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Condo Termination: Coming Soon to A Venue Near You—If It's Not Already There!

Margaret A. ("Peggy") Rolando
Shutts & Bowen LLP
MRolando@shutts.com

Condominium terminations, once a rare occurrence, have become more prevalent as many condominiums built in the 1960s, '70s and '80s have reached the end of their useful lives in the absence of major renovation. Termination and sale for redevelopment may be an attractive option for unit owners facing large special assessments that will not result in a corresponding increase in value. Termination may also be necessary in the case of a major casualty loss. This paper discusses the basics of condominium termination.

TAB 8

Condo Termination: Coming Soon to A Venue Near You—If It's Not Already There!

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I. **Introduction**. While condominium terminations were once a rare occurrence, they have become more prevalent as many condominiums built in the 1960s, '70s and '80s have reached the end of their useful lives in the absence of major renovation. So too, has the cost of owning a condominium unit dramatically increased for owners of aging condominium units as lenders and buyers have a heightened sensitivity to the need for robust reserves for deferred maintenance and capital improvements. Escalating values for waterfront properties in coastal communities have led some boards and owners to explore the feasibility of selling their condominium property for redevelopment rather than making needed repairs and upgrades. In the past, associations and unit owners may have dismissed offers from developers to buy the terminated condominium or all or most of the units. Now, termination and sale may be an attractive option for unit owners facing large special assessments that will not result in a corresponding increase in value. In the case of a major casualty loss, a condominium may be impeded from restoration by high construction costs, the inability to reconstruct because of governmental mandates and restrictions, and/or the inability to reach a consensus about reconstruction. As such, unit owners may need to terminate the condominium based on impossibility. This paper will discuss the basics of condominium termination.

II. **Background; Formation of a Condominium**. In order to understand terminations, a quick refresher on condominium formation is helpful. A condominium is created by recording a declaration of condominium ("Declaration") in the land records of the jurisdiction where the property is located. The Declaration subdivides the property subjected to the condominium form of ownership into "units" and "common elements." Typically, the "unit" is the portion of the condominium property subject to exclusive ownership. The "common elements" are the portions of the condominium property not included in the units. The Declaration often will designate certain common elements as "limited common elements." Limited common elements are reserved for the exclusive use of one or more units but not all of them, such as the balcony adjoining a unit. Each unit owner has exclusive ownership of the space constituting its unit together with an undivided interest in the common elements as a tenant in common with the other unit owners. The Declaration sets forth each unit's share of the common elements and common expenses. The condominium is governed and operated by a condominium association. The association controls the common elements and is generally obligated to maintain them; however, it does not own them and generally lacks the authority to convey the common elements. Nor does the association have the power to convey title to the units.

Two of the defining characteristics of condominiums are:

a. Fragmented ownership

b. Participatory democracy = group decision making. Think of a condominium as an involuntary partnership where the partners do not control admission of new partners and may not have established criteria for admission.

Decisions regarding the sale, disposition, modification, redevelopment or termination of a condominium are subject to a diffuse, lengthy decision-making process because of condominium's participatory democracy.

III. **Why Terminate?** The justification for termination typically includes one or more of the following:

a. *Compelling offer to purchase the condominium property*. The association or unit owners receive an offer they can't refuse.

b. *Major casualty loss*. The unit owners do not want to rebuild the same improvements, or the association may have a large deductible and/or significant uninsured losses.

c. *Impossibility*. Following a casualty, the unit owners cannot rebuild the same improvements because of:

i. Height restrictions, setbacks, minimum ground floor elevations or other restrictions adopted subsequent to the original construction;

ii. Inability to secure permits from applicable governmental entities;

iii. Governmental requirements mandate different design and construction, such as the requirement to elevate the structure in a flood-prone area that did not exist prior to the casualty loss; FEMA standards;

iv. For waterfront properties, changes in regulation of coastal development line that occurred subsequent to original development but which will now inhibit redevelopment; or

v. Property was a non-conforming use prior to the casualty and current governmental requirements do not permit the same number of units or the same size of the building or units.

d. *Functionally or aesthetically obsolete buildings in prime location* (e.g. 8 ft. ceilings; catwalks; no elevators; antiquated life safety system).

e. *Major structural problems* (e.g. spalled concrete, deteriorated balconies, water intrusion issues).

f. *Gentrification*; changes in neighborhood or changes in zoning.

g. *Value of the land exceeds value of the units*.

h. *Inability to obtain property insurance coverage* unless major repairs or renovations are undertaken.

i. *Excess deferred maintenance or code compliance issues*. The substantial cost of remedial repairs and upgrades will not enhance value. Owners may be facing a large special assessment to pay for repairs or to repay loans incurred by the association to finance the repairs. The special assessments will exceed financial capacity of most unit owners.

j. *Statutorily mandated inspections and reserve studies* and prohibition on waiving or reducing statutorily required reserves. Unit owners are unwilling or unable to fund the required reserves or pay for the repairs and replacements disclosed by the inspection reports and reserve analysis.

    i. Following the tragic collapse of the Champlain Towers South condominium in 2021, the Florida Legislature adopted certain inspection and reserve study requirements. A Florida condominium association is required to procure a structural integrity reserve study (SIRS) 10 years after the creation of the condominium. In addition, the owners of a condominium building that is three stories or more in height as determined by the Florida Building Code must also have a milestone inspection performed by December 31 of the year in which the building reaches 30 years of age, based on the date the certificate of occupancy for the building was issued, and every 10 years thereafter. Although a new condominium project will not have a SIRS report, the budget for the condominium must compute and collect reserves for the statutorily mandated categories.

    ii. If a Florida condominium association is required to obtain a SIRS, then reserves must be maintained for the following items for which the association is responsible under the declaration of condominium, and the reserve amount for such items must be based on the findings and recommendations of the association's most recent structural integrity reserve study:

        1. Roof;

        2. Structure, including load-bearing walls and other primary structural members and primary structural systems;

        3. Fireproofing and fire protection systems;

        4. Plumbing;

        5. Electrical systems;

        6. Waterproofing and exterior painting;

        7. Windows and exterior doors;

8. Any other item that has a deferred maintenance expense or replacement cost that exceeds the greater of $25,000 or the inflation adjusted amount determined by the Division of Florida Condominiums, Timeshares and Mobile Homes and the failure to replace or maintain such item negatively affects the items listed above, as determined by the licensed engineer or architect performing the visual inspection portion of the structural integrity reserve study.

If the estimated useful life of an item is not readily ascertainable or if the estimated remaining useful life is greater than 25 years, an association is not required to reserve replacement costs for the item, but the association must reserve the amount of deferred maintenance expense, if any, which is recommended by the structural integrity reserve study for the item. The association may adjust replacement reserve assessments annually to account for inflation and any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance.

iii. Effective December 31, 2024, unit owner-controlled associations that are required to have a SIRS report are prohibited under Section 718.112(2)(g), Florida Statutes, from waiving reserves or funding them at less than the statutorily required levels. Nor can unit owners use the mandatory reserves for any purpose other than their intended purpose.

k. *Underfunded or unfunded reserves for deferred maintenance and needed upgrades*, and unit owners are facing a large special assessment or substantially increased regular assessments to fund reserves that will not result in a commensurate increase in value. Adding to the pressure are new Fannie Mae and Freddie Mac requirements:

i. The minimum reserve allocation requirement for capital expenditures and deferred maintenance increases from a minimum of 10% to a minimum of 15% of the annual budgeted income assessment for loan applications dated on or after January 4, 2027 per LL-2026-03 3/18/26). See Fannie Mae Selling Guide, B4-2.2-01, Full Review Process (08/05/2026) for details on computation of reserve requirements and use of reserve studies.

ii. Condominiums in need of critical repairs or replacements that significantly impact the safety, soundness, structural integrity or habitability of the project's building(s), or the financial viability or marketability of the project are ineligible for Fannie Mae or Freddie Mac conforming loans. See Fannie Mae Selling Guide, B4-2.1-03, Ineligible Projects (08/05/2026). Critical repairs include conditions such as:

1. material deficiencies, which if left uncorrected, have the potential to result in or contribute to critical element or system failure within one year;

2. any mold, water intrusions or potentially damaging leaks to the condominium's building(s);

3. advanced physical deterioration;

4. any project that failed to pass state, county, or other jurisdictional mandatory inspections or certifications specific to structural safety, soundness, and habitability; or

5. any unfunded repairs costing more than $10,000 per unit that should be undertaken within the next 12 months (does not include repairs made by the unit owner or repairs funded through a special assessment). Examples include, but are not limited to, sea walls, elevators, waterproofing, stairwells, balconies, foundation, electrical systems, parking structures or other load-bearing structures.

Even if a unit owner is not obtaining a Fannie/Freddie conforming loan, lenders may require the condominium property and condominium association to comply with the Fannie/Freddie guidelines for the loan to be readily salable.

l. *Failed project (fractured condominium)*, typically a failed residential condo conversion. Termination will revert the project to whole ownership so the property becomes attractive to institutional investors.

m. *Partial termination* in order to (1) eliminate phantom units (i.e. units declared but not built), or (2) allow the condo association to sell underutilized portions of its common elements, e.g. surface parking, golf course, tennis courts.

IV. **Effect of Termination**. By terminating a condominium, the unit owners remove the property submitted to condominium ownership from operation of the Declaration, from the condominium regime and from the applicable state statutory provisions creating and governing the condominium, either a condominium act or common interest ownership act (the "Condominium Act"). Unless the Declaration or the Condominium Act provides otherwise, following termination of a condominium, the former condominium property is deemed to be owned by all the unit owners as tenants in common and each unit owner's undivided share in the former condominium property is the same undivided share the unit owner previously owned in the common elements. Many of the states that have adopted the Uniform Common Interest Ownership Act or the Uniform Condominium Act avoid the issues posed by post termination tenants in common ownership. The UCIOA and UCA provide that if any of the condominium's real estate is to be sold after termination, title to that real estate vests on termination in the association as trustee for the holders of all interests in the units. In addition, each unit owner has the exclusive right to occupy its former condominium unit. While in occupancy, the unit owner remains liable for all assessments and other obligations imposed on unit owners by the Condominium Act or the declaration. See the attached Exhibit "A," an AI generated survey of the termination of

condominium statutory provisions in the 50 states and Washington, D.C. (Thank you, Darryl Moss.)

In the absence of an alternative – whether statutory or contractual -- when a termination occurs, no tenants in common (TIC) agreement or co-tenancy agreement ("TIC Agreement") automatically springs into place. The tenants in common structure is cumbersome without a TIC Agreement. Unit owners are not obligated to contribute to maintenance of the property on an ongoing basis. Without a TIC Agreement, the former unit owner (now TIC owner) has none of the following rights or obligations: no right to exclusive use of the unit; no obligation to pay taxes, insurance, or assessments on an ongoing basis at any particular schedule; and no obligation to abide by use restrictions or other covenants. After termination, without statutory or contractual authorization, the condominium association lacks the authority to govern the former condominium property and the power to control or regulate sale, leasing, occupancy, alterations or behavior at the property or to collect assessments. The association may not have lien rights if the former unit owners/TICs refuse to pay maintenance. The tenant(s) in common who pay the taxes, insurance, and operating expenses have a right of contribution from the other TICs. The TICs must then rely on the common law or statutory provisions governing tenancies in common to define and enforce the operations of the property.

Without a statutory or contractual alternative, no person or entity has the right to bind all of the unit owners/TICs to a sale of the former condominium property (units + common elements). Obviously, with multiple co-owners, there are substantial logistical impediments to listing and marketing the condominium property, negotiating a purchase and sale agreement and obtaining closing documents or a power of attorney from or on behalf of the tenants in common.

V. **Consolidating Title; Methodology**. With fragmented ownership of the former condominium property, there's a practical need to consolidate title to facilitate sale of the condominium property. Sale of the condominium property and liquidation of other assets of the association provides a source of funds to satisfy the creditors of the association and pay the unit owners and their mortgagees and lienors.

a. Older Declarations may include one of these methods of unifying title:

i. Partition. Termination followed by a lawsuit for partition is one method of organizing, consolidating interests and compelling a sale. A partition sale offers a judicially blessed sale and finality. A partition sale can be perceived of as a distressed sale. Dissenting unit owners may receive a lower amount of sale proceeds than they were offered by the bulk buyer[1] originally. However, a judge may establish a reserve price in the order of sale that assures dissenters receive at least a minimum amount.

[1] The term "bulk buyer" as used in this article refers to a person or entity who is attempting to acquire or has acquired sufficient percentage of units or voting rights to approve termination of the condominium and/or purchase of the condominium property.

There are litigation risks and delays associated with a partition action. All dissenting owners (the holdouts), their mortgagees, tenants and other lien holders must be served with the partition complaint. Dissenting owners / defendants can appeal judicial orders.

A partition sale is not without its drawbacks, including the following:

1. Cost of marketing the property to avoid distressed sale consequences

2. Delays and uncertainty; former unit owner/TIC will find it difficult to sell or finance its TIC interest if it is subject to a partition action (or for that matter a pending termination)

3. The bulk buyer risks losing the property to a competing bidder at the partition sale.

ii. Option to Purchase Interests of Holdouts. The Declaration may obligate the condominium association or unit owners voting in favor of termination to purchase the interests of the owners opposing termination at their fair market value as determined by an independent appraiser. Other Declarations give the approving owners the right but not the obligation to buy out the holdouts. These remedies are often impractical and result in litigation, either by the bulk buyer bringing a specific performance lawsuit to compel the holdouts to sell or the holdouts refusing to sell at fair market value and demanding a premium. This remedy also entails delays and uncertainty. Likewise, the TIC interests are difficult to sell or finance when the property is subject to litigation (or a pending termination).

b. Alternative methodology.

i. Termination Trustee: Using a trustee to hold title to the condominium property during the termination process accomplishes several key goals:

1. Unifies ownership in a single entity.

2. Avoids securing deeds and other closing documents from numerous owners.

3. Avoids potential issues with changes in legal title to units during termination process.

ii. Statutory approach: A number of state condominium acts or common interest ownership acts designate the condominium association to act as the trustee on behalf of the unit owners and lien holders following a termination similar to that provided in Section 2-118 of the Uniform Common Interest Ownership Act (2021):

> ***The association, on behalf of the unit owners, may contract for the sale of real estate in a common interest community, but the contract is not binding on the unit owners until approved pursuant to [requisite percentage of voting interests]. If any real estate is to be sold following termination, title to that real estate not already owned by the association vests on termination in the association as trustee for the holders of all interests in the units. Thereafter, the association has all powers necessary and appropriate to effect the sale.*** Until the sale has been concluded and the proceeds thereof distributed, the association continues in existence with all powers it had before termination. Proceeds of the sale must be distributed to unit owners and lien holders as their interests may appear . . . . Unless otherwise specified in the termination agreement, as long as the association holds title to the real estate, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit. During the period of that occupancy, each unit owner and the unit owner's successors in interest remain liable for all assessments and other obligations imposed on unit owners by this [act] or the declaration. [emphasis added.]

Or that provided in Section 2-218 of the Uniform Condominium Act (1980):

> ***The association, on behalf of the unit owners, may contract for the sale of real estate in the condominium, but the contract is not binding on the unit owners until approved pursuant to [requisite percentage of voting interests]. If any real estate in the condominium is to be sold following termination, title to that real estate, upon termination, vests in the association as trustee for the holders of all interests in the units. Thereafter, the association has all powers necessary and appropriate to effect the sale.*** Until the sale has been concluded and the proceeds thereof distributed, the association continues in existence with all powers it had before termination. Proceeds of the sale must be distributed to unit owners and lien holders as their interests may appear, in accordance with subsections (h) and (i). Unless otherwise specified in the termination agreement, as long as the association holds title to the real estate, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit. During the period of that occupancy, each unit owner and the unit owner's successors

> in interest remain liable for all assessments and other obligations imposed on unit owners by this [act] or the declaration. [emphasis added.]

UCIOA and UCA resolve several issues relating to the authority to sell the condominium property, post termination use and occupancy and obligation to contribute to operating expenses.

Under Florida's termination statute[2], Section 718.117, Florida Statutes, the association serves as termination trustee unless another person is appointed in the plan of termination. If the association is unable, unwilling, or fails to act as trustee, any unit owner can petition the court to appoint a trustee.

iii. Contractual: Either the Declaration or a termination agreement[3] (plan of termination) can consolidate title in a termination trustee by providing:

1. On the effective date of termination, title to the former condominium property vests in a termination trustee. The termination trustee can be the condominium association or a third party.

2. On the effective date of termination, each unit owner becomes a beneficiary of the trust and the mortgages and liens encumbering a unit are automatically transferred to unit owner's beneficial interest, including its share of the proceeds of termination allocated to the condominium unit it the plan of termination or termination agreement. Depending on the jurisdiction, the beneficial interest could be real property or personal property.

3. Authorize the termination trustee to own, protect, conserve, sell, lease, manage, mortgage or otherwise dispose of the condominium property after termination.

4. Allow the trustee to execute contracts for sale of the real estate on behalf of the unit owners, but the contracts do not bind the unit

[2] This article includes multiple references to Florida's condominium termination statute, primarily because it is the most detailed and developed iteration of the termination statutes. The termination statute is now in its third generation. In 2007, the original version which had been in place for over 40 years was extensively amended and expanded. It specifies the powers of the association in connection with termination, consolidates title in a termination trustee following termination, enumerates the powers of the termination trustee, establishes voting thresholds for approval of a termination, spells out the requirements for the plan of termination, includes procedures for allocation and disbursement of the proceeds of termination, mandates notice to units owners, mortgagees and lienors, and grants the right to contest the plan of termination and the grounds for contesting. It has subsequently been modified several times to incorporate robust protections for unit owners not found in other termination statutes.

[3] The terms "plan of termination" and "termination agreement" are interchangeably in this article.

owners until the plan of termination is approved by the requisite voting interests.

c. Other methods:

i. Court ordered termination following a casualty. For example, Section 718.118, Florida Statutes, provides:

> Equitable relief. In the event of substantial damage to or destruction of all or a substantial part of the condominium property, and if the property is not repaired, reconstructed, or rebuilt within a reasonable period of time, any unit owner may petition a court for equitable relief, which may include a termination of the condominium and a partition.

ii. A Section 363 Bankruptcy sale if the condominium association qualifies.

VI. **Who are the potential terminators / bulk buyers?** The usual suspects are developers, private equity funds and/or an owner who has accumulated a substantial number of units in a condominium. In the case of a failed condominium conversion or a failed project, the owner of a majority or substantial percentage of the units may initiate the termination.

VII. **Evaluating whether termination is feasible in addition to customary due diligence on the property**

a. Analyze the termination provisions in the Declaration and other governing documents

b. Analyze the termination provisions in applicable Condominium Act. If the termination statute has been amended since the creation of the condominium, are statutory revisions retroactive? Determine which version of the Condominium Act applies.

c. If property is to be redeveloped, what can be developed on the site?

i. New project – same use but with higher density, taller structure;
ii. New project – same use with same density but larger, more upscale units;
iii. New project – different use or mixed use; or
iv. Rehabilitation or gut renovation of an existing project – new configuration with existing or new uses.

d. What will it cost to acquire the condominium property

i. Typically, the bulk buyer must pay a premium to incentivize unit owners to sell.
ii. Will the potential value of the new/redeveloped project justify the cost to terminate and buy out the unit owners typically at a premium?

iii. Exception. During the Great Recession, when the fair market value of many units collapsed, bulk buyers were able to buy units at a discount; however, the termination process often entailed negotiating a short sale with the mortgagee of an "underwater" unit. If the unit owner had substantial net worth, the mortgagee might not be willing to forgive the deficiency.

e. Estimate the costs of preparing and performing the purchase and sale agreement and the plan of termination, including purchase price, closing costs, brokerage commissions, attorneys' fees, termination title commitment and updates, accounting fees, appraisals, concessions and incentives to the sellers, etc.

f. Evaluate the likelihood of a contest by dissident unit owners and cost of defending litigation and effect on the bulk buyer.

g. Review assets of the condominium association. Determine whether the association has cash reserves or other liquid assets or association owned real or personal property which would not be reflected in an appraisal of the condominium property.

h. Determine whether the association has significant liabilities or obligations, which a buyer would have to assume, satisfy or dispose of, such as following:

i. Recreational or ground lease obligations;
ii. Liabilities under cost sharing agreements;
iii. Liabilities to master associations;
iv. Shared infrastructure, recreational areas/facilities with other condominiums or properties;
v. Outstanding loans;
vi. Pending litigation; and
vii. Long-term agreements, such as leases, management contracts, branded licensing agreements.

i. Determine whether the consent of the mortgagees or lienholders to the termination will be required by the Declaration or applicable Condominium Act if the mortgage or lien will be satisfied out of the proceeds of termination. See Exhibit "A" which identifies the state Condominium Act that require mortgagee and/or lienor consent to termination. Even when the Condominium Act or Declaration calls for mortgagee consent, the title insurer may not require mortgagee's consent to the plan of termination unless a mortgage or lien encumbering a condominium unit will not be satisfied in full. To the extent the proceeds are insufficient and the deficiency is not forgiven, the unit owner remains liable to the lender. As part of the termination process, either the bulk buyer or "underwater" unit owner will typically negotiate for the equivalent of a short sale and relief from liability for the remaining debt.

j. Involve a title insurer early in termination process (1) to order a termination title commitment and to identify any title issues and corrective instruments required; (2)

to confirm all proposed procedures and documents necessary to satisfy the insurer's underwriting standards; (3) to review the plan of termination/termination agreement, any amendments to the Declaration, the deed from the termination trustee to the bulk buyer of the condominium property and other documents affecting title in connection with the termination; and (4) to discuss the indemnification agreement and any security required to insure over minor or other title defects.

VIII. **Analyzing Condominium Act and Declaration of Condominium.**

a. The initial legal analysis would include:

i. Analyzing the termination provisions in the Declaration. Many declarations of condominium include termination provisions that vary but specify:

1. the vote required to terminate. BE ATTUNED TO THE DIFFERENCES BETWEEN THE PERCENTAGE OF UNIT OWNERS VS THE PERCENTAGE OF UNITS VS. THE PERCENTAGE OF VOTING INTERESTS VS. PERCENTAGE OF UNDIVIDED INTERESTS IN THE COMMON ELEMENTS;

2. the methodology for buying out unit owners who do not approve of termination (e.g. option to purchase or obligation to buy out the objecting unit owners for fair market value or partition action); and

3. the means of conveying title to a buyer (e.g. partition sale, or deed and closing documents signed by each unit owner, or power of attorney by each unit owner authorizing execution of deed and closing documents, or a deed from the association or other termination trustee on behalf of the unit owners).

ii. Analyzing the termination provisions in the Condominium Act and determining which version of the Condominium Act applies: (1) the one in effect when the Declaration was originally recorded, or (2) the current one If the termination provisions in the Condominium Act have been amended since the Declaration of Condominium was recorded.

iii. Does the Declaration of Condominium define the applicable Condominium Act as the Condominium Act in effect when the Declaration was recorded or the version in effect at the time of termination? Does the Declaration include language that automatically incorporates future amendments to the Condominium Act (*e.g.* "as amended from time to time")?

iv. If the termination provisions in the Condominium Act have been amended since the Declaration was recorded, do the amendments apply retroactively?

b. Constitutional issues with retroactive application.

c. Legal issues posed by statutory amendments.

i. Impairment of Contract. Article I, Section 10 of the United States Constitution prohibits the passage of any law "impairing the obligation of contracts." State constitutions often include a comparable prohibition.

1. When the U.S. Supreme Court is called on to decide whether state legislation impairs a contractual relationship, it applies a two-step test. *Sveen v. Melin*, 584 U.S. 811 (2018)

a. The threshold issue is whether the state law has "operated as a substantial impairment of a contractual relationship." *Allied Structural Steel Co*., 438 U. S. 234, 244 (1978). In answering that question, the Court considers the following:

i. the extent to which the law undermines the contractual bargain, interferes with a party's reasonable expectations, and prevents the party from safeguarding or reinstating his rights. *Id.*, at 246; *El Paso v. Simmons*, 379 U. S. 497, 514–515 (1965); *Texaco, Inc. v. Short*, 454 U. S. 516, 531 (1982).

ii. If these factors show a substantial impairment, the inquiry turns to the means and ends of the legislation: whether the state law is drawn in an "appropriate" and "reasonable" way to advance "a significant and legitimate public purpose." *Energy Reserves Group, Inc. v. Kansas Power & Light Co.*, 459 U. S. 400, 411–412 (1983).

2. The U.S. Supreme Court has previously recognized other justifications for substantial impairment of contact by state legislation:

- Significant and legitimate public purpose. *United States Trust Co. of New York v. New Jersey*, 431 U.S. 1 (1997).

- Accommodate the inherent police power of the state to protect vital interests of its people, not limited to health, morals and safety but extends to economic needs. "The question is not whether the legislative action affects contracts incidentally, or directly or indirectly, but whether the legislation is addressed to a legitimate end and the measures taken are reasonable and appropriate to that end." *Home Building & Loan Association v. Blaisdell*, 290 U.S. 398, 438 (1934).

- Whether the law operates in an area which is already subject to state regulation at the time the parties' contractual obligations were originally undertaken, or does it invade an area not previously subject to regulation by the state. *Allied Structural Steel Co. v. Spannaus*, 438 U.S. 234 (1978); *United States Fidelity and Guaranty Company v. Department of Insurance*, 453 So.2d 1355 (Fla. 1984); *Pomponio v. Claridge of Pompano Condominium*, 378 So.2d 774, 779 (Fla. 1979).

- Whether the legislation is remedial or procedural. *Landgraf v. USI Film Products*, 511 U.S., 244, 267-68, (1994).

- Whether the legislation affects actions which are completed. *Landgraf v. USI Film Products*, 511 U.S., 244, 267-68 (1994).

- Whether the law effects a temporary alteration of the contractual relationship or a severe, permanent, and immediate change in the relationships. *Allied Structural Steel Co. v. Spannaus*, 438 U.S. 234 (1978);

3. There must be a clear legislative intent that the legislation operate retroactively. *Landgraf v. USI Film Products*, 511 U.S., 244, 267-68 (1994).

4. The Contracts Clause has been interpreted to apply to declarations of condominiums. *Island Manor Apartments of Marco Island, Inc. v. Division of Florida Land Sales, Condominiums and Mobile Homes*, 515 So.2d 1327 (Fla. 2d DCA 1987).

ii. Retroactive application of statutory amendments.

1. Must Have Clear Legislative Intent. There's a presumption that legislative enactment that affects substantial rights or creates new obligations or liabilities is presumed to apply prospectively in absence of express legislative statement to the contrary. *Arrow Air v. Walsh*, 645 So.2d 422, 425 (Fla. 1994); *Hassen v. State Farm Mutual Automobile Insurance Company*, 674 So2d 106 (Fla. 1996). *Cao v. PFP Dorsey Investments, LLC*, 545 P.3d 459 (Ariz. 2024).

2. For legislation to be applied retroactively, there must be manifestation of clear legislative intent for retroactive application. *Landgraf v. USI Film Products*, 511 U.S., 244, 267-68 (1994).

3. "Retroactivity provisions often serve entirely benign and legitimate purposes, whether to respond to emergencies, to correct mistakes. . . . or to give comprehensive effect to a new law." *Landgraf v. USI Film Products*, 511 U.S., 244, 267-68 (1994).

4. Remedial Statutes. Remedial statutes are exceptions to the rule that statutes are to be directed to the future rather than the past. A remedial statute is one which "confers a remedy, and a remedy is the means employed in enforcing a right or in redress an injury." *Grammar v. Roman*, 174 So.2d 443, 446 (Fla. 2nd DCA 1965).

5. Procedural Statutes. Procedural statutes are exceptions to the rule that statutes only apply prospectively. A procedural statute is one that does not create or define rights but rather govern the course, form, manner, means, mode, order, process or steps by which a party enforces substantive rights or obtains redress for their violation. *Cantens v. Certain Underwriters at Lloyd's of London*, 388 So.3d 242, 245 (Fla. 3d DCA 2024)

d. To Amend or Not: Potential Amendments to Declaration to facilitate termination. Identify the requirements for amending the Declaration of Condominium and the risks of doing so. Any amendment that reduces the percentage vote required to terminate can give dissident owners justification for challenging the amendment and any termination relying on the amended provision. Compare *Avila v. Biscayne 21 Condo., Inc.*, 417 So. 3d 434 (Fla. 3d DCA 2025), *review denied sub nom. TRD Biscayne LLC v. Avila*, No. SC2025-1169, 2025 WL 2911421 (Fla. Oct. 14, 2025) with *Tropicana Condominium Association, Inc. v. Tropical Condominium, LLC*, 208 So.3d 755 (Fla. 3d DCA 2016).

The *Tropicana* declaration required *unanimous approval for termination* and expressly required *unanimous approval of any amendment amending the termination provisions*. The association had argued that the court should disregard the improper amendments adopted by the association with less than 100% approval because the 2007 amendments to termination statute had retroactive application. The Florida appellate court held that retroactive application of the amendments to the Condominium Act allowing a condominium to be terminated with the approval of 80% rather than 100% of unit owners unconstitutionally impaired the contractual rights of the unit owners. The *Tropicana* declaration did not contain language automatically incorporating changes to the Condominium Act. The *Tropicana* court concluded that in the absence of language in a declaration automatically incorporating statutory changes, the statutory termination provisions with the lower voting threshold did not apply retroactively. The Court made such a finding despite the express language in the 2007 revisions to Section 718.117 that it was intended to apply to all condominiums in Florida in existence on or after July 1, 2007.

In *Avila v. Biscayne 21*, the Biscayne 21 unit owners had amended the declaration of condominium to reduce the threshold for termination to 80% of owners from the original 100%. A group of unit owners challenged the amendment. The Third DCA reversed the trial court's denial of the objecting unit owners' request for a temporary injunction and held that the amendment materially altered the voting rights of the unit owners and needed 100% approval from the unit owners rather than the lower threshold approval of 80% under the amendment to the declaration

adopted by the association because it eliminated a unit owner's veto rights. The appellate court rejected the trial court's finding that the amendments did not 'alter' the voting rights of the unit owners because each owner continued to receive one vote per unit. The Declaration did not include language automatically incorporating statutory changes. Thus, subsequent changes in the Florida Condominium Act reducing the vote required for termination would not be retroactive. The court certified the question to the Florida Supreme Court, but the Florida Supreme Court declined jurisdiction.

In contrast to *Tropicana*'s declaration, the *Biscayne 21* declaration did not require 100% approval to amend the termination provisions. However, the Third DCA ignored this distinction and instead the court required 100% approval based on the following wording in the declaration:

> [P]roposals, adoptions and approvals [of amendments] must be by not less than fifty-one (51%) percent of the members of the Association, except as to an amendment altering the percentages of ownership in the Common Elements or the voting rights of any of the Owners of the Condominium, any of which shall require the approval of one hundred (100%) percent of the Owners.
>
> . . . .
>
> No amendment shall change any Condominium Unit nor the share of the Common Elements, Common Expenses or Common Surplus attributable to any unit, nor the voting rights appurtenant to any Unit, unless the record Owner or Owners thereof and all record owners of liens upon such Unit or Units shall join in the execution of such amendments.

e. Options:

i. No amendments; proceed under the existing termination provisions in the Declaration even if a partition action and sale will be required after termination.

ii. Retain the current percentage vote required for termination but amend the declaration of condominium to selectively incorporate such concepts as terminating pursuant to a plan of termination, vesting title to the condominium property in a termination trustee and certain other provisions to facilitate the termination process, such as:

1. Change the manner of giving notices to owners to eliminate certified mail or provide for overnight delivery.

2. Customize the termination-related procedures in the Declaration to address unique characteristics of the community, e.g., valuable limited common elements.

3. Spell out allocation of termination proceeds and order of distribution.

4. Address long-term liability issues.

5. Require the association to cooperate with the implementation of the plan of termination (especially if the association is not the termination trustee).

6. Authorize the termination trustee and/or the association to consent to/join in applications for land use and similar approvals for redevelopment of the property.

7. Allow for limited post termination occupancy of units and specify the terms and conditions.

8. Grant the termination trustee rights of setoff against the proceeds paid to a unit owner for amounts due the association, such as unpaid assessments, cost of clearing title, locating lienholders, removal of occupants, etc.

9. Restrict unit owner's right to lease its unit after approval of termination without consent of the association or termination trustee.

10. General cleanup.

iii. Amend the Declaration to lower the vote necessary to terminate and take the risk of the amendment being challenged by the dissident unit owners.

IX. Due Diligence – Multi-Tiered

a. Due diligence in a condominium termination is conducted at 3 levels:

i. Individual condo units/unit owners.

1. Title.

2. Leases. Analyze the rents, security deposits, pet deposits and term of lease. Verify that there are no options to extend, no options to purchase or right of first refusal or right of first offer.

3. Mortgages, liens, including IRS and judgment liens. Will the proceeds of sale be sufficient to satisfy all of the mortgage(s) and other liens?

4. Condition of unit. Wide variations can exist in the condition of the units and the interior improvements, especially in older condominiums.

5. Any probate or guardianship proceedings, bankruptcy, incarceration.

6. Valuable limited common elements appurtenant to the unit, such as covered parking or parking garage, cabanas, docks/boat slips, guest suites, wine cellars, oversized terraces or balconies, private pools.

7. Violations of applicable law.

8. Special or unique circumstances.

ii. Common elements/condominium property and association property

1. Title to the underlying condominium property. Review the Declaration of Condominium, all amendments, articles of incorporation and bylaws of the association and all amendments. Review all other declarations, restrictions, easements which encumber the condominium property, such as master declarations, HOA declarations, club plans, reciprocal easement agreements, cost sharing agreements.

2. Title to any association owned real estate.

3. Survey of condominium property and any association owned real estate.

4. Land use and zoning analysis of condominium property and any association owned real estate.

5. Environmental audit for condominium property and any association owned real estate.

6. Obligations under ground leases or submerged land leases.

7. Liabilities under cost sharing agreements.

8. Liabilities to master associations, homeowners associations, recreation associations, mandatory membership clubs.

9. Shared recreational areas / shared parking / shared facilities with other condominiums or properties.

10. Long-term leases and contracts.

11. Violations of applicable law.

12. Condition of common elements and any association property.

13. Construction defects or adverse property conditions.

iii. Condominium association

1. Official books and records, including notices and minutes of board meetings and unit owner meetings; written consents in lieu of meetings.

2. Financial books and records.

3. Bank accounts.

4. Outstanding contracts.

5. Contracts for pending or planned construction.

6. Outstanding loans.

7. Pending litigation.

8. Settlement agreements.

9. Long term leases/ground leases.

10. Violations of applicable law.

11. Submerged land leases.

12. Franchise or licensing agreements with hotel or other brands.

b. Need for close collaboration with title underwriter. Recommend working with a title underwriter familiar with condominium terminations. Consult with your title insurer early in the termination process and order a termination title commitment covering each unit and the entire condominium property to determine the following:

i. The Schedule B-1 conditions to be satisfied before the title insurer will insure title to the former condominium property after termination without an exception for the Declaration.

ii. Determine whether any property owners are granted rights in the condominium property in the Declaration that must remain in place and survive the termination.

iii. Any critical easements or other rights in the Declaration that must be preserved for the benefit of the bulk buyer.

iv. The ownership, liens, mortgages, encumbrances, and restrictions affecting the common elements and association owned real estate.

v. The record title holder and the mortgagees, lien holders and judgment holders for each unit.

vi. Resolving title issues:

1. many can be handled by conditioning distribution of proceeds on delivery of appropriate documents.

2. some can be resolved through negotiations with junior creditors, lienors, IRS, bankruptcy trustee, personal representative, etc.

3. others can be addressed in an indemnification agreement between the bulk buyer and title insurer.

c. Need for close collaboration with the lender financing the termination for the bulk buyer and its counsel. The lender's counsel will often require local counsel with expertise in condominium law.

X. Other factors in Termination

a. Allocation of Proceeds; Fair market value v. percentage share of common elements. Typically, a termination entails the sale of the condominium property to the bulk buyer or the purchase of the units held by unit owners other than the bulk buyer. The unit owners and their mortgagees and lienholders are entitled to receive their share of proceeds of sale. Consequently, how the proceeds of termination are allocated is of critical concern to the unit owners. Some declarations of condominium provide that the proceeds of sale, casualty, condemnation, or termination are to be distributed in same percentage as the unit's ownership interest in the common elements and common surplus. It's equitable to allocate the common surplus and insurance proceeds for damage to the common elements or association property based on a unit's undivided interest because unit owners' assessments were allocated in this manner. However, an allocation of the proceeds of sale of the condominium property based on a unit's share of the common elements may not reflect the market value of the units. A unit's share of the common elements may not account for certain critical factors which can have a substantial effect on the value of a unit, such as:

i. Views;

ii. Height, floor premiums;

iii. Interior improvements or unique features of a unit;

iv. Limited common elements appurtenant to a unit (e.g. oversize balconies, parking spaces, garages, docks, storage areas, workrooms, cabanas, etc.);

v. In condominiums where all units are allocated an equal percentage of the common elements regardless of size, the unit's undivided interest will not reflect the value attributable to the square footage of the unit.

b. Method of determining fair market value of each unit: who selects the appraiser, number of appraisers, and qualifications of the appraisers, and the timing of appraisals.

c. Disposition of existing leases of common elements, association property or units. Unless the Condominium Act or the Declaration addresses the treatment of existing leases when a termination occurs, there is a question whether leases survive and bind the bulk buyer or are extinguished at termination. Florida's termination statute provides that unless the plan of termination expressly provides otherwise, all leases, occupancy agreements, subleases, licenses, or other agreements for the use or occupancy of a unit or common elements automatically terminate on the effective date of termination. If the bulk buyer is interested in accepting and assuming existing leases or entering into new and renewal leases that substantially conform to bulk buyer's leasing guidelines, the purchase and sale agreement should establish procedures for evaluating and accepting existing leases and offering new leases to the former owner residents.

d. Post-termination occupancy rights of unit owners, if any.

e. Post-termination occupancy rights of tenants, if any.

XI. **Key Questions for the Bulk Buyer. Evaluating Risks; preparing for termination**

a. Has the bulk buyer compiled a matrix with the following information for all units: unit number; the unit owner; whether the unit is under contract to the bulk buyer; unit owner's address and contact information; whether the unit is encumbered by a mortgage; the original principal amount of the mortgage; whether the unit owner is a full time resident, part time resident (snowbird, 2nd or 3rd home?) or an investor; any limited common elements appurtenant to the unit that add value; whether the unit is occupied by the owner or a tenant; whether the unit has homestead status for property tax purposes; and whether the unit owner has refused an offer to buy and the amount of the last offer.

b. What is the requisite percentage vote to approve termination and how is it computed? Is it a percentage of units, percentage interests in the common elements or percentage of the voting interests?

c. Number of units under negotiation which are not yet under contract?

d. Does the bulk buyer have a broker contacting the holdouts? Status of discussions with each holdout. Many bulk buyers retain the services of a real estate broker to solicit and interface with the unit owners.

e. Have the holdouts hired an attorney? If so, is the attorney being compensated on an hourly basis or on a contingency fee basis?

f. Are any units currently listed for sale? At what price?

g. Are any units subject to probate proceedings? Are any unit owners subject to guardianship proceedings?

h. Are any units in foreclosure?

i. Are any unit owners in bankruptcy?

j. Are there any impediments in the association's articles and bylaws prohibiting non-unit owners from serving as directors? Does the bulk buyer intend to amend the documents to allow non-owner directors?

k. If the bulk buyer intends to lease units during its acquisition phase or during the pre-development period, are there any restrictions in the Declaration on leasing or a minimum lease term or the number of times a unit can be leased in any specified period?

l. Are there any limits in the Declaration on the number of units that can be owned by any owner or its affiliates?

m. Does the buyer intend to adopt any other amendments to the Declaration?

n. Does the bulk buyer intend to seek contribution from the holdouts for maintenance, repairs, taxes, insurance, etc. after termination but before a partition sale or specific performance judgment (if it gets to that point)? Some bulk buyers use the contribution demand as a bargaining chip during negotiations with the holdouts. The bulk buyer can seek contribution from the holdouts in the partition action.

o. Does the association have an up-to-date property condition report on the condominium property? Does the report call for repairs? If so, are the association's reserves adequate to pay for them or will a special assessment or loan be required?

p. Does the association have an up-to-date reserve study for the condominium property? Will the association's assessments for reserves need to increase into order to satisfy any statutory reserve requirements or Fannie Mae/Freddie Mac minimum reserve requirements?

q. Does the condominium association have any pending special assessments for deferred maintenance, repairs and/or upgrades?

r. Has the association adopted any poison pill amendments to interfere with or prevent termination, such as adopting an amendment limiting the number of units that can be owned by any entity or group of related entities or requiring 100% to terminate the condominium?

s. Does the condominium association have any pending special assessments for deferred maintenance, repairs and/or upgrades?

t. What is the bulk buyer's strategy and timing for acquiring the units owned by the holdouts, including educating the holdouts on the risk of partition and the nature of a partition sale as a distressed sale of real estate, and issues with selling and mortgaging the unit after termination?

u. What is the bulk buyer's timing for obtaining approval of the termination and recording the certificate of termination?

v. What is the bulk buyer's timing for filing a partition action or specific performance action, if necessary?

w. Is the bulk buyer in regular communication with the sellers? By what forms of communications: emails, newsletter, calls, etc.?

x. Does the association have any large outstanding loans? Is the association undergoing any major renovation project?

y. Does the association or developer or a third party have a ROFR for each unit? Does the bulk buyer control the rights to exercise the ROFR or has to bulk buyer obtained the holder's written agreement to consent to the unit sale and release or waive the ROFR?

z. What is the bulk buyer's relationship with the condominium association and the current board of directors? Does the bulk buyer have a least one friendly board member?

aa. Does the bulk buyer have reliable a source of information residing at the property?

XII. **To Control or Not to Control the Board if the bulk buyer has the votes**. If the bulk buyer's strategy entails acquiring units over a longer period of time, then bulk buyer will likely accumulate the sufficient number of units to elect a majority of the board of directors of the condominium association. Generally, a condominium board is charged with making most of the significant decisions for the condominium, including operating the association and common elements, establishing the budget and collecting assessments, maintaining, repairing and insuring the condominium property, entering into contracts and proposing amendments to the governing documents. The directors customarily have a fiduciary duty to the unit owners, which entails keeping the interests of the Association above their personal interests. If the bulk buyer controls the board, it can facilitate the termination process and diminish the power of hostile unit owners to oppose the termination.

a. While control of the board carries significant liabilities and duties, having a majority of the board seats of the Association offers many advantages, including the ability to take the following actions:

i. Determine the budget for common expenses of the association, set reserves and establish and collect assessments.

ii. Exercise leadership in considering and adopting a plan of termination for the condominium. Even when a super majority of the unit owners favor termination, they often lack the expertise and leadership skills to pursue and consummate a termination.

iii. Propose amendments to the governing documents, if advisable, and effect other changes to facilitate termination.

iv. Limit the power of dissident unit owners opposed to termination. For example, a hostile board may use its official communications to persuade undecided unit owners to adopt its negative position regarding the termination. If hostile owners control the board, they may have greater leverage to negotiate higher prices for the remaining units.

v. Prevent the association from instituting litigation to oppose or challenge termination at the collective expense of the unit owners. Unit owners opposed to termination would have to fund any litigation from their own resources rather than utilizing the association's power to assess all of the unit owners for the cost of pursuing their lawsuit. If the applicable Condominium Act or the Declaration provides for prevailing party attorney fees in litigation of certain claims, hostile unit owners may find attorneys willing to pursue claims against the bulk buyer or the association on a contingency fee basis.

vi. Control the hiring and firing of the association's manager. An association manager can be an impediment because termination will result in a loss of its management contract. The on-site manager may be incentivized to align with the board members or unit owners hostile to termination. These same comments may apply to the association's attorney.

vii. Control the maintenance and repairs of the condominium property. If a prior board has concealed, ignored or downplayed the extent of deferred maintenance or needed repairs to the property, the bulk buyer-controlled board can bring this information to light by engaging appropriate consultants to perform reserve studies and property inspection reports and other inspections and testing.

viii. Control the selection of the consultants, including the architect, engineer or reserve study specialist to perform the reserve studies and other inspections and testing and to assure that such reports accurately disclose the current conditions at the property. At times, boards go "expert shopping" for consultants who will "low ball" the estimated cost of repairs.

ix. Control the communications from the association and board. While the directors cannot control the rumor mill, the bulk buyer's directors can

manage the messaging about the condition of the condominium property, deferred maintenance or major repairs. The bulk buyer affiliated directors have the opportunity to disclose the true cost of needed repairs and required reserves. They can also highlight the opportunities offered by termination.

b. If the bulk buyer prefers to have a minority position on the board, it would not have the power to effect the above mentioned actions, but it would at least have a seat at the table.

c. It is also worth considering the optics of controlling the majority of the board. Regardless of whether proper procedure is followed and the fairness of any proposal from the bulk buyer, controlling a majority of seats may create an image of unfairness. However, in the author's experience, bulk buyers will customarily take control of the board if and when they have the votes. When presenting its offer for termination and/or acquisition of the condominium property to the association and unit owners, the bulk buyer can use independent appraisals and fairness opinions to establish the benefits of termination. In addition, the bulk buyer may also consider using an auction process to establish the competitiveness of its bid, similar to a stalking horse bid in a Section 363 bankruptcy sale.

d. Regardless of whether the bulk buyer casts its votes to elect a majority or minority of the directors, membership on the board gives the bulk buyer access to information that may not be widely available to the unit owners at large. Depending on the cooperation of the manager and its adherence to the law, all directors should receive notice of and be able to participate in all board meetings. The bulk buyer is more likely to learn about board discussions and actions to oppose the termination and have a voice in those conversations. As noted above managers may side with the hostile board members and attempt to illegally freeze out directors affiliated with or friendly to the bulk buyer.

e. Once elected or appointed, the bulk buyer affiliated directors must proceed carefully, including disclosure of conflicts of interest (regardless of whether they are a majority or minority of the board) and avoidance of any claims or appearance of self-dealing, unjust enrichment, fraud or bad faith. Like all directors of a condominium association, the bulk buyer affiliated representatives have a fiduciary duty to act in the interest of all unit owners within the condominium. Failure to do so may create personal liability for such directors and could create a unit owner right to cancel transactions that constitute an unlawful conflict of interest.

Generally, directors of a condominium association are shielded from personal liability for their actions by the business judgment rule or its equivalent, absent fraud, betrayal of trust, criminal activity or self-dealing/unjust enrichment. *Perlow v. Goldberg*, 700 So. 2d 148, 149 (Fla. 3d DCA 1997); *Sonny Boy, LLC v. Asnani*, 879 So. 2d 25, 29 (Fla. 5th DCA 2004); *King David of Sunny Isles Condominium Association, Inc. v. Bushoy*, 394 So. 3d 153 (Fla. 3d DCA 2024); *Levandusky v. One Fifth Ave. Apartment Corp.*, 75 N.Y.2d 530, 553 N.E.2d 1317 (1990) (New York); *Alloco v. Ocean Beach & Bay Club*, 192 A.3d 24 (N.J. App. Div. 2018);

Wolinsky v. Kadison, 987 N.E.2d 971 (Ill. 1st App 2013); *Chiurato v. Dayton Estates Dam & Water Co.*, 82 N.E.3d 789 (Ill. 3rd App. 2017), *Lamden v. La Jolla Shores Clubdominium Homeowners Assn.*, 980 P.2d 940 (Cal. 4th App. 1999); *Schwarzmann v. Association of Apartment Owners of Bridgehaven*, 655 P.2d 1177 (Wash. App. 1982)

Some jurisdictions reach the same results as the business judgment rule but in evaluating the acts or directors and officers determine whether they acted in good faith, in a manner they reasonably believe to be in the association's best interests, applying an ordinary care standard. *Burgoyne v. Pinecrest Community Association*, 924 A.2d 675 (PA Super Ct. 2007), *Commonwealth of Pa. v. New Foundations, Inc.*, 182 A.3d 1059 (Pa. Commw. Ct. 2018); *Colorado Homes, Ltd. v. Loerch-Wilson*, 43 P.3d 718 (Colo. App. Ct. 2001).

A few states have declined to adopt the business judgment rule for associations and instead apply a reasonableness standard. For example, see *Tierra Ranchos Homeowners Association v. Kitchukov*, 216 Ariz. 195, 165 P.3d 173 (Ariz. App. Ct. 2007).

i. Before taking action or voting on a matter that may constitute a conflict of interest, the director(s) with a potential conflict of interest must disclose the nature of the conflict and/or relationship that may create a conflict and must refrain from voting on such transaction or decision or otherwise comply with the applicable conflict of interest statutes.

XIII. Protections and Rights of the Minority Owners

a. Most states require a super-majority vote to approve a termination with 80% being the most common percentage. See Exhibit "A".

b. Florida has layered on additional protections and benefits for the unit owners other than the bulk buyer, including the following:

i. All voting interests must be considered, including owners whose vote has been suspended for any reason, including non-payment of assessments.

ii. If 5% or more of the voting interests reject a plan of termination, it may not proceed. 5% of the voting interests can effectively veto a termination

iii. If 5% or more reject a plan of termination, it may not be considered for 24 months after the date of rejection.

iv. If the bulk buyer owns 80% or more of the voting interests in a residential condominium, then the bulk buyer has expanded obligations and duties to the other unit owners including the following provisions:

1. If units are being offered for lease to the public, each unit owner in occupancy immediately before the recording of the plan of

termination may lease its unit for 12 months after the termination on same terms as offered to the public. The unit owner must make a written request to rent within 90 days after the plan is recorded and sign the lease within 15 days after it is presented.

2. Any unit owner that was granted homestead exemption as of date of recording the plan must be paid a relocation fee equal to 1% of termination proceeds allocated to his unit. The relocation fee must be paid by the bulk buyer and is in addition to any termination proceeds due the former unit owner.

3. All unit owners other than the bulk buyer must receive 100% of fair market value of their units. FMV must be based upon similar units sold in other condominiums, "including units sold in bulk purchases but excluding units sold at wholesale or distressed prices." The FMV must exclude units acquired in bulk following a bankruptcy.

4. For an owner whose unit was granted homestead exemption status by the applicable county property appraiser, as of the date that the plan of termination is recorded and who is current in payment of both assessments and other monetary obligations to the association as of the date the plan is recorded, the fair market value shall be at least the original purchase price paid for the unit.

5. The plan of termination must provide for payment of a first mortgage on a unit to the "extent necessary to satisfy the lien, but the payment may not exceed the unit's share of the proceeds of the termination under the plan. If the unit owner is current in payment of both assessments . . and any mortgage encumbering the unit … the receipt of the . . . unit's share of the proceeds of termination . . or the outstanding balance of the mortgage, whichever is less, shall be deemed to have satisfied the first mortgage in full."

6. The plan of termination must include the following disclosures in a sworn statement:

   - The identity of any person or entity that owns or controls 25% or more of the units in the condominium and the natural person or persons who, directly or indirectly, manage or control the entity, and the natural persons who, directly or indirectly, own or control 10% or more of the entities that constitute the bulk buyer;

   - The units acquired by the bulk buyer, the date each was acquired, and the total compensation paid regardless of whether attributed to the price of the unit; and

- The relationship of any board member to the bulk buyer.

v. Unit Owners other than the bulk buyer have the right to elect at least one-third of the members of the board before approval of the plan. This requirement can slow down termination. The association must call an election and give the non-bulk buyer unit owners the opportunity to nominate candidates and elect one-third of the directors.

XIV. Overview of Acquisition and Termination Options; Most common scenarios:

a. Pre-Termination Unit Purchases. In this scenario, the bulk buyer submits an offer to all unit owners to acquire all or at least the minimum number or percentage of units or percentage of voting interests or percentage of undivided interests required to terminate the condominium ("Minimum Termination Threshold"). The bulk buyer signs purchase and sale agreements ("PSAs") with individual unit owners and then closes on the units when it has PSAs for a sufficient percentage of units to approve termination ("Pre-Termination Unit Purchases"). In some cases, the bulk buyer conditions its obligation to close on the unit owners (i) approving amendments to the declaration to facilitate termination or remove impediments to acquisition or termination or (ii) approving a plan of termination. After closing on the Pre-Termination Unit Purchases for at least the Minimum Termination Threshold, the bulk buyer then votes to terminate the condominium and purchases the former condominium property in connection with the termination. This scenario is generally the most risky and time-intensive for the bulk buyer. A variation on the Pre-Termination Unit Purchase format is one in which the buyer accumulates units over a longer period until it achieves the Minimum Termination Threshold. Typically, the bulk buyer rents its units during the acquisition period.

b. Post-Termination Purchase. In this scenario, the bulk buyer submits an offer to the association or termination trustee to buy the condominium property contingent on termination of the condominium. The bulk buyer then closes on the purchase of the condominium property after the condominium has been terminated ("Post-Termination Purchase"). This scenario is less risky for the bulk buyer.

c. Pre-Packaged Termination. In many instances, the termination is triggered by an offer from a bulk buyer. However, condominium associations and unit owners can take the initiative and adopt a plan of termination and offer condominium property for sale. The condominium association may hire a broker to market the property and solicit bids from interested buyers. In the author's experience, a critical ingredient to success with the Pre-Packaged Termination is a business savvy board and frequent communication with the unit owners. Because this scenario is the least risky for the bulk buyer, the pre-packaged termination can result in higher sales price for the condominium property and greater certainty for the unit owners.

XV. Pre-Termination Acquisition – Unit Purchases

a. Process: The bulk buyer submits an offer to purchase all units and then reaches out to the unit owners either directly or through a liaison to build a consensus in favor of termination. The bulk buyer signs a sufficient number of purchase agreements to approve termination, closes on the units, terminates the condominium post-closing and acquires the former condominium property

b. Form of Purchase and Sale Agreement to Use for Unit Purchases

   i. Adapt a widely used form of "as is" residential purchase and sale agreement for the locale with modifications and a customized addendum, or

   ii. Use a customized but shorter PSA.

c. Typical terms and contingencies:

   i. Bulk buyer has obtained signed purchase agreements for the minimum number or percentage of units or percentage of voting interests or percentage of undivided interests required to terminate condominium ("Minimum Termination Threshold").

   ii. Simultaneous closing on all of the PSAs required to meet the Minimum Termination Threshold ("Simultaneous Closing").

   iii. The association must issue a certificate approving the sale, and waiving and releasing any right of first refusal and/or option to purchase, or deliver a document in recordable form stating that no such approval is required and that it does not have any such right of first refusal or option to purchase, as applicable.

   iv. No pending or threatened litigation, arbitration or proceeding exists against or related to the unit, condominium property or association-owned property or the seller or condominium association that could adversely affect the unit, condominium property or association owned property or the buyer or prevent or interfere with the proposed termination.

   v. No contracts or leases affecting the unit, condominium property or association-owned property other than any leases which will be terminated on or before closing or any lease approved by buyer. Seller typically bears all costs of cancellation and termination of any contract or any rental agreement, lease or other possessory type interests or management agreements, in or with respect to the unit.

   vi. Bulk buyers often include in their PSAs a right to extend the due diligence period or closing date for a specific period, sometimes upon payment of an extension fee or increased deposit.

d. Other contingences depending on termination requirements in the Declaration and termination provisions in the applicable Condominium Act.

e. Customary seller/unit owner considerations:

i. Price, price, price; how much of a premium is the bulk buyer offering above the fair market value of the unit.

ii. Bulk buyer's payment of closing costs.

iii. Other monetary concessions. Depending on the purchase price, seller may ask for contribution toward its attorney's fees or moving/relocation expenses with a cap.

iv. Closing date.

v. Conditions to closing.

vi. Right to remove certain personal property from the unit.

vii. Liability for post-closing or post-termination obligations under existing leases.

viii. Post-closing occupancy terms and conditions if seller wants to hold over after closing.

1. Bulk buyer and seller sign a standard form of lease or license at closing that allows the seller to occupy the unit post-closing for up to ____ months (depending on buyer's redevelopment plans, lease term may be 3-18 months).

2. Seller often requests the right to terminate the lease early when seller finds a replacement home.

3. Rent may be market rate or lower amount equal to taxes plus condo assessments

f. Outstanding termination offer can destabilize condominium

XVI. Areas/Issues to be addressed in PSAs with Unit Owners

a. Purchase price for entire condominium property and association owned real estate and seller's share of it.

b. Is Seller's share of purchase price be based on the unit's undivided interest in the common elements or some other formula or the unit's appraised value or FMV?

c. Will there be any adjustments in purchase price for views? Floor heights? Unit improvements?

d. Will there be any adjustments in purchase price for limited common elements that add value, such as covered parking or parking garage, cabanas, docks/boat slips, guest suites, wine cellars, oversized terraces or balconies, private pools?

e. Deposit(s). Amounts, when paid and escrow agent.

f. Post-closing occupancy period, if any, and terms if owner wants to remain in occupancy.

g. Disclosure of the lease and tenant if unit is rented. Ordinarily, the lease is subject to the bulk buyer's approval. The PSA should specify what qualifies as an acceptable lease. For example, to be acceptable, the lease must (i) have an unexpired term of not more than one (1) year as of the effective date of PSA, (ii) contain no options to extend the lease term, no option to purchase, no rights of first refusal or no rights of first offer in favor of any tenant, (iii) have a rent that is not less than $____ per month, and (iv) contain no terms or conditions that would impede or adversely affect termination of the condominium or redevelopment of the condominium property.

h. Deadline for buyer to obtain signed purchase agreements for the Minimum Termination Threshold.

i. Scope of Due Diligence. In Pre-Termination Purchases, the buyer's due diligence is generally conducted at 3 levels: the individual units, the Condominium Property, and the association and association owned property.

j. Due diligence period. 60-90-120 days? The bulk buyer typically wants the due diligence period to start when the bulk buyer has obtained signed purchase agreements for the Minimum Termination Threshold. The bulk buyer may also negotiate for the right to extend the due diligence period.

k. Bulk buyer's right to enter the unit with advance written notice to seller to perform all examinations, inspections, testing and assessments of the Unit, subject to the rights of tenants.

l. Generally, the bulk buyer has the right to terminate the purchase agreement for any reason during the due diligence period.

m. Closing costs. Sellers and condominium associations often attempt to shift all of the following closing costs to the bulk buyer:

    i. Transfer taxes;

    ii. Title insurance premiums; title commitment fees; search fees;

    iii. Municipal lien searches;

    iv. Open and expired permit searches;

v. Recording fees;

vi. Broker commissions;

vii. Fees for estoppel letters from condominium association, lenders, lien holders, master association;

viii. Other closing fees and expenses.

n. Closing date. Customarily, the closing is scheduled for a specific number of days after expiration of due diligence period and execution of purchase agreements for the Minimum Termination Threshold. The bulk buyer will often negotiate for the right to extend if unit owners holding the Minimum Termination Threshold have not timely delivered closing documents into escrow.

o. Seller specific obligations.

i. Deliver good and marketable title to the seller's unit. Seller is usually responsible for cost of obtaining and recording corrective instruments.

ii. Pay all applicable condominium association and other assessments current as of closing. Cure all seller's violations of applicable condominium documents or other association rules prior to closing.

iii. If applicable, vote for amendments to Declaration requested by bulk buyer to expedite termination or eliminate impediments to termination.

iv. If applicable, vote for the conditional plan of termination approved by bulk buyer (and execute a consent to the plan with the formalities of a deed), provided such conditional plan does not require termination of the condominium prior to the closing date.

v. Vacate the unit at closing and remove personal property unless the parties have a post-closing occupancy agreement.

vi. Comply with FIRPTA requirements.

vii. Deliver seller's closing documents into escrow at least ____ days prior to closing so bulk buyer can close simultaneously on not less than Minimum Termination Threshold of the units.

viii. Seller's representations and warranties are true and correct as of closing date.

ix. Comply with any seller specific terms and conditions, such as the right to remove certain fixtures or personal property or payment of a relocation fee at closing.

x. If the seller is a director or officer of the association, the seller must resign from such position to allow the remaining directors to appoint a representative of the bulk buyer as a replacement.

p. Conditions to the bulk buyer's obligation to close

i. Owners of not less than Minimum Termination Threshold of the units have delivered executed closing documents into escrow.

ii. Simultaneous Closing on not less than Minimum Termination Threshold of the units.

iii. If applicable, amendments to condominium documents approved by bulk buyer to expedite termination or remove impediments to termination or bulk buyer's purchase of the condominium property have been adopted and recorded.

iv. If applicable, the plan of termination (usually a conditional plan of termination) approved by bulk buyer has been adopted and recorded.

v. If applicable, the regulatory authority has approved the plan of termination.

vi. No pending or threatened litigation, arbitration or proceedings challenging termination of the condominium, the plan of termination or any amendments to the declaration of condominium facilitating termination or removing impediments to termination.

q. Exclusivity. Seller's agreement to deal exclusively with the bulk buyer and no other buyer/competitor.

r. Seller's cooperation in closing open or expired permits affecting the unit.

s. Representation from the parties that no broker has been involved in the transaction unless the bulk buyer has engaged one. If so, then the bulk buyer's broker is the only one the parties have dealt with.

t. Bulk buyer's right to record a memorandum of the PSA signed by both parties.

XVII. **Cooperation Agreement between bulk buyer and condominium association.** While the bulk buyer is pursuing Pre-Termination Unit Purchases with unit owners, it may attempt to enter into a cooperation agreement with the condominium association covering the following terms:

a. Exclusivity. The association's directors, officers and manager are prohibited from discussing sale of condominium property or termination with any other potential bulk buyers/developers/terminators for an agreed upon period of time.

b. Cooperation with bulk buyer.

i. Sending communications from the bulk buyer to unit owners, including the purchase agreements;

ii. Scheduling meetings, video conferences with unit owners when requested;

iii. Supporting the sale and termination;

iv. Allowing bulk buyer access to the common elements of the condominium for evaluation, including examinations, inspections, testing, assessments and surveying;

v. Delivering specific due diligence items requested by bulk buyer;

vi. Disclosing all material association owned or leased property, including real estate (such as parking lots), submerged land leases, ground leases, personal property; and

vii. Providing copies of or access to official records of association (other than those that are confidential under Condominium Act).

c. Individual Purchase Agreement. Delivering PSAs to unit owners, with the association assisting with getting PSAs executed.

d. Required Amendments. If applicable, cooperate in calling a meeting to approve amendments to the Declaration and other condominium documents requested by bulk buyer to expedite termination or remove impediments to termination or bulk buyer's purchase of the condominium property.

e. Association's agreement not to make other modifications of the condominium documents without bulk buyer's approval.

f. Plan of Termination. If applicable, cooperate in adopting a conditional plan of termination for the condominium which would not become effective until bulk buyer closes on Minimum Termination Threshold of units.

g. Closing Conditions.

h. Zoning and Land Use. Association to cooperate with and consent to bulk buyer's applications for zoning/land use approvals, variances, plats, permits.

i. Operation of Condominium until Closing Date. No material repairs, alterations or capital improvements on the condominium property unless required by insurer or any governmental and/or quasi-governmental authority with authority over the condominium to comply with a state or local health or safety law. Must disclose to bulk buyer if any such material repairs, alterations or capital improvements are required.

j. Estoppels. Association is required to provide an estoppel certificate at no or nominal cost for each unit during due diligence period and prior to Simultaneous Closing.

k. Open or Expired Permits. Association is obligated to disclose and assist in closing out open or expired permits affecting the common elements.

l. Violations. Association is obligated to disclose all known violations. Association will provide a loss run of its insurance claims for the past 5 years.

m. Representations and warranties of association:

i. Title to the association owned property; disclosure of association owned or leased property;

ii. Disclosure of equipment leases, management contacts; service contracts, leases relating to the common elements or association property;

iii. Maintaining the condominium association in good standing;

iv. No option or right of first refusal to purchase units;

v. No restrictions on number of units any one entity can own;

vi. Disclosure of known violations of law in condominium property or association owned property;

vii. Disclosure of pending or threatened litigation, arbitration or other proceedings;

viii. No outstanding loans, liabilities not reflected on financial statements;

ix. No contracts or agreements that cannot be cancelled on 30 days prior notice to vendor, supplier, contractor; and

x. No new or increases in the liabilities of the association, including loans, mortgages, leases.

n. Disclosure of all known defects in the condominium property.

o. Recognition of the association's obligation to continue to perform its contractual and statutory duties pending closing and termination.

XVIII. **Post-Termination Purchase – Areas/issues to be addressed in PSA with condominium association** – Assumes that the condominium association will act as Termination Trustee

a. Process: The bulk buyer enters into a Purchase and Sale Agreement with the condominium association for the condominium property in which the association agrees to conduct votes to: (i) adopt amendments to the Declaration requested by

bulk buyer to expedite termination and/or or remove impediments to termination or bulk buyer's purchase of the condominium property, (ii) adopt the conditional plan of termination draft as approved by the bulk buyer, and (iii) sell the condominium property to the bulk buyer. Depending on the PSA, the responsibility for obtaining the unit owner written consents may fall to the bulk buyer or the association. The association then notices and conducts the vote to approve the plan, obtains the approval of the plan by any applicable regulatory authority and effectuates the termination by filing a certificate of termination. The termination trustee then conveys the former condominium property to the bulk buyer by deed (with limited or no warranties of title) and distributes the proceeds of termination to the unit owners. For purposes of this discussion, the author has assumed that the condominium association will serve as termination trustee. The form of amendments to the declaration, the plan of termination and the certificate of termination are exhibits to the PSA.

b. Typical terms and contingencies in the PSA between the condominium association and bulk buyer:

i. Purchase price for entire condominium property and any association owned real estate.

ii. Deposit(s). Amounts, when paid and escrow agent. The deposit is often paid in installments.

iii. Duration of due diligence period. 60-90-120 days? When does the due diligence period commence? When the bulk buyer has obtained signed cooperation agreements or consents and joinders from owners of the Minimum Termination Threshold of units or earlier? Does the bulk buyer have any right to extend the due diligence period and at what cost? The bulk buyer usually provides the condominium association with list of due diligence items to be delivered.

iv. In post-termination purchases, the due diligence is generally conducted at two levels (unless the tenant leases survive termination): on the Condominium Property and on the association and association-owned property.

v. Bulk buyer’s right to terminate the PSA for any reason during due diligence period.

vi. The PSA will specify (1) whether the bulk buyer or association has obligation to use good faith efforts to obtain Consents and Joinders in the plan of termination executed with the formalities of a deed from owners of Minimum Termination Threshold of units; (2) the deadline for obtaining duly executed Consents and Joinders; and (3) any right to extend the deadline and at what cost?

vii. Closing costs. Associations typically attempt to shift all of the following closing costs to the bulk buyer:

1. Transfer taxes;

2. Title insurance premiums; title commitment fees;

3. Municipal lien searches;

4. Open and expired permit searches;

5. Recording fees;

6. Broker commissions;

7. Fees for estoppel letters from condominium association, lenders, lien holders; and

8. Other closing fees and expenses.

The seller and unit owners are customarily responsible for cost of obtaining and recording corrective instruments.

viii. Closing date. The PSA will specify a closing date; often, closing is scheduled a set number of days after approval of the conditional plan of termination by owners of the Minimum Termination Threshold of units and any regulatory authority. The bulk buyer may negotiate for the right to extend if the termination has not been completed in timely manner, if the regulatory authority has not approved plan of termination or if there is pending or threatened litigation challenging the amendments, plan or sale.

ix. Conditions to the bulk buyer's obligation to close would include:

1. Any amendments to condominium documents requested by the bulk buyer have been adopted and recorded.

2. If required by the plan of termination, unit owners have approved the purchase and sale agreement between termination trustee and the bulk buyer.

3. Any applicable regulatory authority has approved the conditional plan of termination.

4. No pending or threatened litigation, arbitration or other proceedings challenging the purchase and sale agreement with the bulk buyer, the amendments to the condominium documents or plan of termination.

5. The plan of termination drafted or approved by the bulk buyer has been adopted and recorded and the condominium has been terminated.

6. The title insurer is prepared to issue an owner's policy and lender's policy without exception for the Declaration of Condominium.

c. Exclusivity. Seller's agreement to deal only with the bulk buyer.

d. Seller's cooperation in closing open or expired permits affecting the common elements or association owned property.

e. Representation from the parties that no broker has been involved in the transaction unless the bulk buyer has engaged one. If so, then the bulk buyer's broker is the only one the parties have dealt with.

f. The association will not make any material repairs, alterations or capital improvements to the condominium property unless required by the association's insurer or any governmental and/or quasi-governmental authority with authority over the condominium to comply with state or local health or safety laws.

g. The association will cooperate with and consent to the bulk buyer's applications for zoning/land use approvals, variances, plats, permits provided the approvals do not bind the condominium property prior to bulk buyer's acquisition.

h. The association's representations that it has complied with all obligations, duties and requirements of the association or termination trustee under the plan of termination, the certificate of termination and Condominium Act.

i. As a condition to closing, termination trustee/condominium association must provide proof of the following: (i) that all of the notices of the plan of termination were sent to all unit owners, mortgagees, lienors or others required to receive notice; (ii) that Minimum Termination Threshold or more of unit owners approved the plan of termination and the sale of the condominium property if applicable; (iii) that no litigation, arbitrations, proceedings or claims have been filed relating to or challenging any amendments to the condominium documents, the plan of termination, the termination or sale; (iv) that all periods for contesting the plan of termination have expired; and (v) that any regulatory authority having jurisdiction has approved the plan of termination.

j. The termination trustee/condominium association's agreement to cooperate with bulk buyer, including the following:

i. Sending communications from the bulk buyer to unit owners.

ii. Scheduling meetings, video conferences with unit owners when requested.

iii. Supporting amendments to the governing documents, termination and sale.

iv. Allowing bulk buyer access to the common elements of the condominium for evaluation, including examinations, inspections, testing and assessments.

v. Providing copies of or access to official records of association (other than those that are confidential under the Condominium Act).

XIX. **Unit Owner Obligations in a Post-Termination Purchase from the Association by the Bulk buyer**. The plan of termination, the cooperation agreement with unit owners or the PSA between the bulk buyer and the termination trustee typically include the following unit owner obligations:

a. Clear any title issues with unit prior to termination.

b. Vote to approve amendments to condominium documents requested by the bulk buyer to expedite termination or remove impediments to termination or bulk buyer's purchase of the condominium property.

c. Vote for conditional plan of termination approved by the bulk buyer and execute a consent to the plan with the formalities of a deed, provided the conditional plan does not require termination of the condominium prior to the closing date.

d. Comply with FIRPTA requirements.

e. Comply with plan of termination requirements.

f. Vacate unit at termination unless (1) the plan of termination allows post-closing occupancy; or (2) the bulk buyer and unit owner have a lease or other post-closing occupancy agreement.

g. If the unit is rented, the unit owner is obligated to disclose lease and tenant. Bulk buyer needs to determine whether leases will survive termination and, if so, on what terms. Any lease surviving termination must be subject to bulk buyer's approval. Typically, the PSA between termination trustee and bulk buyer will specify what is an acceptable lease. For example, lease must (i) have an unexpired term of not more than one (1) year as of the effective date of PSA, (ii) contain no options to extend the lease term, option to purchase, rights of first refusal or right of first offer in favor of any tenant, (iii) have a rent is not less than $____ per month per sq. ft., and (iv) contain no terms or conditions that would impede or adversely affect termination of the condominium or redevelopment of the condominium property.

h. If portions of the common elements are subject to a lease, the association/termination trustee will be responsible for terminating any leases not approved by the bulk buyer.

i. Give the bulk buyer the right to enter the unit with advance written notice to unit owner to perform all examinations, inspections, testing and assessments of the unit, subject to the rights of tenants.

XX. **Pre-Packaged / Unit Owner Initiated Termination.**

a. Process: A group of motivated unit owners or the board organizes the termination of their condominium, builds a consensus for termination, and designs and proposes a plan of termination. The impetus for termination may be triggered by a major casualty loss, redevelopment of surrounding areas where units are sold at multiples of their FMV prior to termination or a third-party tender offer. The board may also explore termination in lieu of undertaking a major building renovation necessitated by inspection report, insurance mandate or special assessment. When the condominium property is offered for sale in connection with a unit owner-initiated termination, typically either: (1) the plan of termination has been approved and the condominium terminated, or (2) the plan of termination has been adopted, all regulatory approvals obtained, appeal periods expired, and no litigation is pending—the unit owners are ready for sale and closing. The condominium association may hire a commercial broker to market the property, solicit bids from interested buyers and organize and host the data room. The condominium association then enters into a purchase and sale agreement for the condominium property with limited due diligence period and few contingencies other that filing the certificate of termination if the condominium has not previously been terminated. The termination trustee then conveys the former condominium property to the bulk buyer by deed (with limited or no warranties of title) and distributes the proceeds of termination to the unit owners.

b. The pre-packaged termination offers many benefits for the unit owners:

i. As the seller / termination trustee, the association can invite offers to purchase using its preferred form of Purchase and Sale Agreement, including any minimum terms and conditions.

ii. It increases the likelihood of higher purchase price by removing the risk of litigation and the uncertainty of whether the requisite percentage of units or voting interests will approve the termination.

iii. The board or broker can pre-qualify buyers/bidders and require proof of funds and/or their experience conducting successful terminations.

iv. It offers the association and unit owners more control over timing. They can accelerate the termination process, due diligence and closing if the unit owners are seeking an expedited process.

v. The PSA can disclose and address issues particular to the condominium. It can also include the solution to individual unit owner issues that are impediments to termination and sale (for example, underwater units, relocation assistance).

vi. The association can take other actions to reduce the cost of due diligence for the buyers/bidders and shorten the due diligence period by compiling,

organizing and posting the critical documents and information in an electronic data room.

c. The pre-packaged termination does have some drawbacks:

i. Often entails greater upfront expenditures (anticipating and compiling information needed for due diligence, attorneys' fees for advice on structuring and executing plan of termination, obtaining a termination title commitment, appraisals, survey, property condition report, environmental audit); however, the PSA can require the bulk buyer to reimburse the association for these costs. They are expenses that a buyer would typically incur during the due diligence period.

ii. CAVEAT: The need exists for unit owner cooperation, trust in board and leadership, transparency and frequent and consistent communications.

iii. Requires proactive leadership to build a consensus among the unit owners and solving individual unit owner issues.

XXI. **Termination Agreement - Plan of Termination**. In the absence of statutory requirements for the contents of the plan of termination and the various rights and obligations of the termination trustee, condominium association and unit owners, what follows is an outline of the salient features to include in the plan.

a. Recommended provisions

i. Name, address and powers of the termination trustee.

ii. Selecting the Termination Trustee; options include:

1. Association.
2. Bulk buyer.
3. Third Party.

iii. Date after which the plan of termination is void if not previously recorded.

iv. Consider whether to specify a date after which the plan of termination is void if termination has not occurred.

v. The interest of the respective unit owners in the association property and common surplus. If the assessments/maintenance fees are based on a unit owner's share of the common elements, then the common surplus and association property should be allocated in the same manner.

vi. The interest of the respective unit owners in any proceeds of sale of the condominium property. If the plan of termination calls for the sale of any condominium property or real property owned by the association following

termination, the plan of termination should provide for the sale and set forth the minimum purchase price and other terms of sale.

vii. The interests of the unit owners in insurance proceeds or condemnation proceeds that are not used for repair or reconstruction at the time of termination.

viii. How the proceeds of sale of the condominium property allocated to the units must be apportioned among the individual units. Some typical methods of apportionment include the following methods:

1. The respective values of the units based on the fair market values of the units immediately before the termination, as determined by one or more independent appraisers selected by the association or termination trustee; or

2. The respective interests of the units in the common elements specified in the Declaration immediately before the termination; or

3. Another method.

ix. If the proceeds of sale of the condominium property are to be allocated based on the fair market values, the methodology for establishing the FMV.

x. Allocation of proceeds of sale of association-owned units.

xi. Procedure and vote required for amendments to or modifications of plan of termination.

xii. Priority of Distribution. The order in which proceeds of termination (including the proceeds of sale) will be distributed:

1. to pay reasonable fees and costs of the termination trustee and accounting fees and costs.

2. to the holders of liens recorded prior to recordation of the Declaration.

3. to holders of liens on the condominium property.

4. to creditors of the association, as their interests may appear.

5. to each unit owner in the shares specified in the plan of termination subject to satisfaction of liens on each unit in their order of priority.

b. Trustee's Rights of Setoff. The termination agreement / plan of termination should give the termination trustee the right to setoff against the termination proceeds

allocated to a unit for the following amounts, which may include attorney's fees and costs:

i. All unpaid assessments, taxes, late fees, interest, fines, charges, and other amounts due and owing to the association with the unit, its owner, or the owner's family members, guests, tenants, occupants, licensees, invitees, or other persons.

ii. All costs of clearing title to the owner's unit, including, but not limited to, locating lienors, obtaining statements from such lienors confirming the outstanding amount of any obligations of the unit owner, and paying all mortgages and other liens, judgments, and encumbrances and filing suit to quiet title or remove title defects.

iii. All costs of removing the owner or the owner's family members, guests, tenants, occupants, licensees, invitees, or other persons from the unit if they fail to vacate a unit as required by the plan.

iv. All costs arising from, or related to, any breach of the plan by the owner or the owner's family members, guests, tenants, occupants, licensees, invitees, or other persons.

v. All costs arising out of, or related to, the removal and storage of all personal property remaining in a unit, other than personal property owned by the association, so that the unit may be delivered vacant and clear of the owner or the owner's family members, guests, tenants, occupants, licensees, invitees, or other persons as required by the plan.

vi. All costs arising out of, or related to, the appointment and activities of a receiver or attorney ad litem acting for the owner in the event that the owner is unable to be located.

Many plans of termination also allow setoff for all costs of providing notices under the Condominium Act, Declaration or Plan or making distributions.

c. Method for valuing the condominium property and units? Are the common elements valued separately from the units?

i. Appraisal. Qualifications for the appraiser? Number of appraisers? When is the appraisal conducted? Before or after the vote on termination?

ii. Arm's length sale to third party.

iii. Auction style sale.

d. Procedures for replacing resigning termination trustee.

e. Notices.

f. Remedies and dispute resolution procedures for unit owners, mortgagees, tenants, third parties .

g. Legal description of the former condominium property after effective date of termination.

h. Terms and conditions of post-termination occupancy of units or common elements.

i. Choosing a Conditional v. Unconditional Plan

i. An Unconditional Plan cannot be withdrawn for unforeseen circumstances and cannot be amended.

ii. Conditional Plans - provide more flexibility. When a termination is conditional, the plan must specify the conditions for termination. A conditional plan will not vest title to the condominium property in the termination trustee until both of the following are recorded: the plan of termination, and a certificate executed by the association with the formalities of a deed confirming that the conditions in the conditional plan of termination have been satisfied or waived by the requisite percentage of the voting interests.

j. Distinguishing Applicable Dates

i. Recording date for the termination agreement /plan of termination.

ii. Effective date of plan if different from recording date.

iii. Effective date of termination; date on which (1) title to the condominium property vests in termination trustee; (2) the unit owners become beneficiaries of the trust; (3) the date liens on the former condominium units transfer to the beneficial interest of the unit owner in the trust; and (4) the condominium ceases to exist.

XXII. **Approval of the Plan of Termination / Termination Agreement**

a. Meeting or Written Consent; approval requirements

i. Voting Requirements – determine the requisite percentages or number of votes required to approve termination and execute consents. Is the vote required a percentage of unit owners or units or voting interests or percentage of undivided interests in the common elements?

ii. Need to determine whether sufficient percentage of unit owners, voting interests or undivided interests in common elements have approved the plan of termination.

b. Owners Approval.

i. Manner of approving plan – the Declaration may permit a vote to be cast by someone other than the owner, for example, voting representative or proxy holder.

ii. However, because termination affects title, a Consent and Joinder in Plan of Termination or Termination Agreement must be executed by all record title owners of units (not the voting representative or proxy holder).

iii. Manner of executing joinder – must be done with the formalities of a deed.

XXIII. Factors Affecting Success

a. Price, price, price

b. Level of organized opposition and their financial resources. Note, however, dissenting owners can band together and hire counsel who may take the representation on a contingency fee basis.

c. Ability to build consensus among unit owners in favor of termination.

d. Financial condition of the condominium association, including outstanding liabilities for loans and unfunded or underfunded statutory reserves.

e. Physical condition of the condominium property included deferred maintenance.

f. Patience.

EXHIBIT "A"

Termination of a Condominium: 50-State and D.C. Statutory Survey

(AI GENERATED)

Termination of a Condominium: 50-State and D.C. Statutory Survey

A neutral reference document. This survey summarizes each jurisdiction's statute governing voluntary termination (sometimes styled "removal from" or "waiver of" the condominium regime) as of the sources reviewed. It is not legal advice for any particular party or transaction. Governing declarations, bylaws, and condominium instruments frequently modify the statutory defaults (usually by raising thresholds or adding mortgagee-consent conditions), and casualty/eminent-domain wind-down provisions are noted only where they materially differ from the voluntary-termination framework. Verify the current text and any recent amendments before relying on any entry.

How to read this survey

Three broad statutory families appear:

- **UCA / UCIOA states** (Uniform Condominium Act of 1980 or Uniform Common Interest Ownership Act of 1982/1994/2008): an **80% unit-owner vote** default, a recorded termination agreement executed like a deed, the association holding sale proceeds **as trustee**, and distribution by **independent-appraiser fair market value** subject to a **25%-vote / 30-day disapproval** right. These states share a near-identical template; the columns note only where a state departs from it.
- **Older "horizontal property" / pre-uniform acts**: termination is by **"removal" or "waiver" of the regime**, typically requiring **unanimous owner action plus consent of all lienholders**, with the property then held as a tenancy in common and divided by partition.
- **Home-grown modern acts** (e.g., Florida, Georgia, New York): distinct schemes that do not track either template.

Comparison Table

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
Alabama	Ala. Code § 35-8A-218; Alabama	At least **80%** of association votes	Not statutorily required; declaration	Association holds proceeds as **trustee**;	Termination agreement recorded in	Agreement void unless recorded by stated date;	Standard UCA template (Ala. Code

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	Uniform Condominium Act of 1991 (**UCA**) (Ala. Code § 35-8A-218)	(larger if declaration specifies; smaller only if all-nonresidential) (Ala. Code § 35-8A-218)	**may** require mortgagee approval (Ala. Code § 35-8A-219)	interests by independent-appraiser FMV (Ala. Code § 35-8A-218)	every county (Ala. Code § 35-8A-218)	appraisal final unless disapproved within **30 days** by 25% of votes (Ala. Code § 35-8A-218)	§ 35-8A-218)
Alaska	Alaska Stat. § 34.08.260; Alaska Common Interest Ownership Act (**UCIOA**) (Alaska Stat. Ann. § 34.08.260 (West))	At least **80%** of association votes (Alaska Stat. Ann. § 34.08.260 (West))	Not required; declaration **may** require lender approval (Alaska Stat. Ann. § 34.08.270 (West))	Association holds proceeds as **trustee**; independent-appraiser FMV (Alaska Stat. Ann. § 34.08.260 (West))	Recorded in each recording district (Alaska Stat. Ann. § 34.08.260 (West))	Appraisal final unless disapproved within **30 days** by 25% of interests (Alaska Stat. Ann. § 34.08.260 (West))	Declaration termination date extendable by >50% vote; single extension capped at initial term or 20 years (Alaska Stat. Ann. § 34.08.260 (West))
Arizona	Ariz. Rev. Stat. § 33-1228 (**UCA**-based) (Ariz. Rev. Stat. Ann. § 33-1228)	**80%** if created before Sept. 24, 2022; **95%** if created on/after that date (Ariz. Rev. Stat. Ann. § 33-1228)	Not statutorily required (declaration may impose) (Ariz. Rev. Stat. Ann. § 33-1228)	Association holds as **trustee**; FMV plus pro-rata reserves and **+5% relocation**; second appraisal/arbitration available (Ariz. Rev. Stat. Ann. § 33-1228)	Board meeting with notarized owner statements; no written-consent action allowed (Ariz. Rev. Stat. Ann. § 33-1228)	Board meeting **≥30 days** before recording; appraisal final unless disapproved within **60 days** (Ariz. Rev. Stat. Ann. § 33-1228)	Recording without full meeting compliance is **invalid**; declaration provisions conflicting with the compensation formula are void (Ariz. Rev. Stat. Ann. § 33-1228)
Arkansas	Ark. Code § 18-13-107 (Horizontal Property Act; **no UCA/UCIOA**, no distinct "termination" section)	**All** co-owners (or sole owner) to waive the regime (Ark. Code Ann. § 18-13-107 (West))	**Required** if units encumbered — recorded creditors must accept the undivided portions as security	Records merged with principal property; owned in indivision (Ark. Code Ann. § 18-13-	Recorded instrument (no statutory owner-notice scheme) (Ark. Code Ann. § 18-13-	None specified (Ark. Code Ann. § 18-13-107 (West))	"Merger of regimes"; 2/3-value threshold governs only administrative modification, not waiver

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	(Ark. Code Ann. § 18-13-107 (West))		(Ark. Code Ann. § 18-13-107 (West))	107 (West))	107 (West))		(Ark. Code Ann. § 18-13-109 (West))
California	Cal. Civ. Code § 4610 (Davis-Stirling; residential) & § 6656 (commercial); **no UCA/UCIOA vote-percentage statute** — termination by **court-ordered partition** (Cal. Civ. Code § 4610 (West); Cal. Civ. Code § 6656 (West))	No statutory vote; partition-by-sale on statutory showing (owners holding >50% of common area oppose repair, etc.) (Cal. Civ. Code § 4610 (West))	Not addressed by the partition statute (Cal. Civ. Code § 4610 (West))	Sale of entire project via partition; proceeds as in a tenancy-in-common partition (Cal. Civ. Code § 4610 (West))	Judicial action (court process) (Cal. Civ. Code § 4610 (West))	Partition only if damage unrepaired **>3 years**, ¾ destroyed, or project **>50 years** old and obsolete (Cal. Civ. Code § 4610 (West))	Common area otherwise stays undivided; no judicial partition except on the statutory grounds (Cal. Civ. Code § 4610 (West))
Colorado	Colo. Rev. Stat. § 38-33.3-218; Colorado Common Interest Ownership Act (**UCIOA**) (Colo. Rev. Stat. Ann. § 38-33.3-218 (West))	At least **67%** of association votes (lower than UCIOA's 80% default) (Colo. Rev. Stat. Ann. § 38-33.3-218 (West))	Not required (conveyance of common elements separately needs 67% under § 312) (Colo. Rev. Stat. Ann. § 38-33.3-312 (West))	Association holds as **trustee**; independent-appraiser FMV (Colo. Rev. Stat. Ann. § 38-33.3-218 (West))	Site-plan planned communities: termination agreement to every municipality/county by **certified mail** or hand delivery (Colo. Rev. Stat. Ann. § 38-33.3-218 (West))	Appraisal final unless disapproved within **30 days** by 25% of votes (Colo. Rev. Stat. Ann. § 38-33.3-218 (West))	Local-government notice condition for site-plan planned communities (Colo. Rev. Stat. Ann. § 38-33.3-218 (West))
Connecticut	Conn. Gen. Stat. §	At least **80%** (may	Not required in	Association holds as	Recorded in every	Appraisal final unless	**Superior Court**

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	47-237; Common Interest Ownership Act (**UCIOA**) (Conn. Gen. Stat. Ann. § 47-237 (West))	be reduced to no less than a majority only if all-nonresidential) (Conn. Gen. Stat. Ann. § 47-237 (West))	the vote provision (Conn. Gen. Stat. Ann. § 47-237 (West))	**trustee**; independent-appraiser FMV (Conn. Gen. Stat. Ann. § 47-237 (West))	town (Conn. Gen. Stat. Ann. § 47-237 (West))	disapproved within **30 days** by 25% of votes (Conn. Gen. Stat. Ann. § 47-237 (West))	**petition** to terminate without the 80% vote where units are destroyed/abandoned and notice impracticable; receiver possible (Conn. Gen. Stat. Ann. § 47-237 (West))
Delaware	25 Del. C. § 81-218; Delaware Uniform Common Interest Ownership Act (**UCIOA**) (Del. Code Ann. tit. 25, § 81-218 (West))	At least **80%** of association votes (Del. Code Ann. tit. 25, § 81-218 (West))	No separate requirement in vote provision (Del. Code Ann. tit. 25, § 81-218 (West))	Association holds as **trustee**; independent-appraiser FMV (Del. Code Ann. tit. 25, § 81-218 (West))	Recorded in every county (Del. Code Ann. tit. 25, § 81-218 (West))	Appraisal final unless disapproved within **30 days** by 25% of votes (Del. Code Ann. tit. 25, § 81-218 (West))	Standard UCIOA template (Del. Code Ann. tit. 25, § 81-218 (West))
District of Columbia	D.C. Code § 42-1902.28; D.C. Condominium Act (§ .29 is the lease section, not termination) (D.C. Code Ann. § 42-1902.28 (West))	**4/5 (80%)** of association votes where any unit is residential; declarant may unilaterally terminate if sole owner (D.C. Code Ann. § 42-1902.28 (West))	No express requirement (D.C. Code Ann. § 42-1902.28 (West))	Association holds as **trustee**; independent-appraiser FMV (D.C. Code Ann. § 42-1902.28 (West))	Recorded in the **Office of the Surveyor** (D.C. Code Ann. § 42-1902.28 (West))	Appraisal final unless disapproved within **30 days** by ¼ of votes; pre-recording revocation needs majority approval (D.C. Code Ann. § 42-1902.28 (West))	Recording in the Office of the Surveyor (not a county recorder) (D.C. Code Ann. § 42-1902.28 (West))
Florida	Fla. Stat. § 718.117; **home-**	**Optional** termination: **80%** of	Mortgagee approval **not**	Detailed **8-tier priority**	Plan to all owners **≥14 days** before	**5%** rejection vetoes the	**Bulk-owner** protections:

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	grown act (not UCA/UCIOA) — most elaborate scheme (Fla. Stat. Ann. § 718.117 (West))	voting interests + Division approval; **economic-waste** route uses the lowest amendment percentage; 75%+ timeshare needs 80% owners + 80% timeshare mortgagees (Fla. Stat. Ann. § 718.117 (West))	**required** unless the plan leaves a lien less than fully satisfied; objecting lienholder may contest (Fla. Stat. Ann. § 718.117 (West))	(trustee fees, pre-declaration liens, purchase-money liens, association creditors, then owners) (Fla. Stat. Ann. § 718.117 (West))	vote; certified-mail notice to owners/liens within **30 days** of recording (Fla. Stat. Ann. § 718.117 (West))	plan and bars a new plan for **24 months**; failed plan bars re-attempt **18 months**; trustee files with Division within **90 days** (Fla. Stat. Ann. § 718.117 (West))	non-bulk owners paid ≥100% FMV, homestead owners ≥ original price + 1% relocation payment + 12-month lease right (Fla. Stat. Ann. § 718.117 (West))
Georgia	O.C.G.A. § 44-3-98; Georgia Condominium Act (**home-grown**, not UCA/UCIOA) (Ga. Code Ann. § 44-3-98 (West))	**4/5 (80%)** of association votes **and all mortgagees** of such units (Ga. Code Ann. § 44-3-98 (West))	**Required — consent of all mortgagees** (an express outlier) (Ga. Code Ann. § 44-3-98 (West))	Property becomes a **tenancy in common** in prior common-element proportions; assets distributed to owners and their mortgagees (Ga. Code Ann. § 44-3-98 (West))	Termination agreement recorded (Ga. Code Ann. § 44-3-98 (West))	Effective only when recorded (or later specified date) (Ga. Code Ann. § 44-3-98 (West))	Declarant's agreement also required during declarant control / unexpired expansion option (Ga. Code Ann. § 44-3-98 (West))
Hawaii	Haw. Rev. Stat. § 514B-47; Ch. 514B (UCIOA-influenced **hybrid**) (Haw. Rev. Stat. Ann. § 514B-47 (West))	**80%** of common interests **and consent of all lienholders** (Haw. Rev. Stat. Ann. § 514B-47 (West))	**Required — all lienholders** must consent (Haw. Rev. Stat. Ann. § 514B-47 (West))	**Court-ordered partition** sale; net sale + insurance proceeds pooled, divided by common interest after each owner's	Recorded instrument; partition action (Haw. Rev. Stat. Ann. § 514B-47 (West))	None specified beyond partition process (Haw. Rev. Stat. Ann. § 514B-47 (West))	Property subject to partition after removal; no payment to owner until that owner's unit liens paid in full (Haw. Rev. Stat.

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
				liens paid (Haw. Rev. Stat. Ann. § 514B-47 (West))			Ann. § 514B-47 (West))
Idaho	Idaho Code § 55-1510; Condominium Property Act (**pre-uniform**, "removal") (Idaho Code Ann. § 55-1510 (West))	At least **2/3 interest** in common areas (unless declaration provides otherwise) (Idaho Code Ann. § 55-1510 (West))	**Required — all lienholders** must consent by recorded instrument (Idaho Code Ann. § 55-1510 (West))	Owned in common; each former owner keeps exclusive occupancy of former unit (Idaho Code Ann. § 55-1510 (West))	Recorded, signed, acknowledged instrument filed in the county (Idaho Code Ann. § 55-1510 (West))	None specified (Idaho Code Ann. § 55-1510 (West))	Liens transfer to undivided interest without change of seniority; resubmission permitted (Idaho Code Ann. § 55-1510 (West))
Illinois	765 ILCS 605/16 (removal) & 605/15 (sale); Condominium Property Act (**pre-uniform**) (765 Ill. Comp. Stat. Ann. 605/16; 765 Ill. Comp. Stat. Ann. 605/15)	**Removal: all owners. Sale route:** majority (2 units), 66⅔% (3 units), **75%** (4+ units) (765 Ill. Comp. Stat. Ann. 605/16; 765 Ill. Comp. Stat. Ann. 605/15)	Removal requires **all lienholders'** consent; sale route does not (765 Ill. Comp. Stat. Ann. 605/16)	Removal: owned in common by prior percentages. Sale: dissenting owner gets greater of appraised value or acquisition debt, plus relocation costs (765 Ill. Comp. Stat. Ann. 605/16; 765 Ill. Comp. Stat. Ann. 605/15)	Sale by vote at a duly called meeting (765 Ill. Comp. Stat. Ann. 605/15)	Dissenting owner must object in writing within **20 days** of the meeting (765 Ill. Comp. Stat. Ann. 605/15)	Three-appraiser panel resolves dissenting-owner value disputes (765 Ill. Comp. Stat. Ann. 605/15)
Indiana	Ind. Code § 32-25-8-16; Condominiums (from Horizontal Property Law; **not**	**All** co-owners (removal by recorded instrument) (Ind. Code Ann. § 32-	**Required — all lienholders** consent or agree to lien transfer (Ind. Code	Subject to **partition**; net sale + insurance proceeds as one fund by undivided-	Recorded removal instrument (Ind. Code Ann. § 32-25-8-16 (West))	None specified (Ind. Code Ann. § 32-25-8-16 (West))	Total destruction of all buildings also effects removal; resubmission

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	UCA/UCIOA) (Ind. Code Ann. § 32-25-8-16 (West))	25-8-16 (West))	Ann. § 32-25-8-16 (West))	interest percentage, liens paid from each share first (Ind. Code Ann. § 32-25-8-16 (West))			permitted (Ind. Code Ann. § 32-25-8-16 (West))
Iowa	Iowa Code § 499B.8; Horizontal Property Act (**pre-uniform**) (Iowa Code Ann. § 499B.8 (West))	**All** apartment owners (Iowa Code Ann. § 499B.8 (West))	**Required — all lienholders** consent or agree to lien transfer (Iowa Code Ann. § 499B.8 (West))	Owned in common by prior common-element percentages (post-casualty partition handled by § 499B.16) (Iowa Code Ann. § 499B.8 (West))	Recorded instrument (Iowa Code Ann. § 499B.8 (West))	None specified (Iowa Code Ann. § 499B.8 (West))	Partition barred as a means to terminate except after casualty; resubmission permitted (Iowa Code Ann. § 499B.8 (West))
Kansas	K.S.A. § 58-3116; Apartment Ownership Act (**pre-uniform**; UCIOA-derived Bill of Rights Act has no termination mechanism) (Kan. Stat. Ann. § 58-3116 (West))	**All** apartment owners (Kan. Stat. Ann. § 58-3116 (West))	**Required — all lienholders** consent or agree to lien transfer (Kan. Stat. Ann. § 58-3116 (West))	Owned in common by prior common-element percentages (Kan. Stat. Ann. § 58-3116 (West))	Recorded instrument (Kan. Stat. Ann. § 58-3116 (West))	None specified (Kan. Stat. Ann. § 58-3116 (West))	Termination governed by the older Apartment Ownership Act, not the newer owners'-rights overlay (Kan. Stat. Ann. § 58-3116 (West))
Kentucky	Ky. Rev. Stat. § 381.9157; Kentucky Condominium Act (**UCA-derived**, eff. 2011) (Ky.	At least **80%** of association votes (Ky. Rev. Stat. Ann. § 381.9157 (West))	Not required; declaration **may** require mortgagee approval (Ky. Rev. Stat. Ann. §	Association holds as **trustee**; independent-appraiser FMV (Ky. Rev. Stat. Ann. § 381.9157 (West))	Recorded in every county (Ky. Rev. Stat. Ann. § 381.9157 (West))	Agreement void unless timely recorded; appraisal final unless disapproved within **30 days** by 25% of	Foreclosure against the whole condominium does not itself terminate it (Ky. Rev. Stat. Ann. §

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	Rev. Stat. Ann. § 381.9157 (West))		381.9159 (West))			votes (Ky. Rev. Stat. Ann. § 381.9157 (West))	381.9157 (West))
Louisiana	La. R.S. 9:1122.112; Louisiana Condominium Act (**non-uniform**) (La. Stat. Ann. § 9:1122.112)	**No fixed statutory threshold** — "all or a percentage" of owners **and unit mortgage creditors** as the declaration provides (La. Stat. Ann. § 9:1122.112)	Contemplated — **mortgage creditors'** consent per the declaration (La. Stat. Ann. § 9:1122.112)	Withdrawn property held **in indivision**; subject to partition; proceeds paid after secured claims (La. Stat. Ann. § 9:1122.112)	Recorded amendment to the declaration (La. Stat. Ann. § 9:1122.112)	None specified (La. Stat. Ann. § 9:1122.112)	Both threshold and consent left to the declaration; leasehold termination handled separately (§ 1122.107) (La. Stat. Ann. § 9:1122.107)
Maine	33 M.R.S. § 1602-118; Maine Condominium Act (**UCA**) (Me. Rev. Stat. Ann. tit. 33, § 1602-118)	At least **80%** of association votes (Me. Rev. Stat. Ann. tit. 33, § 1602-118)	Not required; declaration may require approval, and eligible mortgage holders get notice (Me. Rev. Stat. Ann. tit. 33, § 1602-119)	Association holds as **trustee**; independent-appraiser FMV (Me. Rev. Stat. Ann. tit. 33, § 1602-118)	**Written notice to eligible mortgage holders** by prepaid U.S. mail of proposed termination (Me. Rev. Stat. Ann. tit. 33, § 1602-119)	Appraisal final unless disapproved within **30 days** by 25% of votes (Me. Rev. Stat. Ann. tit. 33, § 1602-118)	Standard UCA template with mortgagee-notice overlay (Me. Rev. Stat. Ann. tit. 33, § 1602-119)
Maryland	Md. Code, Real Prop. § 11-123; Maryland Condominium Act (Md. Code Ann., Real Prop. § 11-123 (West))	At least **80%** of council-of-unit-owners votes (Md. Code Ann., Real Prop. § 11-123 (West))	No express separate requirement (Md. Code Ann., Real Prop. § 11-123 (West))	Council holds as **trustee**; independent-appraiser FMV; association assets distributed after creditor claims (Md. Code Ann., Real Prop. § 11-	Recorded in every county (Md. Code Ann., Real Prop. § 11-123 (West))	Appraisal final unless disapproved within **30 days** by 25% of votes (Md. Code Ann., Real Prop. § 11-123 (West))	Foreclosure against the whole condominium does not itself terminate it (Md. Code Ann., Real Prop. § 11-123 (West))

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
				123 (West))			
Massachusetts	Mass. Gen. Laws ch. 183A, § 19 (removal); **non-uniform** (Mass. Gen. Laws Ann. ch. 183A, § 19 (West))	**75%** of unit owners (or greater in bylaws) (Mass. Gen. Laws Ann. ch. 183A, § 19 (West))	**Required — all lienholders** of affected units must consent (Mass. Gen. Laws Ann. ch. 183A, § 19 (West))	Owned in common by prior undivided common-area interest; owners' organization dissolved unless instrument provides otherwise (Mass. Gen. Laws Ann. ch. 183A, § 19 (West))	Recorded instrument (Mass. Gen. Laws Ann. ch. 183A, § 19 (West))	None specified (Mass. Gen. Laws Ann. ch. 183A, § 19 (West))	**Commercial condominiums** may vary or opt out of § 19 by bylaw (Mass. Gen. Laws Ann. ch. 183A, § 21 (West))
Michigan	MCL § 559.151 (owner termination); Michigan Condominium Act (Mich. Comp. Laws Ann. § 559.151 (West))	Agreement of the **developer and 4/5 (80%)** of unaffiliated co-owners (Mich. Comp. Laws Ann. § 559.151 (West))	First mortgagees have a **statutory vote** on termination — **66⅔%** approval, 90-day ballot; developer-only termination needs interested mortgagee consent (Mich. Comp. Laws Ann. § 559.190a (West); Mich. Comp. Laws Ann. § 559.150 (West))	Owned by co-owners as **tenants in common** by prior common-element interests; assets per those interests (Mich. Comp. Laws Ann. § 559.151 (West))	Recorded termination agreement (Mich. Comp. Laws Ann. § 559.151 (West))	Mortgagee ballots: **90-day** return deadline (failure to return counts as approval) (Mich. Comp. Laws Ann. § 559.190a (West))	Developer may **unilaterally** terminate if it is the only owner (with mortgagee consent) (Mich. Comp. Laws Ann. § 559.150 (West))
Minnesota	Minn. Stat. § 515A.2-	At least **80% of**	**Required — 80% of**	Association holds as	Appraisal delivered to	Appraisal final unless	Same 80%-owner/80%

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	120 (older UCA) / ch. 515B, MCIOA (created on/after Aug. 1, 2010) (Minn. Stat. Ann. § 515A.2-120 (West); Minn. Stat. Ann. § 515B.2-123 (West))	**owners AND 80% of first mortgagees** (one vote per financed unit) (Minn. Stat. Ann. § 515A.2-120 (West))	**first mortgagees** (an express outlier) (Minn. Stat. Ann. § 515A.2-120 (West))	**trustee**; proceeds to owners and secured holders by pre-termination priority; independent-appraiser FMV (Minn. Stat. Ann. § 515A.2-120 (West))	"Occupant Entitled to Legal Notice" at each unit **and each first mortgagee** (Minn. Stat. Ann. § 515A.2-120 (West))	disapproved within **30 days** by 25% of votes **or** 25% of first mortgagees (Minn. Stat. Ann. § 515A.2-120 (West))	-mortgagee pattern carries into the current MCIOA framework (Minn. Stat. Ann. § 515B.2-123 (West))
Mississippi	Miss. Code ch. 89-9 (Condominium Law); **no dedicated termination statute** (pre-uniform) (Miss. Code Ann. § 89-9-17 (West))	None statutory — governed by the **declaration of restrictions** (amendment on ≥ majority-in-interest after notice) (Miss. Code Ann. § 89-9-17 (West))	None statutory (Miss. Code Ann. § 89-9-5 (West))	None statutory — per the declaration (Miss. Code Ann. § 89-9-17 (West))	"Reasonable notice" for declaration amendment (Miss. Code Ann. § 89-9-17 (West))	None specified (Miss. Code Ann. § 89-9-17 (West))	No statutory vote, mortgagee-consent, or proceeds formula; entirely declaration-driven (Miss. Code Ann. § 89-9-5 (West))
Missouri	Mo. Rev. Stat. § 448.2-118; Missouri Uniform Condominium Act (**UCA**) (Mo. Ann. Stat. § 448.2-118 (West))	At least **80%** of association votes (Mo. Ann. Stat. § 448.2-118 (West))	No separate statutory requirement (lienholders share in proceeds) (Mo. Ann. Stat. § 448.2-118 (West))	Association holds as **trustee**; independent-appraiser FMV (Mo. Ann. Stat. § 448.2-118 (West))	Recorded in every county (Mo. Ann. Stat. § 448.2-118 (West))	Agreement void unless timely recorded; appraisal final unless disapproved within **30 days** by 25% of votes (Mo. Ann. Stat. § 448.2-118 (West))	Operative section is § 448.2-118 (standard UCA template) (Mo. Ann. Stat. § 448.2-118 (West))

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
Montana	Mont. Code § 70-23-801 & -802; Unit Ownership Act (**pre-uniform**, "removal") (Mont. Code Ann. § 70-23-801 (West))	**All** owners (unanimous removal) **or 90%** if property is obsolete (Mont. Code Ann. § 70-23-801 (West); Mont. Code Ann. § 70-23-802 (West))	**Required — all lienholders** for the unanimous route (Mont. Code Ann. § 70-23-801 (West))	Subject to **partition**; net sale + insurance proceeds as one fund by undivided interest, liens paid from each share first (Mont. Code Ann. § 70-23-805 (West))	Recorded instrument (Mont. Code Ann. § 70-23-801 (West))	Auto-removal **60 days** after uncured damage if no repair decision (Mont. Code Ann. § 70-23-805 (West))	"Removal from the chapter," not "termination"; obsolescence route at 90% (Mont. Code Ann. § 70-23-802 (West))
Nebraska	Neb. Rev. Stat. § 76-855; Nebraska Condominium Act (**UCA**) (Neb. Rev. Stat. Ann. § 76-855 (West))	At least **80%** of association votes (Neb. Rev. Stat. Ann. § 76-855 (West))	Not required; declaration **may** require it, with **60-day deemed approval** on certified-mail request (Neb. Rev. Stat. Ann. § 76-856 (West))	Association holds as **trustee**; independent-appraiser FMV (Neb. Rev. Stat. Ann. § 76-855 (West))	Recorded in every county (Neb. Rev. Stat. Ann. § 76-855 (West))	Appraisal final unless disapproved within **30 days** by 25% of votes; mortgagee **60-day** deemed approval (Neb. Rev. Stat. Ann. § 76-855 (West); Neb. Rev. Stat. Ann. § 76-856 (West))	Executive **board barred** from terminating on the association's behalf (Neb. Rev. Stat. Ann. § 76-861 (West))
Nevada	Nev. Rev. Stat. § 116.2118; Common-Interest Ownership Act (**UCIOA**) (Nev. Rev. Stat. Ann. §	At least **80%** of votes, **including 80% of non-declarant votes** (eff. July 1, 2026) (Nev. Rev. Stat. Ann. §	Not required beyond declaration approvals (Nev. Rev. Stat. Ann. § 116.2118 (West))	Association holds as **trustee**; FMV per §§ 116.21183 / .21185 (Nev. Rev. Stat. Ann. § 116.2118 (West))	Recorded in every county (Nev. Rev. Stat. Ann. § 116.2118 (West))	Agreement void unless timely recorded (Nev. Rev. Stat. Ann. § 116.2118 (West))	**District-court** termination following catastrophe where notice impracticable; receiver possible (Nev. Rev. Stat. Ann. §

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	116.2118 (West))	116.2118 (West))					116.2124 (West))
New Hampshire	N.H. Rev. Stat. § 356-B:34; Condominium Act (**Virginia-model**, not UCA/UCIOA) (N.H. Rev. Stat. Ann. § 356-B:34)	**4/5 (80%)** of association votes (N.H. Rev. Stat. Ann. § 356-B:34)	Instrument-dependent — chapter preserves any condominium-instrument mortgagee-consent requirement (N.H. Rev. Stat. Ann. § 356-B:34)	Owned as **tenants in common** by prior common-area interests; common profits per § 356-B:44 (N.H. Rev. Stat. Ann. § 356-B:34)	Recorded termination agreement / officer certification (N.H. Rev. Stat. Ann. § 356-B:34)	None specified for the base route (N.H. Rev. Stat. Ann. § 356-B:34)	Declarant may unilaterally terminate if sole owner; **50+ unit** condos may terminate-and-divide with **AG approval** (120-day deemed approval) (N.H. Rev. Stat. Ann. § 356-B:33; N.H. Rev. Stat. Ann. § 356-B:34-a)
New Jersey	N.J.S.A. 46:8B-26 & -27; New Jersey Condominium Act (**not UCA/UCIOA**) (N.J. Stat. Ann. § 46:8B-26 (West))	At least **80%** of association votes (N.J. Stat. Ann. § 46:8B-26 (West))	No express requirement (N.J. Stat. Ann. § 46:8B-26 (West))	Owners become **tenants in common** by prior common-element percentages; unit liens attach to undivided interests (no forced sale) (N.J. Stat. Ann. § 46:8B-27 (West))	Recorded **deed of revocation** (N.J. Stat. Ann. § 46:8B-26 (West))	Effective on filing of the deed of revocation (N.J. Stat. Ann. § 46:8B-26 (West))	No independent-appraisal or owner-notice mechanism (N.J. Stat. Ann. § 46:8B-27 (West))
New Mexico	N.M.S.A. § 47-7B-18; New Mexico Condominium Act (**UCA**)	At least **80%** of association votes (N.M. Stat. Ann. § 47-	No separate statutory requirement (N.M. Stat. Ann. § 47-7B-18 (West))	Association holds as **trustee**; independent-appraiser FMV (N.M. Stat.	Recorded in each county (N.M. Stat. Ann. § 47-7B-18 (West))	Agreement void unless timely recorded; appraisal final unless disapprove	Standard UCA template (N.M. Stat. Ann. § 47-7B-18 (West))

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	(N.M. Stat. Ann. § 47-7B-18 (West))	7B-18 (West))		Ann. § 47-7B-18 (West))		d within **30 days** by 25% of votes (N.M. Stat. Ann. § 47-7B-18 (West))	
New York	N.Y. Real Prop. Law § 339-t; Condominium Act, Art. 9-B (**not UCA/UCIOA**) (N.Y. Real Prop. Law § 339-t (McKinney))	At least **80% in number and in common interest** of units (or larger per bylaws) (N.Y. Real Prop. Law § 339-t (McKinney))	No statutory requirement (N.Y. Real Prop. Law § 339-t (McKinney))	Subject to **partition**; net sale proceeds by common interest, each owner's unit liens paid first from that owner's share (N.Y. Real Prop. Law § 339-t (McKinney))	Per by-law / partition process (N.Y. Real Prop. Law § 339-t (McKinney))	None specified (N.Y. Real Prop. Law § 339-t (McKinney))	Termination triggers a partition action; no appraisal mechanism (N.Y. Real Prop. Law § 339-t (McKinney))
North Carolina	N.C.G.S. § 47C-2-118; N.C. Condominium Act (**UCA**; older Ch. 47A for pre-1986 regimes) (N.C. Gen. Stat. Ann. § 47C-2-118)	At least **80%** of association votes (N.C. Gen. Stat. Ann. § 47C-2-118)	No separate statutory requirement (N.C. Gen. Stat. Ann. § 47C-2-118)	Association holds as **trustee**; independent-appraiser FMV (N.C. Gen. Stat. Ann. § 47C-2-118)	Recorded in every county (N.C. Gen. Stat. Ann. § 47C-2-118)	Agreement void unless timely recorded; appraisal final unless disapproved within **30 days** by 25% of votes (N.C. Gen. Stat. Ann. § 47C-2-118)	Standard UCA template (N.C. Gen. Stat. Ann. § 47C-2-118)
North Dakota	N.D.C.C. §§ 47-04.1-09, -10, -15; Condominium Ownership Act (**pre-uniform, 1965**)	**All** owners (unanimous withdrawal) (N.D. Cent. Code Ann. § 47-04.1-09 (West))	**Required — lien creditors** must join or liens be satisfied; amendments allow **30-day deemed**	Via **partition-by-sale** action (N.D. Cent. Code Ann. § 47-04.1-09 (West))	Recorded withdrawal declaration (N.D. Cent. Code Ann. § 47-04.1-09 (West))	Partition only if unrepaired **3 years** after damage, or obsolete/destroyed with >50% opposing	Absent unanimity, forced termination only through a statutory partition-by-sale showing

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	(N.D. Cent. Code Ann. § 47-04.1-09 (West))		lender approval (N.D. Cent. Code Ann. § 47-04.1-09 (West); N.D. Cent. Code Ann. § 47-04.1-15 (West))			repair (N.D. Cent. Code Ann. § 47-04.1-09 (West))	(N.D. Cent. Code Ann. § 47-04.1-09 (West))
Ohio	Ohio Rev. Code § 5311.17; Ohio Condominium Act (**not UCA/UCIOA**) (Ohio Rev. Code Ann. § 5311.17 (West))	**All** unit owners (unanimity), unless the declaration provides otherwise (Ohio Rev. Code Ann. § 5311.17 (West))	Effectively required — **all liens** must be paid, released, modified, or discharged (Ohio Rev. Code Ann. § 5311.17 (West))	Owned in common by prior common-element interests (Ohio Rev. Code Ann. § 5311.17 (West))	Certificate signed under oath, filed and recorded with the county recorder (auditor endorsement) (Ohio Rev. Code Ann. § 5311.17 (West))	None specified (Ohio Rev. Code Ann. § 5311.17 (West))	Sworn certification by association officer and by each owner that all liens are cleared (Ohio Rev. Code Ann. § 5311.17 (West))
Oklahoma	60 O.S. § 517 (removal) & § 527 (casualty); Unit Ownership Estate Act (**pre-uniform**) (Okla. Stat. Ann. tit. 60, § 517 (West))	**Unanimous** owner action; **or 75%** resolving not to repair after casualty (Okla. Stat. Ann. tit. 60, § 517 (West); Okla. Stat. Ann. tit. 60, § 527 (West))	**Required — all lienholders** consent or agree to lien transfer (Okla. Stat. Ann. tit. 60, § 517 (West))	Owned in common; casualty route via **partition**, proceeds + insurance as one fund by common-element ownership, liens paid first (Okla. Stat. Ann. tit. 60, § 527 (West))	Recorded instrument (Okla. Stat. Ann. tit. 60, § 517 (West))	None specified (Okla. Stat. Ann. tit. 60, § 517 (West))	Casualty/partition alternative on substantial destruction or a 75% no-repair vote (Okla. Stat. Ann. tit. 60, § 527 (West))
Oregon	ORS §§ 100.600, .605, .615; Oregon Condominium Act	**All** owners (full termination); **90%** if obsolete or **60%** if	**Required — all lienholders** consent (first-mortgage	Subject to **partition**; net sale + insurance proceeds as one fund	Instrument **signed by the county assessor**; recorded copy filed	Failure to file copies does not invalidate termination (Or.	Partial removal needs 90% owners + first-mortgagee

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	(**self-contained**, not UCIOA) (Or. Rev. Stat. Ann. § 100.600 (West))	declining to rebuild after damage (Or. Rev. Stat. Ann. § 100.600 (West); Or. Rev. Stat. Ann. § 100.605 (West))	approval for partial removal) (Or. Rev. Stat. Ann. § 100.600 (West))	by undivided interest, liens paid first (Or. Rev. Stat. Ann. § 100.615 (West))	with commissioner, assessor, surveyor (Or. Rev. Stat. Ann. § 100.600 (West))	Rev. Stat. Ann. § 100.600 (West))	approval + local zoning-compliance statement (Or. Rev. Stat. Ann. § 100.600 (West))
Pennsylvania	68 Pa.C.S. § 3220; Pennsylvania Uniform Condominium Act (**UCA**) (68 Pa. Stat. and Cons. Stat. Ann. § 3220 (West))	At least **80%** of association votes (68 Pa. Stat. and Cons. Stat. Ann. § 3220 (West))	No separate statutory requirement (recorded liens survive) (68 Pa. Stat. and Cons. Stat. Ann. § 3220 (West))	Association holds as **trustee**; independent-appraiser FMV (68 Pa. Stat. and Cons. Stat. Ann. § 3220 (West))	Recorded in every county, indexed in grantor/grantee indices (68 Pa. Stat. and Cons. Stat. Ann. § 3220 (West))	Agreement **null unless recorded within 1 year** of first execution; appraisal final unless disapproved within **30 days** by 25% of votes (68 Pa. Stat. and Cons. Stat. Ann. § 3220 (West))	A self-executing (date-based) termination clause may be **annulled by an 80% vote** up to 5 years before the date (68 Pa. Stat. and Cons. Stat. Ann. § 3220 (West))
Rhode Island	R.I. Gen. Laws § 34-36.1-2.18; Rhode Island Condominium Act (**UCA**) (34 R.I. Gen. Laws Ann. § 34-36.1-2.18 (West))	At least **80%** of association votes (34 R.I. Gen. Laws Ann. § 34-36.1-2.18 (West))	No separate statutory requirement (34 R.I. Gen. Laws Ann. § 34-36.1-2.18 (West))	Association holds as **trustee**; independent-appraiser FMV (34 R.I. Gen. Laws Ann. § 34-36.1-2.18 (West))	Recorded in every municipality (34 R.I. Gen. Laws Ann. § 34-36.1-2.18 (West))	Appraisal final unless disapproved within **30 days** by a **majority** of votes (note: majority, not the usual 25%) (34 R.I. Gen. Laws Ann. § 34-36.1-2.18 (West))	Termination uses the 80% threshold, carved out of the 67% general-amendment rule (34 R.I. Gen. Laws Ann. § 34-36.1-2.17 (West))

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
South Carolina	S.C. Code § 27-31-130; Horizontal Property Act (**no UCA/UCIOA**; "waiver of regime") (S.C. Code Ann. § 27-31-130)	**All** co-owners (unanimity); **2/3** for nonprofit long-term-care/life-care facilities (S.C. Code Ann. § 27-31-130)	**Required** if encumbered — recorded creditors must accept undivided portions as security (S.C. Code Ann. § 27-31-130)	Records merged with principal property; owned in common (S.C. Code Ann. § 27-31-130)	Recorded instrument (S.C. Code Ann. § 27-31-130)	None specified (S.C. Code Ann. § 27-31-130)	Life-care-facility exception lowers the threshold to 2/3; 2/3-value governs only administration (S.C. Code Ann. § 27-31-160)
South Dakota	S.D.C.L. ch. 43-15A; **no dedicated termination / waiver-of-regime statute** (not UCA/UCIOA) (S.D. Codified Laws § 43-15A-28)	None statutory — via declaration / common-law partition or unanimous owner action (S.D. Codified Laws § 43-15A-28)	None statutory (S.D. Codified Laws § 43-15A-28)	None statutory (S.D. Codified Laws § 43-15A-28)	None statutory (S.D. Codified Laws § 43-15A-28)	Savings provision validates pre-1992 regimes (rights barred if unenforced by July 1, 1993) (S.D. Codified Laws § 43-15A-28)	Chapter addresses creation and validity, not termination (S.D. Codified Laws § 43-15A-28)
Tennessee	Tenn. Code § 66-27-318; Tennessee Condominium Act of 2008 (**UCA**) (Tenn. Code Ann. § 66-27-318 (West))	At least **80% of owners AND 80% of first-mortgage lenders** on units holding 80% of votes (Tenn. Code Ann. § 66-27-318 (West))	**Required — 80% of first-mortgage lenders** (declaration may allow **30-day deemed** approval) (Tenn. Code Ann. § 66-27-318 (West))	Association holds as **trustee**; independent-appraiser FMV (Tenn. Code Ann. § 66-27-318 (West))	Recorded in every county; lender notice to last address on file (Tenn. Code Ann. § 66-27-318 (West))	Lender **30-day** deemed approval; appraisal final unless disapproved within **30 days** by 25% of votes (Tenn. Code Ann. § 66-27-318 (West))	Express 80% first-mortgagee-consent requirement (outlier) (Tenn. Code Ann. § 66-27-318 (West))
Texas	Tex. Prop. Code § 82.068; Texas Uniform Condomini	**100%** of votes **and each deed-of-trust/vendor's-lien**	**Required — each lienholder**, unless the declaration provides	Association holds proceeds as **trustee** (not association	Recorded in each county (Tex. Prop. Code Ann.	Appraisal final unless disapproved within **30 days** by 25% of	Owners may **rescind** a termination and reinstate

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	um Act (**UCA**; older Ch. 81 for pre-1994 regimes) (Tex. Prop. Code Ann. § 82.068 (West))	**holder**, unless declaration provides otherwise (floor of **80%** if any residential unit) (Tex. Prop. Code Ann. § 82.068 (West))	otherwise (Tex. Prop. Code Ann. § 82.068 (West))	assets); independent-appraiser FMV (Tex. Prop. Code Ann. § 82.068 (West))	§ 82.068 (West))	votes (Tex. Prop. Code Ann. § 82.068 (West))	the declaration by the same percentage; pre-1994 regimes: 67% or unanimous with creditor consent (Tex. Prop. Code Ann. § 82.068 (West); Tex. Prop. Code Ann. § 81.110 (West))
Utah	Utah Code § 57-8-22 (removal) & § 57-8-32 (sale); Condominium Ownership Act (**not UCA/UCIOA**) (Utah Code Ann. § 57-8-22 (West))	**Removal: all owners. Sale/disposition: 67%** of owners (unless declaration provides otherwise) (Utah Code Ann. § 57-8-22 (West); Utah Code Ann. § 57-8-32 (West))	Removal requires **all lienholders'** consent (Utah Code Ann. § 57-8-22 (West))	Removal: owned in common by prior interests; casualty route via partition (Utah Code Ann. § 57-8-22 (West); Utah Code Ann. § 57-8-31 (West))	Recorded instrument (Utah Code Ann. § 57-8-22 (West))	Casualty wind-down if ≥¾ destroyed and no ¾-vote to rebuild within **100 days** (Utah Code Ann. § 57-8-31 (West))	§ 57-8-31 is a casualty/insurance-shortfall statute distinct from voluntary termination (Utah Code Ann. § 57-8-31 (West))
Vermont	27A V.S.A. § 2-118; Vermont Common Interest Ownership Act (**UCIOA 1994**) (Vt. Stat. Ann. tit. 27A, § 2-118 (West))	At least **80%** of association votes, plus any declaration-required approvals (Vt. Stat. Ann. tit. 27A, § 2-118 (West))	Not required beyond declaration approvals (Vt. Stat. Ann. tit. 27A, § 2-118 (West))	Association holds as **trustee**; independent-appraiser FMV (Vt. Stat. Ann. tit. 27A, § 2-118 (West))	Recorded in each town (Vt. Stat. Ann. tit. 27A, § 2-118 (West))	Agreement void unless recorded; appraisal final unless owners with **25%+** of votes disapprove (Vt. Stat. Ann. tit. 27A, § 2-	Standard UCIOA template (pre-1999 condos governed by 27 V.S.A. ch. 15) (Vt. Stat. Ann. tit. 27A, § 2-118 (West))

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
						118 (West))	
Virginia	Va. Code § 55.1-1937; Virginia Condominium Act (**Virginia-model**, not UCA/UCIOA) (Va. Code Ann. § 55.1-1937 (West))	**4/5 (80%)** of association votes where any unit residential; declarant may unilaterally terminate if sole owner (Va. Code Ann. § 55.1-1937 (West))	Instrument-dependent — chapter preserves condominium-instrument mortgagee-consent requirements (Va. Code Ann. § 55.1-1938 (West))	Association holds as **trustee**; interests per the agreement or independent-appraiser FMV (Va. Code Ann. § 55.1-1937 (West))	Officer certification recorded; termination agreement in resale certificates (Va. Code Ann. § 55.1-1937 (West))	Appraisal final unless disapproved within **30 days** by ¼ of votes; pre-recording revocation needs majority approval (Va. Code Ann. § 55.1-1937 (West))	Agreement may set a **non-FMV** distribution method; 10% of owners may demand an appraisal check; later buyers deemed to consent (Va. Code Ann. § 55.1-1937 (West))
Washington	RCW § 64.34.268; Washington Condominium Act (WUCIOA ch. 64.90 for post-July 1, 2018 communities) (Wash. Rev. Code Ann. § 64.34.268 (West))	At least **80%** of association votes (Wash. Rev. Code Ann. § 64.34.268 (West))	No separate statutory requirement (Wash. Rev. Code Ann. § 64.34.268 (West))	Association holds as **trustee**; **creditors paid first**; independent-appraiser FMV (Wash. Rev. Code Ann. § 64.34.268 (West))	Recorded in every county; agreement must describe how creditors are paid (Wash. Rev. Code Ann. § 64.34.268 (West))	Appraisal final unless disapproved within **30 days** by 25% of votes; § 64.34.268 sunsets **Jan. 1, 2028** (Wash. Rev. Code Ann. § 64.34.268 (West))	**Partition suspended** while a sale agreement is pending (ends ~3 months / 1 year after recording) (Wash. Rev. Code Ann. § 64.34.268 (West))
West Virginia	W. Va. Code § 36B-2-118; Uniform Common Interest Ownership Act (**UCIOA**) (W. Va. Code Ann. § 36B-2-	At least **80%** of association votes (W. Va. Code Ann. § 36B-2-118 (West))	No separate statutory requirement (W. Va. Code Ann. § 36B-2-118 (West))	Association holds as **trustee**; independent-appraiser FMV (W. Va. Code Ann. § 36B-2-118 (West))	Recorded in every county (W. Va. Code Ann. § 36B-2-118 (West))	Agreement void unless timely recorded; appraisal final unless disapproved within **30 days** by 25% of votes (W. Va. Code Ann. §	Standard UCIOA template (W. Va. Code Ann. § 36B-2-118 (West))

Jurisdiction	Governing statute / uniform-act status	Unit-owner vote required	Lender / mortgagee consent	Distribution of proceeds	Notice requirements	Timeframes / deadlines	Special or unusual requirements
	118 (West))					36B-2-118 (West))	
Wisconsin	Wis. Stat. § 703.28; Condominium Ownership Act (**self-contained**, not UCIOA) (Wis. Stat. Ann. § 703.28 (West))	**All** unit owners (100%) (Wis. Stat. Ann. § 703.28 (West))	**Required — all lienholders** consent or agree to lien transfer (Wis. Stat. Ann. § 703.28 (West))	Owned in common by prior common-element percentages (Wis. Stat. Ann. § 703.28 (West))	Recorded removal instrument (Wis. Stat. Ann. § 703.28 (West))	None specified (Wis. Stat. Ann. § 703.28 (West))	Removal required before re-platting; resubmission permitted (Wis. Stat. Ann. § 703.29 (West))
Wyoming	Wyo. Stat. §§ 34-20-103, -104; Condominium Ownership Act (**pre-uniform, 1965**); **no dedicated termination statute** (Wyo. Stat. Ann. § 34-20-103 (West))	None statutory — governed by the **declaration** (which defines the "duration") (Wyo. Stat. Ann. § 34-20-103 (West))	None statutory (Wyo. Stat. Ann. § 34-20-104 (West))	None statutory — declaration may govern disposition on destruction/ obsolescence (Wyo. Stat. Ann. § 34-20-104 (West))	Declaration recorded with county clerk (Wyo. Stat. Ann. § 34-20-104 (West))	None statutory (Wyo. Stat. Ann. § 34-20-104 (West))	Declaration disposition/ attorney-in-fact provisions exempt from rule against perpetuities and restraints on alienation (Wyo. Stat. Ann. § 34-20-104 (West))

Cross-Jurisdictional Patterns

The 80% supermajority is the dominant rule. Every UCA/UCIOA state, plus the Virginia-model states (D.C., New Hampshire, Virginia) and several home-grown acts, sets the default owner threshold at 80% (or the equivalent "4/5") of association votes. Notable departures: **Colorado** (67%), **Massachusetts** (75%), and the two extremes — states requiring **unanimity or near-unanimity** for the pre-uniform "removal" route (Illinois removal, Indiana, Iowa, Kansas, Montana, Ohio, Oklahoma, Oregon, Utah removal, Wisconsin, North Dakota) and **Texas** (100% by default, floored at 80% for residential). **Arizona** raised its threshold to 95% for condominiums created on or after September 24, 2022 (Ariz. Rev. Stat. Ann. § 33-1228).

Lender/mortgagee consent divides sharply by statutory family. UCA/UCIOA states generally do **not** require mortgagee consent — the declaration may impose it, and liens simply follow the proceeds (Ala. Code § 35-8A-219; Colo. Rev. Stat. Ann. § 38-33.3-312 (West)). The pre-uniform "removal/waiver" states almost uniformly **do** require the consent of all lienholders (or that liens be transferred to the owner's undivided interest) as a condition of removal (Iowa Code Ann. § 499B.8 (West); Wis. Stat. Ann. § 703.28 (West); Utah Code Ann. § 57-8-22 (West)). A distinct group requires mortgagee consent **as an express statutory element of the vote itself**: **Georgia** (all mortgagees) (Ga. Code Ann. § 44-3-98 (West)), **Hawaii** (all lienholders) (Haw. Rev. Stat. Ann. § 514B-47 (West)), **Massachusetts** (all lienholders) (Mass. Gen. Laws Ann. ch. 183A, § 19 (West)), **Minnesota** (80% of first mortgagees) (Minn. Stat. Ann. § 515A.2-120 (West)), **Tennessee** (80% of first-mortgage lenders) (Tenn. Code Ann. § 66-27-318 (West)), and **Texas** (each lienholder) (Tex. Prop. Code Ann. § 82.068 (West)). **Michigan** is unusual in giving first mortgagees a statutory vote (66⅔%) rather than a consent veto (Mich. Comp. Laws Ann. § 559.190a (West)).

Distribution of proceeds tracks two models. UCA/UCIOA states route a sale through the association **as trustee** and allocate value by **independent-appraiser fair market value**, subject to a 25%-vote / 30-day disapproval right (Ala. Code § 35-8A-218; 68 Pa. Stat. and Cons. Stat. Ann. § 3220 (West)). The older acts instead convert the property to a **tenancy in common** and divide it by **partition**, with each owner's unit liens paid first out of that owner's share (N.Y. Real Prop. Law § 339-t (McKinney); Ind. Code Ann. § 32-25-8-16 (West)). **Washington** adds a creditors-paid-first priority (Wash. Rev. Code Ann. § 64.34.268 (West)), and **Florida** imposes the most detailed eight-tier priority in the country (Fla. Stat. Ann. § 718.117 (West)).

States without a dedicated termination statute. Mississippi (Miss. Code Ann. § 89-9-17 (West)), **South Dakota** (S.D. Codified Laws § 43-15A-28), and **Wyoming** (Wyo. Stat. Ann. § 34-20-103 (West)) have no statutory termination/removal mechanism; termination in those states is governed by the recorded declaration and general partition/common-law principles. **California** is a related outlier — it has no vote-percentage statute and terminates a project only by **court-ordered partition** on defined grounds (major casualty or 50-year obsolescence) (Cal. Civ. Code § 4610 (West)).

Notable procedural outliers. Arizona voids a termination recorded without a compliant board meeting and adds a 5% relocation premium (Ariz. Rev. Stat. Ann. § 33-1228); Florida's bulk-owner protections and 5% rejection veto are unique (Fla. Stat. Ann. § 718.117 (West)); Connecticut and Nevada allow **court-ordered** termination after catastrophe when owner notice is impracticable (Conn. Gen. Stat. Ann. § 47-237 (West); Nev. Rev. Stat. Ann. § 116.2124 (West)); Pennsylvania caps the recording window at one year and lets owners annul a self-executing termination clause (68 Pa. Stat. and Cons. Stat. Ann. § 3220 (West)); Oregon requires the county assessor's signature on the termination instrument (Or. Rev. Stat. Ann. § 100.600 (West)); and Washington's § 64.34.268 sunsets January 1, 2028 as WUCIOA phases in (Wash. Rev. Code Ann. § 64.34.268 (West)).

Recency flags. Several thresholds and provisions carry future or recent effective dates worth confirming: Arizona's 95% rule (post-Sept. 24, 2022) (Ariz. Rev. Stat. Ann. § 33-1228), Nevada's non-declarant-vote requirement (eff. July 1, 2026) (Nev. Rev. Stat. Ann. § 116.2118 (West)), Utah's § 57-8-32 amendment (eff. May 6, 2026) (Utah Code Ann. § 57-8-32 (West)), and Washington's 2028 sunset (Wash. Rev. Code Ann. § 64.34.268 (West)). Older regimes in transition states (Minnesota 515A vs. 515B; North Carolina 47A vs. 47C; Texas Ch. 81 vs. 82;

Tennessee, Vermont, Washington) may be governed by a different statute depending on the condominium's creation date.