Errata Sheet & Legislative Updates  
Issued January 2018  
Master the CAM: 2016-2017 Edition

Periodically, GCPS issues **Errata Sheets**, to correct minor errors or provide update to fees or other minor changes. We also periodically publish **Legislative Updates** for prelicensure students, on key legislative and state administrative rule changes.

**Page 2** of this document provides an Errata Sheet. Your instructor will advise you of these changes as you discuss the chapters in which these minor changes appear.

**Pages 3 through 13** include important changes due to statutory changes made by the 2017 Legislature, and administrative rule changes enacted by DBPR (or other state departments) relevant to candidates for community association manager. Specifically, there are several new provisions to the Condominium Act, and changes to financial reporting by community associations. Your instructor will advise you of these changes as you review the prelicensure text. When there is a substantive change to an existing section, or there are new requirements, we have struck the entire old section and included a new section. Note that we have crossed through deletions and underlined additions in the replacement sections.

Where we have replaced or added sections, we recommend that you copy that section and staple it on the appropriate page over old sections or insert as a new section. These are areas on which the DBPR may focus in exam questions.

**Pages 14 through 19** include revised or new Figures or Exhibits, to explain some of the materials in specific chapters. Your instructor will review these with you in class. Again, we recommend that you copy these and staple them in the appropriate chapter. You should keep this document with your prelicensure text and review it as you study for the exam.

These updates are presented in chapter order, as most students study in chapter order, rather than in class presentation order. Again, your instructor will guide you as he or she discusses the chapters.

**Note:** There are other legislative and rule changes that are pertinent to CAMs, but which we do not believe have an impact on CAM candidates. These are found in the 2018 Legal Update, which will be available from Gold Coast Professional Schools (GCPS) around March 2018. We recommend that you review the 2018 Legal Update once you have passed your CAM exam.

We recommend that you become familiar with the changes reflected in this Update, as you study for your exam. Please address any questions you have in class to your instructor, or to:

Office of CAM Program Director  
Emails: progers@goldcoastschools.com or plibert@goldcoastschools.com  
Phone: 561.739.3449
**Errata Sheet**

### Section: Introduction

<table>
<thead>
<tr>
<th>Page</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>i</td>
<td>Amend paragraph 8, second sentence: The 5-hour 8-hour CRAM …</td>
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### Section: Summary of CAM Licensing Procedure

<table>
<thead>
<tr>
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<tr>
<td>iii</td>
<td>Amend:</td>
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<tr>
<td></td>
<td>• Step 1: Add: &quot;Fingerprints will be retained by the State of Florida for 180 days, if no application is filed.”</td>
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<td>• Step 2: Cost should be $223.50</td>
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<td>• Step 6: Cost should be $31.50</td>
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### Chapter 3: Community Association Management

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<tbody>
<tr>
<td>33</td>
<td>Amend FN 84, second sentence (WHAT ARE THE REQUIREMENTS TO BECOME A COMMUNITY ASSOCIATION MANAGER (CAM)?) [This change relates to the CRAM class.]</td>
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<tr>
<td>34</td>
<td>Replace lines 22 and 25:</td>
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<td>• Examination:  $ 73.00 68.50</td>
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<td>34</td>
<td>Replace lines 23 and 26:</td>
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<td>• Examination fee to Pearson VUE:  $ 27.00 31.50</td>
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<td>34</td>
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<td>Review incorrect answers:  $ 50.00</td>
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<td>37</td>
<td>Amend line 34:</td>
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<td>• Delinquent license:  $ 50.00 25.00</td>
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<td>Add after line 37:</td>
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<td>Note: Fees are subject to change.</td>
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### Chapter 12: Financial Management

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<tbody>
<tr>
<td>211</td>
<td>Correct line 23, first sentence: Figures 12-1 and 12-2 and 12-3 provide reference charts for financial reporting requirements.</td>
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<tr>
<td>211</td>
<td>Correct line 25, end of sentence: Figure 12-3 12-4</td>
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<tr>
<td>214</td>
<td>Amend Figure numbers</td>
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<tr>
<td></td>
<td>Figure 12-1 to Figure 12-2. See p. 16 for changes to chart.</td>
</tr>
<tr>
<td>215</td>
<td>Amend Figure numbers</td>
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<tr>
<td></td>
<td>Figure 12-2 to Figure 12-3. Change Figure 12-3 to Figure 12-4.</td>
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</tbody>
</table>

Reminder: Additions to the text are underlined. Deletions to the text are crossed through.
Legislative Changes

Chapter 2: Creating, Sale & Regulation of Community Associations  Day 1 of Class

Page 19. Amend Condominium Ombudsman, after lines 32-39 (new bullet)

- Monitor and review procedures and disputes regarding condominium elections or meetings and facilitate enforcement if election misconduct is apparent …
  - The ombudsman may review secret ballots cast at a vote of the association.

Chapter 3: Community Association Management  Day 1 of Class

Page 37. Strike section (Licensure of Members of the Armed Forces in Good Standing and their Spouses), lines 15 – 38.

Replace with new sections. Note: there is 1 replacement section and 3 new sections

Licensure of Members of the Armed Forces in Good Standing and their Spouses

Any member of the Armed Forces of the United States now or hereafter on active duty who, at the time of becoming such a member, was in good standing with the RCCAM and was entitled to practice or engage as a CAM in the state shall be kept in good standing by the RCCAM, without registering, paying dues or fees, or performing any act on his or her behalf, as long as he or she is a member of the Armed Forces of the United States on active duty and for a period of 2 years after discharge from active duty as a member of the Armed Forces of the United States, if he or she is not engaged in his or her licensed profession or vocation in the private sector for profit.

The DBPR may issue a professional license to the spouse of an active duty member of the Armed Forces of the United States if the spouse applies in the format that is prescribed by the DBPR. An application must include proof that:

- The applicant is married to a member of the Armed Forces of the United States who is on active duty (or is a surviving spouse of a person who was on active duty)
- An applicant who was an active duty member must have received an honorable discharge
- The applicant must comply with any insurance or bonding requirements
- The applicant holds a valid license for the profession issued by another state, the District of Columbia, any possession or territory of the United States, or any foreign jurisdiction.

A complete set of the applicant’s fingerprints must be submitted to the FDLE for a statewide criminal history check. The costs of fingerprint processing shall be borne by the applicant.

An applicant who is issued a license pursuant to this section may renew the license upon completion of the conditions for renewal required of license holders under the applicable practice act, including, without limitation, CE requirements.

Licensure Fees for Low Income Individuals

The initial licensing fee is waived for a low-income individual upon application by the individual in a format as prescribed by DBPR. The application format must include the applicant’s signature, under penalty of perjury, and supporting documentation as required by DBPR. “Low income” means a person whose household income, before taxes, is at or below 130 percent of the federal poverty guidelines prescribed for the family’s household size by the U.S. Department of Health & Human Services, proof of which may be shown through enrollment in a state or federal public assistance program that requires participants to be at or below 130 percent of the federal poverty guidelines to qualify.
APPLICATION FEE WAIVER

The DBPR is required to process an application for a fee waiver within 30 days of receiving it from the applicant.

CONDOMINIUM ACT

The Condominium Act now includes certain requirements for CAMs and CABs. It focuses on, among other provisions:

- Accepting, offering to accept or soliciting any thing or service of value or kickbacks, except in connection with trade fairs or educational programs.
- Purchasing units under association foreclosure.
- Employing or contracting with an association, or a relative of a CAM or CAM, for other services (such as landscaping or janitorial).
- Prohibiting association use of a CAM or CAB affiliated attorney.
- Prohibiting use of a debit card.

A CAM or CAB who violates these provisions may be subject to a civil or criminal penalty. We discuss these issues and conflicts of interest more fully as they affect directors and officers in Chapter 7, “Board of Directors.”

WHAT CONFLICTS OF INTEREST MUST CAMS AND CABs AVOID?

A CAM or CAB should avoid all potential conflicts of interest. Such conflicts are improper, usually illegal, and can result in loss of license, as well as civil or criminal penalties. Common conflicts of interest include:

Page 43. Amend lines 38-39

Who can vote at Member Meetings

Members are guaranteed the right to vote when they purchase in a community association. However, the association may remove the right to vote under certain circumstances.

A cooperative or HOA 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.

A condominium may suspend the voting rights of a member that owes more than $1,000 of any fee, fine, or other mandatory obligation that is more than 90 days delinquent. The condominium must provide proof of the amount owed to the unit owner 30 days before such suspension takes effect.

The board must impose all suspensions at a properly noticed board meeting. Upon approval, the association must notify the unit owner and, if applicable, the unit’s occupant, licensee, or invitee by mail or hand delivery.

The suspension for all types of associations ends upon full payment of all monies due to the association.

In a condominium or HOA, 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 the statutes or pursuant to the documents, articles of incorporation, or bylaws.

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1 Kickback language applies to managers of condominium. No manager should take a kickback.

Reminder: Additions to the text are underlined. Deletions to the text are crossed through.
Any units owned by a condominium association may not be voted in an election, nor do they count toward a quorum.

Receivers are prohibited from exercising the voting rights of any condominium unit which is placed in receivership for the benefit of the association.

Chapter 7: Board of Directors

Page 104. Amend lines 12 (title) 15 and 16.

TERM OF BOARD MEMBERS DIRECTORS

The association bylaws may provide for terms longer than 1 year. At this time, the statutes prohibit associations from enforcement of The Cooperative and HOA Acts are silent with respect to term limits for board members.

Page 104. Add paragraph after line 16

The Condominium Act restricts directors to a maximum of four consecutive 2-year terms, unless approved by an affirmative vote of two-thirds TVI or unless there are not enough eligible candidates to fill the vacancies on the board. The statute does not address 1-year terms or whether the new limits on 2-year terms are retroactive or applies to terms beginning after July 1, 2017. You should check with the association’s attorney.

Page 108. Strike section (FIDUCIARY RELATIONSHIP OF OFFICERS AND DIRECTORS), lines 1 – 36.

Replace with new section.

FIDUCIARY RELATIONSHIP OF OFFICERS AND DIRECTORS

The officers and directors of the association have a fiduciary relationship with the members of the association. The relationship imposes obligations of trust and confidence on the officers and directors, who must always act in good faith on behalf of the association. The fact that officers or directors are unpaid in no way relieves them of their fiduciary obligations.

When a member accepts a position on the board, he or she is presumed to know the duties and responsibilities of a director. As noted above, we have descriptions of board, officer and manager responsibilities on the Gold Coast website.

An officer, director, or manager of a condominium, cooperative, or HOA, may not solicit, offer to accept, or accept any good or service of value or kickback (condominiums only) for which consideration has not been provided for their benefit or for the benefit of a member of his or her immediate family, from any person providing or proposing to provide goods or services to the association. If the board finds that an officer or director is in violation, the board shall immediately remove the officer or director from office. The vacancy shall be filled according to law, and the new director or officer shall serve until the end of the prior person’s term of office. In a condominium or cooperative, an officer, director, or manager may be subject to a civil penalty. In a condominium, an officer, director or manager may be subject to a criminal penalty.

In a condominium, cooperative, or HOA, a director or officer charged by information or indictment with a felony

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2 Fiduciary: A fiduciary relationship encompasses the idea of faith and confidence and is generally established only when the confidence given by one person (in this case the association) is actually accepted by the other person. Mere respect for another individual’s judgment or general trust in his or her character is ordinarily insufficient for the creation of a fiduciary relationship. The duties of a fiduciary include loyalty and reasonable care of the assets in custody of the fiduciary. All of the fiduciary’s actions are performed for the advantage of the beneficiary (association). A fiduciary is held to a standard of conduct and trust above that of a stranger or of a casual business person. He/she must avoid self-dealing or conflicts of interests in which the potential benefit to the fiduciary is in conflict with what is best for the association.

3 Kickback: Receipt by an officer, director or manager of a payment or something of value from a vendor, contractor, or bidder to influence a decision or action in their favor. Kickback applies to condominium managers.

4 Consideration is the concept of legal value in connection with contracts. It is anything of value promised to another when making a contract. It can take the form of money, physical objects, services, promised actions, abstinence from a future action, and much more.

5 Charged by information is a formal criminal charge made by a prosecutor, without the necessity of obtaining a grand jury indictment.

Reminder: Additions to the text are underlined. Deletions to the text are crossed through.
theft or embezzlement offense involving the association’s funds or property must be removed from office. The board shall fill the vacancy according to general law until the end of the period of the suspension or the end of the director’s term of office, whichever occurs first. However, if the charges are resolved without a finding of guilt or without acceptance of a plea of guilty or nolo contendere, the director or officer shall be reinstated for any remainder of his or her term of office. A director who has such criminal charges pending may not be appointed or elected to a position as a director or officer. A director or officer of a condominium, so charged is prohibited from having access to the official records of the association, except pursuant to a court order.

In a condominium or cooperative, officer, director, or manager may accept services or items received in connection with trade fairs or education programs. An officer, director, or manager in an HOA may accept food to be consumed at a business meeting with a value of less than $25 per individual or a service or good received in connection with trade fairs or education programs.

As required by the Not-For-Profit Corporate Act (F.S. 617.0830), an officer, director, or agent (including the manager) shall discharge his or her duties in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner that they reasonably believe to be in the interests of the association. An officer, director, or agent (including the manager) shall be liable for monetary damages as provided in F.S. 617.0834 if he or she breached or failed to perform his or her duties and the breach of, or failure to perform, his or her duties, constitutes a violation of criminal law as provided in F.S. 617.0834; constitutes a transaction from which the officer, director, or agent derived an impersonal benefit, either directly or indirectly, or constitutes recklessness or an act of omission that was in bad faith, with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety, or property (see Exhibit 7-2).

A director, officer, or employee of the association may not use a debit card issued in the name of the association or billed directly to the association. Use of such debit card for a purchase that is not a lawful obligation of the association may be prosecuted pursuant to F.S. 817.61 (for a first-degree misdemeanor, up to a third-degree felony).6

Condominiums Only

A director, manager, or management company are prohibited from purchasing a unit at a foreclosure sale resulting from the association’s foreclosure of its lien for unpaid assessments, or take title by deed in lieu of foreclosure. Example: If Joey Johnstone, a CAM, is employed by Misty Isles Condominium Association, he cannot purchase a unit on which Misty Isles has a lien or is foreclosing due to non-payment of assessments.

Additionally, an association may not hire an attorney who represents the association’s management company.

The association is prohibited from employing or contracting with any service provider that is owned or operated by a director or with any person who has a financial relationship with a director or officer, or a relative within the third degree of consanguinity by blood or marriage of a director or officer (See Exhibit 7-3), unless that person owns less than 1 percent of the equity shares.

Directors and officers and the relatives of such directors and officers, must disclose to the board any activity that may reasonably be construed to be a conflict of interest. A rebuttable presumption of a conflict of interest exists if any of the following occurs without prior notice:

- A director or an officer, or a relative of a director or an officer, enters into a contract for goods or services with the association.
- A director or an officer, or a relative of a director or an officer, holds an interest in a corporation, limited liability corporation, partnership, limited liability partnership, or other business entity that conducts business with the association or proposes to enter into a contract or other transaction with the association.

If a director or an officer, or a relative of a director or an officer, proposes to engage in an activity that is a conflict of interest, as described in the statute, the proposed activity must be listed on, and all contracts and transactional documents related to the proposed activity must be attached to, the meeting agenda. If the board votes against the proposed activity, the director or officer, or the relative of the director or officer, must notify the board in writing.

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6 First degree misdemeanor is punishable by a prison term of not more than one year and a fine of up to $1,000. A third-degree felony is punishable by a prison term of up to five years, and a fine of up to $5,000. Additionally, an individual convicted of such a crime, or pleads nolo contendere, may be required to pay court costs.
of his or her intention not to pursue the proposed activity or to withdraw from office. If the board finds that an officer or a director has violated this subsection, the officer or director shall be deemed removed from office. The vacancy shall be filled according to general law.

A director or officer, or their relative, who is a party to, or has an interest in, an activity that is a possible conflict of interest, may attend the meeting at which the activity is considered by the board. The director or officer, or their relative, is authorized to make a presentation to the board regarding the activity. After the presentation, the director or officer, or their relative, must leave the meeting during the discussion of and vote on the activity. A director or officer who is a party to, or has an interest in, the activity must recuse themselves from the vote.

A contract entered into between a director or an officer, or a relative of a director or an officer, and the association, which is not a timeshare condominium association, that has not been properly disclosed as a conflict of interest or potential conflict of interest as required by F.S. 718.111, is a written notice terminating the contract with the association which contains the consent of at least 20 percent of the voting interests of the association.

The term "relative" means a relative within the third degree of consanguinity by blood or marriage.

There is a contradiction within F.S. 718 with respect to conflicts of interest. Section 718.112(2)(p) states that a condominium association cannot enter into a contract if there is a conflict of interest. Section 718.3027 states that the board can vote to approve a conflict of interest, as long as its declared by the board member(s) that have the conflict.

F.S. 718 creates criminal penalties for directors and officers found guilty of specific criminal acts as follows:

- Forgery of a ballot envelope or voting certificate used in an election is a felony of the third degree
- The theft or embezzlement of funds – penalty varies depending on the value and circumstances of the theft or embezzlement
- Destruction of or refusal to allow inspection or copying of official records accessible to unit owners within the required time periods – punishable as tampering with physical evidence, which is a felony of the third degree or as obstruction of justice (penalties vary depending upon the type of obstruction).

Page 112 (lines 17-42) and page 113 (lines 1-24). Strike subsection (Recalls).

Replace with this subsection.

Recall: A director may be recalled by the association members at any time without cause. The members may recall:
- Both developer-appointed and member-elected board members
- Less than a majority of the board
- More than a majority or all of the board

The Florida Administrative Code details recall procedures for condominiums and cooperatives. The HOA Act and documents define procedures for recalls. The board and/or the CAM should contact the association’s attorney upon receipt of a recall initiative.

Any director of the board may be recalled and removed from office with or without cause by a vote of a majority TVI. When the governing documents provide that only a specific class of members is entitled to elect a director or directors, only that class of members may vote to recall those directors so elected. Owners may recall directors by an agreement in writing or by a written ballot without a membership meeting. A recall must designate a member as the representative of the recall action. He or she is the contact person for the members, for all official communications regarding the recall.

If less than a majority of the board is being recalled, the remaining directors may fill any vacancies, should they agree the recall is valid. If a majority of the board is being recalled, the recall petition must include at least as many candidates for election to the board as are being recalled, and must also include space for write-in candidates.
An agreement or written ballots, or a copy thereof, must be served on the association by certified mail or by personal service in a manner authorized by Chapter 48 of the Florida Statutes and the Florida Rules of Civil Procedure.

**Condominiums Only**

Recalled board members are required to turn over to the board all records and property of the association in their possession within 10 full business days after the recall vote. The board is required to hold a meeting within 5 full business days after receipt, in writing, of written recall agreements or after adjournment of the recall meeting. The purpose of the meeting is not specified in the statute.

If the board fails to duly notice and hold a board meeting within 5 full business days after service of the written agreements or adjournment of the member meeting, the recall shall be deemed valid and the recalled directors shall turn over all records and property of the association within 10 full business days.

Unlike cooperatives and homeowners’ associations (see below), the statute is silent on the right of a board to file a petition with the division if it disputes the recall vote. A recalled director may file an arbitration petition with the division within 60 days after the recall.

If the board fails to duly notice and hold the required board meeting, or fails to file an arbitration petition, the member representative may file a petition challenging the board’s failure to act, within 60 days following the expiration of the applicable 5 full business day period. The review of the member representative petition by the DBPR is limited to determination that the recall was properly delivered to the board and the facial validity of the recall.

**Cooperatives and Homeowners’ Associations**

The board must notify the members and hold a meeting of the board within 5 full business days after receipt of the agreement or written ballots. At the meeting, the board must either certify (accept) or not certify (reject) the agreement or written ballots in writing. If the agreement or written ballots are certified, within five full business days, the recalled directors must turn over to the remaining (or new) board any and all records and property of the association in their possession. If the agreement or written ballots are not certified, the board must file a petition with the DBPR for arbitration within 5 full business days. If the board does not do so, the recall is automatically effective.

Any member recalled shall deliver to the board any and all records and property of the association in his or her possession within 5 full business days after the effective date of the recall.

A member representative may file an arbitration petition with the DBPR challenging the board’s failure to act, if the board fails to properly notice and hold the required board meeting or fails to file the required petition after being served with a written recall agreement. The period to file a petition is limited to within sixty (60) days after the expiration of the 5 full business day period for noticing and conducting the required board meeting or filing the required petition for recall arbitration. The DBPR review of the petition is limited to the sufficiency of service on the board and the factual validity of the written agreement or ballots filed.

If the board fails to notify members and to hold a board meeting within five full business days after service of an agreement in writing or receipt of recall ballots, the recall must be deemed effective, and the directors so recalled must immediately turn over to the new board all records and property of the association. 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 petition by the association, summarily order the director to relinquish his or her office and turn over all association records.

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 that was taken for each director who is subject to the recall.

If the board decides not to certify the recall, the minutes must identify the parcel or unit number of any ballot signature that was rejected as invalid and specify the reason for each rejection.

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*Facial validity*: a document has facial validity if it appears to meet the requirements of an applicable statute or rule.

That is, was the recall properly served on the board, pursuant to method approved by civil court procedures and/or the DBPR?

If the information provided is factual and can be proved to be true and correct.

Reminder: Additions to the text are underlined. Deletions to the text are crossed through.
Condominium/Cooperative/HOA

A director who has been recalled may file an arbitration petition challenging the validity of the recall. The petition must be filed within 60 days after the recall is deemed certified. The association and unit owner representative shall be named as the respondent. The DBPR may not accept for filing a recall arbitration petition, regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the director being recalled or when 60 or fewer days have not elapsed since the election of the director sought to be recalled.

In a condominium or cooperative, arbitration is non-binding. In an HOA, arbitration is binding. We will discuss arbitration in a later chapter.

CONDOMINIUM TERMINATION

A condominium is created by a covenant between the local government and the members of the association. This covenant, referred to as the Declaration of Condominium, restricts the use of the property, and continues in perpetuity (that is, there is no expiration date). This can create issues for both the condominium and the community when aging housing stock is not properly maintained. It may create, among other issues, economic waste and areas of disrepair which may threaten the safety and welfare of the public or cause obsolescence of the property and thereby lower property tax values.

Economic waste/ disrepair of property & continuing operation impossible by law or regulation

There are three basic categories under which an association may seek terminations. Under the first two, a condominium may termination when:

- The total estimated cost of construction or repairs that are necessary to construct the intended improvements, restore the improvements to their former condition, or bring the improvements into compliance with applicable laws or regulations exceeds the combined fair market value of the units in the condominium after completion of construction repairs (economic waste or disrepair of property)
- It becomes impossible to operate or reconstruct the condominium to its prior physical configuration because of land use laws or regulations (continuing operation made impossible by law or regulation)

Under these circumstances, termination may occur by an affirmative vote of the lesser of the lowest percentage of the voting interests that is necessary to amend the Declaration of Condominium or as otherwise provided in the Declaration, regardless of any provisions in the declaration. No voting interest may be suspended for any reason when considering a termination. Condominiums that include timeshare units have different statutory requirements.

Optional termination

The third category of termination is intended to protect members from terminations initiated for the benefit of bulk owners (optional termination). The statutes require, among other conditions, 1/3 of the board elected by be non-bulk owner and the plan be approval by 80% TVI, regardless of any provisions in the documents. If 5% or more TVI reject the plan, the condominium cannot proceed, and a new termination plan may not be submitted for a vote for at least 24 months after the date the first plan was provided to the members.

If at least 80% of the units are owned by a bulk owner, the termination plan is subject additional requirements, including a minimum payment amount to homesteaded members. Any entity owning or controlling 50% of the units must be disclosed, and any person(s), directly or indirectly, managing or controlling the entity(s), or owning or controlling 10% or more of an entity (bulk owner) must be disclosed.

Non-binding: The arbitrator issues a decision. Each party has 30 days to appeal to the circuit court if it is not in agreement. After 30 days, the decision is binding.

Binding: The arbitrator issues a decision, which cannot be appealed. The decision is final when it is issued.
Contents of Termination Plan

The termination plan must be a written document and must define powers and duties of the board once the termination plan is approved. The Condominium Act provides for a method by which a member or lienor may contest the termination plan, based upon:

- The fairness and reasonableness of the apportionment of the proceeds from the sale among members
- The satisfaction of the liens of the first mortgage holder (does not apply to bulk owners) or
- Whether the required vote to approve the plan was obtained

F.S. 718.117 provides the rules for distribution of condominium or association property and proceeds from the sale of condominium and association property. The termination of a condominium does not change the corporate status of the association. The association continues in existence following approval of the plan of termination with all the powers and duties that it had before approval of the plan of termination.

Unless otherwise provided in the plan of termination, a plan may be withdrawn or modified, before the sale of condominium property, by an affirmative vote or written agreement of at least the same percentage of voting interests as that which was required for the initial approval of the plan.

For more detail, please review F.S. 718.117.

Chapter 9 (Association Operations, Part II)

Day 2 of Class

Page 140. Amend lines 44 - 49 (Applies to RECORDS MANAGEMENT)

All records must be maintained for a minimum of 7 years unless otherwise stated by statute. Exception: In cooperatives and HOAs, ballots and losing bid proposals must be maintained for one year only. In condominiums, retention of condominium bids is 7 years. Condominiums must maintain election materials for one year. … (paragraph continued without change)

Page 141. Amend OFFICIAL RECORDS (CONDOMINIUMS, COOPERATIVES, AND HOMEOWNERS’ ASSOCIATIONS), lines 7-12

The official records of a community association must be maintained within the state, for a minimum of 7 years, unless otherwise stated in the applicable statute. Official records must be made available to members for inspection or photocopying within 45 miles of the community association or within the county in which the association is located. This may be complied with by having a copy of the official records available inspection or copying on the association property, or the association may offer the option of making the records available to a member electronically via the Internet, or by allowing the records to be viewed in an electronic format and printed upon request. Renters have the right to inspect and copy the association’s bylaws and rules. Note: The Declaration contains use restrictions pertinent to all residents. Association may wish to include these in any documents provided to renters.

Page 142. Insert NEW SECTION after line 7

Condominium Websites

By July 1, 2018, a condominium with 150 or more units, which does not manage timeshare units, must create a website, if it does not already have one. The association’s website must be:

- an independent website or web portal wholly owned and operated by the association, or
- a website or web portal operated by a third-party provider with whom the association owns, leases, rents, or otherwise obtains the right to operate a web page, subpage, web portal or collection of subpages or web portals.

The website must be dedicated to the association’s activities and on which required notices, records, and documents may be posted.

The website must be accessible through the Internet. It must contain a subpage, web portal, or other protected electronic location that is accessible only to unit owners and employees of the association. The association must
provide to a member, upon their written request, a username and password and access to the protected sections of the website that contain any notices, records, or documents that must be electronically provided.

The condominium must post on the website digital copies of the following documents on its website. Those documents include:

- recorded declaration of condominium and each amendment
- recorded bylaws and each amendment
- articles of incorporation filed with the Department of State, or other documents creating the association, and each amendment
- rules and regulations of the association
- any management agreement, lease, or other contract to which the association is a party or under which the association or the unit owners have an obligation or responsibility
- summaries of bids for materials, equipment, or services must be maintained on the website for 1 year
- annual budget and any proposed budget to be considered at the annual meeting
- annual financial report and any proposed financial report to be considered at a meeting
- certification of each director
- all contracts or transactions between the association and any director, officer, corporation, firm, or association that is not an affiliated condominium association or any other entity in which an association director is also a director or officer and financially interested
- any contract or document regarding a conflict of interest or possible conflict of interest
- notice and agenda of any unit owner meeting, no later than 14 days before the meeting,
  - notice must be posted in plain view on the front page of the website, or on a separate subpage of the website labeled “Notices” which is conspicuously visible and linked from the front page
  - any document to be considered and voted on by the owners during a meeting or any document listed on the agenda at least 7 days before the meeting
  - notice and agenda of any board meeting and any other document required for the meeting, which must be posted no later than the date required for notice.

The association is required to ensure that the information and records which are not permitted to be accessible to members, are not posted on the association’s website. If protected or restricted information is included on the website, the association shall ensure the information is redacted (removed or obscured) before posting the documents online.

If a management company is providing the website, the agreement with the management company should specify that the website belongs to the association. This will permit the association to retain the website if the contract with the management company is terminated.

The DBPR is required to include a notice of the website requirement in its 2018 annual fee statement. We recommend that associations take prompt action to ensure they have an operational website as of July 1, 2018. They should not depend on receipt of a reminder notice from DBPR to initiate steps to achieve compliance. Furthermore, the condominium must assure that the website is properly maintained.

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**Chapter 12 (Financial Management)**

**Day 2 of Class**

**Page 209 (lines 7-42) and page 210 (lines 1-9). Strike (ESTOPPELS)**

**Replace with the following text.**

**Estoppels ESTOPPEL CERTIFICATES**

An estoppel certificate is a signed statement of a member’s current balance or status that asserts that the information is correct. The following applies to condominiums, cooperatives and HOAs.

Title and mortgage companies request estoppels on sales, transfers, and refinancing, to verify the amount of assessments, fines, and other monies that are owed by a member to the association. An estoppel may also include future costs of correcting use restriction violations. Any person, can rely upon who relies upon a certificate receives benefits and protection. This means that the information provided to any person, other than a unit or parcel owner, by the association, is legally binding, even if factually incorrect.

Reminder: Additions to the text are underlined. Deletions to the text are crossed through.
An association is required to issue an estoppel certificate within 10 business days after receipt of a written or electronic request from a unit or parcel owner, the unit or parcel owner’s designee, the unit’s or parcel’s mortgagee, or the unit’s or parcel’s mortgagee’s designee. Any fee charged by the association is waived if the estoppel certificate is not issued within that period.

The authority to charge fees for estoppels must be established by a written resolution that is adopted by the board or provided by a written management, bookkeeping, or maintenance contract. The fee is payable upon preparation of the certificate.

The certificate must be provided to the requestor by hand delivery, regular mail, or e-mail on the date of the issuance of the estoppel certificate. Associations are required to designate, on its website, a person or entity with a street or e-mail address, for receipt of a request for an estoppel certificate. (The statutes are silent regarding associations without websites.)

The statutes identify persons that may complete the certificate to include board members, authorized representatives and agents, as well as employees of a management company authorized by the board or association. They also require that the estoppel contain specific information and substantially conform to the form (Figure 12-5) included in the applicable statute. The required information is listed in the Exhibit. The association, at its option, may include additional information. Students should review Figure 12-5 carefully.

The statutes state that the estoppel certificate is effective (valid), for a hand-delivered or electronically delivered estoppel certificate, for 30-days, and if delivered by regular mail, for 35-days. If additional information or a mistake related to the estoppel certificate becomes known to the association within the effective period, an amended estoppel certificate may be delivered and become effective if a sale or refinancing of the unit or parcel has not been completed during the effective period. A fee may not be charged for an amended estoppel certificate. An amended estoppel certificate must be delivered on the date of issuance, and a new 30-day or 35-day effective period begins on such date.

The fee for preparation and delivery is limited to $250.00 if no delinquent amounts are owed. If an estoppel is requested on an expedited basis and delivered within 3 business days, an additional $100.00 fee may be charged. If delinquent amounts are owed on the date of issuance, the association may charge an additional fee of up to $150.00. The fee amounts are to be adjusted every five years in an amount equal to the total of the annual increases for that 5-year period in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items.

Each of the amended statutes include a fee schedule for estoppel certificates issued for multiple units owned by the same member that are not delinquent in any amount (Figure 12-6).

The association waives the right to collect any monies owed, in excess of the amount specified in the estoppel certificate, from any person who in good faith relies upon the certificate.

If the certificate is requested in conjunction with the sale or mortgage of a unit or parcel and the closing does not occur, the payor, other than a member, may request a refund within 30 days from the closing date for which the certificate was sought. The request must be accompanied by reasonable documentation that the sale did not occur. The association must refund the payor the fee within 30 days of receipt of the request. The association has the authority to collect the refunded fee from the member by the same method it would collect an assessment. The right of reimbursement may not be waived by any contract or agreement.

A summary proceeding may be brought to compel compliance with this requirement, and the prevailing party is entitled to recover reasonable attorney’s fees.
Page 211. Insert after line 6, in ASSOCIATION FINANCIAL REPORTS AND RECORDS

NEW REQUIREMENTS

**Condominium:** A copy of the most recent annual financial report, or a notice that a copy of the most recent annual financial report, must be mailed or hand delivered to the unit owner, without charge, within 5 business days after receipt of a written notice from the member. Additionally, a unit owner may provide notice to the division of the association’s failure to comply within 5 business days. If the division determines that the notice from the unit owner is true, the division shall provide written notice to the association that the association must mail or hand deliver a copy of the most recent financial report to the unit owner and the division within 5 business days after it receives such notice from the division. An association that fails to comply with the division’s request loses the right to waive the required financial report, as determined by its total annual revenues, upon a majority vote of the voting interests. The division is required to maintain the report and to provide a copy to an association member upon their request.

Page 211, ASSOCIATION FINANCIAL REPORTS AND RECORDS
Delete lines 19 – 22

An association with total annual revenues of less than $150,000 shall prepare a report of cash receipts and expenditures. A cooperative or HOA, but not a condominium, of fewer than 50 units, regardless of its annual revenues, has the option to prepare a report of cash receipts and expenditures instead of the financial statements required above, unless the declaration or other recorded governing document provide otherwise.

Page 212, after line 40.

The following are two NEW SECTIONS applicable to condominiums only

**Debit Cards (Condominium Only)**

An association and its officers, directors, employees, and agents may not use a debit card issued in the name of the association, or billed directly to the association, for the payment of any association expense. Use of a debit card issued in the name of the association, or billed directly to the association, for any expense that is not a lawful obligation of the association may be prosecuted as credit card fraud.

**Annual Report to DBPR (Condominium Only)**

Condominium associations are required to provide an annual report (Exhibit 12-7) to the department containing the names of all of the financial institutions with which it maintains accounts. It provides that a copy of the report may be obtained from the department upon written request of any association member. Associations should restrict the information provided to the department to the names of the financial institutions and not include any additional information. Any information provided to the department is subject to the state’s sunshine law which makes it available to the public. The provision of non-required, confidential information could subject the association to potential liability.

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**Chapter 16: Florida Vacation Plan & Timesharing Act**

Page 285 (lines 14-41); page 287 (lines 1-53) and page 288 (lines 1-25)

**Delete TRUSTEE FORECLOSURE PROCEDURE**

This section has been removed from the prelicensure text, pursuant to communications from the DBPR that materials from this section are not included on the CAM exam.

Reminder: Additions to the text are underlined. Deletions to the text are crossed through.
Exhibit 7-2

F.S. 617.0832 Director conflicts of interest.—

(1) No contract or other transaction between a corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest, because such director or directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction, or because his or her or their votes are counted for such purpose, if:

(a) The fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors;

(b) The fact of such relationship or interest is disclosed or known to the members entitled to vote on such contract or transaction, if any, and they, authorize, approve, or ratify it by vote or written consent; or

(c) The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the board, a committee, or the members.

(2) For purposes of paragraph (1)(a) only, a conflict-of-interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board of directors, or on the committee, who have no relationship or interest in the transaction described in subsection (1), but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors who have no relationship or interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director having a relationship or interest in the transaction does not affect the validity of any action taken under paragraph (1)(a) if the transaction is otherwise authorized, approved, or ratified as provided in subsection (1), but such presence or vote of such a director may be counted for purposes of determining whether the transaction is approved under other sections of this chapter.

(3) For purposes of paragraph (1)(b), a conflict-of-interest transaction is authorized, approved, or ratified if it receives the vote of a majority in interest of the members entitled to vote under this subsection. A director who has a relationship or interest in the transaction described in subsection (1) may not vote to determine whether to authorize, approve, or ratify a conflict-of-interest transaction under paragraph (1)(b). However, the vote of that director is counted in determining whether the transaction is approved under other sections of this chapter. A majority in interest of the members entitled to vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this section. As used in this subsection, the term “majority in interest” refers to a majority of the voting shares or other voting units allotted to the members.

Note: A majority in interest is equivalent to majority TVI

617.0834 Officers and directors of certain corporations and associations not for profit; immunity from civil liability.—

(1) An officer or director of a nonprofit organization recognized under s. 501(c)(3) or s. 501(c)(4) or s. 501(c)(6) of the Internal Revenue Code of 1986, as amended, or of an agricultural or a horticultural organization recognized under s. 501(c)(5), of the Internal Revenue Code of 1986, as amended, is not personally liable for monetary damages to any person for any statement, vote, decision, or failure to take an action, regarding organizational management or policy by an officer or director, unless:

(a) The officer or director breached or failed to perform his or her duties as an officer or director; and

(b) The officer's or director's breach of, or failure to perform, his or her duties constitutes:

1. A violation of the criminal law, unless the officer or director had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful. A judgment or other final adjudication against an officer or director in any criminal proceeding for violation of the criminal law estops that officer or director from contesting the fact that his or her breach, or failure to perform, constitutes a violation of the criminal law, but does not estop the officer or director from establishing that he or she had reasonable cause to believe that his or her conduct was lawful or had no reasonable cause to believe that his or her conduct was unlawful;

2. A transaction from which the officer or director derived an improper personal benefit, directly or indirectly; or

3. Recklessness or an act or omission that was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

(2) For the purposes of this section, the term:

(a) “Recklessness” means the acting, or omission to act, in conscious disregard of a risk:

1. Known, or so obvious that it should have been known, to the officer or director; and

2. Known to the officer or director, or so obvious that it should have been known, to be so great as to make it highly probable that harm would follow from such action or omission.

(b) “Director” means a person who serves as a director, trustee, or member of the governing board of an organization.

(c) “Officer” means a person who serves as an officer without compensation except reimbursement for actual expenses incurred or to be incurred.

Reminder: Additions to the text are underlined. Deletions to the text are crossed through.
Note: Some charts of consanguinity differ in degrees, and do not include grand uncles/aunts or first cousins within the 3rd degree of consanguinity. This chart is based upon the most conservative descriptions of levels of consanguinity. **Reminder:** Applies to director’s or officer’s, and their spouse’s family.
<table>
<thead>
<tr>
<th>Condition</th>
<th>Cooperative</th>
<th>Condominium</th>
<th>Homeowners’ Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Receipts Report</td>
<td>Less than 50 units</td>
<td>Less than 50 units</td>
<td>Less than 50 units</td>
</tr>
<tr>
<td>Cash Receipts Report</td>
<td>Less than $150,000</td>
<td>Less than $150,000</td>
<td>Less than $150,000</td>
</tr>
<tr>
<td>Compilation</td>
<td>$150,000 less than $300,000</td>
<td>$150,000 less than $300,000</td>
<td>$150,000 less than $300,000</td>
</tr>
<tr>
<td>Review</td>
<td>$300,000 less than $500,000</td>
<td>$300,000 less than $500,000</td>
<td>$300,000 less than $500,000</td>
</tr>
<tr>
<td>Audit</td>
<td>$500,000 &amp; greater</td>
<td>$500,000 &amp; greater</td>
<td>$500,000 &amp; greater</td>
</tr>
</tbody>
</table>

**Financial Reports**
- **Complete or contract within 90 days of end of year**
- **Provide to owners within 120 days, or 21 days after completion (or notice that report is available)**
- **Initial copy provided to owners at no charge**
- **Majority vote of owners at duly called owner meeting at which a quorum is present**
- **20% of owners’ petition board must call meeting within 30 days**
- **Majority of owners at duly called meeting at which quorum present vote in favor**
- **90 days after meeting to produce report**

**Reserves**
- **If no reserves or less than full, financial report must so state using statutory language and indicate that lack of reserves could result in special assessments**
- **If no reserves or less than full, financial report must so state using statutory language and indicate that lack of reserves could result in special assessments**
- **If no reserves or less than full, financial report must so state using statutory language and indicate that lack of reserves could result in special assessments**

*Reminder: Additions to the text are underlined. Deletions to the text are crossed through.*
Figure 12-5

The estoppel certificate must contain all of the following information and must be substantially in the following form:

1. Date of issuance:......
2. Name(s) of the unit owner(s) as reflected in the books and records of the association:......
3. Unit designation and address:......
4. Parking or garage space number, as reflected in the books and records of the association:......
5. Attorney’s name and contact information if the account is delinquent and has been turned over to an attorney for collection. No fee may be charged for this information.
6. Fee for the preparation and delivery of the estoppel certificate:......
7. Name of the requestor:......
8. Assessment information and other information:

**ASSESSMENT INFORMATION**

a. The regular periodic assessment levied against the unit is $...... per... (insert frequency of payment)....
b. The regular periodic assessment is paid through (insert date paid through)....
c. The next installment of the regular periodic assessment is due (insert due date) in the amount of $......
d. An itemized list of all assessments, special assessments, and other moneys owed on the date of issuance to the association by the unit owner for a specific unit is provided.
e. An itemized list of any additional assessments, special assessments, and other moneys that are scheduled to become due for each day after the date of issuance for the effective period of the estoppel certificate is provided. In calculating the amounts that are scheduled to become due, the association may assume that any delinquent amounts will remain delinquent during the effective period of the estoppel certificate.

**OTHER INFORMATION**

1. Is there a capital contribution fee, resale fee, transfer fee, or other fee due? ... (Yes) ... (No) .... If yes, specify the type and the amount of the fee.
2. Is there any open violation of rule or regulation noticed to the unit owner in the association official records? ... (Yes) ... (No) ....
3. Do the rules and regulations of the association applicable to the unit require approval by the board of directors of the association for the transfer of the unit? ... (Yes) ... (No) .... If yes, has the board approved the transfer of the unit? ... (Yes) ... (No) ....
4. Is there a right of first refusal provided to the members or the association? ... (Yes) ... (No) .... If yes, have the members or the association exercised that right of first refusal? ... (Yes) ... (No) ....
5. Provide a list of, and contact information for, all other associations of which the unit is a member.
6. Provide contact information for all insurance maintained by the association.
7. Provide the signature of an officer or authorized agent of the association.

The association, at its option, may include additional information in the estoppel certificate.

Reminder: Additions to the text are underlined. Deletions to the text are crossed through.
ESTOPPEL FEES

In accordance with Chapter 2017-93, Laws of Florida, the DBPR shall periodically calculate the fees for estoppel certificates, rounded to the nearest dollar, and publish the amounts, as adjusted, on its website. The next update will be released by July 1, 2022.

Currently, the fees for the preparation and delivery of an estoppel certificate are noted below for condominiums, cooperatives, and homeowners’ associations:

<table>
<thead>
<tr>
<th>Estoppel Certificate Request</th>
<th>Authorized Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation and delivery of an estoppel certificate</td>
<td>not more than $250</td>
</tr>
<tr>
<td>Estoppel certificate requested on an expedited basis and delivered within 3 business days</td>
<td>an additional $100</td>
</tr>
<tr>
<td>If the unit/parcel is delinquent to the association</td>
<td>an additional fee not to exceed $150</td>
</tr>
<tr>
<td>For multiple units/parcels owned by the same owner which are simultaneously requested from</td>
<td>25 or fewer units/parcels, $750</td>
</tr>
<tr>
<td>the association, and there are no past due monetary obligations owed to the association,</td>
<td>26 to 50 units/parcels, $1,000</td>
</tr>
<tr>
<td>the total fee the association can charge may not exceed, in the aggregate</td>
<td>51 to 100 units/parcels, $1,500</td>
</tr>
<tr>
<td></td>
<td>more than 100 units/parcels, $2,500</td>
</tr>
</tbody>
</table>
STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
DIVISION OF FLORIDA CONDOMINIUMS, TIMEShaRES & MOBILE HOMES

CONDOMINIUM ASSOCIATION FINANCIAL INSTITUTION
ANNUAL REPORT

SAMPLE FORM

This is a sample of a Condominium Association Financial Institution Annual Report you may use to provide the names of all the financial institutions with which the association maintains accounts. This information is required to be provided annually to the Department of Business and Professional Regulation by section 718.71, Florida Statutes [Ch 2017-188 Laws of Florida, effective July 1, 2017]. Please complete the information requested below and submit to the address shown above.

Association Name: ____________________________

MA Number: __________________________________ [from annual billing statement]

Mailing Address: ____________________________________________

City/State/Zip code: __________________________________________

Contact person: ____________________________________________

Contact email/phone: __________________________________________

Name of Financial Institution(s) - list only the names of the institution(s)
1. ____________________________
2. ____________________________
3. ____________________________
4. ____________________________
5. ____________________________

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Figure 12-7