

Structural Integrity Reserve Study

Project # 22RS-0822
February 14, 2025
FINAL COPY

***The Water Club Condominium
Association, Inc***

***The Water Club
Structural Integrity Reserve Study***

***1261 Gulf of Mexico Drive
Longboat Key, FL 34228***



THIS ITEM HAS BEEN DIGITALLY SIGNED
& SEALED BY DAVID G. KARINS, PE ON
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February 14, 2025

Mr. Matthew Simone
The Water Club Condominium Association, Inc.
1261 Gulf of Mexico Drive
Longboat Key, FL 34228
Email: Matthew.Simone@fsresidential.com

RE: Water Club SIRS
KEG File #22RS-0822
Structural Integrity Reserve Study report

Dear Mr. Simone & members of the Board of Directors,

Karins Engineering Group (KEG) has agreed to render professional engineering services in connection with a Structural Integrity Reserve Study per F.S. 718.112(2)(f)[2] at **The Water Club** (hereinafter called the "Project"), located at **1261 Gulf of Mexico Drive, Longboat Key, FL 34228**, for **The Water Club Condominium Association, Inc. (WC)** (hereinafter called the "Client"), on **August 1st, 2022**. Per the signed Letter of Agreement by the Client dated **January 26th, 2023**, KEG completed a limited condition observation and evaluation of the current conditions and construction.

Our observations were limited to visible surfaces of accessible exterior building components and included visual observations of accessible building components referenced specifically herein. Our observations were of a general nature intended to identify significant deficiencies, problems or on-going maintenance concerns that are related to the building structures and are visible at the time of our observations. Neither our observations nor this report is intended to cover hidden defects, mechanical, electrical, architectural features, code compliance or other areas of the building not specifically mentioned. The intent of our review was to provide our professional opinion of the existing condition of the identified components.

KEG's review of design documents was not to be exhaustive or intended to detect all design deficiencies, omissions or conflicts. We did not attempt to verify the adequacy of the original design or to supplant the responsibilities of the original Architect / Engineer of Record. Due to the limited scope of this investigation, we cannot attest to the structure's compliance with building codes or accepted construction techniques, except as noted herein.

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Executive Summary:

The purpose of this report is to summarize our observations and provide our opinion of recommendations, as it relates to F.S. 718.112(g) – Structural Integrity Reserve Study (SIRS), of the association-owned common elements, components, or items. Specifically, as they relate to the “*structural integrity and safety of the building.*”¹

The purpose of a reserve study is best defined as “*a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures.*”²

Generally, reserve studies applied to an association’s capital expenditures and deferred maintenance expenses for components which required timely and inevitable replacement / maintenance required to support proper function of an association’s common elements. Typically, these included the minimum items as defined by F.S. 718 and any other items defined in the association By-Laws. Other items were included at the discretion of the professional or association. However, funding could be waived by a majority vote of the association and reserve accounts were not required to be maintained.

Due to the harrowing events at the Champlain Towers of Surfside Florida on June 24th, 2021, the Florida Legislature has elected to mandate the funding of reserve accounts for most applicable associations. The required funding is defined by the Florida Statue which includes a general outline of the relevant components. Ultimately, it has become the responsibility of the professional to reasonably define the relevant components and recommend a comprehensive funding plan which the association must adopt.

Based upon our observations and analysis of the Client-owned common elements, components, or items, which included a Cash-Flow methodology, Baseline funding goal, and Unit-Owner contribution funding plan, we recommend the Client facilitate reserve funding for each unit-owner to contribute **\$6,898.70** annually from **2025 to 2026**. Thereafter, to **\$3,866.48 (in today’s dollars)** from **2027 to 2029** and **\$3,581.20 (in today’s dollars)** from **2030 to 2054**. However, KEG recommends that this reserve study should be updated after 3-years to reflect economic trends, and the Clients interests more accurately.

¹ F.S. 718.112 - Bylaws

² 2023 Reserve Study Standards; Community Association Institute (CAI)



Statute Summary:

The purpose of this section is to summarize our interpretation of the relevant provisions of Florida Statute 718 – Condominiums, Part I – General Provisions, F.S. 718.112 – Bylaws. Specifically, paragraph (f) – Annual budget and paragraph (g) – Structural integrity reserve study, as they relate to this report.

An associations “annual **budget**”¹ is indicated to be a “proposed annual budget of estimated revenues and expenses,”¹ and “must show amounts budgeted by **accounts** and expense classifications.” The minimum requirements for the budget are outlined in F.S. 718.504 – Prospectus or offering circular, paragraph 21. Multicondominium associations must adopt “a separate budget of common expenses for each condominium”¹ and “a separate budget of common expenses for the association.”¹

Further, “the budget must include reserve accounts for **capital expenditures** and **deferred maintenance**.”¹ Generally, this applies to **common elements** and **limited common elements**. These accounts, items, or components are to include, at a minimum: “roof replacement, building painting, and pavement resurfacing,”¹ and “any other item that has a deferred maintenance expense or **replacement cost** that exceeds \$10,000.”¹ The amount to be reserved “must be computed using a formula based upon estimated **remaining useful life** and estimated replacement cost or deferred maintenance expense.”¹

Historically, “unit-owner-controlled”¹ associations could vote to “provide no reserve or less reserves than required”¹ by majority. However, a “budget adopted on or after December 31, 2024, the members of a unit-owner-controlled association that **must** obtain a structural integrity reserve study **may not** determine to provide no reserves or less reserves than required.”¹ Unless, an “alternative funding method has been approved by the division”¹ for a multicondominium association.

A residential condominium association must obtain a **Structural Integrity Reserve Study** or **SIRS** for “each building on the condominium property that is three stories or higher in height.”¹ At a minimum, the Study is to include building elements “as related to the structural integrity and safety of the building.”¹ These items are defined as follows:

“**a.** Roof. **b.** Structure, including load-bearing walls and other primary structural members and primary structural systems... **c.** Fireproofing and fire protection systems. **d.** Plumbing. **e.** Electrical systems. **f.** Waterproofing and exterior painting. **g.** Windows and exterior doors. **h.** Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed...”¹

A SIRS **must** “identify each item of the condominium property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item,”¹ and “provide a reserve funding **schedule** with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item ... by the end of the estimated remaining useful life of the item.”¹

A SIRS **may** recommend that “reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost cannot be determined.”¹ Or, “reserves for replacement costs do not need to be maintained for any item with an estimated remaining useful life of great than 25 years.”¹ However, the SIRS **may** recommend a “deferred maintenance expense amount for such item”¹ or component.

Lastly, if a Milestone Inspection per F.S. 553.899 was “performed within the past 5 years and meets the requirements...”¹, the inspection “may be used in place of the visual inspection portion”¹ of the SIRS.



References:

Documents:

In preparation of this report, KEG reviewed the following documentation:

- Letter of Agreement signed January 26th, 2023.
- KEG Site Imagery, taken between April 10th and June 22nd, 2023.
- Structural Drawings by Robert M. Swedroe Architects/Planners 1111 Lincoln Road, Ste. 300, Miami Beach, Florida 33139 O.E. Olsen & Associates Structural Engineers St. Petersburg, Florida. Not signed or sealed.

Unless noted otherwise, KEG did not review every subsection of these documents, make attempts to acquire public records, and assess the full history of the building. Furthermore, historical or association documents may have been provided by the Client. However, KEG reviewed all past internal documentation in relevance to this report and shall be noted as necessary.

Contacts:

In preparation of this report, KEG procured correspondence with the following parties:

- Matthew Simone, WC General Manager
- Margaret Giacalone, BOD President
- Morgan Brown, BOD Treasurer
- David Lapovsky, Former BOD President

Vendors:

In preparation of this report, KEG was informed the following vendors were under contract or agreement:

- N/A



General Information:

Based on Sarasota County Property Appraiser: the parcel is located within the municipality limits of the Town of Longboat Key, zoned as Mixed-Use Community (MUC3), with an approximate combined land area of 665,688 square feet. The parcel contains the subject buildings, a clubhouse, two pools, three hot tubs, four tennis courts, a parking garage, a guardhouse, and various landscape elements. The parcels are bound by Gulf of Mexico Drive to the northeast, Promenade Condominiums to the southeast, the Gulf of Mexico to the southwest, and Players Club Condominiums to the northwest. The parcel is accessible via Gulf of Mexico Drive from the northeast.

Based on the Reference Documents and our observations, the 2-residential buildings consist of 12-stories with 172-units. It is the understanding of KEG that the buildings' main construction is comprised of conventionally reinforced beams and columns with post-tensioned slabs. The foundation for the building towers is comprised of reinforced concrete piles and pile caps & and in some cases grade beams. The ground floor consists of a traditional slab-on-grade. The elevated floors are comprised of post tensioned slabs supported by reinforced concrete columns and beams. Traditionally reinforced shear walls are utilized in the structure to resist in-plane lateral forces. The walls of the building are constructed using infill concrete masonry unit (CMU) block. The buildings appear to be clad in stucco and the roofing system at both towers of WC appears to consist of a Thermoplastic Olefin (TPO) membrane over tapered insulation, over concrete slab deck, flat roofing system that terminates ~4" up the parapet walls.



Aerial View of Parcel and Buildings.



Scope of Observations:

Observations were made on the following dates: 04/10/2023, 06/15/2023, 06/22/2023, 1/27/2025, 1/28/2025, & 1/29/2025.

Observations were visual in nature, only. No destructive observations were made, nor were any elements moved or altered. Elements not observed were either, out of the scope of this report, or not accessible. Observations may have included qualitative soundings at select elements to investigate for delamination and spalling that may not be observed visually or to assess extent thereof. Unless noted otherwise, the soundings were not formally documented.

For the purposes of determining which components to include and exclude, we use CAI's three-part test:

1. The association has the obligation to maintain or replace the existing element.
2. The need and schedule for this project can be reasonably anticipated.
3. The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

This three-part test limits components to major and predictable expense. KEG does not include unpredictable expenses such as damage due to fire, flood, or earthquakes.

Inclusions:

The following elements, components, and items are generally observed, if applicable and accessible:

- Building Envelope
 - Roof Systems
 - Painting and Weatherproofing
 - Doors & Windows
- Related Building Components
 - Walkways
 - Balconies
 - Stairs
 - Railings
- Fire Protection
 - Pump & System
 - Control Panels & System
- Electrical
 - As applicable & accessible
- Plumbing
 - Waste Stacks
 - Roof Drains



Exclusions:

The following elements, components, and items are generally not observed:

- Mechanical
 - HVAC systems
 - Elevator systems
- Grounds
 - Fencing
 - Irrigation
 - Pavement
 - Pool Area
 - Tennis Courts
 - Shed
 - Carports
 - Docks
 - Seawall
 - Monuments
- Clubhouses
 - Roof System
 - Painting & Weatherproofing
 - Siding & Trim
 - Windows & Doors
 - Walkways
 - Balconies
 - Stairs
 - Railings
 - Fire Protection
 - Mechanical
 - Electrical
 - Plumbing



Terminology:

Physical Analysis:

To accurately and consistently categorize component conditions, KEG utilizes an adapted scale developed by the American Society of Civil Engineers (ASCE) for the purposes of this report:

- **Very Good** – Fit for Purpose: The infrastructure in the system or network is generally in excellent condition, typically new or recently rehabilitated, and meets capacity needs for the future. Few, if any, elements show signs of general deterioration that require attention.
- **Good** – Adequate for Now: The infrastructure in the system or network is in good to excellent condition; some elements show signs of general deterioration that require attention. A few elements exhibit significant deficiencies. Safe and reliable, with minimal capacity issues and minimal risk.
- **Fair** – Mediocre, Requires Attention: The infrastructure in the system or network is in fair to good condition; it shows general signs of deterioration and requires attention. Some elements exhibit significant deficiencies in conditions and functionality, with increasing vulnerability to risk.
- **Poor** – At Risk: The infrastructure is in poor to fair condition and mostly below standard, with many elements approaching the end of their service life. A large portion of the system exhibits significant deterioration. Condition and capacity are of serious concern with a strong risk of failure.
- **Very Poor** – Failing/Critical, Unfit for Purpose: The infrastructure in the system is in unacceptable condition with widespread advanced signs of deterioration. Many of the components of the system exhibit signs of imminent failure.

Financial Analysis:

For the purposes of this report, the following terminology is defined as such:

- **Accounts:** Bank *accounts*.
- **Budget:** Total *annual budget* which includes the reserve account(s).
- **Capital Expenditures:** Cost of acquiring or maintaining Components.
- **Category:** A group of Components.
- **Common Elements:** Components entitled to use by each unit-owner.
- **Components:** An asset or individual line item within a Category.
- **Contributions:** The amount required to offset Expenditures.
- **Deferred maintenance:** Any maintenance or repair that will be performed less frequently than annually and will result in maintaining the Useful Life of a Component.
- **Expenditures:** The amount or cost to achieve replacement, deferred maintenance, or repair of a Component.
- **Limited Common Elements:** Components entitled to use only by specified unit-owners.
- **Long-Life Components:** Components for which Replacement Life exceeds the projections of a reserve study.
- **Remaining Life (Estimated):** The estimated time in years for which a Component can be expected to continue to serve its intended function.
- **Replacement Cost (Estimated):** The estimated cost of replacing, repairing, or restoring a Component to its original functional condition.
- **Useful Life:** The estimated time in years for which a Component can be expected to serve its intended function.



Physical Analysis – Part 1:

The purpose of this section is to summarize our observations by Category and Component. Commentary or recommendations may be included if notable deficiencies or deterioration is observed. Otherwise, typical Components are simply identified and documented herein.

Per industry standard, Physical Analysis is where Component Assessment and Valuation is defined. Although Component Assessment is defined here, Component Valuation is addressed in the Financial Analysis.

Building Envelope: Roof Systems

- Component Condition: Very Good.
- Commentary: The roofing systems appear to be in very good condition. The North and South tower roofs have just been replaced and as such, they now have their full remaining useful lives.
- Recommendations: Continue to monitor the roofing system as part of regular maintenance and replace the roofing systems within the suggested timeframes.



Figure 1: Typical Roof View; South Tower.





Figure 2: Typical Roof View; North Tower.



Building Envelope: Service Doors & Unit Sliding Glass Doors

- Service Doors Component Condition: Good.
- Commentary: The doors are in good working condition.
- Recommendations: Continue to regularly clean the doors, check and replace worn weatherstripping, and lubricate moving parts like hinges and locks. Inspect for damage and periodically paint or seal the doors to protect against the elements. Importantly, always follow manufacturer instructions for specific maintenance needs and replace the doors in accordance with the schedule.

- Unit Sliding Glass Doors Component Condition: N/A.
- Commentary: The unit sliding glass doors are the unit owner's responsibility, and out of the scope of this report.
- Recommendations: N/A



Figure 3: Typical Service Door – South Tower.





Figure 4: Typical Service Door – South Tower.



Figure 5: Typical Overhead Garage Door – South Tower.





Figure 6: Typical Service Doors – North Tower.



Figure 7: Typical Overhead Garage Door – North Tower.



Building Envelope: Skylights – South Tower

- Component Condition: Very Good.
- Commentary: The skylights were recently replaced and are in very good working condition.
- Recommendations: Clean the skylights regularly and inspect them periodically. When inspecting the sealant and flashing, look for signs of cracking, peeling or separation. If any issues are identified, reapply the sealant or replace the flashing as necessary.



Figure 8: Typical Skylight.





Figure 9: Typical Skylight.



Building Envelope: Storefronts & Unit Windows

- Component Condition: Fair.
- Commentary: During our inspection we determined that the storefronts are in fair condition with visible signs of wear/use.
- Recommendations: Regularly clean windows, entrance areas and any outdoor fixtures. For the facade, inspect for cracks, peeling paint, or structural issues. Plan for repairs as necessary. Additionally, pay attention to details to ensure everything is in good condition.

- Unit Windows Component Condition: N/A.
- Commentary: The unit windows are the unit owner's responsibility, and out of the scope of this report.
- Recommendations: N/A



Figure 10: Building Storefront – South Tower.





Figure 11: Building Storefront – South Tower.



Figure 12: Building Storefront – North Tower.





Figure 13: Building Storefront – North Tower.



Building Envelope: Painting, Sealants & Weatherproofing

- Component Condition: Good.
- Commentary: The painting, sealant and weatherproofing at the North and South Tower appear to be in good working condition. Currently the association is on a 10-year painting cycle for the 2-Towers. The estimated remaining life for both towers on the current paint cycle is 4-years and are scheduled to be repainted in the year 2029
- Recommendations: Maintain the current painting and weatherproofing schedule. Prioritize regular inspections, cleaning with appropriate methods, prompt repairs of any damage, and applying protective coatings when necessary. Always address and cracks or signs of deterioration quickly to prevent further damage.



Figure 14: Building Elevation – North Tower





Figure 15: West Facing Elevation – Towers.



Walkways, Balconies, & Stairs

- Balcony Waterproofing Condition: Poor.
- Commentary: The waterproofing on the balconies at both towers has exceeded its useful life. Cracks and ponding water were observed during inspection.
- Recommendations: Beginning in the year 2025 thoroughly remove all existing tiles, then properly prepare the substrate by cleaning and providing positive slope before applying the waterproofing membrane according to the manufacturer's instructions, ensuring careful attention to corners, seams, and drain areas. Maintain regular inspections thereafter to ensure ongoing functionality and safety.

- Balcony Railing Condition: Poor.
- Commentary: The balcony railings have exceeded their useful lives at both towers. Failed sealants, missing railing gaskets and post caps were noted during inspection.
- Recommendations: Plan for a railing replacement project in conjunction with a balcony waterproofing project. In our opinion, this would be the most appropriate time to complete the project and ensure water-tight conditions. In addition, the association will realize cost-savings when completing all the balcony restoration work simultaneously.



Figure 16: Typical Balcony – South Tower.





Figure 17: Typical Balcony Railing – South Tower.



Figure 18: Typical Balcony and Railing – North Tower.



Fire Suppression:

- South & North Tower Pump & System Conditions: Fair.
- Commentary: Based upon industry standards as it pertains to useful life, the fire pump has exceeded its useful life. Prepare for a replacement soon.
- Recommendations: The fire suppression systems should be regularly maintained and inspected to ensure they work properly in the event of a fire. This includes keeping the systems clean, scheduling professional inspections and making repairs or replacements as needed. Ensure that the systems are up to code and compliant with local regulations.

- South & North Tower Control Panels & System Conditions: Good.
- Commentary: The fire alarm control panels & related system for the South & North Towers appear to be in good condition. The useful life remaining is 14-years and 6-years, respectively.
- Recommendations: Regularly check for signs of damage, wear, corrosion, loose connections, or malfunctioning indicators on the control box and its components. Consult your manufacturer's manual for specific instructions and recommended service intervals of the control systems.

- South & North Tower Fire Equipment Conditions: Fair
- Commentary: Based upon industry standards as it pertains to useful life, the fire equipment has exceeded its useful life. Prepare for a replacement soon.
- Recommendations: Regularly inspect fire extinguishers for damage and pressure, routinely test fire alarms, check sprinkler systems for leaks and proper water pressure, ensure emergency lighting is functional and have a qualified technician perform periodic maintenance on all fire suppression systems. Always follow manufacturers' guidelines and local regulations.

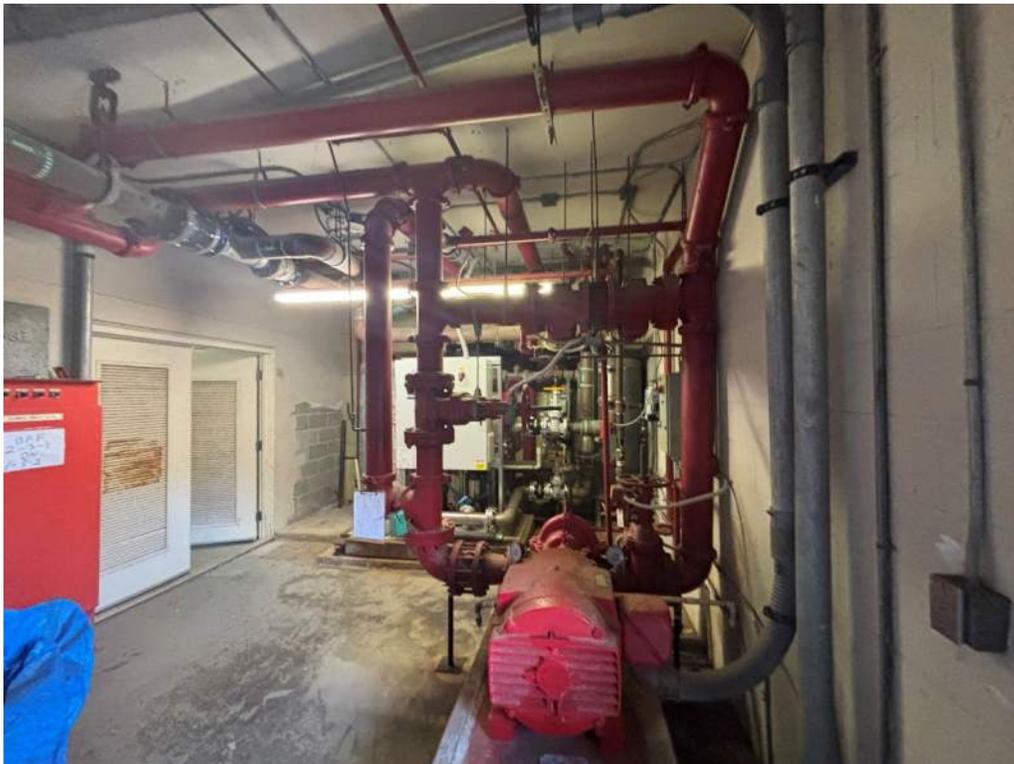


Figure 19: Fire Pump and System – South Tower.



Figure 20: Fire Pump Controller – South Tower.





Figure 21: Fire Control Panels – South Tower.



Figure 22: Fire Pump and System – North Tower.





Figure 23: Fire Pump Controller – North Tower.

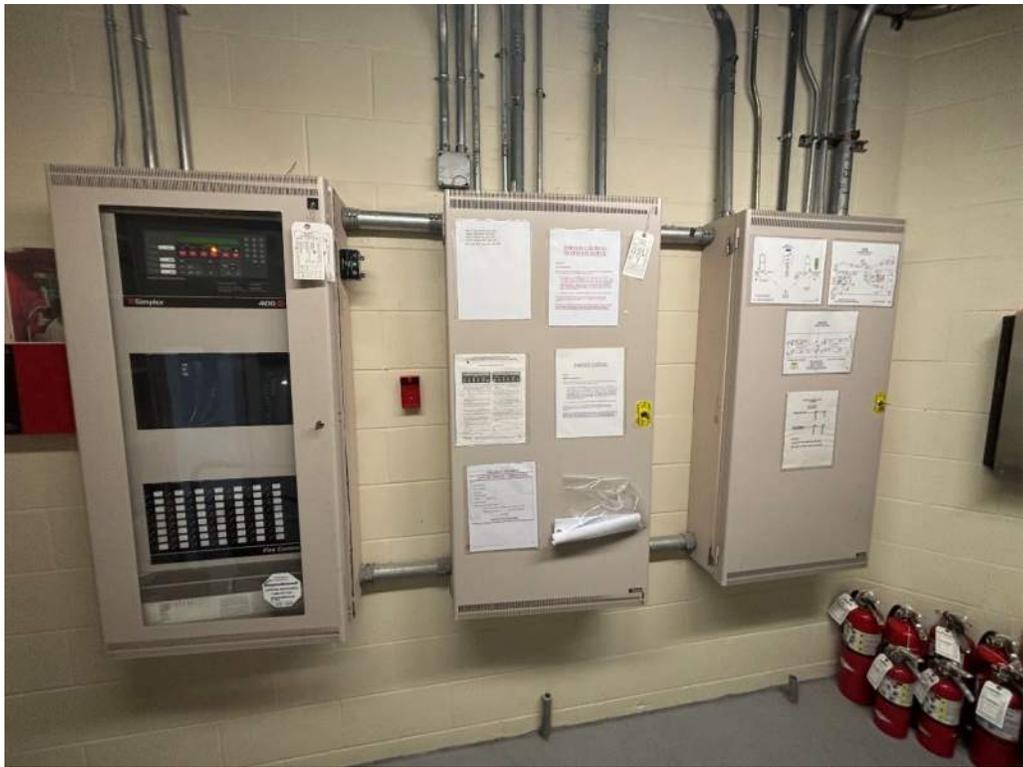


Figure 24: Fire Control Panels – North Tower.





Figure 25: Typical Fire Extinguisher and Pull-Down Station.



Electrical:

- South & North Tower Generator Conditions: Fair – Good.
- Commentary: The generators at both towers appear to be in a fair – good range conditions being that the South Tower has a remaining life of 6-years, and the North Tower has a remaining life of 12-years.
- Recommendations: Refer to the manufacturer’s specifications, schedule regular inspections and routine maintenance of the generators to ensure that the operating components are functioning properly. Address any repairs promptly to ensure ongoing functionality and safety.

- South & North Tower Electrical Lighting Conditions: Good.
- Commentary: The electrical lighting appears to be in good working condition at both towers. Both towers include an allowance for electrical lighting upgrades, with 16-years of useful life remaining.
- Recommendations: Periodic inspections by a licensed electrician of the common electrical system

- South & North Tower Electrical Switchgear Panel Conditions: Fair.
- Commentary: The electrical switchgear is in fair condition at both towers. The South Tower has a remaining life of 11-years, and the North Tower has a remaining life of 14-years
- Recommendations: Periodic inspections by a licensed electrician of the common electrical system.



Figure 26: Generator – South Tower.





Figure 27: Generator – North Tower.



Plumbing:

- South & North Tower - Plumbing Stack Conditions: Fair.
- Commentary: The plumbing stacks at both towers appear to be in fair condition and are expected to be replaced in the year 2035.
- Recommendations: To maintain plumbing stacks, regularly check for leaks, corrosion and unusual noises. Clean drains frequently, use strainers to catch debris, and schedule professional inspections to thoroughly assess the stack's condition, especially if there are noticeably concerning signs.

- South & North Tower – Domestic Water Pump Motors Conditions: Fair.
- Commentary: The domestic water pumps at both towers are in fair condition. The South Tower domestic water pumps (2) have 1 & 2-years of useful life remaining, while the North Tower domestic water pumps (2) have 4 & 1-year of useful life remaining.
- Recommendations: Regularly inspect the pump, motor, and surrounding components for visible damage or signs of wear and tear. Routinely clean the pumps exteriors to prevent any dirt build-up. The maintenance requirements may vary depending on the specific pump model. Thus, you should always refer to the manufacturer's specifications.

- South & North Tower – Domestic Water Pump Control Systems Conditions: Fair - Good
- Commentary: The condition of the water pump control system varies between the two towers. The South Tower pump control system has recently been replaced, and has 23 years of useful life remaining, while the North Tower has 0-years of useful life remaining, and scheduled for replacement in the year 2025.
- Recommendations: Regularly check the control box for signs of damage, corrosion, or loose connections, including wires and terminals. Consult your manufacturer's manual for specific instructions and recommended service intervals of the control systems.



Figure 28: Plumbing Stacks – South Tower.



Figure 29: Domestic Water Pump Control System – South Tower.

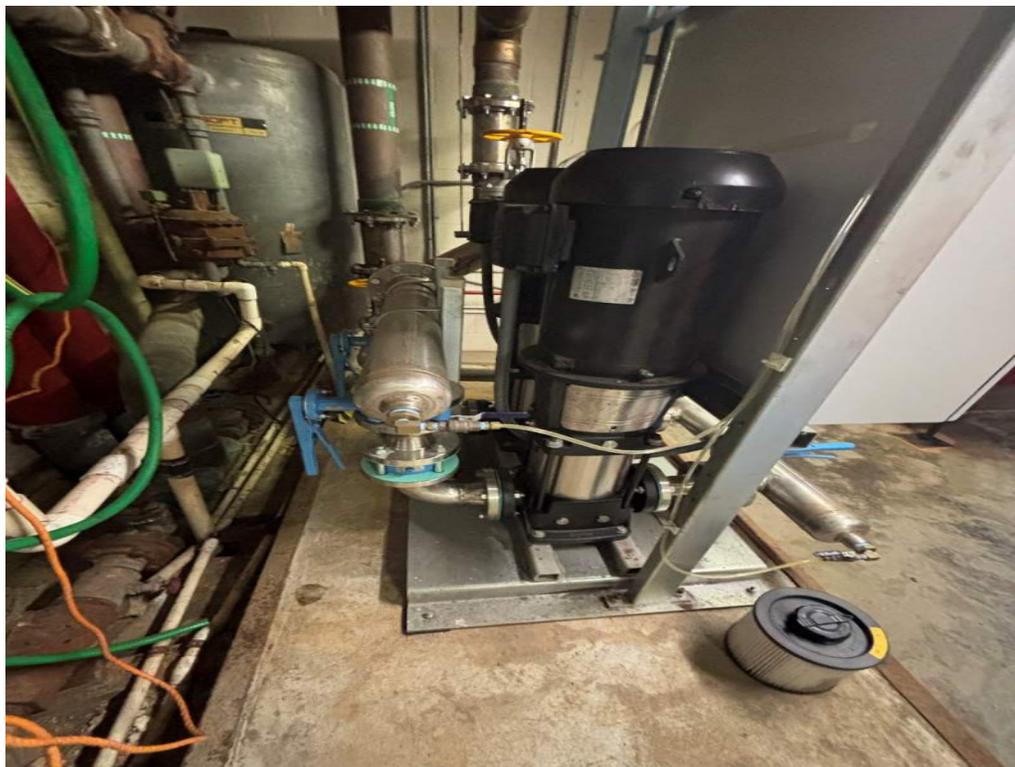


Figure 30: Domestic Water Pump Motors – South Tower.





Figure 31: Plumbing Stacks – South Tower.



Figure 32: Domestic Water Pump Control System – North Tower.





Figure 33: Domestic Water Pump Motors – North Tower.



Financial Analysis – Part 2:

The purpose of this section is to define our approach and summarize our analysis.

Methodology

This reserve study is based on: Cash-Flow or Pooled methodology.

Cash-Flow Method (Pooled): “A method of calculating reserve contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.”³ Alternatively, a formula used to calculate the annual contribution for a specific component, whereby the estimated replacement cost equals the annual expenditure at 0 estimated remaining life. Generally, this method is preferred since accounting is simplified and requires only one bank account.

Versus: Component or Straight-Line methodology.

Component Method (Straight-Line): “A method of calculating reserve contributions where the total reserve contribution is based on the sum of contributions for individual components.”³ Alternatively, a formula used to calculate the annual contribution for a specific component, whereby estimated replacement cost divided by the estimated useful life equals the annual expenditure. Generally, this method is not preferred since accounting can be more complex and requires a bank account for each Category.

Funding Goal:

This reserve study is based on a: Baseline funding goal.

Baseline: “Establishing a reserve funding goal of keeping the reserve cash balance above zero.”³

Versus: Threshold or Fully Funded.

Threshold: “Establishing a reserve funding goal of keeping the reserve balance above a specified dollar amount.”³

Fully Funded: “Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded.”³ Note, Percent Funded and Fully Funded is out of the scope of this study.

Funding Plan:

This reserve study is based on a Unit-Owner Contribution plan.

Unit-Owner Contribution: Where the funding of the reserve account(s) is primarily dependent on contributions from owners.

An ideal plan is best defined as, “an associations plan to provide income to a reserve fund to offset anticipated expenditures from that fund.”³ There are many other ways to fund a reserve account or to create a funding plan. For example, cellular service contracts, assessments, and special assessments. The latter is to be avoided and the primary purpose of this study.

³ Standards of Practice; Association of Professional Reserve Analysts



Schedule:

The Schedule is the primary focus of this study and serves as a representation of the Clients' capital expenditures and deferred maintenance. It is an Excel spreadsheet which summarizes our calculations based on the required formula of "*remaining useful life and estimated replacement cost or deferred maintenance expense.*"¹

The Schedule is attached to this report as Appendix A. For ease of reference, it is presented on 36"x48" sheet size paper. Smaller sheet sizes on multiple pages and the Excel spreadsheet can be provided.

The analysis and computation procedure is illustrated as follows (cash-flow or pooled):

1. Each Category is assigned a Component or Components.
2. Each Component is assigned a Quantity, Estimated Useful Life, Estimated Remaining Life, and an Estimated Unit Cost.
3. For each component, the Estimated Replacement Cost is automatically calculated by multiplying the Quantity by the Estimated Unit Cost. Then, each Component is summed within a Category and is reflected as Sub-Total Replacement Cost. Additionally, each Sub-Total Replacement Cost is summed for each Category and is reflected as Total Replacement Cost. Note, the Sub-Total Replacement Cost and Total Replacement Cost is for reference purposes only.
4. Each Initial Replacement Year is automatically calculated based on the Estimated Remaining Life and when it will reach a value of 0. Successive Second and Third Replacement Years are automatically calculated based on the sum of Initial Placement Year and Estimated Useful Life. Note, Initial, Second, and Third Replacement Years are for reference purposes only.
5. The Projections reflect Estimated Replacement Cost of each Component from the Start Year through the End Year, this includes a flat Inflation Rate multiplier. By which, if a Component reaches an Estimated Remaining Life of 0 at a respective year, the Estimated Replacement Cost is automatically applied for that respective year including inflation. Otherwise, the Estimated Replacement Cost is considered 0 and reflected as a dash. These Estimated Replacement Costs are summed for each Component within a Category and reflected as Sub-Total Annual Expenditure.
6. The Sub-Total Annual Expenditures are summed for each Category by year, then reflected as Total Annual Expenditure. That is, this reflects the Estimated Replacement Cost of each Component within each year if the Estimated Remaining Life were to reach a value of 0.
7. Total Annual Contributions are automatically calculated for each year based on the Annual Contributions as defined for each Period. This includes a Contribution Rate Increase multiplier generally applied to offset inflation. Note, multiple Periods may or may not be defined.
8. For the Start Year, the Total Annual Reserve Balance is automatically calculated by taking the difference between Total Annual Contributions and Total Annual Expenditure, with the addition of the Starting Balance. For all successive years, Total Annual Reserve Balance is automatically calculated by taking the difference of the previous year's Total Annual Reserve Balance and the current year's Total Annual Expenditure, with the addition of the current year's Total Annual Contribution.
9. The primary goal of the analysis is to reach a minimum value of Annual Contributions while maintaining a positive Total Annual Reserve Balance. Assuming the parameters have been accurately reflected, we iterate or solve for this lowest value of Annual Contributions. Further, if applicable, multiple Periods are defined to minimize excessive accrual of Total Annual Reserve Balance. This process is also iterative.

Notes:

- All calculations are based on an end-of-year assumption for replacement, deferred maintenance, and / or repair.
- All *Estimated* Life and Cost values are based on the current calendar year.
- Components scheduled for replacement on the Initial Year or Start Year have a Remaining Useful Life of 0.



Parameters:

The following resources were utilized for the purposes of determining Quantities:

1. Existing Building Plans
2. Google Maps / Earth.
3. Previous reserve studies.
4. Previous estimates, quotes, bids, etc.

The following resources were utilized for the purpose of determining Useful Life and Remaining Useful Life:

1. Visual observations.
2. Past project records of similar projects.
3. Client history regarding installation dates and maintenance.
4. Contractor / Supplier / Vendor / Manufacturer evaluation and recommendations.

The following resources were utilized for the purpose of determining Replacement Costs:

1. Clients cost history and / or current proposals.
2. Local comparison to previous reports.
3. National industry cost estimating guidebooks.
4. Contractor / Supplier / Vendor / Manufacturer evaluation and recommendations.

Generally, Replacement Cost assumes complete replacement of the component, including material and labor for removal and installation, unless noted otherwise. Research was conducted using current construction cost data, quotes provided by local contractors, and comparisons to similar projects. KEG makes no warranty, expressed or implied, as to the accuracy of reported costs as compared to any bids received or the actual costs of the work as described. Cost information herein is not a construction estimate or contract value, but our professional opinion is based on historical data on similar, though not identical, buildings and projects. Actual bid costs may vary materially based on project specific considerations, market conditions or other unforeseen items.

Further, the development of Capital Improvements is not considered as an expenditure of the reserve fund. However, the replacement or maintenance of capital improvements is accounted for. Long-life Components may be identified and accounted for.



Assumptions:

Based upon our observations, the following assumptions were made to form the basis of this report:

- **Building Envelope:**
 - **Roof Systems:** Includes complete removal and replacement of all roof system components to existing substrate and typical substrate repairs. Such as, membrane, insulation, accessories, etc., as applicable. Estimate Useful Life based on current insurance requirements and trends.
 - **Painting & Weatherproofing:** Includes preparation, painting, sealant replacement, and typical substrate repairs of all exterior elements. Such as, walls, columns, beams, ceilings, as applicable. Estimate Useful Life based on typical manufacturer recommendations for coastal areas.
 - **Windows:** Includes, removal and replacement of window systems at each opening with standard impact rated assemblies and typical substrate preparation and repairs. Estimated Useful Life based on failure of sealants and finishes.
 - **Doors:** Includes, removal and replacement of window systems at each opening with standard impact rated assemblies and typical substrate preparation and repairs. Estimated Useful Life based on failure of sealants and finishes.
- **Structural Related Components:** The estimated useful life –
 - **Roof Systems;** Towers: 20-year useful life.
 - **Service Doors;** Towers: 40-year useful life.
 - **Overhead Garage Doors;** South Tower: 28-year useful life.
 - **Overhead Garage Doors;** North Tower: 30-year useful life.
 - **Painting & Sealants & Waterproofing;** Towers: 10-year useful life.
 - **Skylights;** South Tower: 30-year useful life.
 - **Storefronts;** Towers: 30-year useful life.
 - **Balconies;** Towers:
 - Waterproofing: 25-year useful life.
 - Railings: 25-year useful life.
- **Fire Suppression:**
 - **Pump & System;** Towers: 25-year useful life.
 - **Control Panels & System;** Towers: 15-year useful life.
 - **Fire Equipment;** Towers: 15-year useful life.
- **Electrical:**
 - **Generator;** Towers: 35-year useful life.
 - **Electrical Lighting Allowance;** Towers: 25-year useful life.
 - **Electric Switchgear Panels;** Towers: 40-year useful life.
- **Plumbing:**
 - **Plumbing Stacks;** Towers: 30-year useful life.
 - **Domestic Water Pump Motor VFD;** Towers: 10-year useful life.
 - **Domestic Water Pump Control System;** Towers: 24-year useful life.



Recommendations:

In summary, this reserve study was completed based on the **Cash-Flow or Pooled** Methodology with a minimum **Baseline** Funding Goal and forecasts over a **30-year** period, from **2025** to **2054**. This reserve study included **2**-Buildings with a total of **172**-Units. This reserve study was based on a Starting Balance of **\$1,230,254.00** and yielded a minimum Annual Contributions for the following Periods:

- Period 1: Years 2025-2026: Total Annual Contributions of **\$1,186,575.86** or per Unit Annual Contribution of **\$6,898.70**.
- Period 2: Years 2027-2029: Total Annual Contributions of **\$665,035.04 (in today's dollars)** or per Unit Annual Contribution of **\$3,866.48 (in today's dollars)**.
- Period 3: Years 2030-2054: Total Annual Contributions of **\$615,965.92 (in today's dollars)** or per Unit Annual Contribution of **\$3,581.20 (in today's dollars)**.

A fixed rate of **3%** for Inflation was utilized to adjust for inflation of Expenditures and a fixed rate of **3%** for Contribution Increase was utilized to counter the inflation. If applicable, an Interest Accumulation Rate was utilized based on the account information provided by the Client.

KEG recommends the Client implement funding of the reserve account for capital expenditures and deferred maintenance as was yield by the analysis. Otherwise, the Client risks the potential need for a special assessment of the unit owners to finance future expenditures.

Note, the identification, accounting, and recommendations of actual monies and accounts are beyond the scope of this report and should be advised by the Clients professional accountant or legal counsel.

Furthermore, KEG recommends that this reserve study should be re-visited and updated at a minimum of every 3-years to more accurately reflect the current market status and existing state of the Clients components and reserve account(s). At this same time, Long-Life Components should be addressed to determine whether to be included as future expenditures.



Conclusion:

We reserve the right to amend our opinion should new information be brought to our attention.

This report is prepared for the sole benefit of the Client. Any unauthorized use without our permission shall result in no liability or legal exposure to Karins Engineering Group.

We trust this information is helpful. Should questions arise, please do not hesitate to contact us!

Sincerely,

Karins Engineering Group



THIS ITEM HAS BEEN DIGITALLY SIGNED
& SEALED BY DAVID G. KARINS, PE ON
THE DATE ADJACENT TO THE SEAL.

PRINTED COPIES OF THIS DOCUMENT
ARE NOT CONSIDERED SIGNED AND
SEALED AND THE SIGNATURE MUST BE
VERIFIED ON ANY ELECTRONIC COPIES

David G Karins, PE
President / CEO
FL Reg. # 52677

Appendices:

- Appendix A: Schedule
- Appendix B: F.S. 718.112





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Appendix A

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Appendix B

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Select Year:

The 2023 Florida Statutes (including Special Session C)

[Title XL](#)
REAL AND PERSONAL PROPERTY

[Chapter 718](#)
CONDOMINIUMS

[View Entire Chapter](#)

718.112 Bylaws.—

(1) GENERALLY.—

(a) The operation of the association shall be governed by the articles of incorporation if the association is incorporated, and the bylaws of the association, which shall be included as exhibits to the recorded declaration. If one association operates more than one condominium, it shall not be necessary to rerecord the same articles of incorporation and bylaws as exhibits to each declaration after the first, provided that in each case where the articles and bylaws are not so recorded, the declaration expressly incorporates them by reference as exhibits and identifies the book and page of the public records where the first declaration to which they were attached is recorded.

(b) No amendment to the articles of incorporation or bylaws is valid unless recorded with identification on the first page thereof of the book and page of the public records where the declaration of each condominium operated by the association is recorded.

(c) The association may extinguish a discriminatory restriction as provided under s. [712.065](#).

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

(a) Administration.—

1. The form of administration of the association shall be described indicating the title of the officers and board of administration and specifying the powers, duties, manner of selection and removal, and compensation, if any, of officers and boards. In the absence of such a provision, the board of administration shall be composed of five members, unless the condominium has five or fewer units. The board shall consist of not fewer than three members in condominiums with five or fewer units that are not-for-profit corporations. In the absence of provisions to the contrary in the bylaws, the board of administration shall have a president, a secretary, and a treasurer, who shall perform the duties of such officers customarily performed by officers of corporations. Unless prohibited in the bylaws, the board of administration may appoint other officers and grant them the duties it deems appropriate. Unless otherwise provided in the bylaws, the officers shall serve without compensation and at the pleasure of the board of administration. Unless otherwise provided in the bylaws, the members of the board shall serve without compensation.

2. When a unit owner of a residential condominium files a written inquiry by certified mail with the board of administration, the board shall respond in writing to the unit owner within 30 days after receipt of the inquiry. The board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the division. If the board requests advice from the division, the board shall, within 10 days after its receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the board shall, within 60 days after the receipt of the inquiry, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the board from recovering attorney fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry. The association may through its board of administration adopt reasonable rules and regulations regarding the frequency and manner of responding to unit owner inquiries, one of which may be that the association is only obligated to respond to one

written inquiry per unit in any given 30-day period. In such a case, any additional inquiry or inquiries must be responded to in the subsequent 30-day period, or periods, as applicable.

(b) *Quorum; voting requirements; proxies.*—

1. Unless a lower number is provided in the bylaws, the percentage of voting interests required to constitute a quorum at a meeting of the members is a majority of the voting interests. Unless otherwise provided in this chapter or in the declaration, articles of incorporation, or bylaws, and except as provided in subparagraph (d)4., decisions shall be made by a majority of the voting interests represented at a meeting at which a quorum is present.

2. Except as specifically otherwise provided herein, unit owners in a residential condominium may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the division. A voting interest or consent right allocated to a unit owned by the association may not be exercised or considered for any purpose, whether for a quorum, an election, or otherwise. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves in accordance with subparagraph (f)2.; for votes taken to waive the financial reporting requirements of s. 718.111(13); for votes taken to amend the declaration pursuant to s. 718.110; for votes taken to amend the articles of incorporation or bylaws pursuant to this section; and for any other matter for which this chapter requires or permits a vote of the unit owners. Except as provided in paragraph (d), a proxy, limited or general, may not be used in the election of board members in a residential condominium. General proxies may be used for other matters for which limited proxies are not required, and may be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding this subparagraph, unit owners may vote in person at unit owner meetings. This subparagraph does not limit the use of general proxies or require the use of limited proxies for any agenda item or election at any meeting of a timeshare condominium association or a nonresidential condominium association.

3. A proxy given is effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. A proxy is not valid longer than 90 days after the date of the first meeting for which it was given. Each proxy is revocable at any time at the pleasure of the unit owner executing it.

4. A member of the board of administration or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken or to create a quorum.

5. A board or committee member's participation in a meeting via telephone, real-time videoconferencing, or similar real-time electronic or video communication counts toward a quorum, and such member may vote as if physically present. A speaker must be used so that the conversation of such members may be heard by the board or committee members attending in person as well as by any unit owners present at a meeting.

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

1. Adequate notice of all board meetings, which must specifically identify all agenda items, must be posted conspicuously on the condominium property at least 48 continuous hours before the meeting except in an emergency. If 20 percent of the voting interests petition the board to address an item of business, the board, within 60 days after receipt of the petition, shall place the item on the agenda at its next regular board meeting or at a special meeting called for that purpose. An item not included on the notice may be taken up on an emergency basis by a vote of at least a majority plus one of the board members. Such emergency action must be noticed and ratified at the next regular board meeting. Written notice of a meeting at which a nonemergency special assessment or an amendment to rules regarding unit use will be considered must be mailed, delivered, or electronically transmitted to the unit owners and posted conspicuously on the condominium property at least 14 days before the meeting. Evidence of compliance with this 14-day notice requirement must be made by an affidavit

executed by the person providing the notice and filed with the official records of the association. Notice of any meeting in which regular or special assessments against unit owners are to be considered must specifically state that assessments will be considered and provide the estimated cost and description of the purposes for such assessments. Upon notice to the unit owners, the board shall, by duly adopted rule, designate a specific location on the condominium property where all notices of board meetings must be posted. If there is no condominium property where notices can be posted, notices shall be mailed, delivered, or electronically transmitted to each unit owner at least 14 days before the meeting. In lieu of or in addition to the physical posting of the notice on the condominium property, 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 physically posted on 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. In addition to any of the authorized means of providing notice of a meeting of the board, the association may, by rule, adopt a procedure for conspicuously posting the meeting notice and the agenda on a website serving the condominium association for at least the minimum period of time for which a notice of a meeting is also required to be physically posted on the condominium property. Any rule adopted shall, in addition to other matters, include a requirement that the association send an electronic notice in the same manner as a notice for a meeting of the members, which must include a hyperlink to the website where the notice is posted, to unit owners whose e-mail addresses are included in the association's official records.

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

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

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

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

(d) *Unit owner meetings.*—

1. An annual meeting of the unit owners must be held at the location provided in the association bylaws and, if the bylaws are silent as to the location, the meeting must 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 must 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 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 subparagraph 4.a., of his or her intention to become a candidate. Except in a timeshare or nonresidential 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. Board members may serve terms longer than 1 year if permitted by the bylaws or articles of incorporation. A board member may not serve more than 8 consecutive years unless approved by an affirmative vote of unit owners representing two-thirds of all votes cast in the election or unless there are not enough eligible candidates to fill the vacancies on the board at the time of the vacancy. Only board service that occurs on or after July 1, 2018, may be used when calculating a board member's term limit. 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 residential condominium association of more than 10 units or in a residential condominium association that does not include timeshare units or timeshare interests, co-owners 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. A unit owner in a residential condominium desiring to be a candidate for board membership must comply with sub-subparagraph 4.a. and must be eligible to be a candidate to serve on the board of directors at 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 assessment due to the association, is not eligible to be a candidate for board membership and may not be listed on the ballot. For purposes of this paragraph, a person is delinquent if a payment is not made by the due date as specifically identified in the declaration of condominium, bylaws, or articles of incorporation. If a due date is not specifically identified in the declaration of condominium, bylaws, or articles of incorporation, the due date is the first day of the assessment period. 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. This subparagraph does not limit the term of a member of the board of a nonresidential or timeshare condominium.

3. The bylaws must provide the method of calling meetings of unit owners, including annual meetings. Written notice of an annual meeting must include an agenda; be mailed, hand delivered, or electronically transmitted to each unit owner at least 14 days before the annual meeting; and be posted in a conspicuous place on the condominium property or association property at least 14 continuous days before the annual meeting. Written notice of a meeting other than an annual meeting must include an agenda; be mailed, hand delivered, or electronically transmitted to each unit owner; and be posted in a conspicuous place on the condominium property or association property within the timeframe specified in the bylaws. If the bylaws do not specify a timeframe for written notice of a meeting other than an annual meeting, notice must be provided at least 14 continuous days before the 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 must be posted. This requirement does not apply if there is no condominium property for posting notices. In lieu of, or in 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. In addition to any of the authorized means of providing notice of a meeting of the board, the association may, by rule, adopt a procedure for conspicuously posting the meeting notice and the agenda on a website serving the condominium association for at least the minimum period of time for which a notice of a meeting is also required to be physically posted on the condominium property. Any rule adopted shall, in addition to other matters, include a requirement that the association send an electronic notice in the same manner as a notice for a meeting of the members, which must include a hyperlink to the website where the notice is posted, to unit owners whose e-mail addresses are included in the association's official records. 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 association affirming that the notice was mailed or hand delivered in accordance with this provision.

4. The members of the board of a residential condominium 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. This subparagraph does not apply to an association governing a timeshare condominium.

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. A 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 not less than 14 days or more than 34 days before the date of the election. 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 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 eligible voters must cast a ballot in order to have a valid election. A unit owner may not authorize 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 of an association of a residential condominium, 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 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 of an association of a residential condominium 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 sub-subparagraph. 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 allowed by the applicable bylaws or declaration or any law. Notice of meetings of the board of administration; unit owner meetings, except unit owner meetings called to recall board members under paragraph (l); and committee meetings may be given by electronic transmission to unit owners who consent to receive notice by electronic transmission. A unit owner who consents to receiving notices by electronic transmission is solely responsible for removing or bypassing filters that block receipt of mass e-mails sent to members on behalf of the association in the course of giving electronic notices.

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 (l) and rules adopted by the division.

10. This chapter does not limit the use of general or 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 or nonresidential 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.

(e) *Budget meeting.*—

1. Any meeting at which a proposed annual budget of an association will be considered by the board or unit owners shall be open to all unit owners. At least 14 days prior to such a meeting, the board shall hand deliver to each unit owner, mail to each unit owner at the address last furnished to the association by the unit owner, or electronically transmit to the location furnished by the unit owner for that purpose a notice of such meeting and a copy of the proposed annual budget. An officer or manager of the association, or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with such notice requirement, and such affidavit shall be filed among the official records of the association.

2.a. If a board adopts in any fiscal year an annual budget which requires assessments against unit owners which exceed 115 percent of assessments for the preceding fiscal year, the board shall conduct a special meeting of the unit owners to consider a substitute budget if the board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. The special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished

to the association, a notice of the meeting. An officer or manager of the association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement, and such affidavit shall be filed among the official records of the association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests unless the bylaws require adoption by a greater percentage of voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the board shall take effect as scheduled.

b. Any determination of whether assessments exceed 115 percent of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the condominium property, anticipated expenses of the association which the board does not expect to be incurred on a regular or annual basis, insurance premiums, or assessments for betterments to the condominium property.

c. If the developer controls the board, assessments shall not exceed 115 percent of assessments for the prior fiscal year unless approved by a majority of all voting interests.

(f) *Annual budget.*—

1. The proposed annual budget of estimated revenues and expenses must be detailed and must show the amounts budgeted by accounts and expense classifications, including, at a minimum, any applicable expenses listed in s. 718.504(21). The board shall adopt the annual budget at least 14 days before the start of the association's fiscal year. In the event that the board fails to timely adopt the annual budget a second time, it is deemed a minor violation and the prior year's budget shall continue in effect until a new budget is adopted. A multicondominium association must adopt a separate budget of common expenses for each condominium the association operates and must adopt a separate budget of common expenses for the association. In addition, if the association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements as provided for in s. 718.113(1), the budget or a schedule attached to it must show the amount budgeted for this maintenance. If, after turnover of control of the association to the unit owners, any of the expenses listed in s. 718.504(21) are not applicable, they do not need to be listed.

2.a. In addition to annual operating expenses, the budget must include reserve accounts for capital expenditures and deferred maintenance. These accounts must include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000. The amount to be reserved must be computed using a formula based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of the reserve item. In a budget adopted by an association that is required to obtain a structural integrity reserve study, reserves must be maintained for the items identified in paragraph (g) for which the association is responsible pursuant to the declaration of condominium, and the reserve amount for such items must be based on the findings and recommendations of the association's most recent structural integrity reserve study. With respect to items for which an estimate of useful life is not readily ascertainable or with an estimated remaining useful life of greater than 25 years, an association is not required to reserve replacement costs for such items, but an association must reserve the amount of deferred maintenance expense, if any, which is recommended by the structural integrity reserve study for such items. The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. The members of a unit-owner-controlled association may determine, by a majority vote of the total voting interests of the association, to provide no reserves or less reserves than required by this subsection. For a budget adopted on or after December 31, 2024, the members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not determine to provide no reserves or less reserves than required by this subsection for items listed in paragraph (g), except that members of an association operating a multicondominium may determine to provide no reserves or less reserves than required by this subsection if an alternative funding method has been approved by the division.

b. Before turnover of control of an association by a developer to unit owners other than a developer under s. 718.301, the developer-controlled association may not vote to waive the reserves or reduce funding of the

reserves. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and no such result is achieved or a quorum is not attained, the reserves included in the budget shall go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves.

3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and may be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote of all the total voting interests of the association. Before turnover of control of an association by a developer to unit owners other than the developer pursuant to s. 718.301, the developer-controlled association may not vote to use reserves for purposes other than those for which they were intended. For a budget adopted on or after December 31, 2024, members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not vote to use reserve funds, or any interest accruing thereon, for any other purpose other than the replacement or deferred maintenance costs of the components listed in paragraph (g).

4. The only voting interests that are eligible to vote on questions that involve waiving or reducing the funding of reserves, or using existing reserve funds for purposes other than purposes for which the reserves were intended, are the voting interests of the units subject to assessment to fund the reserves in question. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserve funds for purposes other than purposes for which the reserves were intended must contain the following statement in capitalized, bold letters in a font size larger than any other used on the face of the proxy ballot: **WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.**

(g) *Structural integrity reserve study.*—

1. A residential condominium association must have a structural integrity reserve study completed at least every 10 years after the condominium's creation for each building on the condominium property that is three stories or higher in height, as determined by the Florida Building Code, which includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

- a. Roof.
- b. Structure, including load-bearing walls and other primary structural members and primary structural systems as those terms are defined in s. 627.706.
- c. Fireproofing and fire protection systems.
- d. Plumbing.
- e. Electrical systems.
- f. Waterproofing and exterior painting.
- g. Windows and exterior doors.
- h. Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study.

2. A structural integrity reserve study is based on a visual inspection of the condominium property. A structural integrity reserve study may be performed by any person qualified to perform such study. However, the visual inspection portion of the structural integrity reserve study must be performed or verified by an engineer licensed under chapter 471, an architect licensed under chapter 481, or a person certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts.

3. At a minimum, a structural integrity reserve study must identify each item of the condominium property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item of the condominium property being visually inspected, and provide a reserve funding schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item of condominium property being visually inspected by the end of the estimated remaining useful life of the item. The structural integrity reserve study may recommend that reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost

cannot be determined, or the study may recommend a deferred maintenance expense amount for such item. The structural integrity reserve study may recommend that reserves for replacement costs do not need to be maintained for any item with an estimated remaining useful life of greater than 25 years, but the study may recommend a deferred maintenance expense amount for such item.

4. This paragraph does not apply to buildings less than three stories in height; single-family, two-family, or three-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the condominium form of ownership; or any portion or component of a building that is maintained by a party other than the association.

5. Before a developer turns over control of an association to unit owners other than the developer, the developer must have a turnover inspection report in compliance with s. 718.301(4)(p) and (q) for each building on the condominium property that is three stories or higher in height.

6. Associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by December 31, 2024, for each building on the condominium property that is three stories or higher in height. An association that is required to complete a milestone inspection in accordance with s. 553.899 on or before December 31, 2026, may complete the structural integrity reserve study simultaneously with the milestone inspection. In no event may the structural integrity reserve study be completed after December 31, 2026.

7. If the milestone inspection required by s. 553.899, or an inspection completed for a similar local requirement, was performed within the past 5 years and meets the requirements of this paragraph, such inspection may be used in place of the visual inspection portion of the structural integrity reserve study.

8. If the officers or directors of an association willfully and knowingly fail to complete a structural integrity reserve study pursuant to this paragraph, such failure is a breach of an officer's and director's fiduciary relationship to the unit owners under s. 718.111(1).

(h) *Mandatory milestone inspections.*—If an association is required to have a milestone inspection performed pursuant to s. 553.899, the association must arrange for the milestone inspection to be performed and is responsible for ensuring compliance with the requirements of s. 553.899. The association is responsible for all costs associated with the milestone inspection attributable to the portions of the building which the association is responsible for maintaining under the governing documents of the association. If the officers or directors of an association willfully and knowingly fail to have a milestone inspection performed pursuant to s. 553.899, such failure is a breach of the officers' and directors' fiduciary relationship to the unit owners under s. 718.111(1)(a). Within 14 days after receipt of a written notice from the local enforcement agency that a milestone inspection is required, the association must notify the unit owners of the required milestone inspection and provide the date by which the milestone inspection must be completed. Such notice may be given by electronic submission to unit owners who consent to receive notice by electronic submission or by posting on the association's website. Within 45 days after receiving a phase one or phase two milestone inspection report from the architect or engineer who performed the inspection, the association must distribute a copy of the inspector-prepared summary of the inspection report to each unit owner, regardless of the findings or recommendations in the report, by United States mail or personal delivery at the mailing address, property address, or any other address of the owner provided to fulfill the association's notice requirements under this chapter and by electronic transmission to the e-mail address or facsimile number provided to fulfill the association's notice requirements to unit owners who previously consented to receive notice by electronic transmission; must post a copy of the inspector-prepared summary in a conspicuous place on the condominium property; and must publish the full report and inspector-prepared summary on the association's website, if the association is required to have a website.

(i) *Assessments.*—The manner of collecting from the unit owners their shares of the common expenses shall be stated in the bylaws. Assessments shall be made against units not less frequently than quarterly in an amount which is not less than that required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Nothing in this paragraph shall preclude the right of an association to accelerate assessments of an owner delinquent in payment of common expenses. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated

assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.

(j) *Amendment of bylaws.*—

1. The method by which the bylaws may be amended consistent with the provisions of this chapter shall be stated. If the bylaws fail to provide a method of amendment, the bylaws may be amended if the amendment is approved by the owners of not less than two-thirds of the voting interests.

2. No bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing bylaws shall contain the full text of the bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: “Substantial rewording of bylaw. See bylaw for present text.”

3. Nonmaterial errors or omissions in the bylaw process will not invalidate an otherwise properly promulgated amendment.

(k) *Transfer fees.*—An association may not charge a fee in connection with the sale, mortgage, lease, sublease, or other transfer of a unit unless the association is required to approve such transfer and a fee for such approval is provided for in the declaration, articles, or bylaws. Any such fee may be preset but may not exceed \$150 per applicant. For the purpose of calculating the fee, spouses or a parent or parents and any dependent children are considered one applicant. However, if the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, a charge may not be made. Such fees must be adjusted every 5 years in an amount equal to the total of the annual increases occurring in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items during that 5-year period. The Department of Business and Professional Regulation shall periodically calculate the fees, rounded to the nearest dollar, and publish the amounts, as adjusted, on its website. The foregoing notwithstanding, if the authority to do so appears in the declaration, articles, or bylaws, an association may require that a prospective lessee place a security deposit, in an amount not to exceed the equivalent of 1 month’s rent, into an escrow account maintained by the association. The security deposit shall protect against damages to the common elements or association property. Payment of interest, claims against the deposit, refunds, and disputes under this paragraph shall be handled in the same fashion as provided in part II of chapter 83.

(l) *Recall of board members.*—Subject to 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. The board shall duly notice and hold a board meeting within 5 full business days after the adjournment of the unit owner meeting to recall one or more board members. Such member or members shall be recalled effective immediately upon conclusion of the board meeting, provided that the recall is facially valid. A recalled member must turn over to the board, within 10 full business days after the vote, any and all records and property of the association in their possession.

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

3. 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 unit owner recall meeting, the recall is deemed effective and the board members so recalled shall turn over to the board within 10 full business days after the vote any and all records and property of the association.

4. If the board fails to duly notice and hold the required meeting or at the conclusion of the meeting determines that the recall is not facially valid, the unit owner representative may file a petition or court action under s. 718.1255 challenging the board's failure to act or challenging the board's determination on facial validity. The petition or action must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of a petition or action under this subparagraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or ballots filed.

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 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 before the recall election.

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

7. The division or a court of competent jurisdiction may not accept for filing a recall petition or court action, whether filed under subparagraph 1., subparagraph 2., subparagraph 4., or subparagraph 6., 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.

(m) *Alternative dispute resolution.*—There must be a provision for alternative dispute resolution as provided for in s. 718.1255 for any residential condominium.

(n) *Firesafety.*—An association must ensure compliance with the Florida Fire Prevention Code. As to a residential condominium building that is a high-rise building as defined under the Florida Fire Prevention Code, the association must retrofit either a fire sprinkler system or an engineered life safety system as specified in the Florida Fire Prevention Code. Notwithstanding chapter 633 or of any other code, statute, ordinance, administrative rule, or regulation, or any interpretation of the foregoing, an association, residential condominium, or unit owner is not obligated to retrofit the common elements, association property, or units of a residential condominium with a fire sprinkler system in a building that has been certified for occupancy by the applicable governmental entity if the unit owners have voted to forego such retrofitting by the affirmative vote of a majority of all voting interests in the affected condominium. The local authority having jurisdiction may not require completion of retrofitting with a fire sprinkler system or an engineered life safety system before January 1, 2024.

1. A vote to forego retrofitting may be obtained by limited proxy or by a ballot personally cast at a duly called membership meeting, or by execution of a written consent by the member, and is effective upon recording a certificate attesting to such vote in the public records of the county where the condominium is located. The association shall mail or hand deliver to each unit owner written notice at least 14 days before the membership meeting in which the vote to forego retrofitting of the required fire sprinkler system is to take place. Within 30 days after the association's opt-out vote, notice of the results of the opt-out vote must be mailed or hand delivered to all unit owners. Evidence of compliance with this notice requirement must be made by affidavit executed by the

person providing the notice and filed among the official records of the association. After notice is provided to each owner, a copy must be provided by the current owner to a new owner before closing and by a unit owner to a renter before signing a lease.

2. If there has been a previous vote to forego retrofitting, a vote to require retrofitting may be obtained at a special meeting of the unit owners called by a petition of at least 10 percent of the voting interests. Such a vote may only be called once every 3 years. Notice shall be provided as required for any regularly called meeting of the unit owners, and must state the purpose of the meeting. Electronic transmission may not be used to provide notice of a meeting called in whole or in part for this purpose.

3. As part of the information collected annually from condominiums, the division shall require condominium associations to report the membership vote and recording of a certificate under this subsection and, if retrofitting has been undertaken, the per-unit cost of such work. The division shall annually report to the Division of State Fire Marshal of the Department of Financial Services the number of condominiums that have elected to forego retrofitting.

4. Notwithstanding s. 553.509, a residential association may not be obligated to, and may forego the retrofitting of, any improvements required by s. 553.509(2) upon an affirmative vote of a majority of the voting interests in the affected condominium.

5. This paragraph does not apply to timeshare condominium associations, which shall be governed by s. 721.24.
(o) *Common elements; limited power to convey.*—

1. With respect to condominiums created on or after October 1, 1994, the bylaws shall include a provision granting the association a limited power to convey a portion of the common elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

2. In any case where the bylaws are silent as to the association's power to convey common elements as described in subparagraph 1., the bylaws shall be deemed to include the provision described in subparagraph 1.

(p) *Director or officer delinquencies.*—A director or officer more than 90 days delinquent in the payment of any monetary obligation due the association shall be deemed to have abandoned the office, creating a vacancy in the office to be filled according to law.

(q) *Director or officer offenses.*—A director or officer charged by information or indictment with a felony theft or embezzlement offense involving the association's funds or property must be removed from office, creating a vacancy in the office to be filled according to law until the end of the period of the suspension or the end of the director's term of office, whichever occurs first. While such director or officer has such criminal charge pending, he or she may not be appointed or elected to a position as a director or officer. However, if the charges are resolved without a finding of guilt, the director or officer shall be reinstated for the remainder of his or her term of office, if any.

(3) **OPTIONAL PROVISIONS.**—The bylaws as originally recorded or as amended under the procedures provided therein may provide for the following:

(a) A method of adopting and amending administrative rules and regulations governing the details of the operation and use of the common elements.

(b) Restrictions on and requirements for the use, maintenance, and appearance of the units and the use of the common elements.

(c) Provisions for giving notice by electronic transmission in a manner authorized by law of meetings of the board of directors and committees and of annual and special meetings of the members.

(d) Other provisions which are not inconsistent with this chapter or with the declaration, as may be desired.

History.—s. 1, ch. 76-222; s. 1, ch. 77-174; s. 5, ch. 77-221; ss. 3, 4, ch. 77-222; s. 1, ch. 78-340; s. 6, ch. 79-314; s. 2, ch. 80-323; s. 2, ch. 81-225; s. 1, ch. 82-113; s. 4, ch. 82-199; s. 6, ch. 84-368; s. 6, ch. 86-175; s. 2, ch. 88-148; s. 7, ch. 90-151; s. 5, ch. 91-103; ss. 5, 6, ch. 91-426; s. 3, ch. 92-49; s. 3, ch. 94-336; s. 7, ch. 94-350; s. 36, ch. 95-274; s. 2, ch. 96-396; s. 32, ch. 97-93; s. 1773, ch. 97-102; s. 1, ch. 97-301; s. 2, ch. 98-195; s. 3, ch. 98-322; s. 53, ch. 2000-302; s. 21, ch. 2001-64; s. 9, ch. 2002-27; s. 5, ch. 2003-14; s. 4, ch. 2004-345; s. 4, ch. 2004-353; s. 134, ch. 2005-2; s. 7, ch. 2008-28; s. 88, ch. 2009-21; s. 10, ch. 2010-174; s. 3, ch. 2011-196; s. 5, ch. 2013-122; s. 1, ch. 2013-159; s. 3, ch. 2013-188; s. 1, ch. 2014-74; s. 9, ch. 2014-133; s. 3, ch. 2015-97; s. 3, ch. 2017-188; s. 2, ch. 2018-96; s. 15, ch. 2019-165; s. 4, ch. 2021-99; s. 21, ch. 2021-135; s. 6, ch. 2022-269; s. 6, ch. 2023-203.

