is inapplicable to
29 meetings between the board or a committee and the
30 association's attorney, with respect to proposed or pending
31 litigation, when the meeting is held for the purpose of

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1 seeking or rendering legal advice.

2 (d) Unit owner meetings.--

3 1. There shall be an annual meeting of the unit
4 owners. Unless the bylaws provide otherwise, a vacancy on the
5 board of administration caused by the expiration of a
6 director's term shall be filled by electing a new board
7 member, and the election shall be by secret ~~closed~~ ballot;
8 however, if the number of vacancies equals or exceeds the
9 number of candidates ~~there is only one candidate for election~~
10 ~~to fill the vacancy~~, no election is required. If there is no
11 provision in the bylaws for terms of the members of the board
12 of administration, the terms of all members of the board of
13 administration shall expire upon the election of their
14 successors at the annual meeting. Any unit owner desiring to
15 be a candidate for board membership shall comply with
16 subparagraph 3. In order to be eligible for board membership a
17 person must meet the requirements set forth in the
18 declaration. A person who has been convicted of any felony by
19 any court of record in the United States and who has not had
20 his or her right to vote restored pursuant to law in the
21 jurisdiction of his or her residence is not eligible for board
22 membership. The validity of an action by the board is not
23 affected if it is later determined that a member of the board
24 is ineligible for board membership due to having been
25 convicted of a felony.

26 2. The bylaws shall provide the method of calling
27 meetings of unit owners, including annual meetings. Written
28 notice, which notice must include an agenda, shall be mailed
29 or delivered to each unit owner at least 14 days prior to the
30 annual meeting and shall be posted in a conspicuous place on
31 the condominium property at least 14 continuous days preceding

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1 the annual meeting. Upon notice to the unit owners, the board
2 shall by duly adopted rule designate a specific location on
3 the condominium property or association property upon which
4 all notices of unit owner meetings shall be posted; however,
5 if there is no condominium property or association property
6 upon which notices can be posted, this requirement does not
7 apply. Unless a unit owner waives in writing the right to
8 receive notice of the annual meeting by mail, the notice of
9 the annual meeting shall be sent by mail to each unit owner.
10 Where a unit is owned by more than one person, the association
11 shall provide notice, for meetings and all other purposes, to
12 that one address which the developer initially identifies for
13 that purpose and thereafter as one or more of the owners of
14 the unit shall so advise the association in writing, or if no
15 address is given or the owners of the unit do not agree, to
16 the address provided on the deed of record. An officer of the
17 association, or the manager or other person providing notice
18 of the association meeting, shall provide an affidavit or
19 United States Postal Service certificate of mailing, to be
20 included in the official records of the association affirming
21 that the notice was mailed or hand delivered, in accordance
22 with this provision, to each unit owner at the address last
23 furnished to the association.

24 3. ~~After January 1, 1992,~~The members of the board of
25 administration shall be elected by written ballot or voting
26 machine. Proxies shall in no event be used in electing the
27 board of administration, either in general elections or
28 elections to fill vacancies caused by recall, resignation, or
29 otherwise, unless otherwise provided in this chapter. Not less
30 than 60 days before a scheduled election, the association
31 shall mail or deliver, whether by separate association mailing

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1 or included in another association mailing or delivery
2 including regularly published newsletters, to each unit owner
3 entitled to a vote, a first notice of the date of the
4 election. Any unit owner or other eligible person desiring to
5 be a candidate for the board of administration must give
6 written notice to the association not less than 40 days before
7 a scheduled election. Together with the written notice and
8 agenda as set forth in subparagraph 2., the association shall
9 mail or deliver a second notice of the election to all unit
10 owners entitled to vote therein, together with a ballot which
11 shall list all candidates. Upon request of a candidate, the
12 association shall include an information sheet, no larger than
13 8 1/2 inches by 11 inches, which must be furnished by the
14 candidate not less than 35 days before the election, to be
15 included with the mailing of the ballot, with the costs of
16 mailing or delivery and copying to be borne by the
17 association. However, the association has no liability for the
18 contents of the information sheets prepared by the candidates.
19 In order to reduce costs, the association may print or
20 duplicate the information sheets on both sides of the paper.
21 The division shall by rule establish voting procedures
22 consistent with the provisions contained herein, including
23 rules providing for the secrecy of ballots. Elections shall
24 be decided by a plurality of those ballots cast. There shall
25 be no quorum requirement; however, at least 20 percent of the
26 eligible voters must cast a ballot in order to have a valid
27 election of members of the board of administration. No unit
28 owner shall permit any other person to vote his or her ballot,
29 and any such ballots improperly cast shall be deemed invalid.
30 A unit owner who needs assistance in casting the ballot for
31 the reasons stated in s. 101.051 may obtain assistance in

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1 casting the ballot. Any unit owner violating this provision
2 may be fined by the association in accordance with s. 718.303.
3 The regular election shall occur on the date of the annual
4 meeting. The provisions of this subparagraph shall not apply
5 to timeshare condominium associations. Notwithstanding the
6 provisions of this subparagraph, an election and balloting are
7 not required unless more candidates file notices of intent to
8 run or are nominated than vacancies exist on the board.

9 4. Any approval by unit owners called for by this
10 chapter or the applicable declaration or bylaws, including,
11 but not limited to, the approval requirement in s. 718.111(8),
12 shall be made at a duly noticed meeting of unit owners and
13 shall be subject to all requirements of this chapter or the
14 applicable condominium documents relating to unit owner
15 decisionmaking, except that unit owners may take action by
16 written agreement, without meetings, on matters for which
17 action by written agreement without meetings is expressly
18 allowed by the applicable bylaws or declaration or any statute
19 that ~~which~~ provides for such action.

20 5. Unit owners may waive notice of specific meetings
21 if allowed by the applicable bylaws or declaration or any
22 statute.

23 6. Unit owners shall have the right to participate in
24 meetings of unit owners with reference to all designated
25 agenda items. However, the association may adopt reasonable
26 rules governing the frequency, duration, and manner of unit
27 owner participation.

28 7. Any unit owner may tape record or videotape a
29 meeting of the unit owners subject to reasonable rules adopted
30 by the division.

31 8. Unless otherwise provided in the bylaws, any

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1 vacancy occurring on the board before the expiration of a term
2 may be filled by the affirmative vote of the majority of the
3 remaining directors, even if the remaining directors
4 constitute less than a quorum, or by the sole remaining
5 director. In the alternative, a board may hold an election to
6 fill the vacancy, in which case the election procedures must
7 conform to the requirements of subparagraph 3. unless the
8 association has opted out of the statutory election process,
9 in which case the bylaws of the association control. Unless
10 otherwise provided in the bylaws, a board member appointed or
11 elected under this section shall fill the vacancy for the
12 unexpired term of the seat being filled. Filling vacancies
13 created by recall is governed by paragraph (j) and rules
14 adopted by the division.

15
16 Notwithstanding subparagraphs (b)2. and (d)3., an association
17 may, by the affirmative vote of a majority of the total voting
18 interests, provide for different voting and election
19 procedures in its bylaws, which vote may be by a proxy
20 specifically delineating the different voting and election
21 procedures. The different voting and election procedures may
22 provide for elections to be conducted by limited or general
23 proxy.

24 (e) Budget meeting.--The board of administration shall
25 ~~mail or~~ hand deliver to each unit owner, or mail to each unit
26 owner at the address last furnished to the association, a
27 meeting notice and copies of the proposed annual budget of
28 common expenses not less than 14 days prior to the meeting of
29 the unit owners or the board of administration at which the
30 budget will be considered. Evidence of compliance with this
31 14-day notice must be made by an affidavit executed by an

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1 officer of the association or the manager or other person
2 providing notice of the meeting and filed among the official
3 records of the association. The meeting must be open to the
4 unit owners. If an adopted budget requires assessments
5 against the unit owners in any fiscal or calendar year which
6 exceed 115 percent of the assessments for the preceding year,
7 the board, upon written application of 10 percent of the
8 voting interests to the board, shall call a special meeting of
9 the unit owners within 30 days upon not less than 10 days'
10 written notice to each unit owner. At the special meeting,
11 unit owners shall consider and enact a budget. Unless the
12 bylaws require a larger vote, the adoption of the budget
13 requires a vote of not less than a majority vote of all the
14 voting interests. The board of administration may propose a
15 budget to the unit owners at a meeting of members or in
16 writing, and if the budget or proposed budget is approved by
17 the unit owners at the meeting or by a majority of all the
18 voting interests in writing, the budget is adopted. If a
19 meeting of the unit owners has been called and a quorum is not
20 attained or a substitute budget is not adopted by the unit
21 owners, the budget adopted by the board of directors goes into
22 effect as scheduled. In determining whether assessments
23 exceed 115 percent of similar assessments in prior years, any
24 authorized provisions for reasonable reserves for repair or
25 replacement of the condominium property, anticipated expenses
26 by the condominium association which are not anticipated to be
27 incurred on a regular or annual basis, or assessments for
28 betterments to the condominium property must be excluded from
29 the computation. However, as long as the developer is in
30 control of the board of administration, the board may not
31 impose an assessment for any year greater than 115 percent of

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1 the prior fiscal or calendar year's assessment without
2 approval of a majority of all the voting interests.

3 (f) Annual budget.--

4 1. The proposed annual budget of common expenses shall
5 be detailed and shall show the amounts budgeted by accounts
6 and expense classifications, including, if applicable, but not
7 limited to, those expenses listed in s. 718.504(20). In
8 addition, if the association maintains limited common elements
9 with the cost to be shared only by those entitled to use the
10 limited common elements as provided for in s. 718.113(1), the
11 budget or a schedule attached thereto shall show amounts
12 budgeted therefor. If, after turnover of control of the
13 association to the unit owners, any of the expenses listed in
14 s. 718.504(20) are not applicable, they need not be listed.

15 2. In addition to annual operating expenses, the
16 budget shall include reserve accounts for capital expenditures
17 and deferred maintenance. These accounts shall include, but
18 are not limited to, roof replacement, building painting, and
19 pavement resurfacing, regardless of the amount of deferred
20 maintenance expense or replacement cost, and for any other
21 item for which the deferred maintenance expense or replacement
22 cost exceeds \$10,000. The amount to be reserved shall be
23 computed by means of a formula which is based upon estimated
24 remaining useful life and estimated replacement cost or
25 deferred maintenance expense of each reserve item. The
26 association may adjust replacement reserve assessments
27 annually to take into account any changes in estimates or
28 extension of the useful life of a reserve item caused by
29 deferred maintenance. This subsection does not apply to
30 budgets in which the members of an association have, by a
31 majority vote at a duly called meeting of the association, and

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1 voting determined for a fiscal year to provide no reserves or
2 reserves less adequate than required by this subsection.
3 However, prior to turnover of control of an association by a
4 developer to unit owners other than a developer pursuant to s.
5 718.301, the developer may vote to waive the reserves or
6 reduce the funding of reserves for the first 2 years of the
7 operation of the association, after which time reserves may
8 ~~only~~ be waived or reduced only upon the vote of a majority of
9 all nondeveloper voting interests voting in person or by
10 limited proxy at a duly called meeting of the association. If
11 a meeting of the unit owners has been called to determine to
12 provide no reserves or reserves less adequate than required,
13 and such result is not attained or a quorum is not attained,
14 the reserves as included in the budget shall go into effect.

15 3. Reserve funds and any interest accruing thereon
16 shall remain in the reserve account or accounts, and shall be
17 used only for authorized reserve expenditures unless their use
18 for other purposes is approved in advance by a ~~vote of the~~
19 majority vote ~~of the voting interests voting in person or by~~
20 ~~limited proxy~~ at a duly called meeting of the association.
21 Prior to turnover of control of an association by a developer
22 to unit owners other than the developer pursuant to s.
23 718.301, the developer-controlled association shall not vote
24 to use reserves for purposes other than that for which they
25 were intended without the approval of a majority of all
26 nondeveloper voting interests, voting in person or by limited
27 proxy at a duly called meeting of the association.

28 (g) Assessments.--The manner of collecting from the
29 unit owners their shares of the common expenses shall be
30 stated in the bylaws. Assessments shall be made against units
31 not less frequently than quarterly in an amount which is not

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1 less than that required to provide funds in advance for
2 payment of all of the anticipated current operating expenses
3 and for all of the unpaid operating expenses previously
4 incurred. Nothing in this paragraph shall preclude the right
5 of an association to accelerate assessments of an owner
6 delinquent in payment of common expenses. Accelerated
7 assessments shall be due and payable on the date the claim of
8 lien is filed. Such accelerated assessments shall include the
9 amounts due for the remainder of the budget year in which the
10 claim of lien was filed.

11 (h) Amendment of bylaws.--

12 1. The method by which the bylaws may be amended
13 consistent with the provisions of this chapter shall be
14 stated. If the bylaws fail to provide a method of amendment,
15 the bylaws may be amended if the amendment is approved by the
16 owners of not less than two-thirds of the voting interests.

17 2. No bylaw shall be revised or amended by reference
18 to its title or number only. Proposals to amend existing
19 bylaws shall contain the full text of the bylaws to be
20 amended; new words shall be inserted in the text underlined,
21 and words to be deleted shall be lined through with hyphens.
22 However, if the proposed change is so extensive that this
23 procedure would hinder, rather than assist, the understanding
24 of the proposed amendment, it is not necessary to use
25 underlining and hyphens as indicators of words added or
26 deleted, but, instead, a notation must be inserted immediately
27 preceding the proposed amendment in substantially the
28 following language: "Substantial rewording of bylaw. See
29 bylaw for present text."

30 3. Nonmaterial errors or omissions in the bylaw
31 process will not invalidate an otherwise properly promulgated

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1 amendment.

2 (i) Transfer fees.--No charge shall be made by the
3 association or any body thereof in connection with the sale,
4 mortgage, lease, sublease, or other transfer of a unit unless
5 the association is required to approve such transfer and a fee
6 for such approval is provided for in the declaration,
7 articles, or bylaws. Any such fee may be preset, but in no
8 event may such fee exceed \$100 per applicant other than
9 husband/wife or parent/dependent child, which are considered
10 one applicant. However, if the lease or sublease is a renewal
11 of a lease or sublease with the same lessee or sublessee, no
12 charge shall be made. The foregoing notwithstanding, an
13 association may, if the authority to do so appears in the
14 declaration or bylaws, require that a prospective lessee place
15 a security deposit, in an amount not to exceed the equivalent
16 of 1 month's rent, into an escrow account maintained by the
17 association. The security deposit shall protect against
18 damages to the common elements or association property.
19 Payment of interest, claims against the deposit, refunds, and
20 disputes under this paragraph shall be handled in the same
21 fashion as provided in part II of chapter 83.

22 ~~(j) Fidelity bonds.--The association shall obtain and~~
23 ~~maintain adequate fidelity bonding of all persons who control~~
24 ~~or disburse funds of the association. As used in this~~
25 ~~section, the term "persons who control or disburse funds of~~
26 ~~the association" means those individuals authorized to sign~~
27 ~~checks, and the president, secretary, and treasurer of the~~
28 ~~association. If an association's annual gross receipts do not~~
29 ~~exceed \$100,000, the bond shall be in the principal sum of not~~
30 ~~less than \$10,000 for each such person. If an association's~~
31 ~~annual gross receipts exceed \$100,000, but do not exceed~~

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1 ~~\$300,000, the bond shall be in the principal sum of \$30,000~~
 2 ~~for each such person. If an association's annual gross~~
 3 ~~receipts exceed \$300,000, the bond shall be in the principal~~
 4 ~~sum of not less than \$50,000 for each such person. The~~
 5 ~~association shall bear the cost of bonding.~~

6 (j)(k) Recall of board members.--Subject to the
 7 provisions of s. 718.301, any member of the board of
 8 administration may be recalled and removed from office with or
 9 without cause by the vote or agreement in writing by a
 10 majority of all the voting interests. A special meeting of the
 11 unit owners to recall a member or members of the board of
 12 administration may be called by 10 percent of the voting
 13 interests giving notice of the meeting as required for a
 14 meeting of unit owners, and the notice shall state the purpose
 15 of the meeting.

16 1. If the recall is approved by a majority of all
 17 voting interests by a vote at a meeting, the recall will be
 18 effective as provided herein. The board shall duly notice and
 19 hold a board meeting within 5 full business days of the
 20 adjournment of the unit owner meeting to recall one or more
 21 board members. At the meeting, the board shall either certify
 22 the recall, in which case such member or members shall be
 23 recalled effective immediately and shall turn over to the
 24 board within 5 full business days any and all records and
 25 property of the association in their possession, or shall
 26 proceed as set forth in subparagraph 3.

27 2. If the proposed recall is by an agreement in
 28 writing by a majority of all voting interests, the agreement
 29 in writing or a copy thereof shall be served on the
 30 association by certified mail or by personal service in the
 31 manner authorized by chapter 48 and the Florida Rules of Civil

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1 Procedure. The board of administration shall duly notice and
2 hold a meeting of the board within 5 full business days after
3 receipt of the agreement in writing. At the meeting, the board
4 shall either certify the written agreement to recall a member
5 or members of the board, in which case such member or members
6 shall be recalled effective immediately and shall turn over to
7 the board within 5 full business days any and all records and
8 property of the association in their possession, or proceed as
9 described in subparagraph 3.

10 3. If the board determines not to certify the written
11 agreement to recall a member or members of the board, or does
12 not certify the recall by a vote at a meeting, the board
13 shall, within 5 full business days after the meeting, file
14 with the division a petition for arbitration pursuant to the
15 procedures in s. 718.1255. For the purposes of this section,
16 the unit owners who voted at the meeting or who executed the
17 agreement in writing shall constitute one party under the
18 petition for arbitration. If the arbitrator certifies the
19 recall as to any member or members of the board, the recall
20 will be effective upon mailing of the final order of
21 arbitration to the association. If the association fails to
22 comply with the order of the arbitrator, the division may take
23 action pursuant to s. 718.501. Any member or members so
24 recalled shall deliver to the board any and all records of the
25 association in their possession within 5 full business days of
26 the effective date of the recall.

27 4. If the board fails to duly notice and hold a board
28 meeting within 5 full business days of service of an agreement
29 in writing or within 5 full business days of the adjournment
30 of the unit owner recall meeting, the recall shall be deemed
31 effective and the board members so recalled shall immediately

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1 turn over to the board any and all records and property of the
2 association.

3 5. If a vacancy occurs on the board as a result of a
4 recall and less than a majority of the board members are
5 removed, the vacancy may be filled by the affirmative vote of
6 a majority of the remaining directors, notwithstanding any
7 provision to the contrary contained in this subsection. If
8 vacancies occur on the board as a result of a recall and a
9 majority or more of the board members are removed, the
10 vacancies shall be filled in accordance with procedural rules
11 to be adopted by the division, which rules need not be
12 consistent with this subsection. The rules must provide
13 procedures governing the conduct of the recall election as
14 well as the operation of the association during the period
15 after a recall but prior to the recall election.

16 (k)~~(l)~~ Arbitration.--There shall be a provision for
17 mandatory nonbinding arbitration as provided for in s.
18 718.1255.

19 (l)~~(m)~~ Certificate of compliance.--There shall be a
20 provision that a certificate of compliance from a licensed
21 electrical contractor or electrician may be accepted by the
22 association's board as evidence of compliance of the
23 condominium units to the applicable fire and life safety code.

24 (m)~~(n)~~ Common elements; limited power to convey.--

25 1. With respect to condominiums created on or after
26 October 1, 1994, the bylaws shall include a provision granting
27 the association a limited power to convey a portion of the
28 common elements to a condemning authority for the purpose of
29 providing utility easements, right-of-way expansion, or other
30 public purposes, whether negotiated or as a result of eminent
31 domain proceedings.

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1 cable television service may be canceled by a majority of the
2 voting interests present at the next regular or special
3 meeting of the association. Any member may make a motion to
4 cancel said contract, but if no motion is made or if such
5 motion fails to obtain the required majority at the next
6 regular or special meeting, whichever is sooner, following the
7 making of the contract, then such contract shall be deemed
8 ratified for the term therein expressed.

9 2. Any such contract shall provide, and shall be
10 deemed to provide if not expressly set forth, that any hearing
11 impaired or legally blind unit owner who does not occupy the
12 unit with a non-hearing-impaired ~~nonhearing impaired~~ or
13 sighted person may discontinue the service without incurring
14 disconnect fees, penalties, or subsequent service charges, and
15 as to such units, the owners shall not be required to pay any
16 common expenses charge related to such service. If less than
17 all members of an association share the expenses of cable
18 television, the expense shall be shared equally by all
19 participating unit owners. The association may use the
20 provisions of s. 718.116 to enforce payment of the shares of
21 such costs by the unit owners receiving cable television.

22 Section 5. Subsection (2) of section 718.503, Florida
23 Statutes, is amended to read:

24 718.503 Developer disclosure prior to sale;
25 nondeveloper unit owner disclosure prior to sale;
26 voidability.--

27 (2) NONDEVELOPER DISCLOSURE.--

28 (a) Each unit owner who is not a developer as defined
29 by this chapter shall comply with the provisions of this
30 subsection prior to the sale of his or her unit. Each
31 prospective purchaser who has entered into a contract for the

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1 purchase of a condominium unit is entitled, at the seller's
2 expense, to a current copy of the declaration of condominium,
3 articles of incorporation of the association, bylaws, and
4 rules of the association, as well as a copy of the question
5 and answer sheet provided for by s. 718.504 and a copy of the
6 financial information required by s. 718.111.

7 (b) If a person licensed under part I of chapter 475
8 provides to or otherwise obtains for a prospective purchaser
9 the documents described in this subsection, the person is not
10 liable for any error or inaccuracy contained in the documents.

11 (c) Each contract entered into after July 1, 1992, for
12 the resale of a residential unit shall contain in conspicuous
13 type either:

14 1. A clause which states: THE BUYER HEREBY
15 ACKNOWLEDGES THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF
16 THE DECLARATION OF CONDOMINIUM, ARTICLES OF INCORPORATION OF
17 THE ASSOCIATION, BYLAWS, RULES OF THE ASSOCIATION, A COPY OF
18 THE MOST RECENT YEAR-END FINANCIAL INFORMATION AND THE
19 QUESTION AND ANSWER SHEET MORE THAN 3 DAYS, EXCLUDING
20 SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF
21 THIS CONTRACT; or

22 2. A clause which states: THIS AGREEMENT IS VOIDABLE
23 BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION
24 TO CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND
25 LEGAL HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT
26 BY THE BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE
27 DECLARATION OF CONDOMINIUM, ARTICLES OF INCORPORATION, BYLAWS,
28 AND RULES OF THE ASSOCIATION, A COPY OF THE MOST RECENT
29 YEAR-END FINANCIAL INFORMATION AND QUESTION AND ANSWER SHEET
30 IF SO REQUESTED IN WRITING. ANY PURPORTED WAIVER OF THESE
31 VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND

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1 THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS,
2 EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE
3 BUYER RECEIVES THE DECLARATION, ARTICLES OF INCORPORATION,
4 BYLAWS, RULES, AND QUESTION AND ANSWER SHEET IF REQUESTED IN
5 WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE
6 AT CLOSING.

7
8 A contract that does not conform to the requirements of this
9 paragraph is voidable at the option of the purchaser prior to
10 closing.

11 Section 6. Section 718.504, Florida Statutes, is
12 amended to read:

13 718.504 Prospectus or offering circular.--Every
14 developer of a residential condominium which contains more
15 than 20 residential units, or which is part of a group of
16 residential condominiums which will be served by property to
17 be used in common by unit owners of more than 20 residential
18 units, shall prepare a prospectus or offering circular and
19 file it with the Division of Florida Land Sales, Condominiums,
20 and Mobile Homes prior to entering into an enforceable
21 contract of purchase and sale of any unit or lease of a unit
22 for more than 5 years and shall furnish a copy of the
23 prospectus or offering circular to each buyer. In addition to
24 the prospectus or offering circular, each buyer shall be
25 furnished a separate page entitled "Frequently Asked Questions
26 and Answers," which shall be in accordance with a format
27 approved by the division and a copy of the financial
28 information required by s. 718.111. This page shall, in
29 readable language, inform prospective purchasers regarding
30 their voting rights and unit use restrictions, including
31 restrictions on the leasing of a unit; shall indicate whether

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1 and in what amount the unit owners or the association is
2 obligated to pay rent or land use fees for recreational or
3 other commonly used facilities; shall contain a statement
4 identifying that amount of assessment which, pursuant to the
5 budget, would be levied upon each unit type, exclusive of any
6 special assessments, and which shall further identify the
7 basis upon which assessments are levied, whether monthly,
8 quarterly, or otherwise; shall state and identify any court
9 cases in which the association is currently a party of record
10 in which the association may face liability in excess of
11 \$100,000; and which shall further state whether membership in
12 a recreational facilities association is mandatory, and if so,
13 shall identify the fees currently charged per unit type. The
14 division shall by rule require such other disclosure as in its
15 judgment will assist prospective purchasers. The prospectus or
16 offering circular may include more than one condominium,
17 although not all such units are being offered for sale as of
18 the date of the prospectus or offering circular. The
19 prospectus or offering circular must contain the following
20 information:

21 (1) The front cover or the first page must contain
22 only:

23 (a) The name of the condominium.

24 (b) The following statements in conspicuous type:

25 1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS
26 IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM
27 UNIT.

28 2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN
29 NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL
30 REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND
31 SALES MATERIALS.

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1 3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS
2 CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER
3 TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR
4 CORRECT REPRESENTATIONS.

5 (2) Summary: The next page must contain all
6 statements required to be in conspicuous type in the
7 prospectus or offering circular.

8 (3) A separate index of the contents and exhibits of
9 the prospectus.

10 (4) Beginning on the first page of the text (not
11 including the summary and index), a description of the
12 condominium, including, but not limited to, the following
13 information:

14 (a) Its name and location.

15 (b) A description of the condominium property,
16 including, without limitation:

17 1. The number of buildings, the number of units in
18 each building, the number of bathrooms and bedrooms in each
19 unit, and the total number of units, if the condominium is not
20 a phase condominium, or the maximum number of buildings that
21 may be contained within the condominium, the minimum and
22 maximum numbers of units in each building, the minimum and
23 maximum numbers of bathrooms and bedrooms that may be
24 contained in each unit, and the maximum number of units that
25 may be contained within the condominium, if the condominium is
26 a phase condominium.

27 2. The page in the condominium documents where a copy
28 of the plot plan and survey of the condominium is located.

29 3. The estimated latest date of completion of
30 constructing, finishing, and equipping. In lieu of a date,
31 the description shall include a statement that the estimated

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1 date of completion of the condominium is in the purchase
2 agreement and a reference to the article or paragraph
3 containing that information.

4 (c) The maximum number of units that will use
5 facilities in common with the condominium. If the maximum
6 number of units will vary, a description of the basis for
7 variation and the minimum amount of dollars per unit to be
8 spent for additional recreational facilities or enlargement of
9 such facilities. If the addition or enlargement of facilities
10 will result in a material increase of a unit owner's
11 maintenance expense or rental expense, if any, the maximum
12 increase and limitations thereon shall be stated.

13 (5)(a) A statement in conspicuous type describing
14 whether the condominium is created and being sold as fee
15 simple interests or as leasehold interests. If the condominium
16 is created or being sold on a leasehold, the location of the
17 lease in the disclosure materials shall be stated.

18 (b) If timeshare estates are or may be created with
19 respect to any unit in the condominium, a statement in
20 conspicuous type stating that timeshare estates are created
21 and being sold in units in the condominium.

22 (6) A description of the recreational and other
23 commonly used facilities that will be used only by unit owners
24 of the condominium, including, but not limited to, the
25 following:

26 (a) Each room and its intended purposes, location,
27 approximate floor area, and capacity in numbers of people.

28 (b) Each swimming pool, as to its general location,
29 approximate size and depths, approximate deck size and
30 capacity, and whether heated.

31 (c) Additional facilities, as to the number of each

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1 facility, its approximate location, approximate size, and
2 approximate capacity.

3 (d) A general description of the items of personal
4 property and the approximate number of each item of personal
5 property that the developer is committing to furnish for each
6 room or other facility or, in the alternative, a
7 representation as to the minimum amount of expenditure that
8 will be made to purchase the personal property for the
9 facility.

10 (e) The estimated date when each room or other
11 facility will be available for use by the unit owners.

12 (f)1. An identification of each room or other facility
13 to be used by unit owners that will not be owned by the unit
14 owners or the association;

15 2. A reference to the location in the disclosure
16 materials of the lease or other agreements providing for the
17 use of those facilities; and

18 3. A description of the terms of the lease or other
19 agreements, including the length of the term; the rent
20 payable, directly or indirectly, by each unit owner, and the
21 total rent payable to the lessor, stated in monthly and annual
22 amounts for the entire term of the lease; and a description of
23 any option to purchase the property leased under any such
24 lease, including the time the option may be exercised, the
25 purchase price or how it is to be determined, the manner of
26 payment, and whether the option may be exercised for a unit
27 owner's share or only as to the entire leased property.

28 (g) A statement as to whether the developer may
29 provide additional facilities not described above; their
30 general locations and types; improvements or changes that may
31 be made; the approximate dollar amount to be expended; and the

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1 maximum additional common expense or cost to the individual
2 unit owners that may be charged during the first annual period
3 of operation of the modified or added facilities.

4
5 Descriptions as to locations, areas, capacities, numbers,
6 volumes, or sizes may be stated as approximations or minimums.

7 (7) A description of the recreational and other
8 facilities that will be used in common with other
9 condominiums, community associations, or planned developments
10 which require the payment of the maintenance and expenses of
11 such facilities, either directly or indirectly, by the unit
12 owners. The description shall include, but not be limited to,
13 the following:

14 (a) Each building and facility committed to be built.

15 (b) Facilities not committed to be built except under
16 certain conditions, and a statement of those conditions or
17 contingencies.

18 (c) As to each facility committed to be built, or
19 which will be committed to be built upon the happening of one
20 of the conditions in paragraph (b), a statement of whether it
21 will be owned by the unit owners having the use thereof or by
22 an association or other entity which will be controlled by
23 them, or others, and the location in the exhibits of the lease
24 or other document providing for use of those facilities.

25 (d) The year in which each facility will be available
26 for use by the unit owners or, in the alternative, the maximum
27 number of unit owners in the project at the time each of all
28 of the facilities is committed to be completed.

29 (e) A general description of the items of personal
30 property, and the approximate number of each item of personal
31 property, that the developer is committing to furnish for each

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1 room or other facility or, in the alternative, a
2 representation as to the minimum amount of expenditure that
3 will be made to purchase the personal property for the
4 facility.

5 (f) If there are leases, a description thereof,
6 including the length of the term, the rent payable, and a
7 description of any option to purchase.

8
9 Descriptions shall include location, areas, capacities,
10 numbers, volumes, or sizes and may be stated as approximations
11 or minimums.

12 (8) Recreation lease or associated club membership:

13 (a) If any recreational facilities or other facilities
14 offered by the developer and available to, or to be used by,
15 unit owners are to be leased or have club membership
16 associated, the following statement in conspicuous type shall
17 be included: THERE IS A RECREATIONAL FACILITIES LEASE
18 ASSOCIATED WITH THIS CONDOMINIUM; or, THERE IS A CLUB
19 MEMBERSHIP ASSOCIATED WITH THIS CONDOMINIUM. There shall be a
20 reference to the location in the disclosure materials where
21 the recreation lease or club membership is described in
22 detail.

23 (b) If it is mandatory that unit owners pay a fee,
24 rent, dues, or other charges under a recreational facilities
25 lease or club membership for the use of facilities, there
26 shall be in conspicuous type the applicable statement:

27 1. MEMBERSHIP IN THE RECREATIONAL FACILITIES CLUB IS
28 MANDATORY FOR UNIT OWNERS; or

29 2. UNIT OWNERS ARE REQUIRED, AS A CONDITION OF
30 OWNERSHIP, TO BE LESSEES UNDER THE RECREATIONAL FACILITIES
31 LEASE; or

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1 2. THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO
 2 SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING
 3 DUE FOR THE USE, MAINTENANCE, UPKEEP, OR REPAIR OF THE
 4 RECREATIONAL OR COMMONLY USED FACILITIES. THE UNIT OWNER'S
 5 FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN FORECLOSURE OF
 6 THE LIEN.

7
 8 Immediately following the applicable statement, the location
 9 in the disclosure materials where the lien or lien right is
 10 described in detail shall be stated.

11 (9) If the developer or any other person has the right
 12 to increase or add to the recreational facilities at any time
 13 after the establishment of the condominium whose unit owners
 14 have use rights therein, without the consent of the unit
 15 owners or associations being required, there shall appear a
 16 statement in conspicuous type in substantially the following
 17 form: RECREATIONAL FACILITIES MAY BE EXPANDED OR ADDED
 18 WITHOUT CONSENT OF UNIT OWNERS OR THE ASSOCIATION(S).

19 Immediately following this statement, the location in the
 20 disclosure materials where such reserved rights are described
 21 shall be stated.

22 (10) A statement of whether the developer's plan
 23 includes a program of leasing units rather than selling them,
 24 or leasing units and selling them subject to such leases. If
 25 so, there shall be a description of the plan, including the
 26 number and identification of the units and the provisions and
 27 term of the proposed leases, and a statement in boldfaced type
 28 that: THE UNITS MAY BE TRANSFERRED SUBJECT TO A LEASE.

29 (11) The arrangements for management of the
 30 association and maintenance and operation of the condominium
 31 property and of other property that will serve the unit owners

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1 of the condominium property, and a description of the
2 management contract and all other contracts for these purposes
3 having a term in excess of 1 year, including the following:

- 4 (a) The names of contracting parties.
5 (b) The term of the contract.
6 (c) The nature of the services included.
7 (d) The compensation, stated on a monthly and annual
8 basis, and provisions for increases in the compensation.
9 (e) A reference to the volumes and pages of the
10 condominium documents and of the exhibits containing copies of
11 such contracts.

12
13 Copies of all described contracts shall be attached as
14 exhibits. If there is a contract for the management of the
15 condominium property, then a statement in conspicuous type in
16 substantially the following form shall appear, identifying the
17 proposed or existing contract manager: THERE IS (IS TO BE) A
18 CONTRACT FOR THE MANAGEMENT OF THE CONDOMINIUM PROPERTY WITH
19 (NAME OF THE CONTRACT MANAGER). Immediately following this
20 statement, the location in the disclosure materials of the
21 contract for management of the condominium property shall be
22 stated.

23 (12) If the developer or any other person or persons
24 other than the unit owners has the right to retain control of
25 the board of administration of the association for a period of
26 time which can exceed 1 year after the closing of the sale of
27 a majority of the units in that condominium to persons other
28 than successors or alternate developers, then a statement in
29 conspicuous type in substantially the following form shall be
30 included: THE DEVELOPER (OR OTHER PERSON) HAS THE RIGHT TO
31 RETAIN CONTROL OF THE ASSOCIATION AFTER A MAJORITY OF THE

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1 UNITS HAVE BEEN SOLD. Immediately following this statement,
2 the location in the disclosure materials where this right to
3 control is described in detail shall be stated.

4 (13) If there are any restrictions upon the sale,
5 transfer, conveyance, or leasing of a unit, then a statement
6 in conspicuous type in substantially the following form shall
7 be included: THE SALE, LEASE, OR TRANSFER OF UNITS IS
8 RESTRICTED OR CONTROLLED. Immediately following this
9 statement, the location in the disclosure materials where the
10 restriction, limitation, or control on the sale, lease, or
11 transfer of units is described in detail shall be stated.

12 (14) If the condominium is part of a phase project,
13 the following information shall be stated:

14 (a) A statement in conspicuous type in substantially
15 the following form: THIS IS A PHASE CONDOMINIUM. ADDITIONAL
16 LAND AND UNITS MAY BE ADDED TO THIS CONDOMINIUM. Immediately
17 following this statement, the location in the disclosure
18 materials where the phasing is described shall be stated.

19 (b) A summary of the provisions of the declaration
20 which provide for the phasing.

21 (c) A statement as to whether or not residential
22 buildings and units which are added to the condominium may be
23 substantially different from the residential buildings and
24 units originally in the condominium. If the added residential
25 buildings and units may be substantially different, there
26 shall be a general description of the extent to which such
27 added residential buildings and units may differ, and a
28 statement in conspicuous type in substantially the following
29 form shall be included: BUILDINGS AND UNITS WHICH ARE ADDED TO
30 THE CONDOMINIUM MAY BE SUBSTANTIALLY DIFFERENT FROM THE OTHER
31 BUILDINGS AND UNITS IN THE CONDOMINIUM. Immediately following

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1 this statement, the location in the disclosure materials where
2 the extent to which added residential buildings and units may
3 substantially differ is described shall be stated.

4 (d) A statement of the maximum number of buildings
5 containing units, the maximum and minimum numbers of units in
6 each building, the maximum number of units, and the minimum
7 and maximum square footage of the units that may be contained
8 within each parcel of land which may be added to the
9 condominium.

10 (15) If the condominium is created by conversion of
11 existing improvements, the following information shall be
12 stated:

13 (a) The information required by s. 718.616.

14 (b) A caveat that there are no express warranties
15 unless they are stated in writing by the developer.

16 (16) A summary of the restrictions, if any, to be
17 imposed on units concerning the use of any of the condominium
18 property, including statements as to whether there are
19 restrictions upon children and pets, and reference to the
20 volumes and pages of the condominium documents where such
21 restrictions are found, or if such restrictions are contained
22 elsewhere, then a copy of the documents containing the
23 restrictions shall be attached as an exhibit.

24 (17) If there is any land that is offered by the
25 developer for use by the unit owners and that is neither owned
26 by them nor leased to them, the association, or any entity
27 controlled by unit owners and other persons having the use
28 rights to such land, a statement shall be made as to how such
29 land will serve the condominium. If any part of such land
30 will serve the condominium, the statement shall describe the
31 land and the nature and term of service, and the declaration

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1 or other instrument creating such servitude shall be included
2 as an exhibit.

3 (18) The manner in which utility and other services,
4 including, but not limited to, sewage and waste disposal,
5 water supply, and storm drainage, will be provided and the
6 person or entity furnishing them.

7 (19) An explanation of the manner in which the
8 apportionment of common expenses and ownership of the common
9 elements has been determined.

10 (20) An estimated operating budget for the condominium
11 and the association, and a schedule of the unit owner's
12 expenses shall be attached as an exhibit and shall contain the
13 following information:

14 (a) The estimated monthly and annual expenses of the
15 condominium and the association that are collected from unit
16 owners by assessments.

17 (b) The estimated monthly and annual expenses of each
18 unit owner for a unit, other than common expenses paid by all
19 unit owners, payable by the unit owner to persons or entities
20 other than the association, as well as to the association,
21 including fees assessed pursuant to s. 718.113(1) for
22 maintenance of limited common elements where such costs are
23 shared only by those entitled to use the limited common
24 element, and the total estimated monthly and annual expense.
25 There may be excluded from this estimate expenses which are
26 not provided for or contemplated by the condominium documents,
27 including, but not limited to, the costs of private telephone;
28 maintenance of the interior of condominium units, which is not
29 the obligation of the association; maid or janitorial services
30 privately contracted for by the unit owners; utility bills
31 billed directly to each unit owner for utility services to his

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1 or her unit; insurance premiums other than those incurred for
2 policies obtained by the condominium; and similar personal
3 expenses of the unit owner. A unit owner's estimated payments
4 for assessments shall also be stated in the estimated amounts
5 for the times when they will be due.

6 (c) The estimated items of expenses of the condominium
7 and the association, except as excluded under paragraph (b),
8 including, but not limited to, the following items, which
9 shall be stated either as an association expense collectible
10 by assessments or as unit owners' expenses payable to persons
11 other than the association:

- 12 1. Expenses for the association and condominium:
 - 13 a. Administration of the association.
 - 14 b. Management fees.
 - 15 c. Maintenance.
 - 16 d. Rent for recreational and other commonly used
17 facilities.
 - 18 e. Taxes upon association property.
 - 19 f. Taxes upon leased areas.
 - 20 g. Insurance.
 - 21 h. Security provisions.
 - 22 i. Other expenses.
 - 23 j. Operating capital.
 - 24 k. Reserves.
 - 25 l. Fees payable to the division.
- 26 2. Expenses for a unit owner:
 - 27 a. Rent for the unit, if subject to a lease.
 - 28 b. Rent payable by the unit owner directly to the
29 lessor or agent under any recreational lease or lease for the
30 use of commonly used facilities, which use and payment is a
31 mandatory condition of ownership and is not included in the

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1 common expense or assessments for common maintenance paid by
2 the unit owners to the association.

3 (d) The estimated amounts shall be stated for a period
4 of at least 12 months and may distinguish between the period
5 prior to the time unit owners other than the developer elect a
6 majority of the board of administration and the period after
7 that date.

8 (21) A schedule of estimated closing expenses to be
9 paid by a buyer or lessee of a unit and a statement of whether
10 title opinion or title insurance policy is available to the
11 buyer and, if so, at whose expense.

12 (22) The identity of the developer and the chief
13 operating officer or principal directing the creation and sale
14 of the condominium and a statement of its and his or her
15 experience in this field.

16 (23) Copies of the following, to the extent they are
17 applicable, shall be included as exhibits:

18 (a) The declaration of condominium, or the proposed
19 declaration if the declaration has not been recorded.

20 (b) The articles of incorporation creating the
21 association.

22 (c) The bylaws of the association.

23 (d) The ground lease or other underlying lease of the
24 condominium.

25 (e) The management agreement and all maintenance and
26 other contracts for management of the association and
27 operation of the condominium and facilities used by the unit
28 owners having a service term in excess of 1 year.

29 (f) The estimated operating budget for the condominium
30 and the required schedule of unit owners' expenses.

31 (g) A copy of the floor plan of the unit and the plot

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1 plan showing the location of the residential buildings and the
2 recreation and other common areas.

3 (h) The lease of recreational and other facilities
4 that will be used only by unit owners of the subject
5 condominium.

6 (i) The lease of facilities used by owners and others.

7 (j) The form of unit lease, if the offer is of a
8 leasehold.

9 (k) A declaration of servitude of properties serving
10 the condominium but not owned by unit owners or leased to them
11 or the association.

12 (l) The statement of condition of the existing
13 building or buildings, if the offering is of units in an
14 operation being converted to condominium ownership.

15 (m) The statement of inspection for termite damage and
16 treatment of the existing improvements, if the condominium is
17 a conversion.

18 (n) The form of agreement for sale or lease of units.

19 (o) A copy of the agreement for escrow of payments
20 made to the developer prior to closing.

21 (p) A copy of the documents containing any
22 restrictions on use of the property required by subsection
23 (16).

24 (24) Any prospectus or offering circular complying,
25 prior to the effective date of this act, with the provisions
26 of former ss. 711.69 and 711.802 may continue to be used
27 without amendment or may be amended to comply with the
28 provisions of this chapter.

29 (25) A brief narrative description of the location and
30 effect of all existing and intended easements located or to be
31 located on the condominium property other than those described

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1 in the declaration.

2 (26) If the developer is required by state or local
3 authorities to obtain acceptance or approval of any dock or
4 marina facilities intended to serve the condominium, a copy of
5 any such acceptance or approval acquired by the time of filing
6 with the division under s. 718.502(1) or a statement that such
7 acceptance or approval has not been acquired or received.

8 (27) Evidence demonstrating that the developer has an
9 ownership, leasehold, or contractual interest in the land upon
10 which the condominium is to be developed.

11

12 (Redesignate subsequent sections.)

13

14

15 ===== T I T L E A M E N D M E N T =====

16 And the title is amended as follows:

17 On page 1, lines 15-21, delete those lines

18

19 and insert:

20 directors; requiring adequate insurance or
21 fidelity bonding to cover funds in the custody
22 of an association; providing for financial
23 reporting requirements; providing for the
24 commingling of reserve and operating funds;
25 amending s. 718.112, F.S.; providing
26 requirements for eligibility to be a candidate
27 for the board; providing for the validity of
28 certain actions by the board; amending
29 procedures for elections; amending procedures
30 for recall of board members; amending
31 procedures for mailing of notices; amending

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1 procedures for annual budgets; eliminating a
2 2-year exemption for developers on reserve
3 funds; deleting fidelity bonding requirements;
4 amending s. 718.115, F.S.; providing procedures
5 that allocate cable television services as a
6 common expense; amending ss. 718.503, 718.504,
7 F.S.; requiring disclosure of financial
8 information; amending s.
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