By Senator Bogdanoff

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A bill to be entitled An act relating to residential properties; amending s. 399.02, F.S.; exempting certain elevators from specific code update requirements; amending s. 468.433, F.S.; prohibiting the Department of Business and Professional Regulation from publishing a community association manager's personal home address unless it is for the purpose of satisfying a public records request; amending s. 718.112, F.S.; revising condominium unit owner meeting notice requirements; revising recordkeeping requirements of a condominium association board; requiring challenges to an election to commence within a certain time period; providing requirements for challenging the failure of a board to duly notice and hold the required board meeting or to file the required petition for a recall; providing requirements for recalled board members to challenge the recall; providing duties of the division regarding recall petitions; amending s. 718.113, F.S.; providing requirements for a condominium association board relating to the installation of hurricane shutters, impact glass, code-compliant windows or doors, and other types of code-compliant hurricane protection under certain circumstances; amending s. 718.115, F.S.; conforming provisions to changes made by the act; amending s. 718.116, F.S.; revising liability of certain condominium unit owners acquiring title; amending s. 718.303, F.S.; revising provisions relating to imposing remedies against a noncompliant

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or delinquent condominium unit owner or member; revising voting requirements under certain conditions; amending s. 718.403, F.S.; providing requirements for the completion of phase condominiums; creating s. 718.406, F.S.; providing definitions; providing requirements for condominiums created within condominium parcels; providing for the establishment of primary condominium and secondary condominium units; providing requirements for association declarations; authorizing a primary condominium association to provide insurance and adopt hurricane shutter or hurricane protection specifications under certain conditions; providing requirements relating to assessments; providing for resolution of conflicts between primary condominium declarations and secondary condominium declarations; providing requirements relating to common expenses due the primary condominium association; amending s. 718.5011, F.S.; revising the restriction on officers and full-time employees of the ombudsman from engaging in other businesses or professions; amending s. 718.707, F.S.; revising the time limitation for classification as a bulk assignee or bulk buyer; amending s. 719.104, F.S.; specifying additional records that are not accessible to unit owners; amending s. 719.1055, F.S.; revising provisions relating to the amendment of cooperative documents; providing legislative findings and a finding of compelling state interest; providing criteria for consent or joinder to an amendment;

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requiring notice regarding proposed amendments to mortgagees; providing criteria for notification; providing for voiding certain amendments; amending s. 719.106, F.S.; requiring challenges to an election to commence within a certain time period; specifying certification or educational requirements for a newly elected or appointed cooperative board director; providing requirements for challenging the failure of a board to duly notice and hold the required board meeting or to file the required petition for a recall; providing requirements for recalled board members to challenge the recall; providing duties of the division regarding recall petitions; amending s. 719.303, F.S.; revising provisions relating to imposing remedies against a noncompliant or delinquent cooperative unit owner or member; revising voting requirements under certain conditions; amending s. 720.303, F.S.; revising the types of records that are not accessible to homeowners' association members and parcel owners; providing requirements for challenging the failure of a board to duly notice and hold the required board meeting or to file the required petition for a recall; providing requirements for recalled board members to challenge the recall; providing duties of the division regarding recall petitions; amending s. 720.305, F.S.; revising provisions relating to imposing remedies against a noncompliant or delinguent homeowners' association member and parcel owner; revising voting requirements under certain conditions; amending s.

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720.306, F.S.; revising provisions relating to the amendment of homeowners' association declarations; providing legislative findings and a finding of compelling state interest; providing criteria for consent or joinder to an amendment; requiring notice to mortgagees regarding proposed amendments; providing criteria for notification; providing for voiding certain amendments; requiring challenges to an election to commence within a certain time period; specifying certification or educational requirements for a newly elected or appointed homeowners' association board director; amending s. 720.3085, F.S.; revising liability of certain parcel owners acquiring title; providing an effective date.

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

Section 1. Subsection (9) of section 399.02, Florida Statutes, is amended to read:

399.02 General requirements.-

(9) Updates to the Safety Code for Existing Elevators and Escalators, ASME A17.1 and A17.3, which require Phase II Firefighters' Service on elevators may not be enforced until July 1, 2015, or until the elevator is replaced or requires major modification, whichever occurs first, on elevators in condominiums or multifamily residential buildings, including those that are part of a continuing care facility licensed under chapter 651, or similar retirement community with apartments, having a certificate of occupancy by the local building

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authority that was issued before July 1, 2008. This exception does not prevent an elevator owner from requesting a variance from the applicable codes before or after July 1, 2015. This subsection does not prohibit the division from granting variances pursuant to s. 120.542 and subsection (8). The division shall adopt rules to administer this subsection.

Section 2. Subsection (5) is added to section 468.433, Florida Statutes, to read:

468.433 Licensure by examination.-

(5) The department may not publish a licensee's personal home address unless it is for the purpose of satisfying a public records request.

Section 3. Paragraphs (d) and (j) of subsection (2) of section 718.112, Florida Statutes, are amended to read:

718.112 Bylaws.-

- (2) REQUIRED PROVISIONS.—The bylaws shall provide for the following and, if they do not do so, shall be deemed to include the following:
 - (d) Unit owner meetings.-
- 1. An annual meeting of the unit owners shall be held at the location provided in the association bylaws and, if the bylaws are silent as to the location, the meeting shall be held within 45 miles of the condominium property. However, such distance requirement does not apply to an association governing a timeshare condominium.
- 2. Unless the bylaws provide otherwise, a vacancy on the board caused by the expiration of a director's term shall be filled by electing a new board member, and the election must be by secret ballot. An election is not required if the number of

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vacancies equals or exceeds the number of candidates. For purposes of this paragraph, the term "candidate" means an eligible person who has timely submitted the written notice, as described in sub-subparagraph 4.a., of his or her intention to become a candidate. Except in a timeshare condominium, or if the staggered term of a board member does not expire until a later annual meeting, or if all members' terms would otherwise expire but there are no candidates, the terms of all board members expire at the annual meeting, and such members may stand for reelection unless prohibited by the bylaws. If the bylaws permit staggered terms of no more than 2 years and upon approval of a majority of the total voting interests, the association board members may serve 2-year staggered terms. If the number of board members whose terms expire at the annual meeting equals or exceeds the number of candidates, the candidates become members of the board effective upon the adjournment of the annual meeting. Unless the bylaws provide otherwise, any remaining vacancies shall be filled by the affirmative vote of the majority of the directors making up the newly constituted board even if the directors constitute less than a quorum or there is only one director. In a condominium association of more than 10 units or in a condominium association that does not include timeshare units or timeshare interests, coowners of a unit may not serve as members of the board of directors at the same time unless they own more than one unit or unless there are not enough eligible candidates to fill the vacancies on the board at the time of the vacancy. Any unit owner desiring to be a candidate for board membership must comply with sub-subparagraph 4.a. and must be eligible to serve on the board of directors at

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the time of the deadline for submitting a notice of intent to run in order to have his or her name listed as a proper candidate on the ballot or to serve on the board. A person who has been suspended or removed by the division under this chapter, or who is delinquent in the payment of any fee, fine, or special or regular assessment as provided in paragraph (n), is not eligible for board membership. A person who has been convicted of any felony in this state or in a United States District or Territorial Court, or who has been convicted of any offense in another jurisdiction which would be considered a felony if committed in this state, is not eligible for board membership unless such felon's civil rights have been restored for at least 5 years as of the date such person seeks election to the board. The validity of an action by the board is not affected if it is later determined that a board member is ineligible for board membership due to having been convicted of a felony.

3. The bylaws must provide the method of calling meetings of unit owners, including annual meetings. Written notice must include an agenda, must be mailed, hand delivered, or electronically transmitted to each unit owner at least 14 days before the annual meeting, and must be posted in a conspicuous place on the condominium property at least 14 continuous days before the annual meeting. Upon notice to the unit owners, the board shall, by duly adopted rule, designate a specific location on the condominium property or association property where all notices of unit owner meetings shall be posted. This requirement does not apply if there is no condominium property or association property or association property for posting notices. In lieu of, or in

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addition to, the physical posting of meeting notices, the association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the condominium association. However, if broadcast notice is used in lieu of a notice posted physically on the condominium property, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. If broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Unless a unit owner waives in writing the right to receive notice of the annual meeting, such notice must be hand delivered, mailed, or electronically transmitted to each unit owner. Notice for meetings and notice for all other purposes must be mailed to each unit owner at the address last furnished to the association by the unit owner, or hand delivered to each unit owner. However, if a unit is owned by more than one person, the association must provide notice to the address that the developer identifies for that purpose and thereafter as one or more of the owners of the unit advise the association in writing, or if no address is given or the owners of the unit do not agree, to the address provided on the deed of record. An officer of the association, or the manager or other person providing notice of the association meeting, must provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the

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association affirming that the notice was mailed or hand delivered in accordance with this provision.

- 4. The members of the board shall be elected by written ballot or voting machine. Proxies may not be used in electing the board in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless otherwise provided in this chapter.
- a. At least 60 days before a scheduled election, the association shall mail, deliver, or electronically transmit, by separate association mailing or included in another association mailing, delivery, or transmission, including regularly published newsletters, to each unit owner entitled to a vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the board must give written notice of his or her intent to be a candidate to the association at least 40 days before a scheduled election. Together with the written notice and agenda as set forth in subparagraph 3., the association shall mail, deliver, or electronically transmit a second notice of the election to all unit owners entitled to vote, together with a ballot that lists all candidates. Upon request of a candidate, an information sheet, no larger than $8\ 1/2$ inches by 11 inches, which must be furnished by the candidate at least 35 days before the election, must be included with the mailing, delivery, or transmission of the ballot, with the costs of mailing, delivery, or electronic transmission and copying to be borne by the association. The association is not liable for the contents of the information sheets prepared by the candidates. In order to reduce costs, the association may print or duplicate the information sheets on

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both sides of the paper. The division shall by rule establish voting procedures consistent with this sub-subparagraph, including rules establishing procedures for giving notice by electronic transmission and rules providing for the secrecy of ballots. Elections shall be decided by a plurality of ballots cast. There is no quorum requirement; however, at least 20 percent of the eliqible voters must cast a ballot in order to have a valid election. A unit owner may not permit any other person to vote his or her ballot, and any ballots improperly cast are invalid. A unit owner who violates this provision may be fined by the association in accordance with s. 718.303. A unit owner who needs assistance in casting the ballot for the reasons stated in s. 101.051 may obtain such assistance. The regular election must occur on the date of the annual meeting. Notwithstanding this sub-subparagraph, an election is not required unless more candidates file notices of intent to run or are nominated than board vacancies exist.

b. Within 90 days after being elected or appointed to the board, each newly elected or appointed director shall certify in writing to the secretary of the association that he or she has read the association's declaration of condominium, articles of incorporation, bylaws, and current written policies; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the association's members. In lieu of this written certification, within 90 days after being elected or appointed to the board, the newly elected or appointed director may submit a certificate of having satisfactorily completed the educational curriculum

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administered by a division-approved condominium education provider within 1 year before or 90 days after the date of election or appointment. The written certification or educational certificate is valid and does not have to be resubmitted as long as the director serves on the board without interruption. A director who fails to timely file the written certification or educational certificate is suspended from service on the board until he or she complies with this subsubparagraph. The board may temporarily fill the vacancy during the period of suspension. The secretary shall cause the association to retain a director's written certification or educational certificate for inspection by the members for 5 years after a director's election or the duration of the director's uninterrupted tenure, whichever is longer. Failure to have such written certification or educational certificate on file does not affect the validity of any board action.

- c. Any challenge to the election process must be commenced within 60 days after the election results are announced.
- 5. Any approval by unit owners called for by this chapter or the applicable declaration or bylaws, including, but not limited to, the approval requirement in s. 718.111(8), must be made at a duly noticed meeting of unit owners and is subject to all requirements of this chapter or the applicable condominium documents relating to unit owner decisionmaking, except that unit owners may take action by written agreement, without meetings, on matters for which action by written agreement without meetings is expressly allowed by the applicable bylaws or declaration or any law that provides for such action.
 - 6. Unit owners may waive notice of specific meetings if

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allowed by the applicable bylaws or declaration or any law. If authorized by the bylaws, notice of meetings of the board of administration, unit owner meetings, except unit owner meetings called to recall board members under paragraph (j), and committee meetings may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission.

- 7. Unit owners have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the association may adopt reasonable rules governing the frequency, duration, and manner of unit owner participation.
- 8. A unit owner may tape record or videotape a meeting of the unit owners subject to reasonable rules adopted by the division.
- 9. Unless otherwise provided in the bylaws, any vacancy occurring on the board before the expiration of a term may be filled by the affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case the election procedures must conform to sub-subparagraph 4.a. unless the association governs 10 units or fewer and has opted out of the statutory election process, in which case the bylaws of the association control. Unless otherwise provided in the bylaws, a board member appointed or elected under this section shall fill the vacancy for the unexpired term of the seat being filled. Filling vacancies created by recall is governed by paragraph (j) and rules adopted by the division.
 - 10. This chapter does not limit the use of general or

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limited proxies, require the use of general or limited proxies, or require the use of a written ballot or voting machine for any agenda item or election at any meeting of a timeshare condominium association.

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

(j) Recall of board members.—Subject to the provisions of s. 718.301, any member of the board of administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the unit owners to recall a member or members of the board of administration may be called by 10 percent of the voting interests giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for this purpose.

1. If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall will be effective as provided in this paragraph herein. The board shall duly notice and hold a board meeting within 5 full business days after of the adjournment of the unit owner meeting to recall one

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or more board members. At the meeting, the board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or shall proceed as set forth in subparagraph 3.

- 2. If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure. The board of administration shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in writing. At the meeting, the board shall either certify the written agreement to recall a member or members of the board, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or proceed as described in subparagraph 3.
- 3. If the board determines not to certify the written agreement to recall a member or members of the board, or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the meeting, file with the division a petition for arbitration pursuant to the procedures in s. 718.1255. For the purposes of this section, the unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any

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member or members of the board, the recall will be effective upon mailing of the final order of arbitration to the association. If the association fails to comply with the order of the arbitrator, the division may take action pursuant to s. 718.501. Any member or members so recalled shall deliver to the board any and all records of the association in their possession within 5 full business days after of the effective date of the recall.

- 4. If the board fails to duly notice and hold a board meeting within 5 full business days <u>after</u> of service of an agreement in writing or within 5 full business days <u>after</u> of the adjournment of the unit owner recall meeting, the recall shall be deemed effective and the board members so recalled shall immediately turn over to the board any and all records and property of the association.
- 5. If the board fails to duly notice and hold the required meeting or fails to file the required petition, the unit owner representative may file a petition pursuant to s. 718.1255 challenging the board's failure to act. The petition must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of a petition under this subparagraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or ballots filed.
- $\underline{6.5.}$ If a vacancy occurs on the board as a result of a recall or removal and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection. If

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vacancies occur on the board as a result of a recall and a majority or more of the board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the division, which rules need not be consistent with this subsection. The rules must provide procedures governing the conduct of the recall election as well as the operation of the association during the period after a recall but prior to the recall election.

- 7. A board member who has been recalled may file a petition pursuant to s. 718.1255 challenging the validity of a recall.

 The petition must be filed within 60 days after the recall is deemed certified. The association and the unit owner representative shall be named as the respondents.
- 8. The division may not accept for filing a recall petition, whether filed pursuant to subparagraph 1., subparagraph 2., subparagraph 5., or subparagraph 7. and regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the board member sought to be recalled or when 60 or fewer days have elapsed since the election of the board member sought to be recalled.

Section 4. Subsection (5) of section 718.113, Florida Statutes, is amended to read:

- 718.113 Maintenance; limitation upon improvement; display of flag; hurricane shutters <u>and protection</u>; display of religious decorations.—
- (5) Each board of administration shall adopt hurricane shutter specifications for each building within each condominium operated by the association which shall include color, style,

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and other factors deemed relevant by the board. All specifications adopted by the board must comply with the applicable building code.

- (a) The board may, subject to the provisions of s. 718.3026_{T} and the approval of a majority of voting interests of the condominium, install hurricane shutters, impact glass, or other code-compliant windows or doors, or other types of codecompliant hurricane protection that comply complies with or exceed exceeds the applicable building code. However, a vote of the owners is not required if the maintenance, repair, and replacement of hurricane shutters, impact glass, or other codecompliant windows or doors, or other types of code-compliant hurricane protection are the responsibility of the association pursuant to the declaration of condominium. If hurricane protection or laminated glass or window film architecturally designed to function as hurricane protection that which complies with or exceeds the current applicable building code has been previously installed, the board may not install hurricane shutters, hurricane protection, or impact glass, or other codecompliant windows or doors, or other types of code-compliant hurricane protection except upon approval by a majority vote of the voting interests.
- (b) The association is responsible for the maintenance, repair, and replacement of the hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection authorized by this subsection if such property hurricane shutters or other hurricane protection is the responsibility of the association pursuant to the declaration of condominium. If the hurricane shutters, impact

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glass, code-compliant windows or doors, or other types of codecompliant hurricane protection authorized by this subsection are the responsibility of the unit owners pursuant to the declaration of condominium, the maintenance, repair, and replacement of such items are the responsibility of the unit owner.

- (c) The board may operate shutters, impact glass, codecompliant windows or doors, or other types of code-compliant
 hurricane protection installed pursuant to this subsection
 without permission of the unit owners only if such operation is
 necessary to preserve and protect the condominium property and
 association property. The installation, replacement, operation,
 repair, and maintenance of such shutters, impact glass, codecompliant windows or doors, or other types of code-compliant
 hurricane protection in accordance with the procedures set forth
 in this paragraph are not a material alteration to the common
 elements or association property within the meaning of this
 section.
- (d) Notwithstanding any other provision in the condominium documents, if approval is required by the documents, a board may not refuse to approve the installation or replacement of hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection by a unit owner conforming to the specifications adopted by the board.

Section 5. Paragraph (e) of subsection (1) of section 718.115, Florida Statutes, is amended to read:

718.115 Common expenses and common surplus.—

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(e) The expense of installation, replacement, operation, repair, and maintenance of hurricane shutters, impact glass, code-compliant windows or doors, or other types of codecompliant hurricane protection by the board pursuant to s. 718.113(5) constitutes shall constitute a common expense as defined herein and shall be collected as provided in this section if the association is responsible for the maintenance, repair, and replacement of the hurricane shutters, impact glass, code-compliant windows or doors, or other types of codecompliant hurricane protection pursuant to the declaration of condominium. However, if the maintenance, repair, and replacement of the hurricane shutters, impact glass, codecompliant windows or doors, or other types of code-compliant hurricane protection are is the responsibility of the unit owners pursuant to the declaration of condominium, the cost of the installation of the hurricane shutters, impact glass, codecompliant windows or doors, or other types of code-compliant hurricane protection is shall not be a common expense and, but shall be charged individually to the unit owners based on the cost of installation of the hurricane shutters, impact glass, code-compliant windows or doors, or other types of codecompliant hurricane protection appurtenant to the unit. Notwithstanding the provisions of s. 718.116(9), and regardless of whether or not the declaration requires the association or unit owners to maintain, repair, or replace hurricane shutters, impact glass, code-compliant windows or doors, or other types of code-compliant hurricane protection, a unit owner who has previously installed hurricane shutters in accordance with s. 718.113(5) that comply with the current applicable building code

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552 shall receive a credit when the shutters are installed; a unit 553 owner who has previously installed impact glass or code-554 compliant windows or doors that comply with the current 555 applicable building code shall receive a credit when the impact 556 glass or code-compliant windows or doors are installed; and a 557 unit owner who has installed, other types of code-compliant 558 hurricane protection that comply with the current applicable 559 building code shall receive a credit when the same type of other 560 code-compliant hurricane protection is installed, and the or 561 laminated glass architecturally designed to function as hurricane protection, which hurricane shutters or other 562 563 hurricane protection or laminated glass comply with the current 564 applicable building code, shall receive a credit shall be equal 565 to the pro rata portion of the assessed installation cost 566 assigned to each unit. However, such unit owner remains shall 567 remain responsible for the pro rata share of expenses for 568 hurricane shutters, impact glass, code-compliant windows or 569 doors, or other types of code-compliant hurricane protection installed on common elements and association property by the 570 571 board pursuant to s. 718.113(5)_{τ} and remains shall remain 572 responsible for a pro rata share of the expense of the 573 replacement, operation, repair, and maintenance of such 574 shutters, impact glass, code-compliant windows or doors, or 575 other types of code-compliant hurricane protection. 576 Section 6. Paragraphs (a) and (b) of subsection (1) of 577 section 718.116, Florida Statutes, are amended to read: 578 718.116 Assessments; liability; lien and priority; 579 interest; collection.-580 (1) (a) A unit owner, regardless of how the unit owner has

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acquired his or her title has been acquired, including, but not limited to, by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments that which come due while he or she is the unit owner. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments, late fees, interest, costs, and reasonable attorney fees incurred by the association in an attempt to collect all such amounts is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner.

- (b)1. The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due before the mortgagee's acquisition of title is limited to the lesser of:
- a. The unit's unpaid common expenses and regular periodic assessments which accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or
 - b. One percent of the original mortgage debt.

The <u>limitations on first mortgagee liability provided by</u>

provisions of this <u>subparagraph</u> paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action. Joinder of the association is not required if, on the date the complaint is filed, the association was dissolved or did not maintain an office or agent for service of

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process at a location $\underline{\text{that}}$ which was known to or reasonably discoverable by the mortgagee.

- 2. An association, or its successor or assignee, that acquires title to a unit through the foreclosure of its lien for assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney attorney's fees and costs that came due before the association's acquisition of title in favor of any other association, as defined in s. 718.103(2) or s. 720.301(9), which holds a superior lien interest on the unit. This subparagraph is intended to clarify existing law.
- Section 7. Paragraph (a) of subsection (3) and subsection (5) of section 718.303, Florida Statutes, are amended to read: 718.303 Obligations of owners and occupants; remedies.—
- (3) The association may levy reasonable fines for the failure of the owner of the unit or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. A fine may not become a lien against a unit. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. However, the fine may not exceed \$100 per violation, or \$1,000 in the aggregate.
- (a) An association may suspend, for a reasonable period of time, the right of a unit owner, or a unit owner's tenant, guest, or invitee, to use the common elements, common facilities, or any other association property for failure to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. This paragraph does not apply to limited common elements intended to be used only by that unit, common elements needed to access the unit,

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utility services provided to the unit, parking spaces, or elevators.

(5) An association may suspend the voting rights of a unit or member due to nonpayment of any monetary obligation due to the association which is more than 90 days delinquent. Notwithstanding an association's declaration, articles of incorporation, or bylaws, the requirements to establish a quorum, conduct an election, or obtain membership approval on actions under this chapter or pursuant to the declaration, articles of incorporation, or bylaws shall be reduced by the number of suspended voting interests or consent rights. A voting interest or consent right allocated to a unit or member which has been suspended by the association may not be counted towards the total number of voting interests necessary to constitute a quorum, the number of voting interests required to conduct an election, or the number of voting interests required to approve an action under this chapter or pursuant to the declaration, articles of incorporation, or bylaws. The suspension ends upon full payment of all obligations currently due or overdue the association. The notice and hearing requirements under subsection (3) do not apply to a suspension imposed under this subsection.

Section 8. Subsection (1) of section 718.403, Florida Statutes, is amended to read:

718.403 Phase condominiums.

(1) Notwithstanding the provisions of s. 718.110, a developer may develop a condominium in phases, if the original declaration of condominium submitting the initial phase to condominium ownership or an amendment to the declaration which

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has been approved by all of the unit owners and unit mortgagees provides for and describes in detail all anticipated phases; the impact, if any, which the completion of subsequent phases would have upon the initial phase; and the time period (which may not exceed 7 years from the date of recording the declaration of condominium, unless extended as provided in this subsection) within which all phases must be added to the condominium and comply with the requirements of this section and at the end of which the right to add additional phases expires.

- (a) All phases must be added to the condominium within 7 years after the date of recording the original declaration of condominium submitting the initial phase to condominium ownership unless an amendment extending the 7-year period is approved by the unit owners.
- (b) An amendment to extend the 7-year period requires the approval of the owners necessary to amend the declaration of condominium consistent with s. 718.110(1)(a). An extension of the 7-year period may be submitted for approval only during the last 3 years of the 7-year period.
- (c) An amendment must describe the time period within which all phases must be added to the condominium and such time period may not exceed 10 years after the date of recording the original declaration of condominium submitting the initial phase to condominium ownership.
- (d) Notwithstanding s. 718.110, an amendment extending the 7-year period is not an amendment subject to s. 718.110(4).
- Section 9. Section 718.406, Florida Statutes, is created to read:
 - 718.406 Condominiums created within condominium parcels.-

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(1) Unless otherwise expressed in the declaration of condominium, if a condominium is created within a condominium parcel, the term:

- (a) "Primary condominium" means any condominium that is not a secondary condominium and contains one or more subdivided units.
- (b) "Primary condominium association" means any entity that operates a primary condominium.
- (c) "Primary condominium declaration" means the instrument or instruments by which a primary condominium is created, as they are from time to time amended.
- (d) "Secondary condominium" means one or more condominium parcels that have been submitted to condominium ownership pursuant to a secondary condominium declaration.
- (e) "Secondary condominium association" means any entity responsible for the operation of a secondary condominium.
- (f) "Secondary condominium declaration" means the instrument or instruments by which a secondary condominium is created, as they are from time to time amended.
- (g) "Subdivided unit" means a condominium parcel in a primary condominium that has been submitted to condominium ownership pursuant to a secondary condominium declaration.
- (2) Unless otherwise provided in the primary condominium declaration, if a condominium parcel is a subdivided unit, the secondary condominium association governing the secondary condominium containing the subdivided unit shall act on behalf of the unit owners of units in the subdivided unit and shall exercise all rights of the unit owners of units in the subdivided unit in the primary condominium association other

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than the right of possession of such unit. The designated representative of the secondary condominium association shall cast the vote of the subdivided unit in the primary condominium association and, if no person is designated by the secondary condominium association to cast such vote, the vote shall be cast by the president of the secondary condominium association or the designee of the president.

- (3) Unless otherwise provided in the primary condominium declaration, if a condominium parcel in the primary condominium is being submitted for condominium ownership, then the consent of the primary condominium association responsible for the operation of the condominium containing such condominium parcel is not required to create the secondary condominium on such condominium parcel.
- (4) If the primary condominium declaration requires the consent of the primary condominium association to create a secondary condominium in a condominium parcel within the primary condominium, then, unless otherwise provided in the primary condominium declaration, only the approval of a majority of the board of administration of the primary condominium association is required for such consent. Unless otherwise provided in the primary condominium declaration, neither consent of the unit owners of, nor the lienholders on, any condominium parcels in the primary condominium that are not subdivided units are required to approve the secondary condominium declaration.

 Approval is required for the execution of a secondary condominium declaration by the owner of the subdivided unit and any lienholder on the subdivided unit.
 - (5) An owner of a condominium parcel in a subdivided unit

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is subject to both the primary condominium declaration and the secondary condominium declaration.

- (6) The primary condominium association may provide insurance required by s. 718.111(11) for common elements and other improvements within the secondary condominium if the primary condominium declaration permits the primary condominium association to provide such insurance for the benefit of the condominium property included in the subdivided unit, in lieu of such insurance being provided by the secondary condominium association.
- (7) Unless otherwise provided in the primary condominium declaration, the board of administration of the primary condominium association may adopt hurricane shutter or hurricane protection specifications for each building within which subdivided units are located and govern any subdivided units in the primary condominium.
- (8) Any unit owner of, or holder of a first mortgage on, a unit in a secondary condominium may register such unit owner's or mortgagee's interest in the secondary condominium with the primary condominium association by written notice to the primary condominium association. Once registered, the primary condominium association must provide written notice to such unit owner and his or her mortgagee at least 30 days before instituting any foreclosure action against the subdivided unit in which the unit owner or his and her mortgagee holds an interest for failure to pay any assessments or other amounts due the primary condominium association. A foreclosure action against a subdivided unit is not effective without an affidavit indicating that written notice of the foreclosure was timely

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sent to the names and addresses of unit owners and first mortgagees registered with the primary condominium association pursuant to this subsection. The registered unit owner or mortgagee has a right to pay the proportionate amount of the delinquent assessment attributable to the unit in which the registered unit owner or mortgagee holds an interest. Upon such payment, the primary condominium association shall release the lien of the primary condominium association of record against such unit. Alternatively, such registered unit owner or mortgagee may pay the amount of all delinquent assessments attributed to the subdivided unit and seek reimbursement for all such amounts paid and all costs incurred from the secondary condominium association, including, without limitation, the costs of collection other than the share allocable to the unit on behalf of which such payment was made.

- (9) In the event of a conflict between the primary condominium declaration and the secondary condominium declaration, the primary condominium declaration controls.
- (10) All common expenses due the primary condominium association with respect to a subdivided unit are a common expense of the secondary condominium association and shall be collected by the secondary condominium association from its members and paid to the primary condominium association.

Section 10. Subsection (2) of section 718.5011, Florida Statutes, is amended to read:

- 718.5011 Ombudsman; appointment; administration.-
- (2) The Governor shall appoint the ombudsman. The ombudsman must be an attorney admitted to practice before the Florida Supreme Court and shall serve at the pleasure of the Governor. A

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vacancy in the office shall be filled in the same manner as the original appointment. An officer or full-time employee of the ombudsman's office may not actively engage in any other business or profession that directly or indirectly relates to or conflicts with his or her work in the ombudsman's office; serve as the representative of any political party, executive committee, or other governing body of a political party; serve as an executive, officer, or employee of a political party; receive remuneration for activities on behalf of any candidate for public office; or engage in soliciting votes or other activities on behalf of a candidate for public office. The ombudsman or any employee of his or her office may not become a candidate for election to public office unless he or she first resigns from his or her office or employment.

Section 11. Section 718.707, Florida Statutes, is amended to read:

718.707 Time limitation for classification as bulk assignee or bulk buyer.—A person acquiring condominium parcels may not be classified as a bulk assignee or bulk buyer unless the condominium parcels were acquired on or after July 1, 2010, but before July 1, 2015 2012. The date of such acquisition shall be determined by the date of recording a deed or other instrument of conveyance for such parcels in the public records of the county in which the condominium is located, or by the date of issuing a certificate of title in a foreclosure proceeding with respect to such condominium parcels.

Section 12. Paragraph (c) of subsection (2) of section 719.104, Florida Statutes, is amended to read:

719.104 Cooperatives; access to units; records; financial

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reports; assessments; purchase of leases.-

- (2) OFFICIAL RECORDS.
- (c) The official records of the association shall be open to inspection by any association member or the authorized representative of such member at all reasonable times. Failure to permit inspection of the association records as provided in this subsection herein entitles any person prevailing in an enforcement action to recover reasonable attorney attorney's fees from the person in control of the records who, directly or indirectly, knowingly denies access to the records for inspection. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the association member. The association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying. The failure of an association to provide the records within 10 working days after receipt of a written request creates a rebuttable presumption that the association willfully failed to comply with this paragraph. A unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply with this paragraph. The minimum damages shall be \$50 per calendar day up to 10 days, the calculation to begin on the 11th day after receipt of the written request. The association shall maintain an adequate number of copies of the declaration, articles of incorporation, bylaws, and rules, and all amendments to each of the foregoing, as well as the question and answer sheet provided for in s. 719.504, on the cooperative property to ensure their availability to unit owners and prospective purchasers, and may

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charge its actual costs for preparing and furnishing these documents to those requesting the same. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to unit owners:

- 1. Any record protected by the lawyer-client privilege as provided in s. 90.502; protected by the work-product privilege, including any record A record that was prepared by an association attorney or prepared at the attorney's express direction; reflecting that reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association; or that was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings or in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings, until the conclusion of the litigation or adversarial administrative proceedings.
- 2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a unit.
 - 3. Medical records of unit owners.
- 4. Personnel records of association employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subparagraph, the term "personnel records" does not include written employment agreements with an association employee or budgetary or financial records that indicate the compensation paid to an association employee.
- 5. Social security numbers, driver license numbers, credit card numbers, e-mail addresses, telephone numbers, emergency contact information, any addresses of a unit owner other than

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addresses provided to fulfill the association's notice requirements, and other personal identifying information of any person, excluding the person's name, unit designation, mailing address, and property address.

- 6. Any electronic security measures that are used by the association to safeguard data, including passwords.
- 7. The software and operating system used by the association which allows manipulation of data, even if the owner owns a copy of the same software used by the association. The data is part of the official records of the association.
- Section 13. Subsection (7) is added to section 719.1055, Florida Statutes, to read:
- 719.1055 Amendment of cooperative documents; alteration and acquisition of property.—
- (7) The Legislature finds that the procurement of mortgagee consent to amendments that do not affect the rights or interests of mortgagees is an unreasonable and substantial logistical and financial burden on the unit owners and that there is a compelling state interest in enabling the members of an association to approve amendments to the association's cooperative documents through legal means. Accordingly, and notwithstanding any provision to the contrary contained in this subsection:
- (a) As to any mortgage recorded on or after July 1, 2012, any provision in the association's cooperative documents that requires the consent or joinder of some or all mortgagees of units or any other portion of the association's common areas to amend the association's cooperative documents or for any other matter is enforceable only as to amendments to the association's

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cooperative documents that adversely affect the priority of the mortgagee's lien or the mortgagee's rights to foreclose its lien or that otherwise materially affect the rights and interests of the mortgagees.

- (b) As to mortgages recorded before July 1, 2012, any existing provisions in the association's cooperative documents requiring mortgagee consent are enforceable.
- (c) In securing consent or joinder, the association is entitled to rely upon the public records to identify the holders of outstanding mortgages. The association may use the address provided in the original recorded mortgage document, unless there is a different address for the holder of the mortgage in a recorded assignment or modification of the mortgage, which recorded assignment or modification must reference the official records book and page on which the original mortgage was recorded. Once the association has identified the recorded mortgages of record, the association shall, in writing, request of each unit owner whose unit is encumbered by a mortgage of record any information the owner has in his or her possession regarding the name and address of the person to whom mortgage payments are currently being made. Notice shall be sent to such person if the address provided in the original recorded mortgage document is different from the name and address of the mortgagee or assignee of the mortgage as shown by the public record. The association is deemed to have complied with this requirement by making the written request of the unit owners required under this paragraph. Any notices required to be sent to the mortgagees under this paragraph shall be sent to all available addresses provided to the association.

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(c) may be sent by a method that establishes proof of delivery, and any mortgagee who fails to respond within 60 days after the date of mailing is deemed to have consented to the amendment.

- (e) For those amendments requiring mortgagee consent on or after July 1, 2012, in the event mortgagee consent is provided other than by properly recorded joinder, such consent shall be evidenced by affidavit of the association recorded in the public records of the county in which the declaration is recorded.
- (f) Any amendment adopted without the required consent of a mortgagee is voidable only by a mortgagee who was entitled to notice and an opportunity to consent. An action to void an amendment is subject to the statute of limitations beginning 5 years after the date of discovery as to the amendments described in paragraph (a) and 5 years after the date of recordation of the certificate of amendment for all other amendments. This paragraph applies to all mortgages, regardless of the date of recordation of the mortgage.

Section 14. Paragraphs (d) and (f) of subsection (1) of section 719.106, Florida Statutes, are amended to read:

719.106 Bylaws; cooperative ownership.-

- (1) MANDATORY PROVISIONS.—The bylaws or other cooperative documents shall provide for the following, and if they do not, they shall be deemed to include the following:
- (d) Shareholder meetings.—There shall be an annual meeting of the shareholders. All members of the board of administration shall be elected at the annual meeting unless the bylaws provide for staggered election terms or for their election at another meeting. Any unit owner desiring to be a candidate for board

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membership must comply with subparagraph 1. The bylaws must provide the method for calling meetings, including annual meetings. Written notice, which must incorporate an identification of agenda items, shall be given to each unit owner at least 14 days before the annual meeting and posted in a conspicuous place on the cooperative property at least 14 continuous days preceding the annual meeting. Upon notice to the unit owners, the board must by duly adopted rule designate a specific location on the cooperative property upon which all notice of unit owner meetings are posted. In lieu of or in addition to the physical posting of the meeting notice, the association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the cooperative association. However, if broadcast notice is used in lieu of a posted notice, the notice and agenda must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required under this section. If broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Unless a unit owner waives in writing the right to receive notice of the annual meeting, the notice of the annual meeting must be sent by mail, hand delivered, or electronically transmitted to each unit owner. An officer of the association must provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the association, affirming that notices of the association

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meeting were mailed, hand delivered, or electronically transmitted, in accordance with this provision, to each unit owner at the address last furnished to the association.

- 1. The board of administration shall be elected by written ballot or voting machine. A proxy may not be used in electing the board of administration in general elections or elections to fill vacancies caused by recall, resignation, or otherwise unless otherwise provided in this chapter.
- a. At least 60 days before a scheduled election, the association shall mail, deliver, or transmit, whether by separate association mailing, delivery, or electronic transmission or included in another association mailing, delivery, or electronic transmission, including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the board of administration must give written notice to the association at least 40 days before a scheduled election. Together with the written notice and agenda as set forth in this section, the association shall mail, deliver, or electronically transmit a second notice of election to all unit owners entitled to vote, together with a ballot that which lists all candidates. Upon request of a candidate, the association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate at least 35 days before the election, to be included with the mailing, delivery, or electronic transmission of the ballot, with the costs of mailing, delivery, or transmission and copying to be borne by the association. The association is not liable for the contents

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of the information sheets provided by the candidates. In order to reduce costs, the association may print or duplicate the information sheets on both sides of the paper. The division shall by rule establish voting procedures consistent with this subparagraph, including rules establishing procedures for giving notice by electronic transmission and rules providing for the secrecy of ballots. Elections shall be decided by a plurality of those ballots cast. There is no quorum requirement. However, at least 20 percent of the eligible voters must cast a ballot in order to have a valid election. A unit owner may not permit any other person to vote his or her ballot, and any such ballots improperly cast are invalid. A unit owner who needs assistance in casting the ballot for the reasons stated in s. 101.051 may obtain assistance in casting the ballot. Any unit owner violating this provision may be fined by the association in accordance with s. 719.303. The regular election must occur on the date of the annual meeting. This subparagraph does not apply to timeshare cooperatives. Notwithstanding this subparagraph, an election and balloting are not required unless more candidates file a notice of intent to run or are nominated than vacancies exist on the board. Any challenge to the election process must be commenced within 60 days after the election results are announced.

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

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1074 ability; and that he or she will faithfully discharge his or her 1075 fiduciary responsibility to the association's members. Within 90 1076 days after being elected or appointed to the board, in lieu of 1077 this written certification, the newly elected or appointed 1078 director may submit a certificate of having satisfactorily 1079 completed the educational curriculum administered by an 1080 education provider as approved by the division pursuant to the 1081 requirements established in chapter 718 within 1 year before or 1082 90 days after the date of election or appointment. The 1083 educational certificate is valid and does not have to be 1084 resubmitted as long as the director serves on the board without 1085 interruption. A director who fails to timely file the written 1086 certification or educational certificate is suspended from 1087 service on the board until he or she complies with this sub-1088 subparagraph. The board may temporarily fill the vacancy during 1089 the period of suspension. The secretary shall cause the 1090 association to retain a director's written certification or 1091 educational certificate for inspection by the members for 5 1092 years after a director's election or the duration of the 1093 director's uninterrupted tenure, whichever is longer. Failure to 1094 have such written certification or educational certificate on 1095 file does not affect the validity of any board action. 1096 2. Any approval by unit owners called for by this chapter, 1097 or the applicable cooperative documents, must be made at a duly

noticed meeting of unit owners and is subject to this chapter or

written agreement, without meetings, on matters for which action

by written agreement without meetings is expressly allowed by

the applicable cooperative documents relating to unit owner

decisionmaking, except that unit owners may take action by

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the applicable cooperative documents or law which provides for the unit owner action.

- 3. Unit owners may waive notice of specific meetings if allowed by the applicable cooperative documents or law. If authorized by the bylaws, notice of meetings of the board of administration, shareholder meetings, except shareholder meetings called to recall board members under paragraph (f), and committee meetings may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission.
- 4. Unit owners have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the association may adopt reasonable rules governing the frequency, duration, and manner of unit owner participation.
- 5. Any unit owner may tape record or videotape meetings of the unit owners subject to reasonable rules adopted by the division.
- 6. Unless otherwise provided in the bylaws, a vacancy occurring on the board before the expiration of a term may be filled by the affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case the election procedures must conform to the requirements of subparagraph 1. unless the association has opted out of the statutory election process, in which case the bylaws of the association control. Unless otherwise provided in the bylaws, a board member appointed or elected under this subparagraph shall fill the vacancy for the unexpired term of the seat being

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filled. Filling vacancies created by recall is governed by paragraph (f) and rules adopted by the division.

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

- (f) Recall of board members.—Subject to the provisions of s. 719.301, any member of the board of administration may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the voting interests to recall any member of the board of administration may be called by 10 percent of the unit owners giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for this purpose.
- 1. If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall shall be effective as provided in this paragraph herein. The board shall duly notice and hold a board meeting within 5 full business days after of the adjournment of the unit owner meeting to recall one or more board members. At the meeting, the board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the

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board within 5 full business days any and all records and property of the association in their possession, or shall proceed as set forth in subparagraph 3.

- 2. If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure. The board of administration shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in writing. At the meeting, the board shall either certify the written agreement to recall members of the board, in which case such members shall be recalled effective immediately and shall turn over to the board, within 5 full business days, any and all records and property of the association in their possession, or proceed as described in subparagraph 3.
- 3. If the board determines not to certify the written agreement to recall members of the board, or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the board meeting, file with the division a petition for binding arbitration pursuant to the procedures of s. 719.1255. For purposes of this paragraph, the unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member of the board, the recall shall be effective upon mailing of the final order of arbitration to the association. If the association fails to comply with the order of the arbitrator, the division may take action pursuant to s.

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719.501. Any member so recalled shall deliver to the board any and all records and property of the association in the member's possession within 5 full business days <u>after</u> of the effective date of the recall.

- 4. If the board fails to duly notice and hold a board meeting within 5 full business days <u>after</u> of service of an agreement in writing or within 5 full business days <u>after</u> of the adjournment of the unit owner recall meeting, the recall shall be deemed effective and the board members so recalled shall immediately turn over to the board any and all records and property of the association.
- 5. If the board fails to duly notice and hold the required meeting or fails to file the required petition, the unit owner representative may file a petition pursuant to s. 719.1255 challenging the board's failure to act. The petition must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of a petition under this subparagraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or ballots filed.
- 6.5. If a vacancy occurs on the board as a result of a recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this chapter. If vacancies occur on the board as a result of a recall and a majority or more of the board members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the division, which rules need not be consistent with

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this chapter. The rules must provide procedures governing the conduct of the recall election as well as the operation of the association during the period after a recall but prior to the recall election.

- 7. A board member who has been recalled may file a petition pursuant to s. 719.1255 challenging the validity of a recall.

 The petition must be filed within 60 days after the recall is deemed certified. The association and the unit owner representative shall be named as the respondents.
- 8. The division may not accept for filing a recall petition, whether filed pursuant to subparagraph 1., subparagraph 2., subparagraph 5., or subparagraph 7. and regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the board member sought to be recalled or when 60 or fewer days have not elapsed since the election of the board member sought to be recalled.
- Section 15. Paragraph (a) of subsection (3) and subsection (5) of section 719.303, Florida Statutes, are amended to read: 719.303 Obligations of owners.—
- (3) The association may levy reasonable fines for failure of the unit owner or the unit's occupant, licensee, or invitee to comply with any provision of the cooperative documents or reasonable rules of the association. A fine may not become a lien against a unit. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. However, the fine may not exceed \$100 per violation, or \$1,000 in the aggregate.
 - (a) An association may suspend, for a reasonable period of

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time, the right of a unit owner, or a unit owner's tenant, guest, or invitee, to use the common elements, common facilities, or any other association property for failure to comply with any provision of the cooperative documents or reasonable rules of the association. This paragraph does not apply to limited common elements intended to be used only by that unit, common elements needed to access the unit, utility services provided to the unit, parking spaces, or elevators.

(5) An association may suspend the voting rights of a unit or member due to nonpayment of any monetary obligation due to the association which is more than 90 days delinquent. Notwithstanding an association's cooperative documents, the requirements to establish a quorum, conduct an election, or obtain membership approval on actions under this chapter or pursuant to the association's cooperative documents shall be reduced by the number of suspended voting interests or consent rights. A voting interest or consent right allocated to a unit or member which has been suspended by the association may not be counted towards the total number of voting interests for any purpose, including, but not limited to, the number of voting interests necessary to constitute a quorum, the number of voting interests required to conduct an election, or the number of voting interests required to approve an action under this chapter or pursuant to the cooperative documents, articles of incorporation, or bylaws. The suspension ends upon full payment of all obligations currently due or overdue the association. The notice and hearing requirements under subsection (3) do not apply to a suspension imposed under this subsection.

Section 16. Paragraph (c) of subsection (5) and subsection

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1277 (10) of section 720.303, Florida Statutes, are amended to read:
1278 720.303 Association powers and duties; meetings of board;
1279 official records; budgets; financial reporting; association
1280 funds; recalls.—

- (5) INSPECTION AND COPYING OF RECORDS.—The official records shall be maintained within the state and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within 10 business days after receipt of a written request for access. This subsection may be complied with by having a copy of the official records available for inspection or copying in the community. If the association has a photocopy machine available where the records are maintained, it must provide parcel owners with copies on request during the inspection if the entire request is limited to no more than 25 pages.
- (c) The association may adopt reasonable written rules governing the frequency, time, location, notice, records to be inspected, and manner of inspections, but may not require a parcel owner to demonstrate any proper purpose for the inspection, state any reason for the inspection, or limit a parcel owner's right to inspect records to less than one 8-hour business day per month. The association may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The association may charge up to 50 cents per page for copies made on the association's photocopier. If the association does not have a photocopy machine available where the records are kept, or if the records requested to be copied exceed 25 pages in length, the association may have copies made by an outside

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vendor or association management company personnel and may charge the actual cost of copying, including any reasonable costs involving personnel fees and charges at an hourly rate for vendor or employee time to cover administrative costs to the vendor or association. The association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to members and prospective members. Notwithstanding this paragraph, the following records are not accessible to members or parcel owners:

- 1. Any record protected by the lawyer-client privilege as described in s. 90.502 and any record protected by the work-product privilege, including, but not limited to, a record prepared by an association attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.
- 2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a parcel.
- 3. Personnel records of association or management company the association's employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subparagraph, the term "personnel records" does not include written employment agreements with an association or management company employee or budgetary or financial records

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that indicate the compensation paid to an association or management company employee.

- 4. Medical records of parcel owners or community residents.
- 5. Social security numbers, <u>driver driver's</u> license numbers, credit card numbers, electronic mailing addresses, telephone numbers, facsimile numbers, emergency contact information, any addresses for a parcel owner other than as provided for association notice requirements, and other personal identifying information of any person, excluding the person's name, parcel designation, mailing address, and property address. However, an owner may consent in writing to the disclosure of protected information described in this subparagraph. The association is not liable for the disclosure of information that is protected under this subparagraph if the information is included in an official record of the association and is voluntarily provided by an owner and not requested by the association.
- 6. Any electronic security measure that is used by the association to safeguard data, including passwords.
- 7. The software and operating system used by the association which allows the manipulation of data, even if the owner owns a copy of the same software used by the association. The data is part of the official records of the association.
 - (10) RECALL OF DIRECTORS.-
- (a)1. Regardless of any provision to the contrary contained in the governing documents, subject to the provisions of s. 720.307 regarding transition of association control, any member of the board of directors may be recalled and removed from office with or without cause by a majority of the total voting

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1364 interests.

2. When the governing documents, including the declaration, articles of incorporation, or bylaws, provide that only a specific class of members is entitled to elect a board director or directors, only that class of members may vote to recall those board directors so elected.

- (b)1. Board directors may be recalled by an agreement in writing or by written ballot without a membership meeting. The agreement in writing or the written ballots, or a copy thereof, shall be served on the association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure.
- 2. The board shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in writing or written ballots. At the meeting, the board shall either certify the written ballots or written agreement to recall a director or directors of the board, in which case such director or directors shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or proceed as described in paragraph (d).
- 3. When it is determined by the department pursuant to binding arbitration proceedings that an initial recall effort was defective, written recall agreements or written ballots used in the first recall effort and not found to be defective may be reused in one subsequent recall effort. However, in no event is a written agreement or written ballot valid for more than 120 days after it has been signed by the member.
 - 4. Any rescission or revocation of a member's written

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recall ballot or agreement must be in writing and, in order to be effective, must be delivered to the association before the association is served with the written recall agreements or ballots.

- 5. The agreement in writing or ballot shall list at least as many possible replacement directors as there are directors subject to the recall, when at least a majority of the board is sought to be recalled; the person executing the recall instrument may vote for as many replacement candidates as there are directors subject to the recall.
- (c)1. If the declaration, articles of incorporation, or bylaws specifically provide, the members may also recall and remove a board director or directors by a vote taken at a meeting. If so provided in the governing documents, a special meeting of the members to recall a director or directors of the board of administration may be called by 10 percent of the voting interests giving notice of the meeting as required for a meeting of members, and the notice shall state the purpose of the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for this purpose.
- 2. The board shall duly notice and hold a board meeting within 5 full business days after the adjournment of the member meeting to recall one or more directors. At the meeting, the board shall certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or shall proceed as set forth in subparagraph (d).

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(d) If the board determines not to certify the written agreement or written ballots to recall a director or directors of the board or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the meeting, file with the department a petition for binding arbitration pursuant to the applicable procedures in ss. 718.112(2)(j) and 718.1255 and the rules adopted thereunder. For the purposes of this section, the members who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any director or directors of the board, the recall will be effective upon mailing of the final order of arbitration to the association. The director or directors so recalled shall deliver to the board any and all records of the association in their possession within 5 full business days after the effective date of the recall.

(e) If a vacancy occurs on the board as a result of a recall and less than a majority of the board directors are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection or in the association documents. If vacancies occur on the board as a result of a recall and a majority or more of the board directors are removed, the vacancies shall be filled by members voting in favor of the recall; if removal is at a meeting, any vacancies shall be filled by the members at the meeting. If the recall occurred by agreement in writing or by written ballot, members may vote for replacement directors in the same instrument in accordance with procedural rules adopted by the division, which

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rules need not be consistent with this subsection.

- (f) If the board fails to duly notice and hold a board meeting within 5 full business days after service of an agreement in writing or within 5 full business days after the adjournment of the member recall meeting, the recall shall be deemed effective and the board directors so recalled shall immediately turn over to the board all records and property of the association.
- (g) If the board fails to duly notice and hold the required meeting or fails to file the required petition, the unit owner representative may file a petition pursuant to s. 718.1255 challenging the board's failure to act. The petition must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of a petition under this paragraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or ballots filed.
- (h) (g) If a director who is removed fails to relinquish his or her office or turn over records as required under this section, the circuit court in the county where the association maintains its principal office may, upon the petition of the association, summarily order the director to relinquish his or her office and turn over all association records upon application of the association.
- (i) (h) The minutes of the board meeting at which the board decides whether to certify the recall are an official association record. The minutes must record the date and time of the meeting, the decision of the board, and the vote count taken on each board member subject to the recall. In addition, when

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the board decides not to certify the recall, as to each vote rejected, the minutes must identify the parcel number and the specific reason for each such rejection.

- (j) (i) When the recall of more than one board director is sought, the written agreement, ballot, or vote at a meeting shall provide for a separate vote for each board director sought to be recalled.
- (k) A board member who has been recalled may file a petition pursuant to ss. 718.112(2)(j) and 718.1255 and the rules adopted challenging the validity of the recall. The petition must be filed within 60 days after the recall is deemed certified. The association and the unit owner representative shall be named as respondents.
- (1) The division may not accept for filing a recall petition, whether filed pursuant to paragraph (b), paragraph (c), paragraph (g), or paragraph (k) and regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the board member sought to be recalled or when 60 or fewer days have not elapsed since the election of the board member sought to be recalled.

Section 17. Subsections (2) and (4) of section 720.305, Florida Statutes, are amended to read:

- 720.305 Obligations of members; remedies at law or in equity; levy of fines and suspension of use rights.—
- (2) The association may levy reasonable fines of up to \$100 per violation against any member or any member's tenant, guest, or invitee for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, or reasonable rules of

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the association. A fine may be levied for each day of a continuing violation, with a single notice and opportunity for hearing, except that the fine may not exceed \$1,000 in the aggregate unless otherwise provided in the governing documents. A fine of less than \$1,000 may not become a lien against a parcel. In any action to recover a fine, the prevailing party is entitled to reasonable attorney attorney's fees and costs from the nonprevailing party as determined by the court.

- (a) An association may suspend, for a reasonable period of time, the right of a member, or a member's tenant, guest, or invitee, to use common areas and facilities for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. This paragraph does not apply to that portion of common areas used to provide access or utility services to the parcel. A suspension may not impair the right of an owner or tenant of a parcel to have vehicular and pedestrian ingress to and egress from the parcel, including, but not limited to, the right to park.
- (b) A fine or suspension may not be imposed without at least 14 days' notice to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three members appointed by the board who are not officers, directors, or employees of the association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. If the association imposes a fine or suspension, the association must provide written notice of such fine or

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suspension by mail or hand delivery to the parcel owner and, if applicable, to any tenant, licensee, or invitee of the parcel owner.

(4) An association may suspend the voting rights of a parcel or member for the nonpayment of any monetary obligation due to the association that is more than 90 days delinquent. Notwithstanding an association's governing documents, the requirements to establish a quorum, conduct an election, or obtain membership approval on actions under this chapter or pursuant to the association's governing documents shall be reduced by the number of suspended voting interests or consent rights. A voting interest or consent right allocated to a parcel or member which has been suspended by the association may not be counted towards the total number of voting interests for any purpose, including, but not limited to, the number of voting interests necessary to constitute a quorum, the number of voting interests required to conduct an election, or the number of voting interests required to approve an action under this chapter or pursuant to the governing documents. The notice and hearing requirements under subsection (2) do not apply to a suspension imposed under this subsection. The suspension ends upon full payment of all obligations currently due or overdue to the association.

Section 18. Paragraph (d) is added to subsection (1) of section 720.306, Florida Statutes, and subsection (9) of that section is amended, to read:

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

(1) QUORUM; AMENDMENTS.—

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(d) The Legislature finds that the procurement of mortgagee consent to amendments that do not affect the rights or interests of mortgagees is an unreasonable and substantial logistical and financial burden on the parcel owners and that there is a compelling state interest in enabling the members of an association to approve amendments to the association's governing documents through legal means. Accordingly, and notwithstanding any provision to the contrary contained in this paragraph:

- 1. As to any mortgage recorded on or after July 1, 2012, any provision in the association's governing documents that requires the consent or joinder of some or all mortgagees of parcels or any other portion of the association's common areas to amend the association's governing documents or for any other matter is enforceable only as to amendments to the association's governing documents that adversely affect the priority of the mortgagee's lien or the mortgagee's rights to foreclose its lien or that otherwise materially affect the rights and interests of the mortgagees.
- 2. As to mortgages recorded before July 1, 2012, any existing provisions in the association's governing documents requiring mortgagee consent are enforceable.
- 3. In securing consent or joinder, the association is entitled to rely upon the public records to identify the holders of outstanding mortgages. The association may use the address provided in the original recorded mortgage document, unless there is a different address for the holder of the mortgage in a recorded assignment or modification of the mortgage, which recorded assignment or modification must reference the official records book and page on which the original mortgage was

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recorded. Once the association has identified the recorded mortgages of record, the association shall, in writing, request of each parcel owner whose parcel is encumbered by a mortgage of record any information the owner has in his or her possession regarding the name and address of the person to whom mortgage payments are currently being made. Notice shall be sent to such person if the address provided in the original recorded mortgage document is different from the name and address of the mortgagee or assignee of the mortgage as shown by the public record. The association is deemed to have complied with this requirement by making the written request of the parcel owners required under this subparagraph. Any notices required to be sent to the mortgagees under this subparagraph shall be sent to all available addresses provided to the association.

- 4. Any notice to the mortgagees required under subparagraph
 3. may be sent by a method that establishes proof of delivery,
 and any mortgagee who fails to respond within 60 days after the
 date of mailing is deemed to have consented to the amendment.
- 5. For those amendments requiring mortgagee consent on or after July 1, 2012, in the event mortgagee consent is provided other than by properly recorded joinder, such consent shall be evidenced by affidavit of the association recorded in the public records of the county in which the declaration is recorded.
- 6. Any amendment adopted without the required consent of a mortgagee is voidable only by a mortgagee who was entitled to notice and an opportunity to consent. An action to void an amendment is subject to the statute of limitations beginning 5 years after the date of discovery as to the amendments described in subparagraph 1. and 5 years after the date of recordation of

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the certificate of amendment for all other amendments. This subparagraph applies to all mortgages, regardless of the date of recordation of the mortgage.

- (9) (a) ELECTIONS AND BOARD VACANCIES.
- (a) Elections of directors must be conducted in accordance with the procedures set forth in the governing documents of the association. All members of the association are eligible to serve on the board of directors, and a member may nominate himself or herself as a candidate for the board at a meeting where the election is to be held or, if the election process allows voting by absentee ballot, in advance of the balloting. Except as otherwise provided in the governing documents, boards of directors must be elected by a plurality of the votes cast by eligible voters. Any challenge to the election process must be commenced within 60 days after the election results are announced.
- (b) A person who is delinquent in the payment of any fee, fine, or other monetary obligation to the association for more than 90 days is not eligible for board membership. A person who has been convicted of any felony in this state or in a United States District or Territorial Court, or has been convicted of any offense in another jurisdiction which would be considered a felony if committed in this state, is not eligible for board membership unless such felon's civil rights have been restored for at least 5 years as of the date on which such person seeks election to the board. The validity of any action by the board is not affected if it is later determined that a member of the board is ineligible for board membership.
 - (c) Any election dispute between a member and an

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association must be submitted to mandatory binding arbitration with the division. Such proceedings must be conducted in the manner provided by s. 718.1255 and the procedural rules adopted by the division. Unless otherwise provided in the bylaws, any vacancy occurring on the board before the expiration of a term may be filled by an affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case the election procedures must conform to the requirements of the governing documents. Unless otherwise provided in the bylaws, a board member appointed or elected under this section is appointed for the unexpired term of the seat being filled. Filling vacancies created by recall is governed by s. 720.303(10) and rules adopted by the division.

(d) Within 90 days after being elected or appointed to the board, each new director shall certify in writing to the secretary of the association that he or she has read the association's declaration of covenants' conditions and restrictions, articles of incorporation, bylaws, and current written policies; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the association's members. Within 90 days after being elected or appointed to the board, in lieu of this written certification, the newly elected or appointed director may submit a certificate of having satisfactorily completed the educational curriculum administered by a division-approved education provider within 1 year before or 90 days after the

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date of election or appointment. The educational certificate is valid and does not have to be resubmitted as long as the director serves on the board without interruption. A director who fails to timely file the written certification or educational certificate is suspended from service on the board until he or she complies with this paragraph. The board may temporarily fill the vacancy during the period of suspension. The secretary shall cause the association to retain a director's written certification or educational certificate for inspection by the members for 5 years after a director's election or the duration of the director's tenure, whichever is longer. Failure to have such written certification or educational certificate on file does not affect the validity of any board action.

Section 19. Paragraphs (b) and (d) of subsection (2) of section 720.3085, Florida Statutes, are amended to read:

720.3085 Payment for assessments; lien claims.-

(2)

- (b) A parcel owner, regardless of how the parcel owner has acquired title, including, but not limited to, by purchase at a foreclosure sale, is jointly and severally liable with the previous parcel owner for all unpaid assessments, late fees, interest, costs, and reasonable attorney fees incurred by the association in an attempt to collect all such amounts that came due up to the time of transfer of title. This liability is without prejudice to any right the present parcel owner may have to recover any amounts paid by the present owner from the previous owner.
- (d) An association, or its successor or assignee, that acquires title to a parcel through the foreclosure of its lien

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2012680 1712 for assessments is not liable for any unpaid assessments, late 1713 fees, interest, or reasonable <u>attorney</u> attorney's fees and costs 1714 that came due before the association's acquisition of title in 1715 favor of any other association, as defined in s. 718.103(2) or s. 720.301(9), which holds a superior lien interest on the 1716 1717 parcel. This paragraph is intended to clarify existing law. 1718 Section 20. This act shall take effect July 1, 2012.

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