

1 A bill to be entitled
2 An act relating to community associations; amending s.
3 718.111, F.S.; revising condominium association
4 recordkeeping and financial reporting requirements;
5 amending s. 718.112, F.S.; revising provisions
6 relating to required association bylaws; authorizing
7 an association to adopt rules for posting certain
8 notices on a website; providing responsibilities for
9 unit owners who receive electronic notices; revising
10 and providing board member recall and challenge
11 requirements; authorizing the recovery of attorney
12 fees and costs in an action to challenge the validity
13 of a board member recall; amending s. 718.113, F.S.;
14 revising voting requirements relating to alterations
15 and additions to certain common elements or
16 association property; amending s. 718.3026, F.S.;
17 removing a provision relating to certain contracts or
18 transactions regarding conflicts of interest; amending
19 s. 718.3027, F.S.; providing requirements for proposed
20 activity that is identified as a conflict of interest;
21 amending s. 718.303, F.S.; revising fine and
22 suspension requirements; amending s. 718.707, F.S.;
23 revising the time period for classification as a bulk
24 assignee or bulk buyer; amending s. 719.104, F.S.;
25 revising cooperative association recordkeeping

26 requirements; amending s. 719.106, F.S.; revising
27 requirements to serve as a board member; prohibiting a
28 board member from voting via e-mail; authorizing an
29 association to adopt rules for posting certain notices
30 on a website; providing responsibilities for unit
31 owners who receive electronic notices; providing that
32 directors or officers who are delinquent in certain
33 payments owed in excess of certain periods of time be
34 deemed to have abandoned their offices; amending s.
35 719.107, F.S.; specifying that certain services which
36 are obtained pursuant to a bulk contract are deemed a
37 common expense; amending s. 719.303, F.S.; revising
38 fine and suspension requirements; amending s. 720.303,
39 F.S.; prohibiting a board member from voting via e-
40 mail; revising and providing reserve account
41 requirements; providing requirements for special
42 meetings to consider a substitute annual budget;
43 amending s. 720.305, F.S.; revising fine and
44 suspension requirements; amending s. 720.306, F.S.;
45 revising election requirements; amending s. 720.3085,
46 F.S.; providing applicability; amending s. 720.401,
47 F.S.; revising required statements in the disclosure
48 summary; providing an effective date.

49
50 Be It Enacted by the Legislature of the State of Florida:

51
52 Section 1. Subsection (3), paragraphs (a), (b), and (g) of
53 subsection (12), and paragraph (e) of subsection (13) of section
54 718.111, Florida Statutes, are amended to read:

55 718.111 The association.—

56 (3) POWER TO MANAGE CONDOMINIUM PROPERTY AND TO CONTRACT,
57 SUE, AND BE SUED; ~~CONFLICT OF INTEREST.~~—

58 ~~(a)~~ The association may contract, sue, or be sued with
59 respect to the exercise or nonexercise of its powers. For these
60 purposes, the powers of the association include, but are not
61 limited to, the maintenance, management, and operation of the
62 condominium property. After control of the association is
63 obtained by unit owners other than the developer, the
64 association may institute, maintain, settle, or appeal actions
65 or hearings in its name on behalf of all unit owners concerning
66 matters of common interest to most or all unit owners,
67 including, but not limited to, the common elements; the roof and
68 structural components of a building or other improvements;
69 mechanical, electrical, and plumbing elements serving an
70 improvement or a building; representations of the developer
71 pertaining to any existing or proposed commonly used facilities;
72 and protesting ad valorem taxes on commonly used facilities and
73 on units; and may defend actions in eminent domain or bring
74 inverse condemnation actions. If the association has the
75 authority to maintain a class action, the association may be

76 | joined in an action as representative of that class with
77 | reference to litigation and disputes involving the matters for
78 | which the association could bring a class action. Nothing herein
79 | limits any statutory or common-law right of any individual unit
80 | owner or class of unit owners to bring any action without
81 | participation by the association which may otherwise be
82 | available.

83 | ~~(b) An association may not hire an attorney who represents~~
84 | ~~the management company of the association.~~

85 | (12) OFFICIAL RECORDS.—

86 | (a) From the inception of the association, the association
87 | shall maintain each of the following items, if applicable, which
88 | constitutes the official records of the association:

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

91 | 2. A photocopy of the recorded declaration of condominium
92 | of each condominium operated by the association and each
93 | amendment to each declaration.

94 | 3. A photocopy of the recorded bylaws of the association
95 | and each amendment to the bylaws.

96 | 4. A certified copy of the articles of incorporation of
97 | the association, or other documents creating the association,
98 | and each amendment thereto.

99 | 5. A copy of the current rules of the association.

100 | 6. A book or books that contain the minutes of all

101 meetings of the association, the board of administration, and
 102 the unit owners, ~~which minutes must be retained for at least 7~~
 103 ~~years.~~

104 7. A current roster of all unit owners and their mailing
 105 addresses, unit identifications, voting certifications, and, if
 106 known, telephone numbers. The association shall also maintain
 107 the electronic mailing addresses and facsimile numbers of unit
 108 owners consenting to receive notice by electronic transmission.
 109 The electronic mailing addresses and facsimile numbers are not
 110 accessible to unit owners if consent to receive notice by
 111 electronic transmission is not provided in accordance with sub-
 112 subparagraph (c)3.e. However, the association is not liable for
 113 an inadvertent disclosure of the electronic mail address or
 114 facsimile number for receiving electronic transmission of
 115 notices.

116 8. All current insurance policies of the association and
 117 condominiums operated by the association.

118 9. A current copy of any management agreement, lease, or
 119 other contract to which the association is a party or under
 120 which the association or the unit owners have an obligation or
 121 responsibility.

122 10. Bills of sale or transfer for all property owned by
 123 the association.

124 11. Accounting records for the association and separate
 125 accounting records for each condominium that the association

126 | operates. ~~All accounting records must be maintained for at least~~
 127 | ~~7 years.~~ Any person who knowingly or intentionally defaces or
 128 | destroys such records, or who knowingly or intentionally fails
 129 | to create or maintain such records, with the intent of causing
 130 | harm to the association or one or more of its members, is
 131 | personally subject to a civil penalty pursuant to s.
 132 | 718.501(1)(d). The accounting records must include, but are not
 133 | limited to:

134 | a. Accurate, itemized, and detailed records of all
 135 | receipts and expenditures.

136 | b. A current account and a monthly, bimonthly, or
 137 | quarterly statement of the account for each unit designating the
 138 | name of the unit owner, the due date and amount of each
 139 | assessment, the amount paid on the account, and the balance due.

140 | c. All audits, reviews, accounting statements, and
 141 | financial reports of the association or condominium.

142 | d. All contracts for work to be performed. Bids for work
 143 | to be performed are also considered official records and must be
 144 | maintained by the association.

145 | 12. Ballots, sign-in sheets, voting proxies, and all other
 146 | papers and electronic records relating to voting by unit owners,
 147 | which must be maintained for 1 year from the date of the
 148 | election, vote, or meeting to which the document relates,
 149 | notwithstanding paragraph (b).

150 | 13. All rental records if the association is acting as

151 agent for the rental of condominium units.

152 14. A copy of the current question and answer sheet as
153 described in s. 718.504.

154 15. All other written records of the association not
155 specifically included in the foregoing which are related to the
156 operation of the association.

157 16. A copy of the inspection report as described in s.
158 718.301(4)(p).

159 17. Bids for materials, equipment, or services.

160 (b) The official records of the association must be
161 maintained within the state for at least 7 years. The records of
162 the association shall be made available to a unit owner within
163 45 miles of the condominium property or within the county in
164 which the condominium property is located within 10 ~~5~~ working
165 days after receipt of a written request by the board or its
166 designee. However, such distance requirement does not apply to
167 an association governing a timeshare condominium. This paragraph
168 may be complied with by having a copy of the official records of
169 the association available for inspection or copying on the
170 condominium property or association property, or the association
171 may offer the option of making the records available to a unit
172 owner electronically via the Internet or by allowing the records
173 to be viewed in electronic format on a computer screen and
174 printed upon request. The association is not responsible for the
175 use or misuse of the information provided to an association

176 member or his or her authorized representative pursuant to the
 177 compliance requirements of this chapter unless the association
 178 has an affirmative duty not to disclose such information
 179 pursuant to this chapter.

180 (g)1. By July 1, 2018, an association managing a
 181 condominium with 150 or more units which does not contain ~~manage~~
 182 timeshare units shall post digital copies of the documents
 183 specified in subparagraph 2. on its website.

184 a. The association's website must be:

185 (I) An independent website or web portal wholly owned and
 186 operated by the association; or

187 (II) A website or web portal operated by a third-party
 188 provider with whom the association owns, leases, rents, or
 189 otherwise obtains the right to operate a web page, subpage, web
 190 portal, or collection of subpages or web portals dedicated to
 191 the association's activities and on which required notices,
 192 records, and documents may be posted by the association.

193 b. The association's website must be accessible through
 194 the Internet and must contain a subpage, web portal, or other
 195 protected electronic location that is inaccessible to the
 196 general public and accessible only to unit owners and employees
 197 of the association.

198 c. Upon a unit owner's written request, the association
 199 must provide the unit owner with a username and password and
 200 access to the protected sections of the association's website

201 that contain any notices, records, or documents that must be
202 electronically provided.

203 2. A current copy of the following documents must be
204 posted in digital format on the association's website:

205 a. The recorded declaration of condominium of each
206 condominium operated by the association and each amendment to
207 each declaration.

208 b. The recorded bylaws of the association and each
209 amendment to the bylaws.

210 c. The articles of incorporation of the association, or
211 other documents creating the association, and each amendment
212 thereto. The copy posted pursuant to this sub-subparagraph must
213 be a copy of the articles of incorporation filed with the
214 Department of State.

215 d. The rules of the association.

216 e. Any management agreement, lease, or other contract to
217 which the association is a party or under which the association
218 or the unit owners have an obligation or responsibility.

219 Summaries of bids for materials, equipment, or services must be
220 maintained on the website for 1 year. In lieu of summaries,
221 complete copies of the bids may be posted.

222 f. The annual budget required by s. 718.112(2)(f) and any
223 proposed budget to be considered at the annual meeting.

224 g. The financial report required by subsection (13) and
225 any proposed financial report to be considered at a meeting.

226 h. The certification of each director required by s.
 227 718.112(2)(d)4.b.

228 i. All contracts or transactions between the association
 229 and any director, officer, corporation, firm, or association
 230 that is not an affiliated condominium association or any other
 231 entity in which an association director is also a director or
 232 officer and financially interested.

233 j. Any contract or document regarding a conflict of
 234 interest or possible conflict of interest as provided in s.
 235 468.436(2) ~~ss. 468.436(2) and 718.3026(3)~~.

236 k. The notice of any unit owner meeting and the agenda for
 237 the meeting, as required by s. 718.112(2)(d)3., no later than 14
 238 days before the meeting. The notice must be posted in plain view
 239 on the front page of the website, or on a separate subpage of
 240 the website labeled "Notices" which is conspicuously visible and
 241 linked from the front page. The association must also post on
 242 its website any document to be considered and voted on by the
 243 owners during the meeting or any document listed on the agenda
 244 at least 7 days before the meeting at which the document or the
 245 information within the document will be considered.

246 1. Notice of any board meeting, the agenda, and any other
 247 document required for the meeting as required by s.
 248 718.112(2)(c), which must be posted no later than the date
 249 required for notice pursuant to s. 718.112(2)(c).

250 3. The association shall ensure that the information and

251 records described in paragraph (c), which are not permitted to
252 be accessible to unit owners, are not posted on the
253 association's website. If protected information or information
254 restricted from being accessible to unit owners is included in
255 documents that are required to be posted on the association's
256 website, the association shall ensure the information is
257 redacted before posting the documents online.

258 (13) FINANCIAL REPORTING.—Within 90 days after the end of
259 the fiscal year, or annually on a date provided in the bylaws,
260 the association shall prepare and complete, or contract for the
261 preparation and completion of, a financial report for the
262 preceding fiscal year. Within 21 days after the final financial
263 report is completed by the association or received from the
264 third party, but not later than 120 days after the end of the
265 fiscal year or other date as provided in the bylaws, the
266 association shall mail to each unit owner at the address last
267 furnished to the association by the unit owner, or hand deliver
268 to each unit owner, a copy of the most recent financial report
269 or a notice that a copy of the most recent financial report will
270 be mailed or hand delivered to the unit owner, without charge,
271 within 5 business days after receipt of a written request from
272 the unit owner. The division shall adopt rules setting forth
273 uniform accounting principles and standards to be used by all
274 associations and addressing the financial reporting requirements
275 for multicondominium associations. The rules must include, but

276 | not be limited to, standards for presenting a summary of
277 | association reserves, including a good faith estimate disclosing
278 | the annual amount of reserve funds that would be necessary for
279 | the association to fully fund reserves for each reserve item
280 | based on the straight-line accounting method. This disclosure is
281 | not applicable to reserves funded via the pooling method. In
282 | adopting such rules, the division shall consider the number of
283 | members and annual revenues of an association. Financial reports
284 | shall be prepared as follows:

285 | (e) A unit owner may provide written notice to the
286 | division of the association's failure to mail or hand deliver
287 | him or her a copy of the most recent financial report within 5
288 | business days after he or she submitted a written request to the
289 | association for a copy of such report. If the division
290 | determines that the association failed to mail or hand deliver a
291 | copy of the most recent financial report to the unit owner, the
292 | division shall provide written notice to the association that
293 | the association must mail or hand deliver a copy of the most
294 | recent financial report to the unit owner and the division
295 | within 5 business days after it receives such notice from the
296 | division. An association that fails to comply with the
297 | division's request may not waive the financial reporting
298 | requirement provided in paragraph (d) for the fiscal year in
299 | which the unit owner's request was made and the following fiscal
300 | year. A financial report received by the division pursuant to

301 this paragraph shall be maintained, and the division shall
302 provide a copy of such report to an association member upon his
303 or her request.

304 Section 2. Paragraphs (a), (c), (d), and (j) of subsection
305 (2) of section 718.112, Florida Statutes, are amended to read:

306 718.112 Bylaws.—

307 (2) REQUIRED PROVISIONS.—The bylaws shall provide for the
308 following and, if they do not do so, shall be deemed to include
309 the following:

310 (a) Administration.—

311 1. The form of administration of the association shall be
312 described indicating the title of the officers and board of
313 administration and specifying the powers, duties, manner of
314 selection and removal, and compensation, if any, of officers and
315 boards. In the absence of such a provision, the board of
316 administration shall be composed of five members, unless the
317 ~~except in the case of a condominium which~~ has five or fewer
318 units. The board shall consist of not fewer than three members
319 in condominiums with five or fewer units that are not-for-profit
320 corporations, ~~in which case in a not-for-profit corporation the~~
321 ~~board shall consist of not fewer than three members.~~ In the
322 absence of provisions to the contrary in the bylaws, the board
323 of administration shall have a president, a secretary, and a
324 treasurer, who shall perform the duties of such officers
325 customarily performed by officers of corporations. Unless

326 prohibited in the bylaws, the board of administration may
327 appoint other officers and grant them the duties it deems
328 appropriate. Unless otherwise provided in the bylaws, the
329 officers shall serve without compensation and at the pleasure of
330 the board of administration. Unless otherwise provided in the
331 bylaws, the members of the board shall serve without
332 compensation.

333 2. When a unit owner of a residential condominium files a
334 written inquiry by certified mail with the board of
335 administration, the board shall respond in writing to the unit
336 owner within 30 days after receipt of the inquiry. The board's
337 response shall either give a substantive response to the
338 inquirer, notify the inquirer that a legal opinion has been
339 requested, or notify the inquirer that advice has been requested
340 from the division. If the board requests advice from the
341 division, the board shall, within 10 days after its receipt of
342 the advice, provide in writing a substantive response to the
343 inquirer. If a legal opinion is requested, the board shall,
344 within 60 days after the receipt of the inquiry, provide in
345 writing a substantive response to the inquiry. The failure to
346 provide a substantive response to the inquiry as provided herein
347 precludes the board from recovering attorney fees and costs in
348 any subsequent litigation, administrative proceeding, or
349 arbitration arising out of the inquiry. The association may
350 through its board of administration adopt reasonable rules and

351 regulations regarding the frequency and manner of responding to
352 unit owner inquiries, one of which may be that the association
353 is only obligated to respond to one written inquiry per unit in
354 any given 30-day period. In such a case, any additional inquiry
355 or inquiries must be responded to in the subsequent 30-day
356 period, or periods, as applicable.

357 (c) Board of administration meetings.—Meetings of the
358 board of administration at which a quorum of the members is
359 present are open to all unit owners. Members of the board of
360 administration may use e-mail as a means of communication but
361 may not cast a vote on an association matter via e-mail. A unit
362 owner may tape record or videotape the meetings. The right to
363 attend such meetings includes the right to speak at such
364 meetings with reference to all designated agenda items. The
365 division shall adopt reasonable rules governing the tape
366 recording and videotaping of the meeting. The association may
367 adopt written reasonable rules governing the frequency,
368 duration, and manner of unit owner statements.

369 1. Adequate notice of all board meetings, which must
370 specifically identify all agenda items, must be posted
371 conspicuously on the condominium property at least 48 continuous
372 hours before the meeting except in an emergency. If 20 percent
373 of the voting interests petition the board to address an item of
374 business, the board, within 60 days after receipt of the
375 petition, shall place the item on the agenda at its next regular

376 board meeting or at a special meeting called for that purpose.
377 An item not included on the notice may be taken up on an
378 emergency basis by a vote of at least a majority plus one of the
379 board members. Such emergency action must be noticed and
380 ratified at the next regular board meeting. ~~However,~~ Written
381 notice of a meeting at which a nonemergency special assessment
382 or an amendment to rules regarding unit use will be considered
383 must be mailed, delivered, or electronically transmitted to the
384 unit owners and posted conspicuously on the condominium property
385 at least 14 days before the meeting. Evidence of compliance with
386 this 14-day notice requirement must be made by an affidavit
387 executed by the person providing the notice and filed with the
388 official records of the association. Notice of any meeting in
389 which regular or special assessments against unit owners are to
390 be considered must specifically state that assessments will be
391 considered and provide the estimated cost and description of the
392 purposes for such assessments. Upon notice to the unit owners,
393 the board shall, by duly adopted rule, designate a specific
394 location on the condominium ~~or association~~ property where all
395 notices of board meetings must be posted. If there is no
396 condominium property ~~or association property~~ where notices can
397 be posted, notices shall be mailed, delivered, or electronically
398 transmitted to each unit owner at least 14 days before the
399 meeting. In lieu of or in addition to the physical posting of
400 the notice on the condominium property, the association may, by

401 reasonable rule, adopt a procedure for conspicuously posting and
402 repeatedly broadcasting the notice and the agenda on a closed-
403 circuit cable television system serving the condominium
404 association. However, if broadcast notice is used in lieu of a
405 notice physically posted on condominium property, the notice and
406 agenda must be broadcast at least four times every broadcast
407 hour of each day that a posted notice is otherwise required
408 under this section. If broadcast notice is provided, the notice
409 and agenda must be broadcast in a manner and for a sufficient
410 continuous length of time so as to allow an average reader to
411 observe the notice and read and comprehend the entire content of
412 the notice and the agenda. In addition to any of the authorized
413 means of providing notice of a meeting of the board, the
414 association may, by rule, adopt a procedure for conspicuously
415 posting the meeting notice and the agenda on a website serving
416 the condominium association for at least the minimum period of
417 time for which a notice of a meeting is also required to be
418 physically posted on the condominium property. Any rule adopted
419 shall, in addition to other matters, include a requirement that
420 the association send an electronic notice in the same manner as
421 a notice for a meeting of the members, which must include a
422 hyperlink to the website where the notice is posted, to unit
423 owners whose e-mail addresses are included in the association's
424 official records. ~~Notice of any meeting in which regular or~~
425 ~~special assessments against unit owners are to be considered~~

426 ~~must specifically state that assessments will be considered and~~
427 ~~provide the nature, estimated cost, and description of the~~
428 ~~purposes for such assessments.~~

429 2. Meetings of a committee to take final action on behalf
430 of the board or make recommendations to the board regarding the
431 association budget are subject to this paragraph. Meetings of a
432 committee that does not take final action on behalf of the board
433 or make recommendations to the board regarding the association
434 budget are subject to this section, unless those meetings are
435 exempted from this section by the bylaws of the association.

436 3. Notwithstanding any other law, the requirement that
437 board meetings and committee meetings be open to the unit owners
438 does not apply to:

439 a. Meetings between the board or a committee and the
440 association's attorney, with respect to proposed or pending
441 litigation, if the meeting is held for the purpose of seeking or
442 rendering legal advice; or

443 b. Board meetings held for the purpose of discussing
444 personnel matters.

445 (d) Unit owner meetings.—

446 1. An annual meeting of the unit owners shall be held at
447 the location provided in the association bylaws and, if the
448 bylaws are silent as to the location, the meeting shall be held
449 within 45 miles of the condominium property. However, such
450 distance requirement does not apply to an association governing

451 a timeshare condominium.

452 2. Unless the bylaws provide otherwise, a vacancy on the
453 board caused by the expiration of a director's term shall be
454 filled by electing a new board member, and the election must be
455 by secret ballot. An election is not required if the number of
456 vacancies equals or exceeds the number of candidates. For
457 purposes of this paragraph, the term "candidate" means an
458 eligible person who has timely submitted the written notice, as
459 described in sub-subparagraph 4.a., of his or her intention to
460 become a candidate. Except in a timeshare or nonresidential
461 condominium, or if the staggered term of a board member does not
462 expire until a later annual meeting, or if all members' terms
463 would otherwise expire but there are no candidates, the terms of
464 all board members expire at the annual meeting, and such members
465 may stand for reelection unless prohibited by the bylaws. Board
466 members may serve 2-year terms if permitted by the bylaws or
467 articles of incorporation. A board member may not serve more
468 than four consecutive 2-year terms, unless approved by an
469 affirmative vote of two-thirds of the total voting interests of
470 the association or unless there are not enough eligible
471 candidates to fill the vacancies on the board at the time of the
472 vacancy. If the number of board members whose terms expire at
473 the annual meeting equals or exceeds the number of candidates,
474 the candidates become members of the board effective upon the
475 adjournment of the annual meeting. Unless the bylaws provide

476 otherwise, any remaining vacancies shall be filled by the
477 affirmative vote of the majority of the directors making up the
478 newly constituted board even if the directors constitute less
479 than a quorum or there is only one director. In a residential
480 condominium association of more than 10 units or in a
481 residential condominium association that does not include
482 timeshare units or timeshare interests, coowners of a unit may
483 not serve as members of the board of directors at the same time
484 unless they own more than one unit or unless there are not
485 enough eligible candidates to fill the vacancies on the board at
486 the time of the vacancy. A unit owner in a residential
487 condominium desiring to be a candidate for board membership must
488 comply with sub-subparagraph 4.a. and must be eligible to be a
489 candidate to serve on the board of directors at the time of the
490 deadline for submitting a notice of intent to run in order to
491 have his or her name listed as a proper candidate on the ballot
492 or to serve on the board. A person who has been suspended or
493 removed by the division under this chapter, or who is delinquent
494 in the payment of any monetary obligation due to the
495 association, is not eligible to be a candidate for board
496 membership and may not be listed on the ballot. A person who has
497 been convicted of any felony in this state or in a United States
498 District or Territorial Court, or who has been convicted of any
499 offense in another jurisdiction which would be considered a
500 felony if committed in this state, is not eligible for board

501 membership unless such felon's civil rights have been restored
502 for at least 5 years as of the date such person seeks election
503 to the board. The validity of an action by the board is not
504 affected if it is later determined that a board member is
505 ineligible for board membership due to having been convicted of
506 a felony. This subparagraph does not limit the term of a member
507 of the board of a nonresidential or timeshare condominium.

508 3. The bylaws must provide the method of calling meetings
509 of unit owners, including annual meetings. Written notice must
510 include an agenda, must be mailed, hand delivered, or
511 electronically transmitted to each unit owner at least 14 days
512 before the annual meeting, and must be posted in a conspicuous
513 place on the condominium property at least 14 continuous days
514 before the annual meeting. Upon notice to the unit owners, the
515 board shall, by duly adopted rule, designate a specific location
516 on the condominium property ~~or association property~~ where all
517 notices of unit owner meetings shall be posted. This requirement
518 does not apply if there is no condominium property ~~or~~
519 ~~association property~~ for posting notices. In lieu of, or in
520 addition to, the physical posting of meeting notices, the
521 association may, by reasonable rule, adopt a procedure for
522 conspicuously posting and repeatedly broadcasting the notice and
523 the agenda on a closed-circuit cable television system serving
524 the condominium association. However, if broadcast notice is
525 used in lieu of a notice posted physically on the condominium

526 | property, the notice and agenda must be broadcast at least four
527 | times every broadcast hour of each day that a posted notice is
528 | otherwise required under this section. If broadcast notice is
529 | provided, the notice and agenda must be broadcast in a manner
530 | and for a sufficient continuous length of time so as to allow an
531 | average reader to observe the notice and read and comprehend the
532 | entire content of the notice and the agenda. In addition to any
533 | of the authorized means of providing notice of a meeting of the
534 | board, the association may, by rule, adopt a procedure for
535 | conspicuously posting the meeting notice and the agenda on a
536 | website serving the condominium association for at least the
537 | minimum period of time for which a notice of a meeting is also
538 | required to be physically posted on the condominium property.
539 | Any rule adopted shall, in addition to other matters, include a
540 | requirement that the association send an electronic notice in
541 | the same manner as a notice for a meeting of the members, which
542 | must include a hyperlink to the website where the notice is
543 | posted, to unit owners whose e-mail addresses are included in
544 | the association's official records. Unless a unit owner waives
545 | in writing the right to receive notice of the annual meeting,
546 | such notice must be hand delivered, mailed, or electronically
547 | transmitted to each unit owner. Notice for meetings and notice
548 | for all other purposes must be mailed to each unit owner at the
549 | address last furnished to the association by the unit owner, or
550 | hand delivered to each unit owner. However, if a unit is owned

551 by more than one person, the association must provide notice to
552 the address that the developer identifies for that purpose and
553 thereafter as one or more of the owners of the unit advise the
554 association in writing, or if no address is given or the owners
555 of the unit do not agree, to the address provided on the deed of
556 record. An officer of the association, or the manager or other
557 person providing notice of the association meeting, must provide
558 an affidavit or United States Postal Service certificate of
559 mailing, to be included in the official records of the
560 association affirming that the notice was mailed or hand
561 delivered in accordance with this provision.

562 4. The members of the board of a residential condominium
563 shall be elected by written ballot or voting machine. Proxies
564 may not be used in electing the board in general elections or
565 elections to fill vacancies caused by recall, resignation, or
566 otherwise, unless otherwise provided in this chapter. This
567 subparagraph does not apply to an association governing a
568 timeshare condominium.

569 a. At least 60 days before a scheduled election, the
570 association shall mail, deliver, or electronically transmit, by
571 separate association mailing or included in another association
572 mailing, delivery, or transmission, including regularly
573 published newsletters, to each unit owner entitled to a vote, a
574 first notice of the date of the election. A unit owner or other
575 eligible person desiring to be a candidate for the board must

576 | give written notice of his or her intent to be a candidate to
577 | the association at least 40 days before a scheduled election.
578 | Together with the written notice and agenda as set forth in
579 | subparagraph 3., the association shall mail, deliver, or
580 | electronically transmit a second notice of the election to all
581 | unit owners entitled to vote, together with a ballot that lists
582 | all candidates. Upon request of a candidate, an information
583 | sheet, no larger than 8 1/2 inches by 11 inches, which must be
584 | furnished by the candidate at least 35 days before the election,
585 | must be included with the mailing, delivery, or transmission of
586 | the ballot, with the costs of mailing, delivery, or electronic
587 | transmission and copying to be borne by the association. The
588 | association is not liable for the contents of the information
589 | sheets prepared by the candidates. In order to reduce costs, the
590 | association may print or duplicate the information sheets on
591 | both sides of the paper. The division shall by rule establish
592 | voting procedures consistent with this sub-subparagraph,
593 | including rules establishing procedures for giving notice by
594 | electronic transmission and rules providing for the secrecy of
595 | ballots. Elections shall be decided by a plurality of ballots
596 | cast. There is no quorum requirement; however, at least 20
597 | percent of the eligible voters must cast a ballot in order to
598 | have a valid election. A unit owner may not permit any other
599 | person to vote his or her ballot, and any ballots improperly
600 | cast are invalid. A unit owner who violates this provision may

601 be fined by the association in accordance with s. 718.303. A
602 unit owner who needs assistance in casting the ballot for the
603 reasons stated in s. 101.051 may obtain such assistance. The
604 regular election must occur on the date of the annual meeting.
605 Notwithstanding this sub-subparagraph, an election is not
606 required unless more candidates file notices of intent to run or
607 are nominated than board vacancies exist.

608 b. Within 90 days after being elected or appointed to the
609 board of an association of a residential condominium, each newly
610 elected or appointed director shall certify in writing to the
611 secretary of the association that he or she has read the
612 association's declaration of condominium, articles of
613 incorporation, bylaws, and current written policies; that he or
614 she will work to uphold such documents and policies to the best
615 of his or her ability; and that he or she will faithfully
616 discharge his or her fiduciary responsibility to the
617 association's members. In lieu of this written certification,
618 within 90 days after being elected or appointed to the board,
619 the newly elected or appointed director may submit a certificate
620 of having satisfactorily completed the educational curriculum
621 administered by a division-approved condominium education
622 provider within 1 year before or 90 days after the date of
623 election or appointment. The written certification or
624 educational certificate is valid and does not have to be
625 resubmitted as long as the director serves on the board without

626 interruption. A director of an association of a residential
627 condominium who fails to timely file the written certification
628 or educational certificate is suspended from service on the
629 board until he or she complies with this sub-subparagraph. The
630 board may temporarily fill the vacancy during the period of
631 suspension. The secretary shall cause the association to retain
632 a director's written certification or educational certificate
633 for inspection by the members for 5 years after a director's
634 election or the duration of the director's uninterrupted tenure,
635 whichever is longer. Failure to have such written certification
636 or educational certificate on file does not affect the validity
637 of any board action.

638 c. Any challenge to the election process must be commenced
639 within 60 days after the election results are announced.

640 5. Any approval by unit owners called for by this chapter
641 or the applicable declaration or bylaws, including, but not
642 limited to, the approval requirement in s. 718.111(8), must be
643 made at a duly noticed meeting of unit owners and is subject to
644 all requirements of this chapter or the applicable condominium
645 documents relating to unit owner decisionmaking, except that
646 unit owners may take action by written agreement, without
647 meetings, on matters for which action by written agreement
648 without meetings is expressly allowed by the applicable bylaws
649 or declaration or any law that provides for such action.

650 6. Unit owners may waive notice of specific meetings if

651 allowed by the applicable bylaws or declaration or any law.
652 Notice of meetings of the board of administration, unit owner
653 meetings, except unit owner meetings called to recall board
654 members under paragraph (j), and committee meetings may be given
655 by electronic transmission to unit owners who consent to receive
656 notice by electronic transmission. A unit owner who consents to
657 receiving notices by electronic transmission is solely
658 responsible for removing or bypassing filters that block receipt
659 of mass emails sent to members on behalf of the association in
660 the course of giving electronic notices.

661 7. Unit owners have the right to participate in meetings
662 of unit owners with reference to all designated agenda items.
663 However, the association may adopt reasonable rules governing
664 the frequency, duration, and manner of unit owner participation.

665 8. A unit owner may tape record or videotape a meeting of
666 the unit owners subject to reasonable rules adopted by the
667 division.

668 9. Unless otherwise provided in the bylaws, any vacancy
669 occurring on the board before the expiration of a term may be
670 filled by the affirmative vote of the majority of the remaining
671 directors, even if the remaining directors constitute less than
672 a quorum, or by the sole remaining director. In the alternative,
673 a board may hold an election to fill the vacancy, in which case
674 the election procedures must conform to sub-subparagraph 4.a.
675 unless the association governs 10 units or fewer and has opted

676 out of the statutory election process, in which case the bylaws
677 of the association control. Unless otherwise provided in the
678 bylaws, a board member appointed or elected under this section
679 shall fill the vacancy for the unexpired term of the seat being
680 filled. Filling vacancies created by recall is governed by
681 paragraph (j) and rules adopted by the division.

682 10. This chapter does not limit the use of general or
683 limited proxies, require the use of general or limited proxies,
684 or require the use of a written ballot or voting machine for any
685 agenda item or election at any meeting of a timeshare
686 condominium association or nonresidential condominium
687 association.

688
689 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an
690 association of 10 or fewer units may, by affirmative vote of a
691 majority of the total voting interests, provide for different
692 voting and election procedures in its bylaws, which may be by a
693 proxy specifically delineating the different voting and election
694 procedures. The different voting and election procedures may
695 provide for elections to be conducted by limited or general
696 proxy.

697 (j) Recall of board members.—Subject to s. 718.301, any
698 member of the board of administration may be recalled and
699 removed from office with or without cause by the vote or
700 agreement in writing by a majority of all the voting interests.

701 A special meeting of the unit owners to recall a member or
702 members of the board of administration may be called by 10
703 percent of the voting interests giving notice of the meeting as
704 required for a meeting of unit owners, and the notice shall
705 state the purpose of the meeting. Electronic transmission may
706 not be used as a method of giving notice of a meeting called in
707 whole or in part for this purpose.

708 1. If the recall is approved by a majority of all voting
709 interests by a vote at a meeting, the recall will be effective
710 as provided in this paragraph. The board shall duly notice and
711 hold a board meeting within 5 full business days after the
712 adjournment of the unit owner meeting to recall one or more
713 board members. Such member or members shall be recalled
714 effective immediately upon conclusion of the board meeting
715 provided that the recall is facially valid. A recalled member
716 must and shall turn over to the board, within 10 full business
717 days after the vote, any and all records and property of the
718 association in their possession.

719 2. If the proposed recall is by an agreement in writing by
720 a majority of all voting interests, the agreement in writing or
721 a copy thereof shall be served on the association by certified
722 mail or by personal service in the manner authorized by chapter
723 48 and the Florida Rules of Civil Procedure. The board of
724 administration shall duly notice and hold a meeting of the board
725 within 5 full business days after receipt of the agreement in

726 writing. Such member or members shall be recalled effective
727 immediately upon the conclusion of the board meeting provided
728 that the recall is facially valid. A recalled member must ~~and~~
729 ~~shall~~ turn over to the board, within 10 full business days, any
730 and all records and property of the association in their
731 possession.

732 3. If the board fails to duly notice and hold a board
733 meeting within 5 full business days after service of an
734 agreement in writing or within 5 full business days after the
735 adjournment of the unit owner recall meeting, the recall shall
736 be deemed effective and the board members so recalled shall turn
737 over to the board within 10 full business days after the vote
738 any and all records and property of the association.

739 4. If the board fails to duly notice and hold the required
740 meeting ~~or fails to file the required petition,~~ the unit owner
741 representative may file a petition pursuant to s. 718.1255
742 challenging the board's failure to act. The petition must be
743 filed within 60 days after the expiration of the applicable 5-
744 full-business-day period. The review of a petition under this
745 subparagraph is limited to the sufficiency of service on the
746 board and the facial validity of the written agreement or
747 ballots filed.

748 5. If a vacancy occurs on the board as a result of a
749 recall or removal and less than a majority of the board members
750 are removed, the vacancy may be filled by the affirmative vote

751 of a majority of the remaining directors, notwithstanding any
752 provision to the contrary contained in this subsection. If
753 vacancies occur on the board as a result of a recall and a
754 majority or more of the board members are removed, the vacancies
755 shall be filled in accordance with procedural rules to be
756 adopted by the division, which rules need not be consistent with
757 this subsection. The rules must provide procedures governing the
758 conduct of the recall election as well as the operation of the
759 association during the period after a recall but before the
760 recall election.

761 6. A board member who has been recalled may file a
762 petition pursuant to s. 718.1255 challenging the validity of the
763 recall. The petition must be filed within 60 days after the
764 recall. The association and the unit owner representative shall
765 be named as the respondents. The petition may challenge the
766 facial validity of the written agreement or ballots filed or the
767 substantial compliance with the procedural requirements for the
768 recall. If the arbitrator determines the recall was invalid, the
769 petitioning board member shall immediately be reinstated and the
770 recall is null and void. A board member who is successful in
771 challenging a recall is entitled to recover reasonable attorney
772 fees and costs from the respondents. The arbitrator may award
773 reasonable attorney fees and costs to the respondents if they
774 prevail, if the arbitrator makes a finding that the petitioner's
775 claim is frivolous.

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776 7. The division may not accept for filing a recall
777 petition, whether filed pursuant to subparagraph 1.,
778 subparagraph 2., subparagraph 4., or subparagraph 6. when there
779 are 60 or fewer days until the scheduled reelection of the board
780 member sought to be recalled or when 60 or fewer days have
781 elapsed since the election of the board member sought to be
782 recalled.

783 Section 3. Subsection (2) of section 718.113, Florida
784 Statutes, is amended to read:

785 718.113 Maintenance; limitation upon improvement; display
786 of flag; hurricane shutters and protection; display of religious
787 decorations.—

788 (2) (a) Except as otherwise provided in this section, there
789 shall be no material alteration or substantial additions to the
790 common elements or to real property which is association
791 property, except in a manner provided in the declaration as
792 originally recorded or as amended under the procedures provided
793 therein. If the declaration as originally recorded or as amended
794 under the procedures provided therein does not specify the
795 procedure for approval of material alterations or substantial
796 additions, 75 percent of the total voting interests of the
797 association must approve the alterations or additions before the
798 material alterations or substantial additions are commenced.

799 This paragraph is intended to clarify existing law and applies
800 to associations existing on July 1, 2018 ~~October 1, 2008~~.

801 (b) There shall not be any material alteration of, or
802 substantial addition to, the common elements of any condominium
803 operated by a multicondominium association unless approved in
804 the manner provided in the declaration of the affected
805 condominium or condominiums as originally recorded or as amended
806 under the procedures provided therein. If a declaration as
807 originally recorded or as amended under the procedures provided
808 therein does not specify a procedure for approving such an
809 alteration or addition, the approval of 75 percent of the total
810 voting interests of each affected condominium is required before
811 the material alterations or substantial additions are commenced.

812 This subsection does not prohibit a provision in any
813 declaration, articles of incorporation, or bylaws as originally
814 recorded or as amended under the procedures provided therein
815 requiring the approval of unit owners in any condominium
816 operated by the same association or requiring board approval
817 before a material alteration or substantial addition to the
818 common elements is permitted. This paragraph is intended to
819 clarify existing law and applies to associations existing on
820 July 1, 2018 ~~the effective date of this act.~~

821 (c) There shall not be any material alteration or
822 substantial addition made to association real property operated
823 by a multicondominium association, except as provided in the
824 declaration, articles of incorporation, or bylaws as originally
825 recorded or as amended under the procedures provided therein. If

826 the declaration, articles of incorporation, or bylaws as
 827 originally recorded or as amended under the procedures provided
 828 therein do not specify the procedure for approving an alteration
 829 or addition to association real property, the approval of 75
 830 percent of the total voting interests of the association is
 831 required before the material alterations or substantial
 832 additions are commenced. This paragraph is intended to clarify
 833 existing law and applies to associations existing on July 1,
 834 2018 ~~the effective date of this act.~~

835 Section 4. Subsection (3) of section 718.3026, Florida
 836 Statutes, is amended to read:

837 718.3026 Contracts for products and services; in writing;
 838 bids; exceptions.—Associations with 10 or fewer units may opt
 839 out of the provisions of this section if two-thirds of the unit
 840 owners vote to do so, which opt-out may be accomplished by a
 841 proxy specifically setting forth the exception from this
 842 section.

843 ~~(3) As to any contract or other transaction between an~~
 844 ~~association and one or more of its directors or any other~~
 845 ~~corporation, firm, association, or entity in which one or more~~
 846 ~~of its directors are directors or officers or are financially~~
 847 ~~interested:~~

848 ~~(a) The association shall comply with the requirements of~~
 849 ~~s. 617.0832.~~

850 ~~(b) The disclosures required by s. 617.0832 shall be~~

851 ~~entered into the written minutes of the meeting.~~

852 ~~(c) Approval of the contract or other transaction shall~~
853 ~~require an affirmative vote of two-thirds of the directors~~
854 ~~present.~~

855 ~~(d) At the next regular or special meeting of the members,~~
856 ~~the existence of the contract or other transaction shall be~~
857 ~~disclosed to the members. Upon motion of any member, the~~
858 ~~contract or transaction shall be brought up for a vote and may~~
859 ~~be canceled by a majority vote of the members present. Should~~
860 ~~the members cancel the contract, the association shall only be~~
861 ~~liable for the reasonable value of goods and services provided~~
862 ~~up to the time of cancellation and shall not be liable for any~~
863 ~~termination fee, liquidated damages, or other form of penalty~~
864 ~~for such cancellation.~~

865 Section 5. Section 718.3027, Florida Statutes, is amended
866 to read:

867 718.3027 Conflicts of interest.—

868 (1) Directors and officers of a board of an association
869 that is not a timeshare condominium association, and the
870 relatives of such directors and officers, must disclose to the
871 board any activity that may reasonably be construed to be a
872 conflict of interest. A rebuttable presumption of a conflict of
873 interest exists if any of the following occurs without prior
874 notice, as required in subsection (5)~~(4)~~:

875 (a) A director or an officer, or a relative of a director

876 | or an officer, enters into a contract for goods or services with
 877 | the association.

878 | (b) A director or an officer, or a relative of a director
 879 | or an officer, holds an interest in a corporation, limited
 880 | liability corporation, partnership, limited liability
 881 | partnership, or other business entity that conducts business
 882 | with the association or proposes to enter into a contract or
 883 | other transaction with the association.

884 | (2) If a director or an officer, or a relative of a
 885 | director or an officer, proposes to engage in an activity that
 886 | is a conflict of interest, as described in subsection (1), the
 887 | proposed activity must be listed on, and all contracts and
 888 | transactional documents related to the proposed activity must be
 889 | attached to, the meeting agenda. The association shall comply
 890 | with the requirements of s. 617.0832, and the disclosures
 891 | required by s. 617.0832 shall be entered into the written
 892 | minutes of the meeting. Approval of the contract or other
 893 | transaction requires an affirmative vote of two-thirds of all
 894 | other directors present. At the next regular or special meeting
 895 | of the members, the existence of the contract or other
 896 | transaction shall be disclosed to the members. Upon motion of
 897 | any member, the contract or transaction shall be brought up for
 898 | a vote and may be canceled by a majority vote of the members
 899 | present. If the contract is canceled, the association is only
 900 | liable for the reasonable value of the goods and services

901 provided up to the time of cancellation and is not liable for
902 any termination fee, liquidated damages, or other form of
903 penalty for such cancellation.

904 (3) If the board votes against the proposed activity, the
905 director or officer, or the relative of the director or officer,
906 must notify the board in writing of his or her intention not to
907 pursue the proposed activity or to withdraw from office. If the
908 board finds that an officer or a director has violated this
909 subsection, the officer or director shall be deemed removed from
910 office. The vacancy shall be filled according to general law.

911 (4)~~(3)~~ A director or an officer, or a relative of a
912 director or an officer, who is a party to, or has an interest
913 in, an activity that is a possible conflict of interest, as
914 described in subsection (1), may attend the meeting at which the
915 activity is considered by the board and is authorized to make a
916 presentation to the board regarding the activity. After the
917 presentation, the director or officer, or the relative of the
918 director or officer, must leave the meeting during the
919 discussion of, and the vote on, the activity. A director or an
920 officer who is a party to, or has an interest in, the activity
921 must recuse himself or herself from the vote.

922 (5)~~(4)~~ A contract entered into between a director or an
923 officer, or a relative of a director or an officer, and the
924 association, which is not a timeshare condominium association,
925 that has not been properly disclosed as a conflict of interest

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926 or potential conflict of interest as required by s.
927 718.111(12)(g) is voidable and terminates upon the filing of a
928 written notice terminating the contract with the board of
929 directors which contains the consent of at least 20 percent of
930 the voting interests of the association.

931 (6)~~(5)~~ As used in this section, the term "relative" means
932 a relative within the third degree of consanguinity by blood or
933 marriage.

934 Section 6. Paragraph (b) of subsection (3) of section
935 718.303, Florida Statutes, is amended to read:

936 718.303 Obligations of owners and occupants; remedies.—

937 (3) The association may levy reasonable fines for the
938 failure of the owner of the unit or its occupant, licensee, or
939 invitee to comply with any provision of the declaration, the
940 association bylaws, or reasonable rules of the association. A
941 fine may not become a lien against a unit. A fine may be levied
942 by the board on the basis of each day of a continuing violation,
943 with a single notice and opportunity for hearing before a
944 committee as provided in paragraph (b). However, the fine may
945 not exceed \$100 per violation, or \$1,000 in the aggregate.

946 (b) A fine or suspension levied by the board of
947 administration may not be imposed unless the board first
948 provides at least 14 days' written notice ~~and an opportunity for~~
949 ~~a hearing~~ to the unit owner and, if applicable, any its
950 occupant, licensee, or invitee of the unit owner sought to be

951 fined or suspended and an opportunity for a hearing. ~~The hearing~~
952 ~~must be held~~ before a committee of at least three members
953 appointed by the board who are not officers, directors, or
954 employees of the association, or the spouse, parent, child,
955 brother, or sister of an officer, director, or employee ~~other~~
956 ~~unit owners who are neither board members nor persons residing~~
957 ~~in a board member's household.~~ The role of the committee is
958 limited to determining whether to confirm or reject the fine or
959 suspension levied by the board. If the committee does not
960 approve ~~agree,~~ the proposed fine or suspension by majority vote,
961 the fine or suspension may not be imposed. If the proposed fine
962 or suspension is approved by the committee, the fine payment is
963 due 5 days after the date of the committee meeting at which the
964 fine is approved. The association must provide written notice of
965 such fine or suspension by mail or hand delivery to the unit
966 owner and, if applicable, to any tenant, licensee, or invitee of
967 the unit owner.

968 Section 7. Section 718.707, Florida Statutes, is amended
969 to read:

970 718.707 Time limitation for classification as bulk
971 assignee or bulk buyer.—A person acquiring condominium parcels
972 may not be classified as a bulk assignee or bulk buyer unless
973 the condominium parcels were acquired on or after July 1, 2010,
974 ~~but before July 1, 2018.~~ The date of such acquisition shall be
975 determined by the date of recording a deed or other instrument

976 of conveyance for such parcels in the public records of the
 977 county in which the condominium is located, or by the date of
 978 issuing a certificate of title in a foreclosure proceeding with
 979 respect to such condominium parcels.

980 Section 8. Paragraphs (a) and (b) of subsection (2) of
 981 section 719.104, Florida Statutes, are amended to read:

982 719.104 Cooperatives; access to units; records; financial
 983 reports; assessments; purchase of leases.—

984 (2) OFFICIAL RECORDS.—

985 (a) From the inception of the association, the association
 986 shall maintain a copy of each of the following, where
 987 applicable, which shall constitute the official records of the
 988 association:

989 1. The plans, permits, warranties, and other items
 990 provided by the developer pursuant to s. 719.301(4).

991 2. A photocopy of the cooperative documents.

992 3. A copy of the current rules of the association.

993 4. A book or books containing the minutes of all meetings
 994 of the association, of the board of directors, and of the unit
 995 owners, ~~which minutes shall be retained for a period of not less~~
 996 ~~than 7 years.~~

997 5. A current roster of all unit owners and their mailing
 998 addresses, unit identifications, voting certifications, and, if
 999 known, telephone numbers. The association shall also maintain
 1000 the electronic mailing addresses and the numbers designated by

1001 unit owners for receiving notice sent by electronic transmission
1002 of those unit owners consenting to receive notice by electronic
1003 transmission. The electronic mailing addresses and numbers
1004 provided by unit owners to receive notice by electronic
1005 transmission shall be removed from association records when
1006 consent to receive notice by electronic transmission is revoked.
1007 However, the association is not liable for an erroneous
1008 disclosure of the electronic mail address or the number for
1009 receiving electronic transmission of notices.

1010 6. All current insurance policies of the association.

1011 7. A current copy of any management agreement, lease, or
1012 other contract to which the association is a party or under
1013 which the association or the unit owners have an obligation or
1014 responsibility.

1015 8. Bills of sale or transfer for all property owned by the
1016 association.

1017 9. Accounting records for the association and separate
1018 accounting records for each unit it operates, according to good
1019 accounting practices. ~~All accounting records shall be maintained~~
1020 ~~for a period of not less than 7 years.~~ The accounting records
1021 shall include, but not be limited to:

1022 a. Accurate, itemized, and detailed records of all
1023 receipts and expenditures.

1024 b. A current account and a monthly, bimonthly, or
1025 quarterly statement of the account for each unit designating the

1026 name of the unit owner, the due date and amount of each
 1027 assessment, the amount paid upon the account, and the balance
 1028 due.

1029 c. All audits, reviews, accounting statements, and
 1030 financial reports of the association.

1031 d. All contracts for work to be performed. Bids for work
 1032 to be performed shall also be considered official records and
 1033 shall be maintained for a period of 1 year.

1034 10. Ballots, sign-in sheets, voting proxies, and all other
 1035 papers and electronic records relating to voting by unit owners,
 1036 which shall be maintained for a period of 1 year after the date
 1037 of the election, vote, or meeting to which the document relates.

1038 11. All rental records where the association is acting as
 1039 agent for the rental of units.

1040 12. A copy of the current question and answer sheet as
 1041 described in s. 719.504.

1042 13. All other written records of the association not
 1043 specifically included in the foregoing which are related to the
 1044 operation of the association.

1045 (b) The official records of the association must be
 1046 maintained within the state for at least 7 years. The records of
 1047 the association shall be made available to a unit owner within
 1048 45 miles of the cooperative property or within the county in
 1049 which the cooperative property is located within 10 ~~5~~ working
 1050 days after receipt of written request by the board or its

1051 designee. This paragraph may be complied with by having a copy
 1052 of the official records of the association available for
 1053 inspection or copying on the cooperative property or the
 1054 association may offer the option of making the records available
 1055 to a unit owner electronically via the Internet or by allowing
 1056 the records to be viewed in an electronic format on a computer
 1057 screen and printed upon request. The association is not
 1058 responsible for the use or misuse of the information provided to
 1059 an association member or his or her authorized representative
 1060 pursuant to the compliance requirements of this chapter unless
 1061 the association has an affirmative duty not to disclose such
 1062 information pursuant to this chapter.

1063 Section 9. Paragraphs (a), (c), and (d) of subsection (1)
 1064 of section 719.106, Florida Statutes, are amended, and paragraph
 1065 (m) is added to that subsection, to read:

1066 719.106 Bylaws; cooperative ownership.—

1067 (1) MANDATORY PROVISIONS.—The bylaws or other cooperative
 1068 documents shall provide for the following, and if they do not,
 1069 they shall be deemed to include the following:

1070 (a) Administration.—

1071 1. The form of administration of the association shall be
 1072 described, indicating the titles of the officers and board of
 1073 administration and specifying the powers, duties, manner of
 1074 selection and removal, and compensation, if any, of officers and
 1075 board members. In the absence of such a provision, the board of

1076 administration shall be composed of five members, unless the
1077 cooperative ~~except in the case of cooperatives~~ has having five
1078 or fewer units. ~~, in which case in not-for-profit corporations,~~
1079 The board shall consist of not fewer than three members in
1080 cooperatives with five or fewer units that are not-for-profit
1081 corporations. In a residential cooperative association of more
1082 than 10 units, co-owners of a unit may not serve as members of
1083 the board of directors at the same time unless the co-owners own
1084 more than one unit or unless there are not enough eligible
1085 candidates to fill the vacancies on the board at the time of the
1086 vacancy. In the absence of provisions to the contrary, the board
1087 of administration shall have a president, a secretary, and a
1088 treasurer, who shall perform the duties of those offices
1089 customarily performed by officers of corporations. Unless
1090 prohibited in the bylaws, the board of administration may
1091 appoint other officers and grant them those duties it deems
1092 appropriate. Unless otherwise provided in the bylaws, the
1093 officers shall serve without compensation and at the pleasure of
1094 the board. Unless otherwise provided in the bylaws, the members
1095 of the board shall serve without compensation.

1096 2. A person who has been suspended or removed by the
1097 division under this chapter, or who is delinquent in the payment
1098 of any monetary obligation due to the association, is not
1099 eligible to be a candidate for board membership and may not be
1100 listed on the ballot. A director or officer charged by

1101 information or indictment with a felony theft or embezzlement
1102 offense involving the association's funds or property is
1103 suspended from office. The board shall fill the vacancy
1104 according to general law until the end of the period of the
1105 suspension or the end of the director's term of office,
1106 whichever occurs first. However, if the charges are resolved
1107 without a finding of guilt or without acceptance of a plea of
1108 guilty or nolo contendere, the director or officer shall be
1109 reinstated for any remainder of his or her term of office. A
1110 member who has such criminal charges pending may not be
1111 appointed or elected to a position as a director or officer. A
1112 person who has been convicted of any felony in this state or in
1113 any United States District Court, or who has been convicted of
1114 any offense in another jurisdiction which would be considered a
1115 felony if committed in this state, is not eligible for board
1116 membership unless such felon's civil rights have been restored
1117 for at least 5 years as of the date such person seeks election
1118 to the board. The validity of an action by the board is not
1119 affected if it is later determined that a board member is
1120 ineligible for board membership due to having been convicted of
1121 a felony.

1122 3. When a unit owner files a written inquiry by certified
1123 mail with the board of administration, the board shall respond
1124 in writing to the unit owner within 30 days of receipt of the
1125 inquiry. The board's response shall either give a substantive

1126 response to the inquirer, notify the inquirer that a legal
1127 opinion has been requested, or notify the inquirer that advice
1128 has been requested from the division. If the board requests
1129 advice from the division, the board shall, within 10 days of its
1130 receipt of the advice, provide in writing a substantive response
1131 to the inquirer. If a legal opinion is requested, the board
1132 shall, within 60 days after the receipt of the inquiry, provide
1133 in writing a substantive response to the inquirer. The failure
1134 to provide a substantive response to the inquirer as provided
1135 herein precludes the board from recovering attorney's fees and
1136 costs in any subsequent litigation, administrative proceeding,
1137 or arbitration arising out of the inquiry. The association may,
1138 through its board of administration, adopt reasonable rules and
1139 regulations regarding the frequency and manner of responding to
1140 the unit owners' inquiries, one of which may be that the
1141 association is obligated to respond to only one written inquiry
1142 per unit in any given 30-day period. In such case, any
1143 additional inquiry or inquiries must be responded to in the
1144 subsequent 30-day period, or periods, as applicable.

1145 (c) Board of administration meetings.—Members of the board
1146 of administration may use e-mail as a means of communication but
1147 may not cast a vote on an association matter via e-mail.

1148 Meetings of the board of administration at which a quorum of the
1149 members is present shall be open to all unit owners. Any unit
1150 owner may tape record or videotape meetings of the board of

1151 administration. The right to attend such meetings includes the
1152 right to speak at such meetings with reference to all designated
1153 agenda items. The division shall adopt reasonable rules
1154 governing the tape recording and videotaping of the meeting. The
1155 association may adopt reasonable written rules governing the
1156 frequency, duration, and manner of unit owner statements.
1157 Adequate notice of all meetings shall be posted in a conspicuous
1158 place upon the cooperative property at least 48 continuous hours
1159 preceding the meeting, except in an emergency. Any item not
1160 included on the notice may be taken up on an emergency basis by
1161 at least a majority plus one of the members of the board. Such
1162 emergency action shall be noticed and ratified at the next
1163 regular meeting of the board. Notice of any meeting in which
1164 regular or special assessments against unit owners are to be
1165 considered must specifically state that assessments will be
1166 considered and provide the estimated cost and description of the
1167 purpose for such assessments. ~~However,~~ Written notice of any
1168 meeting at which nonemergency special assessments, or at which
1169 amendment to rules regarding unit use, will be considered shall
1170 be mailed, delivered, or electronically transmitted to the unit
1171 owners and posted conspicuously on the cooperative property not
1172 less than 14 days before the meeting. Evidence of compliance
1173 with this 14-day notice shall be made by an affidavit executed
1174 by the person providing the notice and filed among the official
1175 records of the association. Upon notice to the unit owners, the

1176 board shall by duly adopted rule designate a specific location
1177 on the cooperative property upon which all notices of board
1178 meetings shall be posted. In lieu of or in addition to the
1179 physical posting of notice of any meeting of the board of
1180 administration on the cooperative property, the association may,
1181 by reasonable rule, adopt a procedure for conspicuously posting
1182 and repeatedly broadcasting the notice and the agenda on a
1183 closed-circuit cable television system serving the cooperative
1184 association. However, if broadcast notice is used in lieu of a
1185 notice posted physically on the cooperative property, the notice
1186 and agenda must be broadcast at least four times every broadcast
1187 hour of each day that a posted notice is otherwise required
1188 under this section. When broadcast notice is provided, the
1189 notice and agenda must be broadcast in a manner and for a
1190 sufficient continuous length of time so as to allow an average
1191 reader to observe the notice and read and comprehend the entire
1192 content of the notice and the agenda. In addition to any of the
1193 authorized means of providing notice of a meeting of the board,
1194 the association may, by rule, adopt a procedure for
1195 conspicuously posting the meeting notice and the agenda on a
1196 website serving the cooperative association for at least the
1197 minimum period of time for which a notice of a meeting is also
1198 required to be physically posted on the cooperative property.
1199 Any rule adopted shall, in addition to other matters, include a
1200 requirement that the association send an electronic notice in

1201 the same manner as a notice for a meeting of the members, which
1202 must include a hyperlink to the website where the notice is
1203 posted, to unit owners whose e-mail addresses are included in
1204 the association's official records. ~~Notice of any meeting in~~
1205 ~~which regular assessments against unit owners are to be~~
1206 ~~considered for any reason shall specifically contain a statement~~
1207 ~~that assessments will be considered and the nature of any such~~
1208 ~~assessments.~~ Meetings of a committee to take final action on
1209 behalf of the board or to make recommendations to the board
1210 regarding the association budget are subject to the provisions
1211 of this paragraph. Meetings of a committee that does not take
1212 final action on behalf of the board or make recommendations to
1213 the board regarding the association budget are subject to the
1214 provisions of this section, unless those meetings are exempted
1215 from this section by the bylaws of the association.
1216 Notwithstanding any other law to the contrary, the requirement
1217 that board meetings and committee meetings be open to the unit
1218 owners does not apply to board or committee meetings held for
1219 the purpose of discussing personnel matters or meetings between
1220 the board or a committee and the association's attorney, with
1221 respect to proposed or pending litigation, if the meeting is
1222 held for the purpose of seeking or rendering legal advice.
1223 (d) Shareholder meetings.—There shall be an annual meeting
1224 of the shareholders. All members of the board of administration
1225 shall be elected at the annual meeting unless the bylaws provide

1226 | for staggered election terms or for their election at another
1227 | meeting. Any unit owner desiring to be a candidate for board
1228 | membership must comply with subparagraph 1. The bylaws must
1229 | provide the method for calling meetings, including annual
1230 | meetings. Written notice, which must incorporate an
1231 | identification of agenda items, shall be given to each unit
1232 | owner at least 14 days before the annual meeting and posted in a
1233 | conspicuous place on the cooperative property at least 14
1234 | continuous days preceding the annual meeting. Upon notice to the
1235 | unit owners, the board must by duly adopted rule designate a
1236 | specific location on the cooperative property upon which all
1237 | notice of unit owner meetings are posted. In lieu of or in
1238 | addition to the physical posting of the meeting notice, the
1239 | association may, by reasonable rule, adopt a procedure for
1240 | conspicuously posting and repeatedly broadcasting the notice and
1241 | the agenda on a closed-circuit cable television system serving
1242 | the cooperative association. However, if broadcast notice is
1243 | used in lieu of a posted notice, the notice and agenda must be
1244 | broadcast at least four times every broadcast hour of each day
1245 | that a posted notice is otherwise required under this section.
1246 | If broadcast notice is provided, the notice and agenda must be
1247 | broadcast in a manner and for a sufficient continuous length of
1248 | time to allow an average reader to observe the notice and read
1249 | and comprehend the entire content of the notice and the agenda.
1250 | In addition to any of the authorized means of providing notice

1251 of a meeting of the shareholders, the association may, by rule,
1252 adopt a procedure for conspicuously posting the meeting notice
1253 and the agenda on a website serving the cooperative association
1254 for at least the minimum period of time for which a notice of a
1255 meeting is also required to be physically posted on the
1256 cooperative property. Any rule adopted shall, in addition to
1257 other matters, include a requirement that the association send
1258 an electronic notice in the same manner as a notice for a
1259 meeting of the members, which must include a hyperlink to the
1260 website where the notice is posted, to unit owners whose e-mail
1261 addresses are included in the association's official records.

1262 Unless a unit owner waives in writing the right to receive
1263 notice of the annual meeting, the notice of the annual meeting
1264 must be sent by mail, hand delivered, or electronically
1265 transmitted to each unit owner. An officer of the association
1266 must provide an affidavit or United States Postal Service
1267 certificate of mailing, to be included in the official records
1268 of the association, affirming that notices of the association
1269 meeting were mailed, hand delivered, or electronically
1270 transmitted, in accordance with this provision, to each unit
1271 owner at the address last furnished to the association.

1272 1. The board of administration shall be elected by written
1273 ballot or voting machine. A proxy may not be used in electing
1274 the board of administration in general elections or elections to
1275 fill vacancies caused by recall, resignation, or otherwise

1276 unless otherwise provided in this chapter.

1277 a. At least 60 days before a scheduled election, the
1278 association shall mail, deliver, or transmit, whether by
1279 separate association mailing, delivery, or electronic
1280 transmission or included in another association mailing,
1281 delivery, or electronic transmission, including regularly
1282 published newsletters, to each unit owner entitled to vote, a
1283 first notice of the date of the election. Any unit owner or
1284 other eligible person desiring to be a candidate for the board
1285 of administration must give written notice to the association at
1286 least 40 days before a scheduled election. Together with the
1287 written notice and agenda as set forth in this section, the
1288 association shall mail, deliver, or electronically transmit a
1289 second notice of election to all unit owners entitled to vote,
1290 together with a ballot that lists all candidates. Upon request
1291 of a candidate, the association shall include an information
1292 sheet, no larger than 8 1/2 inches by 11 inches, which must be
1293 furnished by the candidate at least 35 days before the election,
1294 to be included with the mailing, delivery, or electronic
1295 transmission of the ballot, with the costs of mailing, delivery,
1296 or transmission and copying to be borne by the association. The
1297 association is not liable for the contents of the information
1298 sheets provided by the candidates. In order to reduce costs, the
1299 association may print or duplicate the information sheets on
1300 both sides of the paper. The division shall by rule establish

1301 voting procedures consistent with this subparagraph, including
1302 rules establishing procedures for giving notice by electronic
1303 transmission and rules providing for the secrecy of ballots.
1304 Elections shall be decided by a plurality of those ballots cast.
1305 There is no quorum requirement. However, at least 20 percent of
1306 the eligible voters must cast a ballot in order to have a valid
1307 election. A unit owner may not permit any other person to vote
1308 his or her ballot, and any such ballots improperly cast are
1309 invalid. A unit owner who needs assistance in casting the ballot
1310 for the reasons stated in s. 101.051 may obtain assistance in
1311 casting the ballot. Any unit owner violating this provision may
1312 be fined by the association in accordance with s. 719.303. The
1313 regular election must occur on the date of the annual meeting.
1314 This subparagraph does not apply to timeshare cooperatives.
1315 Notwithstanding this subparagraph, an election and balloting are
1316 not required unless more candidates file a notice of intent to
1317 run or are nominated than vacancies exist on the board. Any
1318 challenge to the election process must be commenced within 60
1319 days after the election results are announced.

1320 b. Within 90 days after being elected or appointed to the
1321 board, each new director shall certify in writing to the
1322 secretary of the association that he or she has read the
1323 association's bylaws, articles of incorporation, proprietary
1324 lease, and current written policies; that he or she will work to
1325 uphold such documents and policies to the best of his or her

1326 ability; and that he or she will faithfully discharge his or her
1327 fiduciary responsibility to the association's members. Within 90
1328 days after being elected or appointed to the board, in lieu of
1329 this written certification, the newly elected or appointed
1330 director may submit a certificate of having satisfactorily
1331 completed the educational curriculum administered by an
1332 education provider as approved by the division pursuant to the
1333 requirements established in chapter 718 within 1 year before or
1334 90 days after the date of election or appointment. The
1335 educational certificate is valid and does not have to be
1336 resubmitted as long as the director serves on the board without
1337 interruption. A director who fails to timely file the written
1338 certification or educational certificate is suspended from
1339 service on the board until he or she complies with this sub-
1340 subparagraph. The board may temporarily fill the vacancy during
1341 the period of suspension. The secretary of the association shall
1342 cause the association to retain a director's written
1343 certification or educational certificate for inspection by the
1344 members for 5 years after a director's election or the duration
1345 of the director's uninterrupted tenure, whichever is longer.
1346 Failure to have such written certification or educational
1347 certificate on file does not affect the validity of any board
1348 action.

1349 2. Any approval by unit owners called for by this chapter,
1350 or the applicable cooperative documents, must be made at a duly

1351 noticed meeting of unit owners and is subject to this chapter or
1352 the applicable cooperative documents relating to unit owner
1353 decisionmaking, except that unit owners may take action by
1354 written agreement, without meetings, on matters for which action
1355 by written agreement without meetings is expressly allowed by
1356 the applicable cooperative documents or law which provides for
1357 the unit owner action.

1358 3. Unit owners may waive notice of specific meetings if
1359 allowed by the applicable cooperative documents or law. Notice
1360 of meetings of the board of administration, shareholder
1361 meetings, except shareholder meetings called to recall board
1362 members under paragraph (f), and committee meetings may be given
1363 by electronic transmission to unit owners who consent to receive
1364 notice by electronic transmission. A unit owner who consents to
1365 receiving notices by electronic transmission is solely
1366 responsible for removing or bypassing filters that may block
1367 receipt of mass emails sent to members on behalf of the
1368 association in the course of giving electronic notices.

1369 4. Unit owners have the right to participate in meetings
1370 of unit owners with reference to all designated agenda items.
1371 However, the association may adopt reasonable rules governing
1372 the frequency, duration, and manner of unit owner participation.

1373 5. Any unit owner may tape record or videotape meetings of
1374 the unit owners subject to reasonable rules adopted by the
1375 division.

1376 6. Unless otherwise provided in the bylaws, a vacancy
1377 occurring on the board before the expiration of a term may be
1378 filled by the affirmative vote of the majority of the remaining
1379 directors, even if the remaining directors constitute less than
1380 a quorum, or by the sole remaining director. In the alternative,
1381 a board may hold an election to fill the vacancy, in which case
1382 the election procedures must conform to the requirements of
1383 subparagraph 1. unless the association has opted out of the
1384 statutory election process, in which case the bylaws of the
1385 association control. Unless otherwise provided in the bylaws, a
1386 board member appointed or elected under this subparagraph shall
1387 fill the vacancy for the unexpired term of the seat being
1388 filled. Filling vacancies created by recall is governed by
1389 paragraph (f) and rules adopted by the division.

1390
1391 Notwithstanding subparagraphs (b)2. and (d)1., an association
1392 may, by the affirmative vote of a majority of the total voting
1393 interests, provide for a different voting and election procedure
1394 in its bylaws, which vote may be by a proxy specifically
1395 delineating the different voting and election procedures. The
1396 different voting and election procedures may provide for
1397 elections to be conducted by limited or general proxy.

1398 (m) Director or officer delinquencies.—A director or
1399 officer more than 90 days delinquent in the payment of any
1400 monetary obligation due the association shall be deemed to have

1401 abandoned the office, creating a vacancy in the office to be
 1402 filled according to law.

1403 Section 10. Paragraph (b) of subsection (1) of section
 1404 719.107, Florida Statutes, is amended to read:

1405 719.107 Common expenses; assessment.—

1406 (1)

1407 (b) If so provided in the bylaws, the cost of
 1408 communications services as defined in chapter 202, information
 1409 services or Internet services ~~a master antenna television system~~
 1410 ~~or duly franchised cable television service~~ obtained pursuant to
 1411 a bulk contract shall be deemed a common expense, and if not
 1412 obtained pursuant to a bulk contract, such cost shall be
 1413 considered common expense if it is designated as such in a
 1414 written contract between the board of administration and the
 1415 company providing the communications services as defined in
 1416 chapter 202, information services or Internet services ~~master~~
 1417 ~~television antenna system or the cable television service~~. The
 1418 contract shall be for a term of not less than 2 years.

1419 1. Any contract made by the board after April 2, 1992, for
 1420 a community antenna system or duly franchised cable television
 1421 service, communications services as defined in chapter 22,
 1422 information services or Internet services may be canceled by a
 1423 majority of the voting interests present at the next regular or
 1424 special meeting of the association. Any member may make a motion
 1425 to cancel the contract, but if no motion is made or if such

1426 motion fails to obtain the required majority at the next regular
1427 or special meeting, whichever is sooner, following the making of
1428 the contract, then such contract shall be deemed ratified for
1429 the term therein expressed.

1430 2. Any such contract shall provide, and shall be deemed to
1431 provide if not expressly set forth, that any hearing impaired or
1432 legally blind unit owner who does not occupy the unit with a
1433 nonhearing impaired or sighted person may discontinue the
1434 service without incurring disconnect fees, penalties, or
1435 subsequent service charges, and as to such units, the owners
1436 shall not be required to pay any common expenses charge related
1437 to such service. If less than all members of an association
1438 share the expenses of cable television, the expense shall be
1439 shared equally by all participating unit owners. The association
1440 may use the provisions of s. 719.108 to enforce payment of the
1441 shares of such costs by the unit owners receiving cable
1442 television.

1443 Section 11. Paragraph (b) of subsection (3) of section
1444 719.303, Florida Statutes, is amended to read:

1445 719.303 Obligations of owners.—

1446 (3) The association may levy reasonable fines for failure
1447 of the unit owner or the unit's occupant, licensee, or invitee
1448 to comply with any provision of the cooperative documents or
1449 reasonable rules of the association. A fine may not become a
1450 lien against a unit. A fine may be levied by the board on the

1451 basis of each day of a continuing violation, with a single
1452 notice and opportunity for hearing before a committee as
1453 provided in paragraph (b). However, the fine may not exceed \$100
1454 per violation, or \$1,000 in the aggregate.

1455 (b) A fine or suspension levied by the board of
1456 administration may not be imposed unless the board first
1457 provides at least 14 days' written notice ~~and an opportunity for~~
1458 ~~a hearing~~ to the unit owner and, if applicable, any its
1459 occupant, licensee, or invitee of the unit owner sought to be
1460 fined or suspended and an opportunity for a hearing. ~~The hearing~~
1461 ~~must be held~~ before a committee of at least three members
1462 appointed by the board who are not officers, directors, or
1463 employees of the association, or the spouse, parent, child,
1464 brother, or sister of an officer, director, or employee other
1465 ~~unit owners who are neither board members nor persons residing~~
1466 ~~in a board member's household.~~ The role of the committee is
1467 limited to determining whether to confirm or reject the fine or
1468 suspension levied by the board. If the committee does not
1469 approve ~~agree with~~ the proposed fine or suspension by majority
1470 vote, the fine or suspension ~~it~~ may not be imposed. If the
1471 proposed fine or suspension is approved by the committee, the
1472 fine payment is due 5 days after the date of the committee
1473 meeting at which the fine is approved. The association must
1474 provide written notice of such fine or suspension by mail or
1475 hand delivery to the unit owner and, if applicable, to any

1476 tenant, licensee, or invitee of the unit owner.

1477 Section 12. Paragraphs (a) and (c) of subsection (2) and
1478 paragraphs (b) through (h) of subsection (6) of section 720.303,
1479 Florida Statutes, are amended, and new paragraphs (i) and (j)
1480 are added to subsection (6) of that section, to read:

1481 720.303 Association powers and duties; meetings of board;
1482 official records; budgets; financial reporting; association
1483 funds; recalls.—

1484 (2) BOARD MEETINGS.—

1485 (a) Members of the board of administration may use e-mail
1486 as a means of communication, but may not cast a vote on an
1487 association matter via e-mail. A meeting of the board of
1488 directors of an association occurs whenever a quorum of the
1489 board gathers to conduct association business. Meetings of the
1490 board must be open to all members, except for meetings between
1491 the board and its attorney with respect to proposed or pending
1492 litigation where the contents of the discussion would otherwise
1493 be governed by the attorney-client privilege. A meeting of the
1494 board must be held at a location that is accessible to a
1495 physically handicapped person if requested by a physically
1496 handicapped person who has a right to attend the meeting. The
1497 provisions of this subsection shall also apply to the meetings
1498 of any committee or other similar body when a final decision
1499 will be made regarding the expenditure of association funds and
1500 to meetings of any body vested with the power to approve or

1501 disapprove architectural decisions with respect to a specific
1502 parcel of residential property owned by a member of the
1503 community.

1504 (c) The bylaws shall provide the following for giving
1505 notice to parcel owners and members of all board meetings and,
1506 if they do not do so, shall be deemed to include ~~provide~~ the
1507 following:

1508 1. Notices of all board meetings must be posted in a
1509 conspicuous place in the community at least 48 hours in advance
1510 of a meeting, except in an emergency. In the alternative, if
1511 notice is not posted in a conspicuous place in the community,
1512 notice of each board meeting must be mailed or delivered to each
1513 member at least 7 days before the meeting, except in an
1514 emergency. Notwithstanding this general notice requirement, for
1515 communities with more than 100 members, the association bylaws
1516 may provide for a reasonable alternative to posting or mailing
1517 of notice for each board meeting, including publication of
1518 notice, provision of a schedule of board meetings, or the
1519 conspicuous posting and repeated broadcasting of the notice on a
1520 closed-circuit cable television system serving the homeowners'
1521 association. However, if broadcast notice is used in lieu of a
1522 notice posted physically in the community, the notice must be
1523 broadcast at least four times every broadcast hour of each day
1524 that a posted notice is otherwise required. When broadcast
1525 notice is provided, the notice and agenda must be broadcast in a

1526 manner and for a sufficient continuous length of time so as to
1527 allow an average reader to observe the notice and read and
1528 comprehend the entire content of the notice and the agenda. The
1529 association may provide notice by electronic transmission in a
1530 manner authorized by law for meetings of the board of directors,
1531 committee meetings requiring notice under this section, and
1532 annual and special meetings of the members to any member who has
1533 provided a facsimile number or e-mail address to the association
1534 to be used for such purposes; however, a member must consent in
1535 writing to receiving notice by electronic transmission.

1536 2. An assessment may not be levied at a board meeting
1537 unless the notice of the meeting includes a statement that
1538 assessments will be considered and the nature of the
1539 assessments. Written notice of any meeting at which special
1540 assessments will be considered or at which amendments to rules
1541 regarding parcel use will be considered must be mailed,
1542 delivered, or electronically transmitted to the members and
1543 parcel owners and posted conspicuously on the property or
1544 broadcast on closed-circuit cable television not less than 14
1545 days before the meeting.

1546 3. Directors may not vote by proxy or by secret ballot at
1547 board meetings, except that secret ballots may be used in the
1548 election of officers. This subsection also applies to the
1549 meetings of any committee or other similar body, when a final
1550 decision will be made regarding the expenditure of association

1551 funds, and to any body vested with the power to approve or
 1552 disapprove architectural decisions with respect to a specific
 1553 parcel of residential property owned by a member of the
 1554 community.

1555 (6) BUDGETS; BUDGET MEETINGS.—

1556 (b) In addition to annual operating expenses, for all
 1557 associations incorporated after July 1, 2018, and any
 1558 association incorporated before that date which, by a majority
 1559 vote of the members of the association who are present at a
 1560 meeting, in person or by proxy, at which a quorum is present,
 1561 affirmatively votes to be bound by the provisions of this
 1562 subsection, the budget ~~must~~ ~~may~~ include reserve accounts for
 1563 ~~capital expenditures and the~~ deferred maintenance ~~of~~ ~~for~~ any
 1564 item with a deferred maintenance expense exceeding \$100,000 and
 1565 that ~~which~~ are the obligation of the association under ~~is~~
 1566 responsible. ~~If reserve accounts are not established pursuant to~~
 1567 ~~paragraph (d), funding of such reserves is limited to the extent~~
 1568 ~~that~~ the governing documents. However, subsequent to the
 1569 transfer of control of the association to its members, other
 1570 than pursuant to s. 720.307, and the developer no longer having
 1571 authority to appoint members to the board of directors, the
 1572 board of directors may elect to reserve money for any item that
 1573 has a deferred maintenance expense exceeding \$25,000. The board
 1574 may elect to reserve money for any item that has a deferred
 1575 maintenance expense of less than \$25,000 if approved by a

1576 majority of the members present at a meeting, in person or by
1577 proxy, at which a quorum is present. The amount to be reserved
1578 must be computed using a formula based upon the estimated
1579 deferred maintenance expense of each reserve item divided by the
1580 estimated remaining useful life of that item. However, and
1581 notwithstanding the amount disclosed as being the total required
1582 reserve amount, each parcel which is obligated to pay reserves
1583 to the association each year shall be assessed for only the
1584 amount determined by dividing the total annual reserve amount
1585 disclosed in the budget by the total number of parcels that will
1586 ultimately be operated by the association. The assessments
1587 actually collected shall be less than the full amount of
1588 required reserves as disclosed in the proposed annual budget
1589 until all parcels that will ultimately be operated by the
1590 association are obligated to pay assessments for reserves. The
1591 association may adjust the deferred maintenance reserve
1592 assessments annually to take into account any changes in
1593 estimates or the useful life of a reserve item, the anticipated
1594 cost of the deferred maintenance, or any changes in the number
1595 of parcels that will ultimately be operated by the association.
1596 This paragraph does not apply to an adopted budget where the
1597 members of the association have determined, by a majority vote
1598 of the members present at a meeting, in person or by proxy, at
1599 which a quorum is present, to provide no reserves or reserves in
1600 an amount less than required by this subsection. ~~limit increases~~

1601 ~~in assessments, including reserves. If the budget of the~~
1602 ~~association includes reserve accounts established pursuant to~~
1603 ~~paragraph (d), such reserves shall be determined, maintained,~~
1604 ~~and waived in the manner provided in this subsection. Once an~~
1605 ~~association provides for reserve accounts pursuant to paragraph~~
1606 ~~(d), the association shall thereafter determine, maintain, and~~
1607 ~~wave reserves in compliance with this subsection. This~~
1608 paragraph section does not preclude an association from ceasing
1609 to add money to a reserve account established pursuant to this
1610 paragraph upon a majority vote of the members present at a
1611 meeting, in person or by proxy, at which a quorum is present.
1612 Upon such approval, reserves may not be included in the budget
1613 for that year. Only parcels with completed improvements as
1614 evidenced by certificates of occupancy for such improvements are
1615 obligated to pay assessments for reserves. A developer who
1616 subsidizes the association's budget, under s. 720.308(1), or
1617 establishes a guarantee under s. 720.308(2), is not obligated to
1618 include reserve contributions in any such guarantee or subsidy
1619 payment. ~~the termination of a reserve account established~~
1620 ~~pursuant to this paragraph upon approval of a majority of the~~
1621 ~~total voting interests of the association. Upon such approval,~~
1622 ~~the terminating reserve account shall be removed from the~~
1623 ~~budget.~~

1624 (c)1. The developer may vote the voting interests
1625 allocated to its parcels with completed improvements, as

1626 evidenced by certificates of occupancy for such improvements, to
1627 waive the reserves or reduce the funding of reserves. If a
1628 meeting of the parcel owners has been called to waive or reduce
1629 the funding of reserves and such result is not achieved or a
1630 quorum is not present, the reserves required by paragraph (b)
1631 must be maintained. ~~If the budget of the association does not~~
1632 ~~provide for reserve accounts pursuant to paragraph (d) and the~~
1633 ~~association is responsible for the repair and maintenance of~~
1634 ~~capital improvements that may result in a special assessment if~~
1635 ~~reserves are not provided, each financial report for the~~
1636 ~~preceding fiscal year required by subsection (7) must contain~~
1637 ~~the following statement in conspicuous type:~~
1638 ~~THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE~~
1639 ~~ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT~~
1640 ~~MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE~~
1641 ~~FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA~~
1642 ~~STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL~~
1643 ~~VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A~~
1644 ~~MEETING OR BY WRITTEN CONSENT.~~
1645 ~~2. If the budget of the association does provide for~~
1646 ~~funding accounts for deferred expenditures, including, but not~~
1647 ~~limited to, funds for capital expenditures and deferred~~
1648 ~~maintenance, but such accounts are not created or established~~
1649 ~~pursuant to paragraph (d), each financial report for the~~
1650 ~~preceding fiscal year required under subsection (7) must also~~

1651 ~~contain the following statement in conspicuous type:~~
1652 ~~THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY~~
1653 ~~DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES~~
1654 ~~AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED~~
1655 ~~IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED~~
1656 ~~TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6),~~
1657 ~~FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE~~
1658 ~~RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR~~
1659 ~~ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.~~

1660 (d) Reserve funds and any interest accruing thereon shall
1661 remain in the reserve account or accounts and may only be used
1662 for deferred maintenance and may not be used for any other
1663 purpose. ~~An association is deemed to have provided for reserve~~
1664 ~~accounts if reserve accounts have been initially established by~~
1665 ~~the developer or if the membership of the association~~
1666 ~~affirmatively elects to provide for reserves. If reserve~~
1667 ~~accounts are established by the developer, the budget must~~
1668 ~~designate the components for which the reserve accounts may be~~
1669 ~~used. If reserve accounts are not initially provided by the~~
1670 ~~developer, the membership of the association may elect to do so~~
1671 ~~upon the affirmative approval of a majority of the total voting~~
1672 ~~interests of the association. Such approval may be obtained by~~
1673 ~~vote of the members at a duly called meeting of the membership~~
1674 ~~or by the written consent of a majority of the total voting~~
1675 ~~interests of the association. The approval action of the~~

1676 ~~membership must state that reserve accounts shall be provided~~
1677 ~~for in the budget and must designate the components for which~~
1678 ~~the reserve accounts are to be established. Upon approval by the~~
1679 ~~membership, the board of directors shall include the required~~
1680 ~~reserve accounts in the budget in the next fiscal year following~~
1681 ~~the approval and each year thereafter. Once established as~~
1682 ~~provided in this subsection, the reserve accounts must be funded~~
1683 ~~or maintained or have their funding waived in the manner~~
1684 ~~provided in paragraph (f).~~

1685 (e) The only voting interests that are eligible to vote on
1686 questions that involve waiving or reducing the funding of
1687 reserves are the voting interests of the parcels subject to
1688 assessment to fund the reserves in question. Any vote taken
1689 pursuant to this subsection to waive or reduce reserves is
1690 applicable only for one budget year. Proxy questions relating to
1691 waiving or reducing the funding of reserves must contain the
1692 following statement in capitalized, bold letters in a font size
1693 larger than any other used on the face of the proxy ballot:
1694 WAIVING OF RESERVES, IN WHOLE OR IN PART, MAY RESULT IN PARCEL
1695 OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS
1696 REGARDING THOSE ITEMS. ~~The amount to be reserved in any account~~
1697 ~~established shall be computed by means of a formula that is~~
1698 ~~based upon estimated remaining useful life and estimated~~
1699 ~~replacement cost or deferred maintenance expense of each reserve~~
1700 ~~item. The association may adjust replacement reserve assessments~~

1701 ~~annually to take into account any changes in estimates of cost~~
1702 ~~or useful life of a reserve item.~~

1703 (f) Funding formulas for reserves required by this section
1704 shall be based on a pooled analysis method, except as provided
1705 in paragraph (g), of two or more of the required assets for
1706 which reserves are required to be accrued. The projected annual
1707 cash inflows may include estimated earnings from investment of
1708 principal. The reserve funding formula shall have constant
1709 funding each year. However, based on the method for calculating
1710 the assessment for reserves as described in paragraph (b), the
1711 assessments actually collected may be less than the full amount
1712 of required reserves disclosed in the proposed annual budget
1713 until all parcels that will ultimately be operated by the
1714 association are obligated to pay assessments for reserves. After
1715 ~~one or more reserve accounts are established, the membership of~~
1716 ~~the association, upon a majority vote at a meeting at which a~~
1717 ~~quorum is present, may provide for no reserves or less reserves~~
1718 ~~than required by this section. If a meeting of the unit owners~~
1719 ~~has been called to determine whether to waive or reduce the~~
1720 ~~funding of reserves and such result is not achieved or a quorum~~
1721 ~~is not present, the reserves as included in the budget go into~~
1722 ~~effect. After the turnover, the developer may vote its voting~~
1723 ~~interest to waive or reduce the funding of reserves. Any vote~~
1724 ~~taken pursuant to this subsection to waive or reduce reserves is~~
1725 ~~applicable only to one budget year.~~

1726 (g) As an alternative to the pooled analysis method
1727 described in paragraph (f), if approved by a majority vote of
1728 the members present at a meeting, in person or by proxy, at
1729 which a quorum is present, the funding formulas for the
1730 disclosure of reserves required ~~authorized~~ by this section may
1731 ~~must~~ be based on a separate analysis of each of the required
1732 assets under the straight-line accounting method ~~or a pooled~~
1733 ~~analysis of two or more of the required assets.~~

1734 ~~1.~~ If the association maintains separate reserve accounts
1735 for each of the required assets, under the straight-line
1736 accounting method the amount of the contribution to each reserve
1737 account is the sum of the following two calculations:

1738 ~~1.a.~~ The total amount necessary, if any, to bring a
1739 negative component balance to zero.

1740 ~~2.b.~~ The total estimated deferred maintenance expense or
1741 estimated replacement cost of the reserve component less the
1742 estimated balance of the reserve component as of the beginning
1743 of the period the budget will be in effect. The remainder, if
1744 greater than zero, shall be divided by the estimated remaining
1745 useful life of the component.

1746
1747 The formula may be adjusted each year for changes in estimates
1748 and deferred maintenance performed during the year and may
1749 include factors such as inflation and earnings on invested
1750 funds. An association may convert its funding formulas from a

1751 straight-line accounting method to a pooled analysis method, as
1752 described in paragraph (f), and back to a straight-line
1753 accounting method at any time if approved by a majority vote of
1754 the members present at a meeting, in person or by proxy, at
1755 which a quorum is present.

1756 ~~2. If the association maintains a pooled account of two or~~
1757 ~~more of the required reserve assets, the amount of the~~
1758 ~~contribution to the pooled reserve account as disclosed on the~~
1759 ~~proposed budget may not be less than that required to ensure~~
1760 ~~that the balance on hand at the beginning of the period the~~
1761 ~~budget will go into effect plus the projected annual cash~~
1762 ~~inflows over the remaining estimated useful life of all of the~~
1763 ~~assets that make up the reserve pool are equal to or greater~~
1764 ~~than the projected annual cash outflows over the remaining~~
1765 ~~estimated useful lives of all the assets that make up the~~
1766 ~~reserve pool, based on the current reserve analysis. The~~
1767 ~~projected annual cash inflows may include estimated earnings~~
1768 ~~from investment of principal and accounts receivable minus the~~
1769 ~~allowance for doubtful accounts. The reserve funding formula may~~
1770 ~~not include any type of balloon payments.~~

1771 (h)1. Meetings at which a proposed annual budget of an
1772 association will be considered by the board shall be open to all
1773 parcel owners. Reserve funds and any interest accruing thereon
1774 shall remain in the reserve account or accounts and shall be
1775 used only for authorized reserve expenditures unless their use

1776 ~~for other purposes is approved in advance by a majority vote at~~
1777 ~~a meeting at which a quorum is present. Prior to turnover of~~
1778 ~~control of an association by a developer to parcel owners, the~~
1779 ~~developer-controlled association shall not vote to use reserves~~
1780 ~~for purposes other than those for which they were intended~~
1781 ~~without the approval of a majority of all nondeveloper voting~~
1782 ~~interests voting in person or by limited proxy at a duly called~~
1783 ~~meeting of the association.~~

1784 2.a. If a board adopts an annual budget which requires
1785 assessments against parcel owners that exceed 115 percent of
1786 assessments for the preceding fiscal year, the board shall
1787 conduct a special meeting of the parcel owners to consider a
1788 substitute budget if the board receives, within 21 days after
1789 adoption of the annual budget, a written request for a special
1790 meeting from at least 10 percent of all voting interests. The
1791 special meeting shall be conducted within 60 days after adoption
1792 of the annual budget. At least 14 days before such special
1793 meeting, the board shall hand deliver to each parcel owner, or
1794 mail to each parcel owner at the address last furnished to the
1795 association, a notice of the meeting. An officer or manager of
1796 the association, or other person providing notice of such
1797 meeting, shall execute an affidavit evidencing compliance with
1798 this notice requirement and file the affidavit among the
1799 official records of the association. Parcel owners may consider
1800 and adopt a substitute budget at the special meeting. A

1801 substitute budget is adopted if approved by a majority of all
1802 voting interests unless the governing documents require adoption
1803 by a greater percentage of voting interests. If there is not a
1804 quorum at the special meeting or a substitute budget is not
1805 adopted, the annual budget previously adopted by the board shall
1806 take effect as scheduled.

1807 b. Any determination on whether assessments exceed 115
1808 percent of assessments for the prior fiscal year shall exclude
1809 any provision for reasonable reserves for repair or deferred
1810 maintenance of items which are the obligation of the association
1811 under the governing documents, anticipated expenses of the
1812 association which the board does not expect to be incurred on a
1813 regular or annual bases, or assessments for improvements to the
1814 common areas, association property, or other items which are the
1815 obligation of the association under the governing documents.

1816 (i) Paragraphs (b)-(g) do not apply to mandatory reserve
1817 accounts for the deferred maintenance of the infrastructure that
1818 are required to be established and maintained by an association
1819 at the direction of a county or municipal government, water or
1820 drainage management district, community development district, or
1821 other political subdivision that has the authority to approve
1822 and control subdivision infrastructure which is being entrusted
1823 to the care of an association.

1824 (j) Reserve funds must be held in a separate bank account
1825 established for such funds.

1826 Section 13. Paragraph (b) of subsection (2) of section
 1827 720.305, Florida Statutes, is amended to read:

1828 720.305 Obligations of members; remedies at law or in
 1829 equity; levy of fines and suspension of use rights.—

1830 (2) The association may levy reasonable fines. A fine may
 1831 not exceed \$100 per violation against any member or any member's
 1832 tenant, guest, or invitee for the failure of the owner of the
 1833 parcel or its occupant, licensee, or invitee to comply with any
 1834 provision of the declaration, the association bylaws, or
 1835 reasonable rules of the association unless otherwise provided in
 1836 the governing documents. A fine may be levied by the board for
 1837 each day of a continuing violation, with a single notice and
 1838 opportunity for hearing, except that the fine may not exceed
 1839 \$1,000 in the aggregate unless otherwise provided in the
 1840 governing documents. A fine of less than \$1,000 may not become a
 1841 lien against a parcel. In any action to recover a fine, the
 1842 prevailing party is entitled to reasonable attorney fees and
 1843 costs from the nonprevailing party as determined by the court.

1844 (b) A fine or suspension levied ~~may not be imposed~~ by the
 1845 board of administration may not be imposed unless the board
 1846 first provides ~~without~~ at least 14 days' notice to the parcel
 1847 owner and, if applicable, any occupant, licensee, or invitee of
 1848 the parcel owner, ~~person~~ sought to be fined or suspended and an
 1849 opportunity for a hearing before a committee of at least three
 1850 members appointed by the board who are not officers, directors,

1851 or employees of the association, or the spouse, parent, child,
1852 brother, or sister of an officer, director, or employee. If the
1853 committee, by majority vote, does not approve a proposed fine or
1854 suspension, the proposed fine or suspension ~~it~~ may not be
1855 imposed. The role of the committee is limited to determining
1856 whether to confirm or reject the fine or suspension levied by
1857 the board. If the proposed ~~board of administration imposes a~~
1858 fine or suspension levied by the board is approved by the
1859 committee, the fine payment is due 5 days after the date of the
1860 committee meeting at which the fine is approved. The association
1861 must provide written notice of such fine or suspension by mail
1862 or hand delivery to the parcel owner and, if applicable, to any
1863 tenant, licensee, or invitee of the parcel owner.

1864 Section 14. Paragraph (a) of subsection (9) of section
1865 720.306, Florida Statutes, is amended to read:

1866 720.306 Meetings of members; voting and election
1867 procedures; amendments.—

1868 (9) ELECTIONS AND BOARD VACANCIES.—

1869 (a) Elections of directors must be conducted in accordance
1870 with the procedures set forth in the governing documents of the
1871 association. Except as provided in paragraph (b), all members of
1872 the association are eligible to serve on the board of directors,
1873 and a member may nominate himself or herself as a candidate for
1874 the board at a meeting where the election is to be held;
1875 provided, however, that if the election process allows

1876 candidates to be nominated in advance of the meeting, the
1877 association is not required to allow nominations at the meeting.
1878 An election is not required unless more candidates are nominated
1879 than vacancies exist. If an election is not required because
1880 there are either an equal number or fewer qualified candidates
1881 than vacancies exist, and if nominations from the floor are not
1882 required pursuant to this section or the bylaws, write-in
1883 nominations are not permitted and such qualified candidates
1884 shall commence service on the board of directors, regardless of
1885 whether a quorum is attained at the annual meeting. Except as
1886 otherwise provided in the governing documents, boards of
1887 directors must be elected by a plurality of the votes cast by
1888 eligible voters. Any challenge to the election process must be
1889 commenced within 60 days after the election results are
1890 announced.

1891 Section 15. Paragraph (b) of subsection (3) of section
1892 720.3085, Florida Statutes, is amended to read:

1893 720.3085 Payment for assessments; lien claims.—

1894 (3) Assessments and installments on assessments that are
1895 not paid when due bear interest from the due date until paid at
1896 the rate provided in the declaration of covenants or the bylaws
1897 of the association, which rate may not exceed the rate allowed
1898 by law. If no rate is provided in the declaration or bylaws,
1899 interest accrues at the rate of 18 percent per year.

1900 (b) Any payment received by an association and accepted

1901 shall be applied first to any interest accrued, then to any
 1902 administrative late fee, then to any costs and reasonable
 1903 attorney fees incurred in collection, and then to the delinquent
 1904 assessment. This paragraph applies notwithstanding any
 1905 restrictive endorsement, designation, or instruction placed on
 1906 or accompanying a payment. A late fee is not subject to the
 1907 provisions of chapter 687 and is not a fine. The foregoing is
 1908 applicable notwithstanding s. 673.3111, any purported accord and
 1909 satisfaction, or any restrictive endorsement, designation, or
 1910 instruction placed on or accompanying a payment. The preceding
 1911 sentence is intended to clarify existing law.

1912 Section 16. Paragraph (a) of subsection (1) of section
 1913 720.401, Florida Statutes, is amended to read:

1914 720.401 Prospective purchasers subject to association
 1915 membership requirement; disclosure required; covenants;
 1916 assessments; contract cancellation.—

1917 (1) (a) A prospective parcel owner in a community must be
 1918 presented a disclosure summary before executing the contract for
 1919 sale. The disclosure summary must be in a form substantially
 1920 similar to the following form:

1921 DISCLOSURE SUMMARY
 1922 FOR
 1923 (NAME OF COMMUNITY)

1924 1. AS A PURCHASER OF PROPERTY IN THIS COMMUNITY, YOU WILL
 1925 BE OBLIGATED TO BE A MEMBER OF A HOMEOWNERS' ASSOCIATION.

1926 2. THERE HAVE BEEN OR WILL BE RECORDED RESTRICTIVE
 1927 COVENANTS GOVERNING THE USE AND OCCUPANCY OF PROPERTIES IN THIS
 1928 COMMUNITY.

1929 3. YOU WILL BE OBLIGATED TO PAY ASSESSMENTS TO THE
 1930 ASSOCIATION. ASSESSMENTS MAY BE SUBJECT TO PERIODIC CHANGE. IF
 1931 APPLICABLE, THE CURRENT AMOUNT IS \$.... PER

1932 BE OBLIGATED TO PAY ANY SPECIAL ASSESSMENTS IMPOSED BY THE
 1933 ASSOCIATION. SUCH SPECIAL ASSESSMENTS MAY BE SUBJECT TO CHANGE.
 1934 IF APPLICABLE, THE CURRENT AMOUNT IS \$.... PER

1935 4. YOU MAY BE OBLIGATED TO PAY SPECIAL ASSESSMENTS TO THE
 1936 RESPECTIVE MUNICIPALITY, COUNTY, OR SPECIAL DISTRICT. ALL
 1937 ASSESSMENTS ARE SUBJECT TO PERIODIC CHANGE.

1938 5. YOUR FAILURE TO PAY SPECIAL ASSESSMENTS OR ASSESSMENTS
 1939 LEVIED BY A MANDATORY HOMEOWNERS' ASSOCIATION COULD RESULT IN A
 1940 LIEN ON YOUR PROPERTY.

1941 6. THE BUDGET OF THE ASSOCIATION DOES NOT NECESSARILY
 1942 INCLUDE RESERVE FUNDS FOR DEFERRED MAINTENANCE SUFFICIENT TO
 1943 COVER THE FULL COST OF DEFERRED MAINTENANCE OF COMMON AREAS. YOU
 1944 SHOULD REVIEW THE BUDGET TO DETERMINE THE LEVEL OF RESERVE
 1945 FUNDING, IF ANY.

1946 ~~7.6.~~ THERE MAY BE AN OBLIGATION TO PAY RENT OR LAND USE
 1947 FEES FOR RECREATIONAL OR OTHER COMMONLY USED FACILITIES AS AN
 1948 OBLIGATION OF MEMBERSHIP IN THE HOMEOWNERS' ASSOCIATION. IF
 1949 APPLICABLE, THE CURRENT AMOUNT IS \$.... PER

1950 ~~8.7.~~ THE DEVELOPER MAY HAVE THE RIGHT TO AMEND THE

1951 RESTRICTIVE COVENANTS WITHOUT THE APPROVAL OF THE ASSOCIATION
 1952 MEMBERSHIP OR THE APPROVAL OF THE PARCEL OWNERS.

1953 ~~9.8.~~ THE STATEMENTS CONTAINED IN THIS DISCLOSURE FORM ARE
 1954 ONLY SUMMARY IN NATURE, AND, AS A PROSPECTIVE PURCHASER, YOU
 1955 SHOULD REFER TO THE COVENANTS AND THE ASSOCIATION GOVERNING
 1956 DOCUMENTS BEFORE PURCHASING PROPERTY.

1957 ~~10.9.~~ THESE DOCUMENTS ARE EITHER MATTERS OF PUBLIC RECORD
 1958 AND CAN BE OBTAINED FROM THE RECORD OFFICE IN THE COUNTY WHERE
 1959 THE PROPERTY IS LOCATED, OR ARE NOT RECORDED AND CAN BE OBTAINED
 1960 FROM THE DEVELOPER.

1961 DATE: PURCHASER:

1962 PURCHASER:

1963 The disclosure must be supplied by the developer, or by the
 1964 parcel owner if the sale is by an owner that is not the
 1965 developer. Any contract or agreement for sale shall refer to and
 1966 incorporate the disclosure summary and shall include, in
 1967 prominent language, a statement that the potential buyer should
 1968 not execute the contract or agreement until they have received
 1969 and read the disclosure summary required by this section.

1970 Section 17. This act shall take effect July 1, 2018.