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FLORIDA STATUTE CHANGES EFFECTIVE TODAY, JULY 1, 2008

Dear Homeowner Association Board of Directors:

This comes to inform you on the Florida statutory changes affecting homeowner associations, effective July 1, 2008, the highlights of same are below:

Florida Statute 720.304(2)(a) [Flags]

Flags. At all times, 2 flags may be flown on a parcel, 1 United States flag or official flag of the State of Florida and 1 for the U.S. armed forces or POW-MIA with certain size specifications. A parcel owner may utilize a free standing flag pole no more than 20 feet high anywhere on the owner's property that does not interfere with intersection sight lines or on any easement.

Florida Statute 720.305(4), 720.3053 and 720.313 [Receivership Appointment Notice]

The previous receivership requirements are deleted and replaced by provisions similar to the condominium statute including procedures for the receiver to provide notice to owners within ten days of appointment.

Florida Statute 720.3085 [Payment for assessments / Lien Claims]

1. The claim of lien for assessments is effective from and shall relate back to the date on which the original declaration of the community was recorded. Accordingly, the Association can foreclose out 2nd mortgages recorded after July 1, 2008.
2. Clarifies the requirements of a claim of lien.
3. Allows the parcel owner to file a Notice of Contest of Lien which would require the association to file a lawsuit for foreclosure within 90 days after service (this time period is extended in bankruptcy cases).
4. Indicates that (a) if the parcel owner remains in possession of the parcel after a foreclosure judgment has been entered, the court may require the parcel owner to pay a reasonable rent and (b) if a parcel is rented or leased during the pendency of the foreclosure action, the association is entitled to the appointment of a receiver to collect the rent.

5. Grants the association the authority to purchase the parcel at a foreclosure sale and hold, lease, mortgage, or convey (sell) the parcel.
6. If the first mortgage holder initially joins the association as a defendant in its mortgage foreclosure action, then it limits their assessment liability to the LESSOR OF
 - A. The unpaid common expenses and regular periodic or special assessments that accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the association,
 - OR
 - B. One percent of the original mortgage debt.

(Note that the lender's requirement to initially join the association as a defendant is waived if, on the date the lender filed its complaint, the association was dissolved or did not maintain an office or agent for service of process at a location that was known to or reasonably discoverable by the lender.)

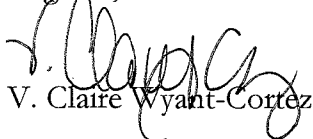
7. Clarifies that the association may recover interest, late charges, costs and reasonable attorney's fees incurred in a lien foreclosure action or in an action to recover a money judgment for the unpaid assessments.
8. Eliminates the time limitations (45 days for a demand letter prior to recording a claim of lien and 45 days from recording the lien to filing suit for foreclosure of the lien) if the parcel is subject to a foreclosure action or forced sale initiated by another party, or if an owner of the parcel is a debtor in a bankruptcy proceeding.
9. Clarifies the procedure for qualifying offers.

Florida Statute 720.30851 [HOA Estoppel]

Requires associations to provide an estoppel certificate within 15 days after receiving a request. Grants associations the right to charge an estoppel fee, which fee must appear on the estoppel, if the fee is established in writing such as a resolution adopted by the board or in a management, booking or maintenance agreement. If the estoppel is requested for a closing and a closing does not occur, then the fee shall be refunded within thirty days after receipt of a refund request from a third party, not the owner. If refunded, the estoppel fee is the obligation of the parcel owner and the association may collect it from the owner in the same manner as an assessment.

Please contact me with any questions or concerns.

Regards,


V. Claire Wyant-Cortez