

By the Committees on Governmental Rules & Regulations,
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 terms "buyer" and "division";
5 amending s. 718.104, F.S.; requiring filing of
6 recording information with creation of
7 condominiums; amending s. 718.111, F.S.;
8 providing for the operation of certain
9 condominiums created prior to 1977 as single
10 associations; permitting consolidated financial
11 operation; requiring a developer-controlled
12 association to exercise due diligence to obtain
13 and maintain insurance; providing that failure
14 to obtain and maintain adequate insurance shall
15 constitute a breach of fiduciary responsibility
16 by the developer-appointed members of the board
17 of directors; providing for the recording of
18 certain meetings; providing that records may be
19 obtained in person or by mail; providing that
20 an association with more than 50 units must,
21 upon written request, copy and deliver
22 requested records and charge its actual costs;
23 providing a fine for subsequent violations;
24 amending s. 718.112, F.S.; providing
25 requirements relating to association meetings;
26 providing requirements for eligibility to be a
27 candidate for the board; amending s. 718.116,
28 F.S.; providing for unit owners and the
29 developer to be assessed in accordance with
30 their ownership interest in losses resulting
31 from a natural disaster or an act of God;

1 amending s. 718.117, F.S.; requiring
2 notification of certain mergers or termination;
3 amending s. 718.301, F.S.; providing rulemaking
4 authority for requirements relating to the
5 transition of a condominium; amending s.
6 718.403, F.S.; requiring filing of recording
7 information; amending s. 718.502, F.S.;
8 providing certain requirements prior to the
9 closure on any contract for sale or lease of
10 over 5 years; providing rulemaking authority
11 for requirements relating to filing and review
12 programs and timetables; amending s. 718.503,
13 F.S.; providing requirements relating to the
14 closure of a transaction for the purchase of a
15 condominium unit; creating s. 718.621, F.S.;
16 providing rulemaking authority; amending s.
17 719.103, F.S.; providing definitions; amending
18 s. 719.1035, F.S.; requiring filing of certain
19 information with respect to the creation of a
20 cooperative; amending s. 719.104, F.S.;
21 requiring notification; amending s. 719.106,
22 F.S.; providing requirements relating to
23 association meetings; amending s. 719.301,
24 F.S.; providing rulemaking authority; amending
25 s. 719.403, F.S.; requiring filing of
26 information; amending s. 719.502, F.S.;
27 providing conditions precedent to closing on a
28 contract for sale or specified contracts for
29 lease; providing rulemaking authority; amending
30 s. 719.503, F.S.; providing conditions for
31 closing within the 15-day voidability period;

1 creating s. 719.621, F.S.; providing rulemaking
2 authority; amending s. 721.05, F.S.; conforming
3 a cross-reference; providing an effective date.
4

5 Be It Enacted by the Legislature of the State of Florida:

6
7 Section 1. Subsections (5), (6), (7), (8), (9), (10),
8 (11), (12), (13), (14), (15), (16), (17), (18), (19), (20),
9 (21), (22), (23), (24), (25), (26), and (27) of section
10 718.103, Florida Statutes, are renumbered as subsections (6),
11 (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17),
12 (18), (19), (20), (21), (22), (23), (24), (25), (26), (27),
13 (28) and (29), respectively, and new subsections (5) and (16)
14 are added to said section to read:

15 718.103 Definitions.--As used in this chapter, the
16 term:

17 (5) "Buyer" means a person who purchases a
18 condominium. The term "purchaser" may be used interchangeably
19 with the term "buyer."

20 (16) "Division" means the Division of Florida Land
21 Sales, Condominiums, and Mobile Homes of the Department of
22 Business and Professional Regulation.

23 Section 2. Subsection (2) of section 718.104, Florida
24 Statutes, is amended to read:

25 718.104 Creation of condominiums; contents of
26 declaration.--Every condominium created in this state shall be
27 created pursuant to this chapter.

28 (2) A condominium is created by recording a
29 declaration in the public records of the county where the land
30 is located, executed and acknowledged with the requirements
31 for a deed. All persons who have record title to the interest

1 in the land being submitted to condominium ownership, or their
2 lawfully authorized agents, must join in the execution of the
3 declaration. Upon the recording of the declaration, or an
4 amendment adding a phase to the condominium under s.
5 718.403(6), all units described in the declaration or phase
6 amendment as being located in or on the land then being
7 submitted to condominium ownership shall come into existence,
8 regardless of the state of completion of planned improvements
9 in which the units may be located. Upon recording the
10 declaration of condominium pursuant to this section, the
11 developer shall file the recording information with the
12 division within 30 business days on a form prescribed by the
13 division.

14 Section 3. Subsection (6), paragraph (a) of subsection
15 (11), and paragraphs (a) and (c) of subsection (12) of section
16 718.111, Florida Statutes, are amended to read:

17 718.111 The association.--

18 (6) OPERATION OF PHASE CONDOMINIUMS CREATED PRIOR TO
19 1977.--Notwithstanding any provision of this chapter, an
20 association may operate two or more residential condominiums
21 in which the initial condominium declaration was recorded
22 prior to January 1, 1977,~~a phase project initially created~~
23 ~~pursuant to former s. 711.64~~ and may continue to so operate
24 such condominiums ~~project~~ as though it were a single
25 condominium for purposes of financial matters, including
26 budgets, assessments, accounting, recordkeeping, and similar
27 matters, if provision is made for such consolidated operation
28 in the applicable declarations of each such condominium ~~as~~
29 ~~initially recorded~~ or in the bylaws ~~as initially adopted~~. An
30 association for such condominiums may also provide for
31 consolidated financial operation as described in this section

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

12 (11) INSURANCE.--

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

1 association, upon compliance with ss. 624.460-624.488. A copy
2 of each policy of insurance in effect shall be made available
3 for inspection by unit owners at reasonable times.

4 (12) OFFICIAL RECORDS.--

5 (a) From the inception of the association, the
6 association shall maintain each of the following items, when
7 applicable, which shall constitute the official records of the
8 association:

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

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

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

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

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

20 6. A book or books which contain the minutes of all
21 meetings of the association, of the board of directors, and of
22 unit owners, which minutes shall be retained for a period of
23 not less than 7 years. If an association has failed to comply
24 with the provisions of this subparagraph, where such failure
25 has resulted in an order issued pursuant to s. 718.501(1)(d),
26 the board shall record all meetings of the association and
27 such recordings shall be retained for a period of not less
28 than 7 years.

29 7. A current roster of all unit owners and their
30 mailing addresses, unit identifications, voting
31 certifications, and, if known, telephone numbers.

- 1 8. All current insurance policies of the association
2 and condominiums operated by the association.
- 3 9. A current copy of any management agreement, lease,
4 or other contract to which the association is a party or under
5 which the association or the unit owners have an obligation or
6 responsibility.
- 7 10. Bills of sale or transfer for all property owned
8 by the association.
- 9 11. Accounting records for the association and
10 separate accounting records for each condominium which the
11 association operates, according to good accounting practices.
12 All accounting records shall be maintained for a period of not
13 less than 7 years. The accounting records shall include, but
14 are not limited to:
- 15 a. Accurate, itemized, and detailed records of all
16 receipts and expenditures.
- 17 b. A current account and a monthly, bimonthly, or
18 quarterly statement of the account for each unit designating
19 the name of the unit owner, the due date and amount of each
20 assessment, the amount paid upon the account, and the balance
21 due.
- 22 c. All audits, reviews, accounting statements, and
23 financial reports of the association or condominium.
- 24 d. All contracts for work to be performed. Bids for
25 work to be performed shall also be considered official records
26 and shall be maintained for a period of 1 year.
- 27 12. Ballots, sign-in sheets, voting proxies, and all
28 other papers relating to voting by unit owners, which shall be
29 maintained for a period of 1 year from the date of the
30 election, vote, or meeting to which the document relates.
31

1 13. All rental records, when the association is acting
2 as agent for the rental of condominium units.

3 14. A copy of the current question and answer sheet as
4 described by s. 718.504.

5 15. All other records of the association not
6 specifically included in the foregoing which are related to
7 the operation of the association.

8 (c) The official records of the association are open
9 to inspection by any association member or the authorized
10 representative of such member at all reasonable times. The
11 right to inspect the records includes the right to make or
12 obtain copies, either in person or by mail at the reasonable
13 expense, if any, of the association member. The association
14 may adopt reasonable rules regarding the frequency, time,
15 location, notice, and manner of record inspections, ~~and~~
16 copying, and delivery. However, an association consisting of
17 more than 50 units must, upon written request, copy and
18 deliver the requested official record copies and may charge
19 its actual costs to comply with said request. For purposes of
20 this section, a postmark, when applicable, shall evidence the
21 date of delivery. The failure of an association to provide
22 the records within 10 working days after receipt of a written
23 request shall create a rebuttable presumption that the
24 association willfully failed to comply with this paragraph. A
25 unit owner who is denied access to official records is
26 entitled to the actual damages or minimum damages for the
27 association's willful failure to comply with this paragraph.
28 The minimum damages shall be \$50 per calendar day up to 10
29 days, or \$100 per calendar day up to 10 days for any
30 subsequent willful failure to comply, the calculation to begin
31 on the 11th working day after receipt of the written request.

1 The failure to permit inspection of the association records as
2 provided herein entitles any person prevailing in an
3 enforcement action to recover reasonable attorney's fees from
4 the person in control of the records who, directly or
5 indirectly, knowingly denied access to the records for
6 inspection. The association shall maintain an adequate number
7 of copies of the declaration, articles of incorporation,
8 bylaws, and rules, and all amendments to each of the
9 foregoing, as well as the question and answer sheet provided
10 for in s. 718.504 on the condominium property to ensure their
11 availability to unit owners and prospective purchasers, and
12 may charge its actual costs of mailing,~~for preparing,~~and
13 furnishing these documents to those requesting the same.
14 Notwithstanding the provisions of this paragraph, the
15 following records shall not be accessible to unit owners:
16 1. A record which was prepared by an association
17 attorney or prepared at the attorney's express direction,
18 which reflects a mental impression, conclusion, litigation
19 strategy, or legal theory of the attorney or the association,
20 and which was prepared exclusively for civil or criminal
21 litigation or for adversarial administrative proceedings, or
22 which was prepared in anticipation of imminent civil or
23 criminal litigation or imminent adversarial administrative
24 proceedings until the conclusion of the litigation or
25 adversarial administrative proceedings.
26 2. Information obtained by an association in
27 connection with the approval of the lease, sale, or other
28 transfer of a unit.
29 3. Medical records of unit owners.
30 Section 4. Paragraphs (b), (c), and (d) of subsection
31 (2) of section 718.112, Florida Statutes, are amended to read:

1 718.112 Bylaws.--

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

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

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

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

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

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

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

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

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

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

1 reason shall specifically contain a statement that assessments
2 will be considered and the nature of any such assessments.
3 Meetings of a committee to take final action on behalf of the
4 board or make recommendations to the board regarding the
5 association budget are subject to the provisions of this
6 paragraph. Meetings of a committee that does not take final
7 action on behalf of the board or make recommendations to the
8 board regarding the association budget are subject to the
9 provisions of this section, unless those meetings are exempted
10 from this section by the bylaws of the association.

11 Notwithstanding any other law, the requirement that board
12 meetings and committee meetings be open to the unit owners is
13 inapplicable to meetings between the board or a committee and
14 the association's attorney, with respect to proposed or
15 pending litigation, when the meeting is held for the purpose
16 of seeking or rendering legal advice.

17 (d) Unit owner meetings.--

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

1 declaration. A person who has been convicted of any felony by
2 any court of record and who has not had his or her right to
3 vote restored pursuant to law in the place of his or her
4 residence is not eligible for board membership.

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

1 with this provision, to each unit owner at the address last
2 furnished to the association.

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

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

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

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31

1 5. Unit owners may waive notice of specific meetings
2 if allowed by the applicable bylaws or declaration or any
3 statute.

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

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

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

21 Section 5. Paragraph (a) of subsection (9) of section
22 718.116, Florida Statutes, is amended to read:

23 718.116 Assessments; liability; lien and priority;
24 interest; collection.--

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

30 1. If the declaration so provides, a developer or
31 other person who owns condominium units offered for sale may

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

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

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

19 Section 6. Subsection (1) of section 718.117, Florida
20 Statutes, is amended to read:

21 718.117 Termination.--

22 (1) Unless otherwise provided in the declaration, the
23 condominium property may be removed from the provisions of
24 this chapter only by consent of all of the unit owners,
25 evidenced by a recorded instrument to that effect, and upon
26 the written consent by all of the holders of recorded liens
27 affecting any of the condominium parcels. When the board of
28 directors intends to terminate or merge the condominium, or
29 dissolve or merge the association, the board shall so notify
30 the division before taking any action to terminate or merge
31 the condominium or the association. Upon recordation of the

1 instrument evidencing consent of all of the unit owners to
2 terminate the condominium, the association, within 30 business
3 days, shall notify the division ~~within 30 working days~~ of the
4 termination and the date the document was recorded, the county
5 where the document was recorded, and the book and page number
6 of the public records where the document was recorded, and
7 shall provide the division a copy of the recorded termination
8 notice certified by the clerk.

9 Section 7. Subsection (6) is added to section 718.301,
10 Florida Statutes, to read:

11 718.301 Transfer of association control.--

12 (6) The division has authority to adopt rules pursuant
13 to the Administrative Procedure Act to ensure the efficient
14 and effective transition from developer control of a
15 condominium to the establishment of a unit owner-controlled
16 association.

17 Section 8. Subsection (8) is added to section 718.403,
18 Florida Statutes, to read:

19 718.403 Phase condominiums.--

20 (8) Upon recording the declaration of condominium or
21 amendments adding phases pursuant to this section, the
22 developer shall file the recording information with the
23 division within 30-working days on a form prescribed by the
24 division.

25 Section 9. Subsection (1) of section 718.502, Florida
26 Statutes, is amended to read:

27 718.502 Filing prior to sale or lease.--

28 (1)(a) A developer of a residential condominium or
29 mixed-use condominium shall file with the division one copy of
30 each of the documents and items required to be furnished to a
31 buyer or lessee by ss. 718.503 and 718.504, if applicable.

1 Until the developer has so filed, a contract for sale of a
2 unit or lease of a unit for more than 5 years shall be
3 voidable by the purchaser or lessee prior to the closing of
4 his or her purchase or lease of a unit.

5 (b) A developer may not close on any contract for sale
6 or contract for a lease period of more than 5 years until the
7 developer prepares and files with the division documents
8 complying with the requirements of this chapter and the rules
9 adopted by the division and until the division notifies the
10 developer that the filing is proper and the developer prepares
11 and delivers all documents required by s. 718.503(1)(b) to the
12 prospective buyer.

13 (c) The division, by rule, may develop filing, review,
14 and examination requirements and relevant timetables to ensure
15 compliance with the notice and disclosure provisions of this
16 section.

17 Section 10. Subsection (1) of section 718.503, Florida
18 Statutes, is amended to read:

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

22 (1) DEVELOPER DISCLOSURE.--

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

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

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

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

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

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

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

29 6. If the contract is for the sale or lease of a unit
30 that is subject to a lien for rent payable under a lease of a
31 recreational facility or other commonly used facility, contain

1 within the text the following statement in conspicuous type:
2 THIS CONTRACT IS FOR THE TRANSFER OF A UNIT THAT IS SUBJECT TO
3 A LIEN FOR RENT PAYABLE UNDER A LEASE OF COMMONLY USED
4 FACILITIES. FAILURE TO PAY RENT MAY RESULT IN FORECLOSURE OF
5 THE LIEN.

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

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

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

1 after the buyer or lessee receives all of the documents
2 required by this section. The developer shall not close for 15
3 days following the execution of the agreement and delivery of
4 the documents to the buyer as evidenced by a signed receipt
5 for documents unless the buyer is informed in the 15-day
6 voidability period and agrees to close prior to the expiration
7 of the 15 days. The developer shall retain in his or her
8 records a separate agreement signed by the buyer as proof of
9 the buyer's agreement to close prior to the expiration of said
10 voidability period. Said proof shall be retained for a period
11 of 5 years after the date of the closing of the transaction.
12 The documents to be delivered to the prospective buyer are the
13 prospectus or disclosure statement with all exhibits, if the
14 development is subject to the provisions of s. 718.504, or, if
15 not, then copies of the following which are applicable:
16 1. The question and answer sheet described in s.
17 718.504, and declaration of condominium, or the proposed
18 declaration if the declaration has not been recorded, which
19 shall include the certificate of a surveyor approximately
20 representing the locations required by s. 718.104.
21 2. The documents creating the association.
22 3. The bylaws.
23 4. The ground lease or other underlying lease of the
24 condominium.
25 5. The management contract, maintenance contract, 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, and any
29 management contracts that are renewable.
30 6. The estimated operating budget for the condominium
31 and a schedule of expenses for each type of unit, including

1 fees assessed pursuant to s. 718.113(1) for the maintenance of
2 limited common elements where such costs are shared only by
3 those entitled to use the limited common elements.

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

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

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

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

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

19 12. If the condominium is a conversion of existing
20 improvements, the statements and disclosure required by s.
21 718.616.

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

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

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

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

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

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

7 Section 11. Section 718.621, Florida Statutes, is
8 created to read:

9 718.621 Rulemaking authority.--The division has
10 authority to adopt rules pursuant to the Administrative
11 Procedure Act to implement and ensure compliance with
12 developers' obligations with respect to condominium
13 conversions concerning the filing and noticing of intended
14 conversion, rental agreement extensions, rights of first
15 refusal, and disclosure and post-purchase protections.

16 Section 12. Section 719.103, Florida Statutes, is
17 amended to read:

18 719.103 Definitions.--As used in this chapter:

19 (1) "Assessment" means a share of the funds required
20 for the payment of common expenses, which from time to time is
21 assessed against the unit owner.

22 (2) "Association" means the corporation for profit or
23 not for profit that owns the record interest in the
24 cooperative property or a leasehold of the property of a
25 cooperative and that is responsible for the operation of the
26 cooperative.

27 (3) "Board of administration" means the board of
28 directors or other representative body responsible for
29 administration of the association.

30
31

1 (4) "Buyer" means a person who purchases a
2 cooperative. The term "purchaser" may be used interchangeably
3 with the term "buyer."
4 ~~(5)(4)~~ "Bylaws" means the bylaws of the association
5 existing from time to time.
6 ~~(6)(5)~~ "Committee" means a group of board members,
7 unit owners, or board members and unit owners appointed by the
8 board or a member of the board to make recommendations to the
9 board regarding the association budget or take action on
10 behalf of the board.
11 ~~(7)(6)~~ "Common areas" means the portions of the
12 cooperative property not included in the units and includes
13 the following:-
14 (a) The cooperative property which is not included
15 within the units.
16 (b) Easements through units for conduits, ducts,
17 plumbing, wiring, and other facilities for the furnishing of
18 utility services to units and the common areas.
19 (c) An easement of support in every portion of a unit
20 which contributes to the support of a building.
21 (d) The property and installations required for the
22 furnishing of utilities and other services to more than one
23 unit or to the common areas.
24 (e) Any other part of the cooperative property
25 designated in the cooperative documents as common areas.
26 ~~(8)(7)~~ "Common expenses" means all expenses and
27 assessments properly incurred by the association for the
28 cooperative.
29 ~~(9)(8)~~ "Common surplus" means the excess of all
30 receipts of the association--including, but not limited to,
31

1 assessments, rents, profits, and revenues on account of the
2 common areas--over the amount of common expenses.

3 (10) "Conspicuous type" means type in capital letters
4 no smaller than the largest type on the page on which it
5 appears.

6 (11)~~(9)~~ "Cooperative" means that form of ownership of
7 real property wherein legal title is vested in a corporation
8 or other entity and the beneficial use is evidenced by an
9 ownership interest in the association and a lease or other
10 muniment of title or possession granted by the association as
11 the owner of all the cooperative property.

12 (12)~~(10)~~ "Cooperative documents" means:

13 (a) The documents that create a cooperative,
14 including, but not limited to, articles of incorporation of
15 the association, bylaws, and the ground lease or other
16 underlying lease, if any.

17 (b) The document evidencing a unit owner's membership
18 or share in the association.

19 (c) The document recognizing a unit owner's title or
20 right of possession to his or her unit.

21 (13)~~(11)~~ "Cooperative parcel" means the shares or
22 other evidence of ownership in a cooperative representing an
23 undivided share in the assets of the association, together
24 with the lease or other muniment of title or possession.

25 (14)~~(12)~~ "Cooperative property" means the lands,
26 leaseholds, and personal property owned by a cooperative
27 association.

28 (15)~~(13)~~ "Developer" means a person who creates a
29 cooperative or who offers cooperative parcels for sale or
30 lease in the ordinary course of business, but does not include
31 the owner or lessee of a unit who has acquired or leased the

1 unit for his or her own occupancy, nor does it include a
2 condominium association which creates a cooperative by
3 conversion of an existing residential condominium after
4 control of the association has been transferred to the unit
5 owners if, following the conversion, the unit owners will be
6 the same persons.

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

10 (17) "Limited common areas" means those common areas
11 which are reserved for the use of a certain cooperative unit
12 or units to the exclusion of other units, as specified in the
13 cooperative documents.

14 (18)~~(14)~~ "Operation" or "operation of the cooperative"
15 includes the administration and management of the cooperative
16 property.

17 (19) "Rental agreement" means any written agreement,
18 or oral agreement if for less duration than 1 year, providing
19 for use and occupancy of premises.

20 (20) "Residential cooperative" means a cooperative
21 consisting of cooperative units, any of which are intended for
22 use as a private residence. A cooperative is not a residential
23 cooperative if the use of the units is intended as primarily
24 commercial or industrial and not more than three units are
25 intended to be used for private residence, domicile, or
26 homestead, or if the units are intended to be used as housing
27 for maintenance, managerial, janitorial, or other operational
28 staff of the cooperative. If a cooperative is a residential
29 cooperative under this definition, but has units intended to
30 be commercial or industrial, then the cooperative is a
31 residential cooperative with respect to those units intended

1 for use as a private residence, domicile, or homestead, but
2 not a residential cooperative with respect to those units
3 intended for use commercially or industrially.

4 (21)~~(15)~~ "Unit" means a part of the cooperative
5 property which is subject to exclusive use and possession. A
6 unit may be improvements, land, or land and improvements
7 together, as specified in the cooperative documents.

8 (22)~~(16)~~ "Unit owner" or "owner of a unit" means the
9 person holding a share in the cooperative association and a
10 lease or other muniment of title or possession of a unit that
11 is granted by the association as the owner of the cooperative
12 property.

13 ~~(17) "Residential cooperative" means a cooperative~~
14 ~~consisting of cooperative units, any of which are intended for~~
15 ~~use as a private residence. A cooperative is not a~~
16 ~~residential cooperative if the use of the units is intended as~~
17 ~~primarily commercial or industrial and not more than three~~
18 ~~units are intended to be used for private residence, domicile,~~
19 ~~or homestead, or if the units are intended to be used as~~
20 ~~housing for maintenance, managerial, janitorial, or other~~
21 ~~operational staff of the cooperative. If a cooperative is a~~
22 ~~residential cooperative under this definition, but has units~~
23 ~~intended to be commercial or industrial, then the cooperative~~
24 ~~is a residential cooperative with respect to those units~~
25 ~~intended for use as a private residence, domicile, or~~
26 ~~homestead, but not a residential cooperative with respect to~~
27 ~~those units intended for use commercially or industrially.~~

28 ~~(18) "Rental agreement" means any written agreement,~~
29 ~~or oral agreement if for less duration than 1 year, providing~~
30 ~~for use and occupancy of premises.~~

31

1 ~~(19) "Conspicuous type" means type in capital letters~~
2 ~~no smaller than the largest type on the page on which it~~
3 ~~appears.~~

4 ~~(20) "Limited common areas" means those common areas~~
5 ~~which are reserved for the use of a certain cooperative unit~~
6 ~~or units to the exclusion of other units, as specified in the~~
7 ~~cooperative documents.~~

8 ~~(21) "Common areas" includes within its meaning the~~
9 ~~following:~~

10 ~~(a) The cooperative property which is not included~~
11 ~~within the units.~~

12 ~~(b) Easements through units for conduits, ducts,~~
13 ~~plumbing, wiring, and other facilities for the furnishing of~~
14 ~~utility services to units and the common areas.~~

15 ~~(c) An easement of support in every portion of a unit~~
16 ~~which contributes to the support of a building.~~

17 ~~(d) The property and installations required for the~~
18 ~~furnishing of utilities and other services to more than one~~
19 ~~unit or to the common areas.~~

20 ~~(e) Any other part of the cooperative property~~
21 ~~designated in the cooperative documents as common areas.~~

22 Section 13. Section 719.1035, Florida Statutes, is
23 amended to read:

24 719.1035 Creation of cooperatives.--The date when
25 cooperative existence shall commence is upon commencement of
26 corporate existence of the cooperative association as provided
27 in s. 607.0203. The cooperative documents must be recorded in
28 the county in which the cooperative is located before property
29 may be conveyed or transferred to the cooperative. All
30 persons who have any record interest in any mortgage
31 encumbering the interest in the land being submitted to

1 cooperative ownership must either join in the execution of the
2 cooperative documents or execute, with the requirements for
3 deed, and record, a consent to the cooperative documents or an
4 agreement subordinating their mortgage interest to the
5 cooperative documents. Upon creation of a cooperative, the
6 developer or association shall file the recording information
7 with the division within 30 working days on a form prescribed
8 by the division.

9 Section 14. Subsection (10) is added to section
10 719.104, Florida Statutes, to read:

11 719.104 Cooperatives; access to units; records;
12 financial reports; assessments; purchase of leases.--

13 (10) NOTIFICATION OF DIVISION.--When the board of
14 directors intends to dissolve or merge the cooperative
15 association, the board shall so notify the division before
16 taking any action to dissolve or merge the cooperative
17 association.

18 Section 15. Paragraphs (b) and (c) of subsection (1)
19 of section 719.106, Florida Statutes, are amended to read:

20 719.106 Bylaws; cooperative ownership.--

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

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

25 1. Unless otherwise provided in the bylaws, the
26 percentage of voting interests required to constitute a quorum
27 at a meeting of the members shall be a majority of voting
28 interests, and decisions shall be made by owners of a majority
29 of the voting interests. Unless otherwise provided in this
30 chapter, or in the articles of incorporation, bylaws, or other
31 cooperative documents, and except as provided in subparagraph

1 (d)1., decisions shall be made by owners of a majority of the
2 voting interests represented at a meeting at which a quorum is
3 present.

4 2. Except as specifically otherwise provided herein,
5 after January 1, 1992, unit owners may not vote by general
6 proxy, but may vote by limited proxies substantially
7 conforming to a limited proxy form adopted by the division.
8 Limited proxies and general proxies may be used to establish a
9 quorum. Limited proxies shall be used for votes taken to
10 waive or reduce reserves in accordance with subparagraph
11 (j)2., for votes taken to amend the articles of incorporation
12 or bylaws pursuant to this section, and for any other matter
13 for which this chapter requires or permits a vote of the unit
14 owners. Except as provided in paragraph (d), after January 1,
15 1992, no proxy, limited or general, shall be used in the
16 election of board members. General proxies may be used for
17 other matters for which limited proxies are not required, and
18 may also be used in voting for nonsubstantive changes to items
19 for which a limited proxy is required and given.
20 Notwithstanding the provisions of this section, unit owners
21 may vote in person at unit owner meetings. Nothing contained
22 herein shall limit the use of general proxies or require the
23 use of limited proxies or require the use of limited proxies
24 for any agenda item or election at any meeting of a timeshare
25 cooperative.

26 3. Any proxy given shall be effective only for the
27 specific meeting for which originally given and any lawfully
28 adjourned meetings thereof. In no event shall any proxy be
29 valid for a period longer than 90 days after the date of the
30 first meeting for which it was given. Every proxy shall be
31

1 revocable at any time at the pleasure of the unit owner
2 executing it.

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

9 5. When some or all of the board or committee members
10 meet by telephone conference, those board or committee members
11 attending by telephone conference may be counted toward
12 obtaining a quorum and may vote by telephone. A telephone
13 speaker shall be utilized so that the conversation of those
14 board or committee members attending by telephone may be heard
15 by the board or committee members attending in person, as well
16 as by unit owners present at a meeting.

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

1 the members of the board. Such emergency action shall be
2 noticed and ratified at the next regular meeting of the board.
3 However, written notice of any meeting at which nonemergency
4 special assessments, or at which amendment to rules regarding
5 unit use, will be considered shall be mailed or delivered to
6 the unit owners and posted conspicuously on the cooperative
7 property not less than 14 days prior to the meeting. Evidence
8 of compliance with this 14-day notice shall be made by an
9 affidavit executed by the person providing the notice and
10 filed among the official records of the association. Upon
11 notice to the unit owners, the board shall by duly adopted
12 rule designate a specific location on the cooperative property
13 upon which all notices of board meetings shall be posted.
14 Notice of any meeting in which regular assessments against
15 unit owners are to be considered for any reason shall
16 specifically contain a statement that assessments will be
17 considered and the nature of any such assessments. Meetings of
18 a committee to take final action on behalf of the board or to
19 make recommendations to the board regarding the association
20 budget are subject to the provisions of this paragraph.
21 Meetings of a committee that does not take final action on
22 behalf of the board or make recommendations to the board
23 regarding the association budget are subject to the provisions
24 of this section, unless those meetings are exempted from this
25 section by the bylaws of the association. Notwithstanding any
26 other law to the contrary, the requirement that board meetings
27 and committee meetings be open to the unit owners is
28 inapplicable to meetings between the board or a committee and
29 the association's attorney, with respect to proposed or
30 pending litigation, when the meeting is held for the purpose
31 of seeking or rendering legal advice.

1 Section 16. Subsection (6) is added to section
2 719.301, Florida Statutes, to read:
3 719.301 Transfer of association control.--
4 (6) The division has authority to adopt rules pursuant
5 to the Administrative Procedure Act to ensure the efficient
6 and effective transition from developer control of a
7 cooperative to the establishment of a unit owner-controlled
8 association.

9 Section 17. Subsection (7) is added to section
10 719.403, Florida Statutes, to read:
11 719.403 Phase cooperatives.--
12 (7) Upon recording the cooperative documents or
13 amendments adding phases pursuant to this section, the
14 developer or association shall file the recording information
15 with the division within 30 working days on a form prescribed
16 by the division.

17 Section 18. Subsection (1) of section 719.502, Florida
18 Statutes, is amended to read:
19 719.502 Filing prior to sale or lease.--
20 (1)(a) A developer of a residential cooperative shall
21 file with the division one copy of each of the documents and
22 items required to be furnished to a buyer or lessee by ss.
23 719.503 and 719.504, if applicable. Until the developer has
24 so filed, a contract for sale or lease of a unit for more than
25 5 years shall be voidable by the purchaser or lessee prior to
26 the closing of his or her purchase or lease of a unit. A
27 developer shall not close on any contract for sale or contract
28 for a lease period of more than 5 years until the developer
29 prepares and files with the division documents complying with
30 the requirements of this chapter and the rules promulgated by
31 the division and until the division notifies the developer

1 that the filing is proper. A developer shall not close on any
2 contract for sale or contract for a lease period of more than
3 5 years, as further provided in s. 719.503(1)(b), until the
4 developer prepares and delivers all documents required by s.
5 719.503(1)(b) to the prospective buyer.

6 (b) The division may by rule develop filing, review,
7 and examination requirements and the relevant timetables
8 necessary to ensure compliance with the notice and disclosure
9 requirements of this section.

10 Section 19. Paragraph (b) of subsection (1) of section
11 719.503, Florida Statutes, is amended to read:

12 719.503 Disclosure prior to sale.--

13 (1) DEVELOPER DISCLOSURE.--

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

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

- 1 9. The form of unit lease if the offer is of a
2 leasehold.
- 3 10. Any declaration of servitude of properties serving
4 the cooperative but not owned by unit owners or leased to them
5 or the association.
- 6 11. If the development is to be built in phases or if
7 the association is to manage more than one cooperative, a
8 description of the plan of phase development or the
9 arrangements for the association to manage two or more
10 cooperatives.
- 11 12. If the cooperative is a conversion of existing
12 improvements, the statements and disclosure required by s.
13 719.616.
- 14 13. The form of agreement for sale or lease of units.
- 15 14. A copy of the floor plan of the unit and the plot
16 plan showing the location of the residential buildings and the
17 recreation and other common areas.
- 18 15. A copy of all covenants and restrictions which
19 will affect the use of the property and which are not
20 contained in the foregoing.
- 21 16. If the developer is required by state or local
22 authorities to obtain acceptance or approval of any dock or
23 marina facilities intended to serve the cooperative, a copy of
24 any such acceptance or approval acquired by the time of filing
25 with the division pursuant to s. 719.502(1) or a statement
26 that such acceptance or approval has not been acquired or
27 received.
- 28 17. Evidence demonstrating that the developer has an
29 ownership, leasehold, or contractual interest in the land upon
30 which the cooperative is to be developed.
- 31

1 Section 20. Section 716.621, Florida Statutes, is
2 created to read:

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

10 Section 21. Subsection (28) of section 721.05, Florida
11 Statutes, is amended to read:

12 721.05 Definitions.--As used in this chapter, the
13 term:

14 (28) "Timeshare estate" means a right to occupy a
15 timeshare unit, coupled with a freehold estate or an estate
16 for years with a future interest in a timeshare property or a
17 specified portion thereof. The term shall also mean an
18 interest in a condominium unit pursuant to s. 718.103 ~~s.~~
19 ~~718.103(22)~~.

20 Section 22. This act shall take effect upon becoming a
21 law.

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