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www.florida-association-law.com

WELCOME ABOARD!



As our readers know, this firm's practice is devoted to the representation of community associations and their owners around the state. We are proud to announce the addition of the following associations to our list of clientele: Capri D Condominium - **Kings Point - Delray Beach**, Hawthorne Bay Condominium, Inc. - **Fort Lauderdale**, Tuscany Community Association, - **Hialeah**, Summer Chase Condominium Association, Inc. - **Palmetto Bay**, Banyan Village East Condominium Association, - **Pompano Beach**, Village By The Sea Condominium Association, Inc. - **Lauderdale By The Sea**, 1800 Biscayne Plaza Condominium Association, Inc. - **Miami**, Radius Condominium Association, Inc. - **Hollywood**, Sky Lake Gardens No. 3 - **Miami**, Tuskabay Homeowners Association, Inc. - **Winter Springs**, and Bay Four, Inc. Co-op - **North Bay Village**. We appreciate the business and confidence placed in our firm.

SPECIAL LEGISLATIVE UPDATE EDITION



The firm has worked extremely hard this past legislative session to help make sweeping changes to the laws effecting homeowner associations. In this edition, we will discuss all of these new laws and how they affect your community beginning July 1st, 2013. We will also discuss changes to laws affecting condominium associations and the foreclosure process as well.

H.O.A. AND CONDO EDUCATION IS HERE!



Just like condominium board members, effective July 1st, members of HOA boards need to become certified either within one year prior to joining the Board of Directors or within 90 days of actually getting elected or appointed. We are extremely proud to have worked so hard to change the law in this regard this year. Our Condo Craze Board Certification Course has certified over 5,000 people all around the state. This year our course will now certify HOA members as well and teach budgets, meetings, reserve funds, duties of board members, foreclosures, elections, material alterations, financial reporting and much more. Join us on the following dates:

September 26th - 7:00 p.m. Hard Rock Hotel, Hollywood, Florida;

October 10th, - 9:00 a.m. - at the Miami Beach Convention Center;

October 16th, - 9:00 a.m. at the West Palm Beach Convention Center;

October 24th, 8:00 a.m. at the Tampa Bay Condo and HOA Expo;

November 16th, 9:00 am. at the Holiday Inn at Universal Studios in Orlando;

December 4th, 8:00 a.m. at the South Florida Cooperator Expo in Fort Lauderdale.

To register for any of our seminars, please visit: www.condocrazeandhoas.com. Look for additional seminars for 2014 in our next newsletter.

H.O.A.'S MUST NOW REGISTER WITH THE STATE



Believe it or not, the State of Florida has no idea how many HOA's there are, or where they are located. As a result, by November 22nd, 2013 the community association manager, or management

firm, or the association when there is no community association manager, shall report to the Division of Florida Condominiums, Timeshares and Mobile Homes, the following information:

Name of the association, federal employer i.d. number, mailing and physical addresses, total number of parcels, and total amount of revenues and expenses. There is no fee involved.

RECORDS, RECORDS, RECORDS



As of July 1st, 2013, owners may use their cell phones, cameras or similar hand held devices to obtain copies of records in Florida community associations. In HOA's, a maximum

charge of \$20.00 per hour is now in effect for personnel fees charged to owners who seek access to records and the first half hour is free. All records must be maintained for seven years. In addition, within 30 days after recording an amendment to the governing documents, the association shall provide copies of the amendment to the members.

FULL DISCLOSURE AND NO KICKBACKS



As of July 1st, 2013, in an HOA, if a director enters into a contract with the association, the relationship must be disclosed, two-thirds of the non

interested directors must vote in favor of the contract and the unit owners have the right to cancel the contract at the next meeting of the members. In addition, an officer or director may not receive anything in return from a vendor who is awarded a contract with the association. If the Board finds that an officer or director has violated this subsection, the Board shall immediately remove the officer or director from office.

STEAL FROM THE HOA AND YOU'RE GONE



We heard some horror stories about HOA board members stealing from the association and who continue to serve on the Board -----FROM PRISON. As a result, I'm happy to say that effective July 1st, 2013, a director or officer charged with a felony theft or embezzlement offense against the association is removed from office pending a determination of the charges.

CHANGES TO INSURANCE LAWS



As of July 1st, 2013 in an HOA, an association shall maintain insurance or a fidelity bond for all persons who control or disburse funds of the association. The bond or policy must cover the maximum funds that will be in the custody of the association or its management agent at any one time. A majority of unit owners at a meeting where a quorum is present may vote in favor of waiving this requirement.

CHANGES TO HOA ELECTION LAWS



In an HOA, as of July 1st, 2013, if the election process allows candidates to be nominated in advance of the meeting, the association is not required to allow nominations at the meeting. An election is not required unless more candidates are nominated than vacancies exist.

TELEPHONE DIRECTORIES



As of July 1st, 2013 in a condo and HOA an association may now print and distribute to parcel owners a directory containing the name, parcel address, and telephone number of each owner. An owner may exclude his or her telephone number by request in writing.

CHANGES REGARDING DEVELOPERS



It's now harder for developers in an HOA to maintain control of the community forever. As of July 1st, 2013 unit owners are entitled to elect a majority of the Board if the developer abandons its responsibility to maintain and complete the amenities or infrastructure as disclosed in the governing documents; upon the developer filing for Chapter 7 Bankruptcy; if the developer loses the property through foreclosure, or if a receiver is appointed for the developer and not discharged within 30 days. Additionally, unit owners are entitled to one member on the Board when 50% of the units are sold. Furthermore, the rights of developers to amend the governing documents is now subject to a test of reasonableness, which prohibits the developer from unilaterally making amendments to the governing documents that are arbitrary, capricious or in bad faith; destroy the general plan of development; prejudice the rights of existing non developer members to use and enjoy the benefits of common property; or materially shift economic burdens from the developer to the existing nondeveloper members.

FORECLOSURE UPDATE



Due to a recent decision of the 3rd DCA, when an association who foreclosed on a home took ownership, the ledger went to zero.

Therefore, if a bank then foreclosed and the bank or a third party subsequently took ownership, they owed the association zero. As of July 1st, for HOAs only, the law has changed and the association will still be able to collect monies owed from the subsequent owner of the property, even if the association foreclosed and took ownership.

LOOK FOR OUR FREE HURRICANE GUIDE



Well, we're right in the middle of the summer. That unfortunately means it's time to keep an eye on the skies, because yet another busy hurricane season is predicted.

In our next issue, look for hurricane tips from all of our sponsors advising you about what to do both before during and after a storm.

CHANGES TO FINANCIAL REPORTING



As you already know, associations must file year end financial reports. This year the reporting requirements have changed for associations however:

Associations with revenues between \$150,000 but less than \$300,000 must prepare compiled financial statements;

Associations with revenues of between \$300,000 and less than \$500,000 shall prepare reviewed financial statements;

Associations with revenues of \$500,000 or more shall prepare audited financial statements.

MANDATORY ELEVATOR REPAIRS



Instead of condominium elevators being required to be updated by July 1st, 2015 the law now requires that the modifications can wait until the elevator is replaced or needs major modification.

RECALL AND ELECTION LAWS



As of July 1st, 2013, in both condos and HOA's a board member who is recalled has the right to challenge that decision by filing an arbitration petition. Additionally, a recall petition may no longer be filed within the first 60 days following an election and within 60 days of an upcoming election. Finally, any arbitration challenge to the election process must be filed within the first sixty days following the election or the election results stand.

HURRICANE PROTECTION



Effective July 1st, 2013 a condo association, with approval of a majority of the owners, not only has the ability to install hurricane shutters, impact glass and code compliant windows, but now has the ability to install code compliant doors or other types of code compliant hurricane protection.

AMENDING YOUR HOA DOCS



In an HOA many governing documents have language that makes it difficult to amend the documents because approval of the banks are required. Effective July 1st, 2013 however, as to new mortgages, the HOA no longer needs the bank's approval if the amendment does not affect the bank's mortgage or their rights and interest.

FASTER FORECLOSURES?



There has been a lot of talk recently about a new law that would allow associations to finally make the banks move faster in their foreclosure cases. The law allows the condo or HOA to ask the judge for an Order to Show Cause as to why a foreclosure judgment should not be entered against the unit owner and request the court to order that the owner's property be sold at a foreclosure sale. While this sounds great, the law cannot be used against any property that is considered the homestead of the owner. Moreover, if the defendant files any defense, the court has the discretion to deny the association's request. The law will work best where the property has been abandoned and the bank is simply dragging its feet. When that happens, the association may want to seriously consider this new option.

OUR NEW H.O.A. COLUMN



We are proud to announce our new H.O.A. question and answer column each month in the Florida Community Association Journal. www.flcaj.com. Write Eric with your HOA questions at: eric@hoa-laws.com and look for the questions and answers in the publication each month.

CONDO CRAZE AND HOA'S



Remember to listen each Sunday at noon on 850 WFTL to our popular call-in show. You can also listen to the show on your smart phone or internet device by going to www.850wftl.com. Prior shows can be listened to on the show's website at www.condocrazeandhoas.com. Also remember that each Monday we start the week blogging about the latest and greatest issues affecting community associations throughout our state at: www.hoa-condoblog.com.

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The firm is devoted to representation of condominium and homeowner associations in Florida. The firm has represented hundreds of associations since its inception in 1994, regarding all facets of association law. In addition, the firm routinely litigates, mediates and arbitrates association cases in state and federal courts and before the Division of Florida Land Sales, Condominiums and Mobile Homes, Arbitration Section.