



## IMPORTANT CHANGES TO THE CONDOMINIUM RIDER

- **The Annual Budget is Now a Required Document**
- **Info regarding Milestone Inspection Report, Structural Integrity Reserve Study, & the Turnover Inspection Report**
- **Instructions on how to fill out Paragraph 10 of the Condo Rider**

As of **September 2024**, the **Condo Association's Annual Budget** is now included in the list of required documents that must be provided to buyers during the sale of a condominium.

Failure to provide the **Annual Budget**, along with other required documents, may give the buyer the right to **void the sales contract**. This makes it essential for sellers to ensure that all necessary documentation is complete and provided promptly to avoid potential transaction delays or cancellations.

**5. NON-DEVELOPER DISCLOSURE:**  
(CHECK ONE):

☐ (c) THE BUYER HEREBY ACKNOWLEDGES THAT BUYER HAS BEEN PROVIDED A CURRENT COPY OF THE DECLARATION OF CONDOMINIUM, ARTICLES OF INCORPORATION OF THE ASSOCIATION, BYLAWS AND RULES OF THE ASSOCIATION, A COPY OF THE MOST RECENT ANNUAL FINANCIAL STATEMENT AND **ANNUAL BUDGET** AND FREQUENTLY ASKED QUESTIONS AND ANSWERS DOCUMENT MORE THAN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, PRIOR TO EXECUTION OF THIS CONTRACT.

☐ (d) THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE DECLARATION OF CONDOMINIUM, ARTICLES OF INCORPORATION, BYLAWS AND RULES OF THE ASSOCIATION, A COPY OF THE MOST RECENT ANNUAL FINANCIAL STATEMENT AND **ANNUAL BUDGET**, AND FREQUENTLY ASKED QUESTIONS AND ANSWERS DOCUMENT IF SO REQUESTED IN WRITING. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND

**6. BUYER'S REQUEST FOR DOCUMENTS:**

Seller shall, at Seller's expense, provide Buyer with current copies of the condominium documents specified in Paragraph 5 above, as well as the governance form described in Section 718.503(2)(b). Buyer (CHECK ONE): ☐ requests ☐ does not request (if left blank, then "requests") a current copy of the documents specified in Paragraph 5 above along with the governance form. If this Contract does not close, Buyer shall immediately return the documents to Seller or reimburse Seller for the cost of the documents, if any.

**7. BUYER'S RECEIPT OF DOCUMENTS:**

(COMPLETE AND CHECK ONLY IF CORRECT) ☐ Buyer received the documents described in Paragraph 5, above, on \_\_\_\_\_.

# **Milestone Inspections**

## **Structural Integrity Reserve Study**

### **Turnover Inspection Report**

In response to the tragic Surfside Condo building collapse in 2021, new regulations were implemented at the start of this year to enhance building safety. These regulations led to updates in the Condominium Rider, which now includes language specifically addressing the requirements for certain condominium buildings.

**Milestone Inspections:** Under these regulations, condominium buildings that are 3 or more stories high and are 25 or 30 years old are required to undergo a Milestone Inspection, which is a structural integrity assessment. This inspection evaluates the safety and structural condition of the building to ensure it remains safe for occupancy. After the initial inspection, subsequent inspections must be conducted every 10 years to maintain compliance and ensure ongoing structural safety.

Key points about the Milestone Inspections:

- **Height:** Applies to all condominium associations with buildings that are **3 or more stories high**.
- **Age and Proximity to the Ocean:**
  - **25 years old** if the building is located **within 3 miles of the saltwater**.
  - **30 years old** if the building is located **more than 3 miles from the saltwater**.

**Structural Integrity Reserve Study (SIRS):** In addition to the Milestone Inspection requirements, all condominium associations with buildings of 3 or more stories, are now mandated to conduct a Structural Integrity Reserve Study (SIRS), every 10 years. This reserve study ensures that condominium owners' associations set aside funds for the long-term maintenance and necessary replacement of critical structural components in their buildings.

Key points about SIRS:

- **Height:** All condominium associations with buildings of 3 or more stories in height.
- **Mandatory Reserve Funds:** Associations must collect funds for repairs according to a predetermined replacement schedule.

- **No Waiver Allowed:** These funds cannot be waived by agreement or board vote.

### **Turnover Inspection Report:**

Effective **July 1, 2023**, developers are required to prepare a **Turnover Inspection Report** before transferring ownership of the building to unit owners.

This report must verify the condition of the building and its systems and it must be included in the building's official records to ensure transparency for unit owners.

### **Potential for Contract Termination**

Agents must ensure buyers receive the required documents as early as possible in the transaction when selling a condominium under updated regulatory requirements. Providing these documents promptly ensures buyers have a complete understanding of the building's structural and financial condition before closing on the transaction.

If the buyer has not received the required documents, they retain the right to void the agreement by providing written notice within 3 days (excluding weekends and legal holidays) of receiving the Milestone Inspection Report, Structural Integrity Reserve Study, and Turnover Inspection Report (if applicable). At the buyer's request, the closing may be extended to accommodate this three-day period.

### **Filling Out the Condominium Rider**

When completing the Condominium Rider, make sure it reflects whether the property meets the requirements for the Milestone Inspection Report, Structural Integrity Reserve Study (SIRS), or Turnover Inspection Report.

- If Required: Check the applicable boxes and provide copies of the documents to the buyer.
- If Not Required: Indicate that these inspections or reports are not needed.

Be sure to have the buyer acknowledge receipt of the documents. Completing the rider accurately helps avoid delays potential termination of the agreement.

**Paragraph 10 of the Condominium Rider** addresses new requirements for condominium associations with buildings of 3 or more stories in height.

For buildings **NOT meeting the criteria** for Milestone Inspections or the Structural Integrity Reserve Study (SIRS), the corresponding sections of the form should be completed to indicate that these inspections are **not required**.

**10. MILESTONE INSPECTION REPORT; STRUCTURAL INTEGRITY RESERVE STUDY; TURNOVER INSPECTION REPORTS:**

- (a) MILESTONE INSPECTION: The Association (check only one option):  
☐ (i) is required to and has completed a milestone inspection report as described in Section 553.899, F.S. (SEE PARAGRAPH 10(d) BELOW FOR VOIDABILITY RIGHTS); or  
☒ **(ii) IS NOT REQUIRED TO HAVE COMPLETED A MILESTONE INSPECTION REPORT AS DESCRIBED IN SECTION 553.899, F.S.; or**  
☐ **(iii) IS REQUIRED TO HAVE COMPLETED A MILESTONE INSPECTION REPORT AS DESCRIBED IN SECTION 553.899, F.S. BUT HAS NOT COMPLETED SUCH INSPECTION.**
- (b) TURNOVER INSPECTION REPORT: The Association (check only one option):  
☐ (i) is required to and has completed a turnover inspection report for a turnover inspection performed on or after July 1, 2023, as described in Section 718.301(4)(p) and (q), F.S. (SEE PARAGRAPH 10(d) BELOW FOR VOIDABILITY RIGHTS); or  
☒ **(ii) IS NOT REQUIRED TO HAVE COMPLETED A TURNOVER INSPECTION REPORT FOR A TURNOVER INSPECTION PERFORMED ON OR AFTER JULY 1, 2023, AS DESCRIBED IN SECTION 718.301(4)(p) AND (q), F.S. (this option should be selected if the Association was turned over prior to July 1, 2023); or**  
☐ **(iii) IS REQUIRED TO HAVE COMPLETED A TURNOVER INSPECTION REPORT FOR A TURNOVER INSPECTION PERFORMED ON OR AFTER JULY 1, 2023, AS DESCRIBED IN SECTION 718.301(4)(p) AND (q), F.S. BUT HAS NOT COMPLETED SUCH REPORT.**
- (c) STRUCTURAL INTEGRITY RESERVE STUDY: The Association (check only one option):  
☐ (i) is required to and has completed a structural integrity reserve study as described in Sections 718.103(28) and 718.112(2)(g), F.S. (SEE PARAGRAPH 10(d) BELOW FOR VOIDABILITY RIGHTS); or  
☒ **(ii) IS NOT REQUIRED TO HAVE COMPLETED A STRUCTURAL INTEGRITY RESERVE STUDY AS DESCRIBED IN SECTIONS 718.103(28) AND 718.112(2)(g), F.S.; or**

However, if the building does meet the requirements, then the appropriate checkboxes must be selected and the appropriate documentation must be provided to the buyer. Failure to provide the reports may give the buyer the opportunity to void the contract of sale.

☐ **(ii) THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE INSPECTOR-PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION 718.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS 718.103(28) AND 718.112(2)(g), FLORIDA STATUTES, IF APPLICABLE. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE BUYER RECEIVES A CURRENT COPY OF THE INSPECTOR-PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN SECTION 553.899, FLORIDA STATUTES; A COPY OF THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION 718.301(4)(p) AND (q), FLORIDA STATUTES; OR A COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS 718.103(28) AND 718.112(2)(g), FLORIDA STATUTES, IF REQUESTED IN WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.**