

I Know Where You Live – Directors and Officers Liability, *Westlaw Journal*

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Everyone wants to live in a nice neighborhood, where the landscape is maintained and common elements are taken care of. For many, the answer is ownership of a home in a condominium or cooperative association, or a home that is part of a homeowners association.

WHAT IS AN ASSOCIATION?

A condominium is a joint ownership of property where common elements or areas are commonly owned and the units are individually owned. It is created by record of a declaration of covenants and restrictions, bylaws, and a condo plat in the municipal land records or local county.

An HOA is comprised of homeowners living in private homes, and its purpose is to ensure the maintenance and provision of community facilities and enforcement of HOA covenants and restrictions.

It is created by record of a declaration of covenants, conditions and restrictions in local land records. Unlike at a condo association, an HOA's bylaws are not recorded in land records.

Generally, a condominium, HOA or other type of association is governed by the law of the state where it exists. For example, Florida condominium associations are generally governed by Chapter 718 of the Florida Statutes, while cooperative association requirements are set forth in Florida Statute Chapter 719, and HOAs are governed by Florida Statute Chapter 720.

It is natural for owners of these properties to want to be involved in their governing bodies. However, in today's litigious world, serving on a board of directors of this type comes with risks.

These risks are explored here, with an overview of best practices to avoid them while complying with the duties of board members.