

By the Committee on Real Property & Probate and
Representative Crow

1 A bill to be entitled
2 An act relating to condominiums and
3 cooperatives; amending s. 718.103, F.S.;
4 defining the term "Division"; amending s.
5 718.111, F.S.; providing for the operation of
6 certain condominiums created prior to 1977 as
7 single associations; permitting consolidated
8 financial operation; requiring a
9 developer-controlled association to exercise
10 due diligence to obtain and maintain insurance;
11 providing that failure to obtain and maintain
12 adequate insurance shall constitute a breach of
13 fiduciary responsibility by the
14 developer-appointed members of the board of
15 directors; amending s. 718.112, F.S.; providing
16 that a board member who is not present when an
17 action is taken by the board may submit an
18 agreement or disagreement with the action;
19 providing for attendance at meetings by speaker
20 telephone; providing for written rules
21 governing unit owner statements; providing that
22 a unit owner must be eligible to vote in the
23 jurisdiction of his or her residence in order
24 to be a candidate for board membership;
25 amending s. 718.116, F.S.; providing for unit
26 owners and the developer to be assessed in
27 accordance with their ownership interest in
28 losses resulting from a natural disaster or an
29 act of God; amending ss. 718.301 and 718.501,
30 F.S.; providing rulemaking authority; amending
31 s. 718.502, F.S.; providing conditions

1 precedent to closing on a contract for sale or
2 specified contracts for lease; providing
3 rulemaking authority; amending s. 718.503,
4 F.S.; providing conditions for closing within
5 the 15-day voidability period; amending ss.
6 718.504 and 718.506, F.S.; conforming language
7 to the act; creating s. 718.621, F.S.;
8 providing rulemaking authority; amending s.
9 719.106, F.S.; providing that a board member
10 who is not present when an action is taken by
11 the board may submit an agreement or
12 disagreement with the action; providing for
13 attendance at meetings by speaker telephone;
14 providing for written rules governing unit
15 owner statements; amending ss. 719.301 and
16 719.501, F.S.; providing rulemaking authority;
17 amending s. 719.502, F.S.; providing conditions
18 precedent to closing on a contract for sale or
19 specified contracts for lease; providing
20 rulemaking authority; amending s. 719.503,
21 F.S.; providing conditions for closing within
22 the 15-day voidability period; creating s.
23 719.621, F.S.; providing rulemaking authority;
24 providing an effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:

27
28 Section 1. Subsections (16), (17), (18), (19), (20),
29 (21), (22), (23), (24), (25), (26), and (27) of section
30 718.103, Florida Statutes, are renumbered as subsections (17),
31 (18), (19), (20), (21), (22), (23), (24), (25), (26), (27),

1 and (28), respectively, and a new subsection (16) is added to
2 said section to read:

3 718.103 Definitions.--As used in this chapter, the
4 term:

5 (16) "Division" means the Division of Florida Land
6 Sales, Condominiums, and Mobile Homes of the Department of
7 Business and Professional Regulation.

8 Section 2. Subsection (6) and paragraph (a) of
9 subsection (11) of section 718.111, Florida Statutes, are
10 amended to read:

11 718.111 The association.--

12 (6) OPERATION OF ~~PHASE~~ CONDOMINIUMS CREATED PRIOR TO
13 1977.--Notwithstanding any provision of this chapter, an
14 association may operate two or more residential condominiums
15 in which the initial condominium declaration was recorded
16 prior to January 1, 1977,~~a phase project initially created~~
17 ~~pursuant to former s. 711.64~~ and may continue to so operate
18 such condominiums ~~project~~ as ~~though it were~~ a single
19 condominium for purposes of financial matters, including
20 budgets, assessments, accounting, recordkeeping, and similar
21 matters, if provision is made for such consolidated operation
22 in the applicable declarations of each such condominium ~~as~~
23 ~~initially recorded~~ or in the bylaws ~~as initially adopted~~. An
24 association for such condominiums may also provide for
25 consolidated financial operation as described in this section
26 either by amending its declaration pursuant to s.
27 718.110(1)(a) or by amending its bylaws and having the
28 amendment approved by not less than two-thirds of the total
29 voting interests.Notwithstanding any provision in this
30 chapter, common expenses for residential condominiums in such
31 a project being operated by a single association may be

1 assessed against all unit owners in such project pursuant to
2 the proportions or percentages established therefor in the
3 declarations as initially recorded or in the bylaws as
4 initially adopted, subject, however, to the limitations of ss.
5 718.116 and 718.302.

6 (11) INSURANCE.--

7 (a) A unit-owner controlled ~~The~~ association shall use
8 its best efforts to obtain and maintain adequate insurance to
9 protect the association, the association property, the common
10 elements, and the condominium property required to be insured
11 by the association pursuant to paragraph (b). If the
12 association is developer-controlled, the association shall
13 exercise due diligence to obtain and maintain such insurance.
14 Failure to obtain and maintain adequate insurance during any
15 period of developer control shall constitute a breach of
16 fiduciary responsibility by the developer appointed members of
17 the board of directors of the association, unless said members
18 can show that despite such failure, they have exercised due
19 diligence. ~~An~~ ~~The~~ association may also obtain and maintain
20 liability insurance for directors and officers, insurance for
21 the benefit of association employees, and flood insurance for
22 common elements, association property, and units. An
23 association or group of associations may self-insure against
24 claims against the association, the association property, and
25 the condominium property required to be insured by an
26 association, upon compliance with ss. 624.460-624.488. A copy
27 of each policy of insurance in effect shall be made available
28 for inspection by unit owners at reasonable times.

29 Section 3. Paragraphs (b), (c), and (d) of subsection
30 (2) of section 718.112, Florida Statutes, are amended to read:
31 718.112 Bylaws.--

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

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
9 or in the declaration, articles of incorporation, or bylaws,
10 and except as provided in subparagraph (d)3., decisions shall
11 be 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

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 4. A member of the board of administration or a
14 committee may submit in writing his or her agreement or
15 disagreement with any action taken at a meeting that the
16 member did not attend. This agreement or disagreement may not
17 be used as a vote for or against the action taken and may not
18 be used for the purposes of creating a quorum.

19 5. When some or all of the board or committee members
20 meet by telephone conference, those board or committee members
21 attending by telephone conference may be counted toward
22 obtaining a quorum and may vote by telephone. A telephone
23 speaker shall be utilized so that the conversation of those
24 board or committee members attending by telephone may be heard
25 by the board or committee members attending in person, as well
26 as by unit owners present at a meeting.

27 (c) Board of administration meetings.--Meetings of the
28 board of administration at which a quorum of the members is
29 present shall be open to all unit owners. Any unit owner may
30 tape record or videotape meetings of the board of
31 administration. The right to attend such meetings includes

1 the right to speak at such meetings with reference to all
2 designated agenda items. The division shall adopt reasonable
3 rules governing the tape recording and videotaping of the
4 meeting. The association may adopt reasonable written rules
5 governing the frequency, duration, and manner of unit owner
6 statements. Adequate notice of all meetings, which notice
7 shall specifically incorporate an identification of agenda
8 items, shall be posted conspicuously on the condominium
9 property at least 48 continuous hours preceding the meeting
10 except in an emergency. Any item not included on the notice
11 may be taken up on an emergency basis by at least a majority
12 plus one of the members of the board. Such emergency action
13 shall be noticed and ratified at the next regular meeting of
14 the board. However, written notice of any meeting at which
15 nonemergency special assessments, or at which amendment to
16 rules regarding unit use, will be considered shall be mailed
17 or delivered to the unit owners and posted conspicuously on
18 the condominium property not less than 14 days prior to the
19 meeting. Evidence of compliance with this 14-day notice shall
20 be made by an affidavit executed by the person providing the
21 notice and filed among the official records of the
22 association. Upon notice to the unit owners, the board shall
23 by duly adopted rule designate a specific location on the
24 condominium property or association property upon which all
25 notices of board meetings shall be posted. If there is no
26 condominium property or association property upon which
27 notices can be posted, notices of board meetings shall be
28 mailed or delivered at least 14 days before the meeting to the
29 owner of each unit. Notice of any meeting in which regular
30 assessments against unit owners are to be considered for any
31 reason shall specifically contain a statement that assessments

1 will be considered and the nature of any such assessments.
2 Meetings of a committee to take final action on behalf of the
3 board or make recommendations to the board regarding the
4 association budget are subject to the provisions of this
5 paragraph. Meetings of a committee that does not take final
6 action on behalf of the board or make recommendations to the
7 board regarding the association budget are subject to the
8 provisions of this section, unless those meetings are exempted
9 from this section by the bylaws of the association.
10 Notwithstanding any other law, the requirement that board
11 meetings and committee meetings be open to the unit owners is
12 inapplicable to meetings between the board or a committee and
13 the association's attorney, with respect to proposed or
14 pending litigation, when the meeting is held for the purpose
15 of seeking or rendering legal advice.

16 (d) Unit owner meetings.--

17 1. There shall be an annual meeting of the unit
18 owners. Unless the bylaws provide otherwise, a vacancy on the
19 board of administration caused by the expiration of a
20 director's term shall be filled by electing a new board
21 member, and the election shall be by closed ballot; however,
22 if there is only one candidate for election to fill the
23 vacancy, no election is required. If there is no provision in
24 the bylaws for terms of the members of the board of
25 administration, the terms of all members of the board of
26 administration shall expire upon the election of their
27 successors at the annual meeting. Any unit owner desiring to
28 be a candidate for board membership shall comply with
29 subparagraph 3. In order to be a candidate for the board, a
30 person must meet the requirements set forth in their
31 declaration and must be eligible to vote in the jurisdiction

1 of his or her residence. This provision shall also apply to
2 any person designated by a corporation as a board candidate.

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

1 3. After January 1, 1992, the members of the board of
2 administration shall be elected by written ballot or voting
3 machine. Proxies shall in no event be used in electing the
4 board of administration, either in general elections or
5 elections to fill vacancies caused by recall, resignation, or
6 otherwise, unless otherwise provided in this chapter. Not less
7 than 60 days before a scheduled election, the association
8 shall mail or deliver, whether by separate association mailing
9 or included in another association mailing or delivery
10 including regularly published newsletters, to each unit owner
11 entitled to a vote, a first notice of the date of the
12 election. Any eligible unit owner or other eligible person
13 desiring to be a candidate for the board of administration
14 must give written notice to the association not less than 40
15 days before a scheduled election. Together with the written
16 notice and agenda as set forth in subparagraph 2., the
17 association shall mail or deliver a second notice of the
18 election to all unit owners entitled to vote therein, together
19 with a ballot which shall list all candidates. Upon request of
20 a candidate, the association shall include an information
21 sheet, no larger than 8 1/2 inches by 11 inches, which must
22 be furnished by the candidate not less than 35 days before the
23 election, to be included with the mailing of the ballot, with
24 the costs of mailing or delivery and copying to be borne by
25 the association. However, the association has no liability for
26 the contents of the information sheets prepared by the
27 candidates. In order to reduce costs, the association may
28 print or duplicate the information sheets on both sides of the
29 paper. The division shall by rule establish voting procedures
30 consistent with the provisions contained herein, including
31 rules providing for the secrecy of ballots. Elections shall

1 be decided by a plurality of those ballots cast. There shall
2 be no quorum requirement; however, at least 20 percent of the
3 eligible voters must cast a ballot in order to have a valid
4 election of members of the board of administration. No unit
5 owner shall permit any other person to vote his or her ballot,
6 and any such ballots improperly cast shall be deemed invalid.
7 A unit owner who needs assistance in casting the ballot for
8 the reasons stated in s. 101.051 may obtain assistance in
9 casting the ballot. Any unit owner violating this provision
10 may be fined by the association in accordance with s. 718.303.
11 The regular election shall occur on the date of the annual
12 meeting. The provisions of this subparagraph shall not apply
13 to timeshare condominium associations. Notwithstanding the
14 provisions of this subparagraph, an election and balloting are
15 not required unless more candidates file notices of intent to
16 run or are nominated than vacancies exist on the board.

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

28 5. Unit owners may waive notice of specific meetings
29 if allowed by the applicable bylaws or declaration or any
30 statute.

31

1 6. Unit owners shall have the right to participate in
2 meetings of unit owners with reference to all designated
3 agenda items. However, the association may adopt reasonable
4 rules governing the frequency, duration, and manner of unit
5 owner participation.

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

9
10 Notwithstanding subparagraphs (b)2. and (d)3., an association
11 may, by the affirmative vote of a majority of the total voting
12 interests, provide for different voting and election
13 procedures in its bylaws, which vote may be by a proxy
14 specifically delineating the different voting and election
15 procedures. The different voting and election procedures may
16 provide for elections to be conducted by limited or general
17 proxy.

18 Section 4. Paragraph (a) of subsection (9) of section
19 718.116, Florida Statutes, is amended to read:

20 718.116 Assessments; liability; lien and priority;
21 interest; collection.--

22 (9)(a) No unit owner may be excused from the payment
23 of his or her share of the common expense of a condominium
24 unless all unit owners are likewise proportionately excused
25 from payment, except as provided in subsection (1) and in the
26 following cases:

27 1. If the declaration so provides, a developer or
28 other person who owns condominium units offered for sale may
29 be excused from the payment of the share of the common
30 expenses and assessments related to those units for a stated
31 period of time subsequent to the recording of the declaration

1 of condominium. The period must terminate no later than the
2 first day of the fourth calendar month following the month in
3 which the closing of the purchase and sale of the first
4 condominium unit occurs. However, the developer must pay
5 those ~~the portion of~~ common expenses incurred during that
6 period which exceed the amount assessed against other unit
7 owners. Notwithstanding this limitation, if a
8 developer-controlled association has maintained all insurance
9 coverages required by s. 718.111(11)(a), the common expenses
10 incurred during the foregoing period resulting from a natural
11 disaster or an act of God, which are not covered by insurance
12 proceeds from the insurance maintained by the association, may
13 be assigned against all unit owners owning units on the date
14 of such natural disaster or act of God, and their successors
15 and assigns, including the developer with respect to units
16 owned by the developer. In the event of such an assessment,
17 all units shall be assessed in accordance with their ownership
18 interest in the common elements as required by s. 718.115(2).

19 2. A developer or other person who owns condominium
20 units or who has an obligation to pay condominium expenses may
21 be excused from the payment of his or her share of the common
22 expense which would have been assessed against those units
23 during the period of time that he or she has guaranteed to
24 each purchaser in the purchase contract, declaration, or
25 prospectus, or by agreement between the developer and a
26 majority of the unit owners other than the developer, that the
27 assessment for common expenses of the condominium imposed upon
28 the unit owners would not increase over a stated dollar amount
29 and has obligated himself or herself to pay any amount of
30 common expenses incurred during that period and not produced
31 by the assessments at the guaranteed level receivable from

1 other unit owners. Notwithstanding this limitation, if a
2 developer-controlled association has maintained all insurance
3 coverages required by s. 718.111(11)(a), the common expenses
4 incurred during the guarantee period resulting from a natural
5 disaster or an act of God, which are not covered by insurance
6 proceeds from the insurance maintained by the association, may
7 be assessed against all unit owners owning units on the date
8 of such natural disaster or act of God, and their successors
9 and assigns, including the developer with respect to units
10 owned by the developer. In the event of such an assessment,
11 all units shall be assessed in accordance with their ownership
12 interest in the common elements as required by s. 718.115(2).
13 The guarantee may provide that after an initial stated period,
14 the developer has an option or options to extend the guarantee
15 for one or more additional stated periods.

16 Section 5. Subsection (6) is added to section 718.301,
17 Florida Statutes, to read:

18 718.301 Transfer of association control.--

19 (6) The division has authority to adopt rules pursuant
20 to the Administrative Procedures Act to ensure the efficient
21 and effective transition from developer control of a
22 condominium to the establishment of a unit owner-controlled
23 association.

24 Section 6. Subsection (2) of section 718.501, Florida
25 Statutes, is amended to read:

26 718.501 Powers and duties of Division of Florida Land
27 Sales, Condominiums, and Mobile Homes.--

28 (2)(a) Effective January 1, 1992, each condominium
29 association which operates more than two units shall pay to
30 the division an annual fee in the amount of \$4 for each
31 residential unit in condominiums operated by the association.

1 If the fee is not paid by March 1, then the association shall
2 be assessed a penalty of 10 percent of the amount due, and the
3 association will not have standing to maintain or defend any
4 action in the courts of this state until the amount due, plus
5 any penalty, is paid.

6 (b) The division may by rule establish timeframes for
7 and require information relating to the creation, merger, and
8 termination of condominiums and the merger and dissolution of
9 condominium associations.

10 (c)~~(b)~~ All fees shall be deposited in the Division of
11 Florida Land Sales, Condominiums, and Mobile Homes Trust Fund
12 as provided by law.

13 Section 7. Subsections (1), (2), and (3) of section
14 718.502, Florida Statutes, are amended to read:

15 718.502 Filing prior to sale or lease.--

16 (1)(a) A developer of a residential condominium or
17 mixed-use condominium shall file with the division one copy of
18 each of the documents and items required to be furnished to a
19 buyer or lessee by ss. 718.503 and 718.504, if applicable.
20 Until the developer has so filed, a contract for sale of a
21 unit or lease of a unit for more than 5 years shall be
22 voidable by the buyer ~~purchaser~~ or lessee prior to the closing
23 of his or her purchase or lease of a unit. A developer shall
24 not close on any contract for sale or contract for a lease
25 period of more than 5 years until the developer prepares and
26 files with the division documents complying with the
27 requirements of this chapter and the rules promulgated by the
28 division and until the division notifies the developer that
29 the filing is proper. A developer shall not close on any
30 contract for sale or contract for a lease period of more than
31 5 years, as further provided in s. 718.503(1)(b), until the

1 developer prepares and delivers all documents required by s.
2 718.503(1)(b) to the prospective buyer.

3 (b) The division may by rule develop filing and review
4 requirements and relevant timetables necessary to ensure
5 compliance with the notice and disclosure requirements of this
6 chapter.

7 (2)(a) Prior to filing as required by subsection (1),
8 and prior to acquiring an ownership, leasehold, or contractual
9 interest in the land upon which the condominium is to be
10 developed, a developer shall not offer a contract for purchase
11 of a unit or lease of a unit for more than 5 years. However,
12 the developer may accept deposits for reservations upon the
13 approval of a fully executed escrow agreement and reservation
14 agreement form properly filed with the Division of Florida
15 Land Sales, Condominiums, and Mobile Homes. Each filing of a
16 proposed reservation program shall be accompanied by a filing
17 fee of \$250. Reservations shall not be taken on a proposed
18 condominium unless the developer has an ownership, leasehold,
19 or contractual interest in the land upon which the condominium
20 is to be developed. The division shall notify the developer
21 within 20 days of receipt of the reservation filing of any
22 deficiencies contained therein. Such notification shall not
23 preclude the determination of reservation filing deficiencies
24 at a later date, nor shall it relieve the developer of any
25 responsibility under the law. The escrow agreement and the
26 reservation agreement form shall include a statement of the
27 right of the prospective buyer ~~purchaser~~ to an immediate
28 unqualified refund of the reservation deposit moneys upon
29 written request to the escrow agent by the prospective buyer
30 ~~purchaser~~ or the developer.

31

1 (b) The executed escrow agreement signed by the
2 developer and the escrow agent shall contain the following
3 information:

4 1. A statement that the escrow agent will grant a
5 prospective purchaser an immediate, unqualified refund of the
6 reservation deposit moneys upon written request either
7 directly to the escrow agent or to the developer.

8 2. A statement that the escrow agent is responsible
9 for not releasing moneys directly to the developer except as a
10 down payment on the purchase price at the time a contract is
11 signed by the buyer ~~purchaser~~ if provided in the contract.

12 (c) The reservation agreement form shall include the
13 following:

14 1. A statement of the obligation of the developer to
15 file condominium documents with the division prior to entering
16 into a binding purchase agreement or binding agreement for a
17 lease of more than 5 years.

18 2. A statement of the right of the prospective buyer
19 ~~purchaser~~ to receive all condominium documents as required by
20 this chapter.

21 3. The name and address of the escrow agent.

22 4. A statement as to whether the developer assures
23 that the purchase price represented in or pursuant to the
24 reservation agreement will be the price in the contract for
25 purchase and sale or that the price represented may be
26 exceeded within a stated amount or percentage or that no
27 assurance is given as to the price in the contract for
28 purchase or sale.

29 5. A statement that the deposit must be payable to the
30 escrow agent and that the escrow agent must provide a receipt
31 to the prospective buyer ~~purchaser~~.

1 (3) Upon filing as required by subsection (1), the
2 developer shall pay to the division a filing fee of \$20 for
3 each residential unit to be sold by the developer which is
4 described in the documents filed. If the condominium is to be
5 built or sold in phases, the fee shall be paid prior to
6 offering for sale units in any subsequent phase. Every
7 developer who holds a unit or units for sale in a condominium
8 shall submit to the division any amendments to documents or
9 items on file with the division and deliver to buyers
10 ~~purchasers~~ all amendments prior to closing, but in no event,
11 later than 10 days after the amendment. Upon filing of
12 amendments to documents currently on file with the division,
13 the developer shall pay to the division a filing fee of up to
14 \$100 per filing, with the exact fee to be set by division
15 rule.

16 Section 8. Section 718.503, Florida Statutes, is
17 amended to read:

18 718.503 Developer disclosure prior to sale;
19 nondeveloper unit owner disclosure prior to sale;
20 voidability.--

21 (1) DEVELOPER DISCLOSURE.--

22 (a) Contents of contracts.--Any contract for the sale
23 of a residential unit or a lease thereof for an unexpired term
24 of more than 5 years shall:

25 1. Contain the following legend in conspicuous type:
26 THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN
27 NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER
28 THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND
29 RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED
30 TO HIM OR HER BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA
31 STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY BUYER BY

1 DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL
2 WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF
3 ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING
4 IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED
5 WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT.
6 BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE
7 THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS
8 REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL
9 TERMINATE AT CLOSING.

10 2. Contain the following caveat in conspicuous type on
11 the first page of the contract: ORAL REPRESENTATIONS CANNOT
12 BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE
13 DEVELOPER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD BE
14 MADE TO THIS CONTRACT AND THE DOCUMENTS REQUIRED BY SECTION
15 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A
16 BUYER OR LESSEE.

17 3. If the unit has been occupied by someone other than
18 the buyer, contain a statement that the unit has been
19 occupied.

20 4. If the contract is for the sale or transfer of a
21 unit subject to a lease, include as an exhibit a copy of the
22 executed lease and shall contain within the text in
23 conspicuous type: THE UNIT IS SUBJECT TO A LEASE (OR
24 SUBLEASE).

25 5. If the contract is for the lease of a unit for a
26 term of 5 years or more, include as an exhibit a copy of the
27 proposed lease.

28 6. If the contract is for the sale or lease of a unit
29 that is subject to a lien for rent payable under a lease of a
30 recreational facility or other commonly used facility, contain
31 within the text the following statement in conspicuous type:

1 THIS CONTRACT IS FOR THE TRANSFER OF A UNIT THAT IS SUBJECT TO
2 A LIEN FOR RENT PAYABLE UNDER A LEASE OF COMMONLY USED
3 FACILITIES. FAILURE TO PAY RENT MAY RESULT IN FORECLOSURE OF
4 THE LIEN.

5 7. State the name and address of the escrow agent
6 required by s. 718.202 and state that the buyer ~~purchaser~~ may
7 obtain a receipt for his or her deposit from the escrow agent
8 upon request.

9 8. If the contract is for the sale or transfer of a
10 unit in a condominium in which timeshare estates have been or
11 may be created, contain within the text in conspicuous type:
12 UNITS IN THIS CONDOMINIUM ARE SUBJECT TO TIMESHARE ESTATES.
13 The contract for the sale of a fee interest in a timeshare
14 estate shall also contain, in conspicuous type, the following:
15 FOR THE PURPOSE OF AD VALOREM TAXES OR SPECIAL ASSESSMENTS
16 LEVIED BY TAXING AUTHORITIES AGAINST A FEE INTEREST IN A
17 TIMESHARE ESTATE, THE MANAGING ENTITY IS GENERALLY CONSIDERED
18 THE TAXPAYER UNDER FLORIDA LAW. YOU HAVE THE RIGHT TO
19 CHALLENGE AN ASSESSMENT BY A TAXING AUTHORITY RELATING TO YOUR
20 TIMESHARE ESTATE PURSUANT TO THE PROVISIONS OF CHAPTER 194,
21 FLORIDA STATUTES.

22 (b) Copies of documents to be furnished to prospective
23 buyer or lessee.--Until such time as the developer has
24 furnished the documents listed below to a person who has
25 entered into a contract to purchase a residential unit or
26 lease it for more than 5 years, the contract may be voided by
27 that person, entitling the person to a refund of any deposit
28 together with interest thereon as provided in s. 718.202. The
29 contract may be terminated by written notice from the proposed
30 buyer or lessee delivered to the developer within 15 days
31 after the buyer or lessee receives all of the documents

1 required by this section. The developer shall not close for 15
2 days following the execution of the agreement and delivery of
3 the documents to the buyer as evidenced by a signed receipt
4 for documents unless the buyer is informed in the 15-day
5 voidability period and agrees to close prior to the expiration
6 of the 15 days. The developer shall retain in his or her
7 records a separate agreement signed by the buyer as proof of
8 the buyer's agreement to close prior to the expiration of said
9 voidability period. Said proof shall be retained for a period
10 of 5 years after the date of the closing of the transaction.

11 The documents to be delivered to the prospective buyer are the
12 prospectus or disclosure statement with all exhibits, if the
13 development is subject to the provisions of s. 718.504, or, if
14 not, then copies of the following which are applicable:

- 15 1. The question and answer sheet described in s.
16 718.504, and declaration of condominium, or the proposed
17 declaration if the declaration has not been recorded, which
18 shall include the certificate of a surveyor approximately
19 representing the locations required by s. 718.104.
- 20 2. The documents creating the association.
- 21 3. The bylaws.
- 22 4. The ground lease or other underlying lease of the
23 condominium.
- 24 5. The management contract, maintenance contract, and
25 other contracts for management of the association and
26 operation of the condominium and facilities used by the unit
27 owners having a service term in excess of 1 year, and any
28 management contracts that are renewable.
- 29 6. The estimated operating budget for the condominium
30 and a schedule of expenses for each type of unit, including
31 fees assessed pursuant to s. 718.113(1) for the maintenance of

1 limited common elements where such costs are shared only by
2 those entitled to use the limited common elements.

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

5 8. The lease of recreational and other common
6 facilities that will be used by unit owners in common with
7 unit owners of other condominiums.

8 9. The form of unit lease if the offer is of a
9 leasehold.

10 10. Any declaration of servitude of properties serving
11 the condominium but not owned by unit owners or leased to them
12 or the association.

13 11. If the development is to be built in phases or if
14 the association is to manage more than one condominium, a
15 description of the plan of phase development or the
16 arrangements for the association to manage two or more
17 condominiums.

18 12. If the condominium is a conversion of existing
19 improvements, the statements and disclosure required by s.
20 718.616.

21 13. The form of agreement for sale or lease of units.

22 14. A copy of the floor plan of the unit and the plot
23 plan showing the location of the residential buildings and the
24 recreation and other common areas.

25 15. A copy of all covenants and restrictions which
26 will affect the use of the property and which are not
27 contained in the foregoing.

28 16. If the developer is required by state or local
29 authorities to obtain acceptance or approval of any dock or
30 marina facilities intended to serve the condominium, a copy of
31 any such acceptance or approval acquired by the time of filing

1 with the division under s. 718.502(1), or a statement that
2 such acceptance or approval has not been acquired or received.

3 17. Evidence demonstrating that the developer has an
4 ownership, leasehold, or contractual interest in the land upon
5 which the condominium is to be developed.

6 (2) NONDEVELOPER DISCLOSURE.--

7 (a) Each unit owner who is not a developer as defined
8 by this chapter shall comply with the provisions of this
9 subsection prior to the sale of his or her unit. Each
10 prospective buyer ~~purchaser~~ who has entered into a contract
11 for the purchase of a condominium unit is entitled, at the
12 seller's expense, to a current copy of the declaration of
13 condominium, articles of incorporation of the association,
14 bylaws, and rules of the association, as well as a copy of the
15 question and answer sheet provided for by s. 718.504.

16 (b) If a person licensed under part I of chapter 475
17 provides to or otherwise obtains for a prospective buyer
18 ~~purchaser~~ the documents described in this subsection, the
19 person is not liable for any error or inaccuracy contained in
20 the documents.

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

24 1. A clause which states: THE BUYER HEREBY
25 ACKNOWLEDGES THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF
26 THE DECLARATION OF CONDOMINIUM, ARTICLES OF INCORPORATION OF
27 THE ASSOCIATION, BYLAWS, RULES OF THE ASSOCIATION, AND THE
28 QUESTION AND ANSWER SHEET MORE THAN 3 DAYS, EXCLUDING
29 SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF
30 THIS CONTRACT; or

31

1 2. A clause which states: THIS AGREEMENT IS VOIDABLE
2 BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION
3 TO CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND
4 LEGAL HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT
5 BY THE BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE
6 DECLARATION OF CONDOMINIUM, ARTICLES OF INCORPORATION, BYLAWS,
7 AND RULES OF THE ASSOCIATION, AND QUESTION AND ANSWER SHEET IF
8 SO REQUESTED IN WRITING. ANY PURPORTED WAIVER OF THESE
9 VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND
10 THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS,
11 EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE
12 BUYER RECEIVES THE DECLARATION, ARTICLES OF INCORPORATION,
13 BYLAWS, RULES, AND QUESTION AND ANSWER SHEET IF REQUESTED IN
14 WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE
15 AT CLOSING.

16
17 A contract that does not conform to the requirements of this
18 paragraph is voidable at the option of the buyer ~~purchaser~~
19 prior to closing.

20 (3) OTHER DISCLOSURE.--

21 (a) If residential condominium parcels are offered for
22 sale or lease prior to completion of construction of the units
23 and of improvements to the common elements, or prior to
24 completion of remodeling of previously occupied buildings, the
25 developer shall make available to each prospective buyer
26 ~~purchaser~~ or lessee, for his or her inspection at a place
27 convenient to the site, a copy of the complete plans and
28 specifications for the construction or remodeling of the unit
29 offered to him or her and of the improvements to the common
30 elements appurtenant to the unit.

31

1 (b) Sales brochures, if any, shall be provided to each
2 buyer ~~purchaser~~, and the following caveat in conspicuous type
3 shall be placed on the inside front cover or on the first page
4 containing text material of the sales brochure, or otherwise
5 conspicuously displayed: ORAL REPRESENTATIONS CANNOT BE
6 RELIED UPON AS CORRECTLY STATING REPRESENTATIONS OF THE
7 DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO
8 THIS BROCHURE AND TO THE DOCUMENTS REQUIRED BY SECTION
9 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A
10 BUYER OR LESSEE. If timeshare estates have been or may be
11 created with respect to any unit in the condominium, the sales
12 brochure shall contain the following statement in conspicuous
13 type: UNITS IN THIS CONDOMINIUM ARE SUBJECT TO TIMESHARE
14 ESTATES.

15 Section 9. The introductory paragraph and subsection
16 (1) of section 718.504, Florida Statutes, are amended to read:

17 718.504 Prospectus or offering circular.--Every
18 developer of a residential condominium which contains more
19 than 20 residential units, or which is part of a group of
20 residential condominiums which will be served by property to
21 be used in common by unit owners of more than 20 residential
22 units, shall prepare a prospectus or offering circular and
23 file it with the Division of Florida Land Sales, Condominiums,
24 and Mobile Homes prior to entering into an enforceable
25 contract of purchase and sale of any unit or lease of a unit
26 for more than 5 years and shall furnish a copy of the
27 prospectus or offering circular to each buyer. In addition to
28 the prospectus or offering circular, each buyer shall be
29 furnished a separate page entitled "Frequently Asked Questions
30 and Answers," which shall be in accordance with a format
31 approved by the division. This page shall, in readable

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

24 (1) The front cover or the first page must contain
25 only:

26 (a) The name of the condominium.

27 (b) The following statements in conspicuous type:

28 1. THIS PROSPECTUS (OFFERING CIRCULAR) CONTAINS
29 IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A CONDOMINIUM
30 UNIT.
31

1 2. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN
2 NATURE. A PROSPECTIVE BUYER PURCHASER SHOULD REFER TO ALL
3 REFERENCES, ALL EXHIBITS HERETO, THE CONTRACT DOCUMENTS, AND
4 SALES MATERIALS.

5 3. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS
6 CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. REFER
7 TO THIS PROSPECTUS (OFFERING CIRCULAR) AND ITS EXHIBITS FOR
8 CORRECT REPRESENTATIONS.

9 Section 10. Subsection (1) of section 718.506, Florida
10 Statutes, is amended to read:

11 718.506 Publication of false and misleading
12 information.--

13 (1) Any person who, in reasonable reliance upon any
14 material statement or information that is false or misleading
15 and published by or under authority from the developer in
16 advertising and promotional materials, including, but not
17 limited to, a prospectus, the items required as exhibits to a
18 prospectus, brochures, and newspaper advertising, pays
19 anything of value toward the purchase of a condominium parcel
20 located in this state shall have a cause of action to rescind
21 the contract or collect damages from the developer for his or
22 her loss prior to the closing of the transaction. After the
23 closing of the transaction, the buyer ~~purchaser~~ shall have a
24 cause of action against the developer for damages under this
25 section from the time of closing until 1 year after the date
26 upon which the last of the events described in paragraphs (a)
27 through (d) shall occur:

28 (a) The closing of the transaction;

29 (b) The first issuance by the applicable governmental
30 authority of a certificate of occupancy or other evidence of
31 sufficient completion of construction of the building

1 containing the unit to allow lawful occupancy of the unit. In
2 counties or municipalities in which certificates of occupancy
3 or other evidences of completion sufficient to allow lawful
4 occupancy are not customarily issued, for the purpose of this
5 section, evidence of lawful occupancy shall be deemed to be
6 given or issued upon the date that such lawful occupancy of
7 the unit may first be allowed under prevailing applicable
8 laws, ordinances, or statutes;

9 (c) The completion by the developer of the common
10 elements and such recreational facilities, whether or not the
11 same are common elements, which the developer is obligated to
12 complete or provide under the terms of the written contract or
13 written agreement for purchase or lease of the unit; or

14 (d) In the event there shall not be a written contract
15 or agreement for sale or lease of the unit, then the
16 completion by the developer of the common elements and such
17 recreational facilities, whether or not the same are common
18 elements, which the developer would be obligated to complete
19 under any rule of law applicable to the developer's
20 obligation.

21
22 Under no circumstances shall a cause of action created or
23 recognized under this section survive for a period of more
24 than 5 years after the closing of the transaction.

25 Section 11. Section 718.621, Florida Statutes, is
26 created to read:

27 718.621 Rulemaking authority.--The division has
28 authority to adopt rules pursuant to the Administrative
29 Procedures Act to implement and ensure compliance with
30 developer's obligations with respect to condominium
31 conversions concerning the filing and noticing of intended

1 conversion, rental agreement extensions, right of first
2 refusal, and disclosure and post-purchase protections.

3 Section 12. Paragraphs (b) and (c) of subsection (1)
4 of section 719.106, Florida Statutes, are amended to read:

5 719.106 Bylaws; cooperative ownership.--

6 (1) MANDATORY PROVISIONS.--The bylaws or other
7 cooperative documents shall provide for the following, and if
8 they do not, they shall be deemed to include the following:

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

10 1. Unless otherwise provided in the bylaws, the
11 percentage of voting interests required to constitute a quorum
12 at a meeting of the members shall be a majority of voting
13 interests, and decisions shall be made by owners of a majority
14 of the voting interests. Unless otherwise provided in this
15 chapter, or in the articles of incorporation, bylaws, or other
16 cooperative documents, and except as provided in subparagraph
17 (d)1., decisions shall be made by owners of a majority of the
18 voting interests represented at a meeting at which a quorum is
19 present.

20 2. Except as specifically otherwise provided herein,
21 after January 1, 1992, unit owners may not vote by general
22 proxy, but may vote by limited proxies substantially
23 conforming to a limited proxy form adopted by the division.
24 Limited proxies and general proxies may be used to establish a
25 quorum. Limited proxies shall be used for votes taken to
26 waive or reduce reserves in accordance with subparagraph
27 (j)2., for votes taken to amend the articles of incorporation
28 or bylaws pursuant to this section, and for any other matter
29 for which this chapter requires or permits a vote of the unit
30 owners. Except as provided in paragraph (d), after January 1,
31 1992, no proxy, limited or general, shall be used in the

1 election of board members. General proxies may be used for
2 other matters for which limited proxies are not required, and
3 may also be used in voting for nonsubstantive changes to items
4 for which a limited proxy is required and given.
5 Notwithstanding the provisions of this section, unit owners
6 may vote in person at unit owner meetings. Nothing contained
7 herein shall limit the use of general proxies or require the
8 use of limited proxies or require the use of limited proxies
9 for any agenda item or election at any meeting of a timeshare
10 cooperative.

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

18 4. A member of the board of administration or a
19 committee may submit in writing his or her agreement or
20 disagreement with any action taken at a meeting that the
21 member did not attend. This agreement or disagreement may not
22 be used as a vote for or against the action taken and may not
23 be used for the purposes of creating a quorum.

24 5. When some or all of the board or committee members
25 meet by telephone conference, those board or committee members
26 attending by telephone conference may be counted toward
27 obtaining a quorum and may vote by telephone. A telephone
28 speaker shall be utilized so that the conversation of those
29 board or committee members attending by telephone may be heard
30 by the board or committee members attending in person, as well
31 as by unit owners present at a meeting.

1 (c) Board of administration meetings.--Meetings of the
2 board of administration at which a quorum of the members is
3 present shall be open to all unit owners. Any unit owner may
4 tape record or videotape meetings of the board of
5 administration. The right to attend such meetings includes
6 the right to speak at such meetings with reference to all
7 designated agenda items. The division shall adopt reasonable
8 rules governing the tape recording and videotaping of the
9 meeting. The association may adopt reasonable written rules
10 governing the frequency, duration, and manner of unit owner
11 statements. Adequate notice of all meetings shall be posted in
12 a conspicuous place upon the cooperative property at least 48
13 continuous hours preceding the meeting, except in an
14 emergency. Any item not included on the notice may be taken
15 up on an emergency basis by at least a majority plus one of
16 the members of the board. Such emergency action shall be
17 noticed and ratified at the next regular meeting of the board.
18 However, written notice of any meeting at which nonemergency
19 special assessments, or at which amendment to rules regarding
20 unit use, will be considered shall be mailed or delivered to
21 the unit owners and posted conspicuously on the cooperative
22 property not less than 14 days prior to the meeting. Evidence
23 of compliance with this 14-day notice shall be made by an
24 affidavit executed by the person providing the notice and
25 filed among the official records of the association. Upon
26 notice to the unit owners, the board shall by duly adopted
27 rule designate a specific location on the cooperative property
28 upon which all notices of board meetings shall be posted.
29 Notice of any meeting in which regular assessments against
30 unit owners are to be considered for any reason shall
31 specifically contain a statement that assessments will be

1 considered and the nature of any such assessments. Meetings of
2 a committee to take final action on behalf of the board or to
3 make recommendations to the board regarding the association
4 budget are subject to the provisions of this paragraph.
5 Meetings of a committee that does not take final action on
6 behalf of the board or make recommendations to the board
7 regarding the association budget are subject to the provisions
8 of this section, unless those meetings are exempted from this
9 section by the bylaws of the association. Notwithstanding any
10 other law to the contrary, the requirement that board meetings
11 and committee meetings be open to the unit owners is
12 inapplicable to meetings between the board or a committee and
13 the association's attorney, with respect to proposed or
14 pending litigation, when the meeting is held for the purpose
15 of seeking or rendering legal advice.

16 Section 13. Subsection (6) is added to section
17 719.301, Florida Statutes, to read:

18 719.301 Transfer of association control.--

19 (6) The division has authority to adopt rules pursuant
20 to the Administrative Procedures Act to ensure the efficient
21 and effective transition from developer control of a
22 cooperative to the establishment of a unit owner-controlled
23 association.

24 Section 14. Section (2) of section 719.501, Florida
25 Statutes, is amended to read:

26 719.501 Powers and duties of Division of Florida Land
27 Sales, Condominiums, and Mobile Homes.--

28 (2)(a) Each cooperative association shall pay to the
29 division, on or before January 1 of each year, an annual fee
30 in the amount of \$4 for each residential unit in cooperatives
31 operated by the association. If the fee is not paid by March

1 1, then the association shall be assessed a penalty of 10
2 percent of the amount due, and the association shall not have
3 the standing to maintain or defend any action in the courts of
4 this state until the amount due is paid.

5 (b) The division may by rule establish timeframes for
6 and require information relating to the creation, merger, and
7 dissolution of cooperative associations.

8 (c)~~(b)~~ All fees shall be deposited in the Division of
9 Florida Land Sales, Condominiums, and Mobile Homes Trust Fund
10 as provided by law.

11 Section 15. Subsection (1) of section 719.502, Florida
12 Statutes, is amended to read:

13 719.502 Filing prior to sale or lease.--

14 (1)(a) A developer of a residential cooperative shall
15 file with the division one copy of each of the documents and
16 items required to be furnished to a buyer or lessee by ss.
17 719.503 and 719.504, if applicable. Until the developer has
18 so filed, a contract for sale or lease of a unit for more than
19 5 years shall be voidable by the buyer ~~purchaser~~ or lessee
20 prior to the closing of his or her purchase or lease of a
21 unit. A developer shall not close on any contract for sale or
22 contract for a lease period of more than 5 years until the
23 developer prepares and files with the division documents
24 complying with the requirements of this chapter and the rules
25 promulgated by the division and until the division notifies
26 the developer that the filing is proper. A developer shall not
27 close on any contract for sale or contract for a lease period
28 of more than 5 years, as further provided in s. 719.503(1)(b),
29 until the developer prepares and delivers all documents
30 required by s. 719.503(1)(b) to the prospective buyer.

31

1 (b) The division may by rule develop filing and review
2 requirements and the relevant timetables necessary to ensure
3 compliance with the notice and disclosure requirements of this
4 chapter.

5 Section 16. Paragraph (b) of subsection (1) of section
6 719.503, Florida Statutes, is amended to read:

7 719.503 Disclosure prior to sale.--

8 (1) DEVELOPER DISCLOSURE.--

9 (b) Copies of documents to be furnished to prospective
10 buyer or lessee.--Until such time as the developer has
11 furnished the documents listed below to a person who has
12 entered into a contract to purchase a unit or lease it for
13 more than 5 years, the contract may be voided by that person,
14 entitling the person to a refund of any deposit together with
15 interest thereon as provided in s. 719.202. The contract may
16 be terminated by written notice from the proposed buyer or
17 lessee delivered to the developer within 15 days after the
18 buyer or lessee receives all of the documents required by this
19 section. The developer shall not close for 15 days following
20 the execution of the agreement and delivery of the documents
21 to the buyer as evidenced by a receipt for documents signed by
22 the buyer unless the buyer is informed in the 15-day
23 voidability period and agrees to close prior to the expiration
24 of the 15 days. The developer shall retain in his or her
25 records a separate signed agreement as proof of the buyer's
26 agreement to close prior to the expiration of said voidability
27 period. Said proof shall be retained for a period of 5 years
28 after the date of the closing transaction.The documents to be
29 delivered to the prospective buyer are the prospectus or
30 disclosure statement with all exhibits, if the development is
31

- 1 subject to the provisions of s. 719.504, or, if not, then
2 copies of the following which are applicable:
- 3 1. The question and answer sheet described in s.
4 719.504, and cooperative documents, or the proposed
5 cooperative documents if the documents have not been recorded,
6 which shall include the certificate of a surveyor
7 approximately representing the locations required by s.
8 719.104.
 - 9 2. The documents creating the association.
 - 10 3. The bylaws.
 - 11 4. The ground lease or other underlying lease of the
12 cooperative.
 - 13 5. The management contract, maintenance contract, and
14 other contracts for management of the association and
15 operation of the cooperative and facilities used by the unit
16 owners having a service term in excess of 1 year, and any
17 management contracts that are renewable.
 - 18 6. The estimated operating budget for the cooperative
19 and a schedule of expenses for each type of unit, including
20 fees assessed to a shareholder who has exclusive use of
21 limited common areas, where such costs are shared only by
22 those entitled to use such limited common areas.
 - 23 7. The lease of recreational and other facilities that
24 will be used only by unit owners of the subject cooperative.
 - 25 8. The lease of recreational and other common areas
26 that will be used by unit owners in common with unit owners of
27 other cooperatives.
 - 28 9. The form of unit lease if the offer is of a
29 leasehold.
 - 30
 - 31

1 10. Any declaration of servitude of properties serving
2 the cooperative but not owned by unit owners or leased to them
3 or the association.

4 11. If the development is to be built in phases or if
5 the association is to manage more than one cooperative, a
6 description of the plan of phase development or the
7 arrangements for the association to manage two or more
8 cooperatives.

9 12. If the cooperative is a conversion of existing
10 improvements, the statements and disclosure required by s.
11 719.616.

12 13. The form of agreement for sale or lease of units.

13 14. A copy of the floor plan of the unit and the plot
14 plan showing the location of the residential buildings and the
15 recreation and other common areas.

16 15. A copy of all covenants and restrictions which
17 will affect the use of the property and which are not
18 contained in the foregoing.

19 16. If the developer is required by state or local
20 authorities to obtain acceptance or approval of any dock or
21 marina facilities intended to serve the cooperative, a copy of
22 any such acceptance or approval acquired by the time of filing
23 with the division pursuant to s. 719.502(1) or a statement
24 that such acceptance or approval has not been acquired or
25 received.

26 17. Evidence demonstrating that the developer has an
27 ownership, leasehold, or contractual interest in the land upon
28 which the cooperative is to be developed.

29 Section 17. Section 719.621, Florida Statutes, is
30 created to read:

31

1 719.621 Rulemaking authority.--The division has
2 authority to adopt rules pursuant to the Administrative
3 Procedures Act to implement and ensure compliance with
4 developer's obligations with respect to cooperative
5 conversions concerning the filing and noticing of intended
6 conversion, rental agreement extensions, right of first
7 refusal, and disclosure and post-purchase protections.

8 Section 18. This act shall take effect upon becoming a
9 law.

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