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A bill to be entitled An act relating to community associations; amending s. 34.01, F.S.; providing that county courts have original jurisdiction over certain associations; amending 514.0115, F.S.; providing that certain property association pools are exempt from Department of Health regulations; amending s. 627.714, F.S.; prohibiting subrogation rights against a condominium association under certain circumstances; amending s. 718.111, F.S.; requiring certain records to be maintained for a specified time; prohibiting certain rules related to the inspection of records; requiring certain condominium associations to make specified documents available through a specified application; amending s. 718.112, F.S.; providing board member term limits beginning on a specified date; providing requirements for certain notices; prohibiting an association from charging certain fees; providing an exception; revising requirements for challenging the recall of board members; removing a prohibition against employing or contracting with certain service providers; amending s. 718.113, F.S.; revising regulations for electronic vehicles; amending s. 718.117, F.S.; revising requirements for challenging a termination of a condominium; providing liability for

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certain owners; amending s. 718.1255, F.S.; requiring presuit mediation for certain disputes; removing the option of nonbinding arbitration for certain disputes; revising legislative findings; providing a standardized form for the offer to participate in presuit mediation; providing requirements for presuit mediation; requiring summary procedure for certain disputes; amending s. 718.303, F.S.; revising requirements for actions at law or in equity for certain disputes; revising requirements for certain fines; amending s. 718.501, F.S.; removing the requirement for the Division of Florida Condominiums, Timeshares, and Mobile Homes to certify mediators; amending s. 718.5014, F.S.; revising the location of the principal office of the condominium ombudsman; amending s. 719.103, F.S.; revising the definition of the term "unit" to specify that an interest in a cooperative unit is an interest in real property; amending s. 719.104, F.S.; prohibiting certain rules related to the inspection of records; amending s. 719.106, F.S.; providing requirements for participating in a meeting via telecommunications; revising requirements for challenging the recall of board members; requiring mediation for certain disputes; amending s. 719.1255, F.S.; revising

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requirements for alternative resolution of disputes; amending s. 719.501, F.S.; removing the requirement for the division to certify mediators; amending s. 720.303, F.S.; authorizing an association to adopt procedures for electronic meeting notices; requiring certain records to be maintained for a specified time; revising requirements for challenging the recall of board members; amending s. 720.305, F.S.; providing requirements for certain fines; amending s. 720.306, F.S.; revising requirements for providing certain notices and challenging certain elections; amending s. 720.311, F.S.; revising requirements for dispute resolution; providing a definition; revising legislative findings; revising the standardized form for the offer to participate in presuit mediation; providing an effective date. Be It Enacted by the Legislature of the State of Florida: Section 1. Paragraph (d) of subsection (1) of section 34.01, Florida Statutes, is amended to read: 34.01 Jurisdiction of county court. County courts shall have original jurisdiction: Of disputes occurring in condominium associations as

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described in s. 718.1255, cooperative associations as described

<u>in s. 719.1255, and the homeowners' associations as described in s. 720.311(2)(a), which is shall be concurrent with jurisdiction of the circuit courts.</u>

Section 2. Paragraph (a) of subsection (2) of section 514.0115, Florida Statutes, is amended to read:

514.0115 Exemptions from supervision or regulation; variances.—

- (2) (a) Pools serving condominium, cooperative, and homeowners' associations, as well as other property associations, which have no more than 32 condominium or cooperative units or parcels and which are not operated as a public lodging establishments are establishment shall be exempt from supervision under this chapter, except for water quality.
- Section 3. Subsection (4) of section 627.714, Florida Statutes, is amended to read:
- 627.714 Residential condominium unit owner coverage; loss assessment coverage required.—
- (4) Every individual unit owner's residential property policy must contain a provision stating that the coverage afforded by such policy is excess coverage over the amount recoverable under any other policy covering the same property.

 An insurance policy issued to an individual unit owner may not provide rights of subrogation against the condominium association operating the condominium in which such individual's unit is located.

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Section 4. Paragraphs (a), (b), (c), and (g) of subsection (12) of section 718.111, Florida Statutes, are amended to read: 718.111 The association.—

(12) OFFICIAL RECORDS.-

- (a) From the inception of the association, the association shall maintain each of the following items, if applicable, which constitutes the official records of the association:
- 1. A copy of the plans, permits, warranties, and other items provided by the developer pursuant to s. 718.301(4).
- 2. A photocopy of the recorded declaration of condominium of each condominium operated by the association and each amendment to each declaration.
- 3. A photocopy of the recorded bylaws of the association and each amendment to the bylaws.
- 4. A certified copy of the articles of incorporation of the association, or other documents creating the association, and each amendment thereto.
 - 5. A copy of the current rules of the association.
- 6. A book or books that contain the minutes of all meetings of the association, the board of administration, and the unit owners.
- 7. A current roster of all unit owners and their mailing addresses, unit identifications, voting certifications, and, if known, telephone numbers. The association shall also maintain the e-mail addresses and facsimile numbers of unit owners

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consenting to receive notice by electronic transmission. The e-mail addresses and facsimile numbers are not accessible to unit owners if consent to receive notice by electronic transmission is not provided in accordance with sub-subparagraph (c) 3.e. However, the association is not liable for an inadvertent disclosure of the e-mail address or facsimile number for receiving electronic transmission of notices.

- 8. All current insurance policies of the association and condominiums operated by the association.
- 9. A current copy of any management agreement, lease, or other contract to which the association is a party or under which the association or the unit owners have an obligation or responsibility.
- 10. Bills of sale or transfer for all property owned by the association.
- 11. Accounting records for the association and separate accounting records for each condominium that the association operates. Any person who knowingly or intentionally defaces or destroys such records, or who knowingly or intentionally fails to create or maintain such records, with the intent of causing harm to the association or one or more of its members, is personally subject to a civil penalty pursuant to s.

 718.501(1)(d). The accounting records must include, but are not limited to:
 - a. Accurate, itemized, and detailed records of all

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151 receipts and expenditures.

- b. A current account and a monthly, bimonthly, or quarterly statement of the account for each unit designating the name of the unit owner, the due date and amount of each assessment, the amount paid on the account, and the balance due.
- c. All audits, reviews, accounting statements, and financial reports of the association or condominium.
- d. All contracts for work to be performed. Bids for work to be performed are also considered official records and must be maintained by the association for at least 1 year after receipt of the bid.
- 12. Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by unit owners, which must be maintained for 1 year from the date of the election, vote, or meeting to which the document relates, notwithstanding paragraph (b).
- 13. All rental records if the association is acting as agent for the rental of condominium units.
- 14. A copy of the current question and answer sheet as described in s. 718.504.
- 15. All other written records of the association not specifically included in the foregoing which are related to the operation of the association.
- $\underline{15.16.}$ A copy of the inspection report as described in s. 175 718.301(4)(p).

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16.17. Bids for materials, equipment, or services.

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- 17. All other records of the association not specifically included in subparagraphs 1.-16. which are related to the operation of the association.
- The official records specified in subparagraphs (a)1.-6. must be permanently maintained from the inception of the association. Bids for work to be performed or for materials, equipment, or services must be maintained for 1 year after receipt of the bid. All other official records must be maintained within the state for at least 7 years, unless otherwise provided by general law. The records of the association shall be made available to a unit owner within 45 miles of the condominium property or within the county in which the condominium property is located within 10 working days after receipt of a written request by the board or its designee. However, such distance requirement does not apply to an association governing a timeshare condominium. This paragraph may be complied with by having a copy of the official records of the association available for inspection or copying on the condominium property or association property, or the association may offer the option of making the records available to a unit owner electronically via the Internet or by allowing the records to be viewed in electronic format on a computer screen and printed upon request. The association is not responsible for the use or misuse of the information provided to an association

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member or his or her authorized representative <u>in</u> pursuant to the compliance <u>with</u> requirements of this chapter unless the association has an affirmative duty not to disclose such information <u>under</u> pursuant to this chapter.

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The official records of the association are open to inspection by any association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the member or authorized representative of such member. A renter of a unit has a right to inspect and copy the association's bylaws and rules. The association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying, but may not require a member to demonstrate any purpose or state any reason for the inspection. The failure of an association to provide the records within 10 working days after receipt of a written request creates a rebuttable presumption that the association willfully failed to comply with this paragraph. A unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply. Minimum damages are \$50 per calendar day for up to 10 days, beginning on the 11th working day after receipt of the written request. The failure to permit inspection entitles any person prevailing in an enforcement action to recover reasonable attorney fees from

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the person in control of the records who, directly or indirectly, knowingly denied access to the records.

- 2. Any person who knowingly or intentionally defaces or destroys accounting records that are required by this chapter to be maintained during the period for which such records are required to be maintained, or who knowingly or intentionally fails to create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to the association or one or more of its members, is personally subject to a civil penalty pursuant to s. 718.501(1)(d).
- 3. The association shall maintain an adequate number of copies of the declaration, articles of incorporation, bylaws, and rules, and all amendments to each of the foregoing, as well as the question and answer sheet as described in s. 718.504 and year-end financial information required under this section, on the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the documents. An association shall allow a member or his or her authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the association's providing the member or his or her authorized representative with a copy of such records. The association may

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not charge a member or his or her authorized representative for the use of a portable device. Notwithstanding this paragraph, the following records are not accessible to unit owners:

- a. Any record protected by the lawyer-client privilege as described in s. 90.502 and any record protected by the work-product privilege, including a record prepared by an association attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.
- b. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a unit.
- c. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subsubparagraph, the term "personnel records" does not include written employment agreements with an association employee or management company, or budgetary or financial records that indicate the compensation paid to an association employee.
 - d. Medical records of unit owners.
 - e. Social security numbers, driver license numbers, credit

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card numbers, e-mail addresses, telephone numbers, facsimile numbers, emergency contact information, addresses of a unit owner other than as provided to fulfill the association's notice requirements, and other personal identifying information of any person, excluding the person's name, unit designation, mailing address, property address, and any address, e-mail address, or facsimile number provided to the association to fulfill the association's notice requirements. Notwithstanding the restrictions in this sub-subparagraph, an association may print and distribute to unit parcel owners a directory containing the name, unit parcel address, and all telephone numbers of each unit parcel owner. However, an owner may exclude his or her telephone numbers from the directory by so requesting in writing to the association. An owner may consent in writing to the disclosure of other contact information described in this subsubparagraph. The association is not liable for the inadvertent disclosure of information that is protected under this subsubparagraph if the information is included in an official record of the association and is voluntarily provided by an owner and not requested by the association.

- f. Electronic security measures that are used by the association to safeguard data, including passwords.
- g. The software and operating system used by the association which allow the manipulation of data, even if the owner owns a copy of the same software used by the association.

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The data is part of the official records of the association.

- (g)1. By January 1, 2019, an association managing a condominium with 150 or more units which does not contain timeshare units shall post digital copies of the documents specified in subparagraph 2. on its website or make such documents available through an application that can be downloaded on a mobile device.
 - a. The association's website or application must be:
- (I) An independent website, application, or web portal wholly owned and operated by the association; or
- (II) A website, application, or web portal operated by a third-party provider with whom the association owns, leases, rents, or otherwise obtains the right to operate a web page, subpage, web portal, or collection of subpages or web portals, or application which is dedicated to the association's activities and on which required notices, records, and documents may be posted or made available by the association.
- b. The association's website <u>or application</u> must be accessible through the Internet and must contain a subpage, web portal, or other protected electronic location that is inaccessible to the general public and accessible only to unit owners and employees of the association.
- c. Upon a unit owner's written request, the association must provide the unit owner with a username and password and access to the protected sections of the association's website or

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<u>application</u> that contain any notices, records, or documents that must be electronically provided.

- 2. A current copy of the following documents must be posted in digital format on the association's website or made available through an application that can be downloaded on a mobile device:
- a. The recorded declaration of condominium of each condominium operated by the association and each amendment to each declaration.
- b. The recorded bylaws of the association and each amendment to the bylaws.
- c. The articles of incorporation of the association, or other documents creating the association, and each amendment to the articles of incorporation or other documents thereto. The copy posted pursuant to this sub-subparagraph must be a copy of the articles of incorporation filed with the Department of State.
 - d. The rules of the association.

e. A list of all executory contracts or documents to which the association is a party or under which the association or the unit owners have an obligation or responsibility and, after bidding for the related materials, equipment, or services has closed, a list of bids received by the association within the past year. Summaries of bids for materials, equipment, or services which exceed \$500 must be maintained on the website or

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application for 1 year. In lieu of summaries, complete copies of
the bids may be posted.

- f. The annual budget required by s. 718.112(2)(f) and any proposed budget to be considered at the annual meeting.
- g. The financial report required by subsection (13) and any monthly income or expense statement to be considered at a meeting.
- h. The certification of each director required by s. 718.112(2)(d)4.b.
- i. All contracts or transactions between the association and any director, officer, corporation, firm, or association that is not an affiliated condominium association or any other entity in which an association director is also a director or officer and financially interested.
- j. Any contract or document regarding a conflict of interest or possible conflict of interest as provided in ss. 468.436(2) (b) 6. and 718.3027(3).
- k. The notice of any unit owner meeting and the agenda for the meeting, as required by s. 718.112(2)(d)3., no later than 14 days before the meeting. The notice must be posted in plain view on the front page of the website or application, or on a separate subpage of the website or application labeled "Notices" which is conspicuously visible and linked from the front page. The association must also post on its website or application any document to be considered and voted on by the owners during the

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meeting or any document listed on the agenda at least 7 days before the meeting at which the document or the information within the document will be considered.

- 1. Notice of any board meeting, the agenda, and any other document required for the meeting as required by s. 718.112(2)(c), which must be posted no later than the date required for notice pursuant to s. 718.112(2)(c).
- 3. The association shall ensure that the information and records described in paragraph (c), which are not allowed to be accessible to unit owners, are not posted on the association's website or the association's application that can be downloaded on a mobile device. If protected information or information restricted from being accessible to unit owners is included in documents that are required to be posted on the association's website or application, the association shall ensure the information is redacted before posting the documents online. Notwithstanding the foregoing, the association or its agent is not liable for disclosing information that is protected or restricted pursuant to this paragraph unless such disclosure was made with a knowing or intentional disregard of the protected or restricted nature of such information.
- 4. The failure of the association to post information required under subparagraph 2. is not in and of itself sufficient to invalidate any action or decision of the association's board or its committees.

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Section 5. Paragraphs (d), (i), (j), (k), and (p) of subsection (2) of section 718.112, Florida Statutes, are amended to read:

718.112 Bylaws.-

- (2) REQUIRED PROVISIONS.—The bylaws shall provide for the following and, if they do not do so, shall be deemed to include the following:
 - (d) Unit owner meetings.-
- 1. An annual meeting of the unit owners 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 sub-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

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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, coowners of a unit may not serve as members of the board of directors at the same time unless they own more than one unit or unless there are not enough eligible candidates to fill the vacancies on the board at

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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 monetary obligation due to the association, is not eligible to be a candidate for board membership and may not be listed on the ballot. 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 must include an agenda, must be mailed, hand delivered, or

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electronically transmitted to each unit owner at least 14 days before the annual meeting, and must be posted in a conspicuous place on the condominium property at least 14 continuous days before the annual meeting. Upon notice to the unit owners, the board shall, by duly adopted rule, designate a specific location on the condominium property 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

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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.

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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.

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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

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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

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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

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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 (j), 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 <u>e-mails</u> emails sent to members on behalf of the association in the course of giving electronic notices.

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7. Unit owners have the right to participate in meetings of unit owners with reference to all designated agenda items. However, the association may adopt reasonable rules governing the frequency, duration, and manner of unit owner participation.

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

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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.

applicant any fees, except the actual costs of any background check or screening performed shall be made by the association, or any body thereof 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. Except for the actual costs of any background check or screening performed by the association, any such fee may be preset, but may not in no event may such fee exceed \$100 per applicant other than a husband and wife or parent and dependent child husband/wife or parent/dependent child, which are considered one applicant. However, if the lease or sublease is a renewal of a lease or sublease with the same lessee or

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sublessee, a charge may not no charge shall be made. The foregoing notwithstanding, an association may, if the authority to do so appears in the declaration, articles, or bylaws, 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.

- 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

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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 his or her 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 his or her 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

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shall be 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 an action a petition pursuant to s. 718.1255 challenging the board's failure to act or challenging the board's determination on facial validity. The action petition must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of an action a petition under this subparagraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or ballots filed.
- 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 the bylaws 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

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as the operation of the association during the period after a recall but before the recall election.

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- 6. A board member who has been recalled may file an action a petition pursuant to s. 718.1255 challenging the validity of the recall. The action petition must be filed within 60 days after the recall. The association and the unit owner representative shall be named as the defendants respondents. The action petition 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 court arbitrator determines the recall was invalid, the plaintiff 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 defendants respondents. The court shall arbitrator may award reasonable attorney fees and costs to the defendants respondents if they prevail, if the court arbitrator makes a finding that the plaintiff's petitioner's claim is frivolous.
- 7. An action may not be filed regarding The division may not accept for filing a recall petition, whether filed pursuant to 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

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776 board member sought to be recalled.

- (k) <u>Mediation</u> Arbitration.—There shall be a provision for mandatory <u>mediation</u> nonbinding arbitration as provided for in s. 718.1255 for any residential condominium.
- (p) Service providers; conflicts of interest. An association, which is not a timeshare condominium association, may not employ or contract with any service provider that is owned or operated by a board member or with any person who has a financial relationship with a board member or officer, or a relative within the third degree of consanguinity by blood or marriage of a board member or officer. This paragraph does not apply to a service provider in which a board member or officer, or a relative within the third degree of consanguinity by blood or marriage of a board member or officer, owns less than 1 percent of the equity shares.
- Section 6. Paragraphs (a) and (c) of subsection (8) of section 718.113, Florida Statutes, are amended to read:
- 718.113 Maintenance; limitation upon improvement; display of flag; hurricane shutters and protection; display of religious decorations.—
- (8) The Legislature finds that the use of electric vehicles conserves and protects the state's environmental resources, provides significant economic savings to drivers, and serves an important public interest. The participation of condominium associations is essential to the state's efforts to

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conserve and protect the state's environmental resources and provide economic savings to drivers. Therefore, the installation of an electric vehicle charging station shall be governed as follows:

- (a) A declaration of condominium or restrictive covenant may not prohibit or be enforced so as to prohibit any unit owner from installing an electric vehicle charging station within the boundaries of the unit owner's limited common element or exclusively designated parking area. The board of administration of a condominium association may not prohibit a unit owner from installing an electric vehicle charging station for an electric vehicle, as defined in s. 320.01, within the boundaries of his or her limited common element or exclusively designated parking area. The installation of such charging stations are subject to the provisions of this subsection.
- (c) The electricity for the electric vehicle charging station must be separately metered <u>or must use an embedded meter</u> and <u>be</u> payable by the unit owner installing such charging station.
- Section 7. Subsection (16) of section 718.117, Florida Statutes, is amended to read:
 - 718.117 Termination of condominium.
- (16) RIGHT TO CONTEST.—A unit owner or lienor may contest a plan of termination by initiating a <u>summary procedure pursuant</u> to s. 51.011 <u>petition for mandatory nonbinding arbitration</u>

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pursuant to s. 718.1255 within 90 days after the date the plan is recorded. A unit owner or lienor may only contest the fairness and reasonableness of the apportionment of the proceeds from the sale among the unit owners, that the liens of the first mortgages of unit owners other than the bulk owner have not or will not be satisfied to the extent required by subsection (3), or that the required vote to approve the plan was not obtained. A unit owner or lienor who does not contest the plan within the 90-day period is barred from asserting or prosecuting a claim against the association, the termination trustee, any unit owner, or any successor in interest to the condominium property. In an action contesting a plan of termination, the person contesting the plan has the burden of pleading and proving that the apportionment of the proceeds from the sale among the unit owners was not fair and reasonable or that the required vote was not obtained. The apportionment of sale proceeds is presumed fair and reasonable if it was determined pursuant to the methods prescribed in subsection (12). The court arbitrator shall determine the rights and interests of the parties in the apportionment of the sale proceeds. If the court arbitrator determines that the apportionment of sales proceeds is not fair and reasonable, the court arbitrator may void the plan or may modify the plan to apportion the proceeds in a fair and reasonable manner pursuant to this section based upon the proceedings and order the modified plan of termination to be

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implemented. If the <u>court</u> arbitrator determines that the plan was not properly approved, or that the procedures to adopt the plan were not properly followed, the <u>court</u> arbitrator may void the plan or grant other relief it deems just and proper. The bulk owner is liable for any damages, as determined by the <u>court</u>, The arbitrator shall automatically void the plan upon a finding that any of the disclosures required in subparagraph (3) (c) 5. are omitted, misleading, incomplete, or inaccurate. Any challenge to a plan, other than a challenge that the required vote was not obtained, does not affect title to the condominium property or the vesting of the condominium property in the trustee, but shall only be a claim against the proceeds of the plan. In any such action, the prevailing party shall recover reasonable attorney fees and costs.

Section 8. Section 718.1255, Florida Statutes, is amended to read:

718.1255 Alternative dispute resolution; <u>mandatory</u> voluntary mediation; <u>mandatory nonbinding arbitration</u>; legislative findings.—

- (1) DEFINITIONS.—As used in this section, the term "dispute" means any disagreement between two or more parties that involves:
- (a) The authority of the board of directors, under this chapter or association document to:
 - 1. Require any owner to take any action, or not to take

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any action, involving that owner's unit or the appurtenances thereto.

2. Alter or add to a common area or element.

- (b) The failure of a governing body, when required by this chapter or an association document, to:
- 1. <u>Maintain common elements</u>, association property, or portions of the unit for which the association is responsible Properly conduct elections.
 - 2. Give adequate notice of meetings or other actions.
- 3. Properly conduct meetings of the board and committees appointed by the board and membership meetings. This subparagraph does not apply to elections held at a meeting.
 - 4. Allow inspection of books and records.
 - (c) A plan of termination pursuant to s. 718.117.

"Dispute" does not include any disagreement that primarily involves: title to any unit or common element; the interpretation or enforcement of any warranty; the levy of a fee or assessment, or the collection of an assessment levied against a party; the eviction or other removal of a tenant from a unit; alleged breaches of fiduciary duty by one or more directors; or claims for damages to a unit based upon the alleged failure of the association to maintain the common elements or condominium property.

(2) VOLUNTARY MEDIATION.—Voluntary mediation through

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Citizen Dispute Settlement Centers as provided for in s. 44.201 is encouraged.

(2) LEGISLATIVE FINDINGS.-

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The Legislature finds that alternative dispute resolution reduces court dockets and trials and offers a more efficient, cost-effective option to litigation. However, the Legislature also finds that alternative dispute resolution should not be used as a mechanism to encourage the filing of frivolous or nuisance actions. Upon serving a demand for presuit mediation as provided for in this section, the applicable statute of limitations is tolled until 30 days after mediation is completed and no agreement has been made, 10 days after the date by which a party must accept presuit mediation, or until the conclusion of the period of time during which a mediation must be conducted under this section unit owners are frequently at a disadvantage when litigating against an association. Specifically, a condominium association, with its statutory assessment authority, is often more able to bear the costs and expenses of litigation than the unit owner who must rely on his or her own financial resources to satisfy the costs of litigation against the association.

(b) The Legislature finds that alternative dispute resolution has been making progress in reducing court dockets and trials and in offering a more efficient, cost-effective option to court litigation. However, the Legislature also finds

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that alternative dispute resolution should not be used as a mechanism to encourage the filing of frivolous or nuisance suits.

- (c) There exists a need to develop a flexible means of alternative dispute resolution that directs disputes to the most efficient means of resolution.
- (d) The high cost and significant delay of circuit court litigation faced by unit owners in the state can be alleviated by requiring nonbinding arbitration and mediation in appropriate cases, thereby reducing delay and attorney's fees while preserving the right of either party to have its case heard by a jury, if applicable, in a court of law.
- $\underline{\text{(3)}}$ (4) MANDATORY NONBINDING ARBITRATION AND MEDIATION OF DISPUTES.—
- (a)1. Before an action may be filed in court, all disputes, except for disputes relating to the collection of any assessment, fine, or other financial obligation, including attorney fees and costs, between an association and a unit owner must be mediated pursuant to this subsection. An association or unit owner may file an action in court without presuit mediation to enforce a prior mediation settlement agreement between the parties or request injunctive relief. However, the court hearing the action for injunctive relief must refer the parties to a mediation program administered by the courts or mediation under this subsection after the injunctive relief issues are

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951	determined. Presuit mediation proceedings must be conducted in
952	accordance with the applicable rules of the Florida Rules of
953	Civil Procedure and chapter 44. The proceedings under this
954	subsection are privileged and confidential to the same extent as
955	court-ordered mediation. Except for each party's counsel, a
956	corporate representative designated by the association, and a
957	representative from the association's insurance carrier, if
958	applicable, a person who is not a party to the dispute may not
959	attend the presuit mediation without the consent of all the
960	parties. If the presuit mediation is attended by a quorum of the
961	board, the mediation is not considered a board meeting for
962	purposes of notice and participation as required in s. 718.112.
963	An aggrieved party shall serve a written demand to participate
964	in presuit mediation on the responding party in substantially
965	the following form:
966	
967	STATUTORY OFFER TO PARTICIPATE
968	IN PRESUIT MEDIATION
969	
970	The alleged aggrieved party,, hereby demands
971	that, as the responding party, engage in
972	mandatory presuit mediation in connection with the following
973	disputes, which are statutorily subject to presuit mediation:
974	
975	(List each dispute to be mediated and the basis for the

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976 violation.) 977 978 Under section 718.1255, Florida Statutes, this demand to resolve 979 the dispute through presuit mediation is required before a 980 lawsuit can be filed concerning the dispute. The parties are 981 required to engage in presuit mediation with a neutral third-982 party mediator in order to attempt to resolve this dispute 983 without court action, and the aggrieved party demands that you 984 likewise agree to this process. If you fail to participate in 985 the presuit mediation process, an action may be brought against 986 you without further warning. 987 988 Presuit mediation involves a supervised negotiation process in 989 which a trained, neutral third-party mediator meets with both 990 parties and assists them in exploring possible opportunities for 991 resolving part or all of the dispute. By agreeing to participate 992 in presuit mediation, you are not bound in any way to change 993 your position. Furthermore, the mediator has no authority to 994 make any decisions in this matter or to determine who is right 995 or wrong; he or she merely acts as a facilitator to ensure that 996 each party understands the position of the other party and that 997 all options for reasonable settlement are fully explored. 998 999 If an agreement is reached, it must be reduced to writing and 1000 signed, at which time the agreement becomes a binding and

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1001 enforceable contract between the parties. A resolution of one or 1002 more disputes in this fashion avoids the need to litigate those 1003 issues in court. The failure of a party to participate in the 1004 process or the failure of the parties to reach an agreement 1005 during the mediation process results in the aggrieved party 1006 being able to proceed to court on all outstanding and unsettled 1007 disputes. If you fail or refuse to participate in the presuit 1008 mediation process, you will not be entitled to recover your 1009 attorney fees, even if you prevail during the court process. 1010 1011 The aggrieved party has selected and hereby lists five circuit 1012 court civil mediators certified by the Florida Supreme Court who 1013 the aggrieved party believes to be neutral and qualified to 1014 mediate the dispute. You have the right to select any one of 1015 these mediators. The fact that one party may be familiar with 1016 one or more of the listed mediators does not mean that the 1017 mediator cannot act as a neutral and impartial facilitator. Any 1018 mediator who cannot act in this capacity is required ethically 1019 to decline to accept the engagement. The mediators that we 1020 suggest, and their current hourly rates, are as follows: 1021 1022 (List the names, physical addresses, e-mail addresses, telephone 1023 numbers, and hourly rates of the mediators. Other pertinent 1024 information about the backgrounds of the mediators may be 1025 included as an attachment, including whether the mediator is

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board certified by The Florida Bar in any practice area.)
By mutual agreement, and before accepting presuit mediation, we
can also select mediators other than the Supreme Court-certified
circuit court civil mediators named above as alternates to the
above-named mediators. The alternate mediators are not required
to be Supreme Court-certified circuit court civil mediators. The
alternate mediators that we suggest, and their hourly rates, are
as follows:
(List the names, physical addresses, e-mail addresses, telephone
numbers, and hourly rates of the alternate mediators. Other
pertinent information about the backgrounds of the alternate
mediators may be included as an attachment.)
You may contact the offices of these mediators to confirm that
the listed mediators will be neutral and will not show any
favoritism toward either party. The Florida Supreme Court can
provide you a list of mediators who are certified in the area of
circuit civil law.
Unless otherwise agreed to by the parties, section
718.1255(3)(d), Florida Statutes, requires that the parties
share equally the costs of presuit mediation, including the fee
charged by the mediator. A typical presuit mediation may require

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1051 3 to 4 hours of the mediator's time, including preparation time. 1052 Parties who choose to hire an attorney will pay their own 1053 attorney fees without a guarantee that the court will issue an 1054 award for reimbursement of the fees. However, the use of an 1055 attorney is not required. The mediator may require an advance 1056 payment for some or all of the anticipated fees. The aggrieved 1057 party hereby agrees to pay, or prepay if requested by the 1058 mediator, one-half of the mediator's estimated fees and to 1059 forward this amount or such other reasonable advance deposits as 1060 the mediator requires. Any funds you deposit will be returned to you if the deposited funds are in excess of your share of the 1061 1062 fees incurred. 1063 1064 To begin your participation in presuit mediation to try to resolve the dispute and avoid further legal action, please sign 1065 1066 below and clearly indicate which mediator is acceptable to you. 1067 We will then ask the mediator to schedule a mutually convenient 1068 time and place for the presuit mediation conference to be held. 1069 The presuit mediation conference must be held within 90 days 1070 after the date of acceptance of presuit mediation, unless extended by mutual written agreement. In the event that you fail 1071 1072 to respond within 30 days after the date of this letter, or if 1073 you fail to agree to at least one of the mediators that we have 1074 suggested or fail to pay or prepay to the mediator one-half of 1075 the fees involved, the aggrieved party is authorized to proceed

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1076	with the filing of a lawsuit against you without further notice
1077	and may then seek an award of attorney fees or costs incurred in
1078	attempting to mediate this dispute.
1079	
1080	Therefore, please give this matter your immediate attention. By
1081	law, your response must be mailed by certified mail, return
1082	receipt requested, and by first-class mail to the address shown
1083	on this demand.
1084	
1085	<u></u>
1086	<u></u>
1087	
1088	RESPONDING PARTY: YOUR SIGNATURE INDICATES YOUR AGREEMENT TO
1089	THAT CHOICE.
1090	
1091	AGREEMENT TO MEDIATE
1092	
1093	The undersigned agrees to participate in presuit mediation and
1094	agrees to attend a mediation conducted by the following mediator
1095	or mediators who are listed above as individuals who would be
1096	acceptable to mediate this dispute:
1097	
1098	(List acceptable mediator or mediators.)
1099	
1100	I/we further agree to pay or prepay one-half of the mediator's
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1101	fees and to forward such advance deposits as the mediator may
L102	require for this purpose.
L103	
L104	<u></u>
L105	Signature of responding party #1
L106	
L107	<u></u>
L108	Telephone number
L109	
L110	<u></u>
L111	Signature and telephone number of responding party #2, if
L112	applicable. (If property is owned by more than one person, all
L113	owners must sign.)
L114	
L115	2. The statutory demand must also contain the following
L116	statement in capitalized, bold letters in a font size larger
L117	than any other used in the statutory demand: A PERSON WHO FAILS
L118	OR REFUSES TO PARTICIPATE IN THE ENTIRE PRESUIT MEDIATION
L119	PROCESS IS PROHIBITED FROM RECOVERING ATTORNEY FEES AND COSTS IN
L120	SUBSEQUENT LITIGATION RELATING TO THE DISPUTE.
L121	(b) Service of the statutory demand to participate in
L122	presuit mediation shall be effected by sending a letter in
L123	substantially the above form by certified mail, return receipt
L124	requested, with an additional copy being sent by first-class
L125	mail, to the address of the responding party as it last appears

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on the books and records of the association. The responding party shall serve a written response to the aggrieved party within 30 days after the date of the mailing of the statutory demand. The response must be sent by certified mail, return receipt requested, with an additional copy being sent by first-class mail, to the address shown on the statutory demand.

- (c) Once the parties have selected a mediator, the mediator shall schedule the presuit mediation for a date and time mutually convenient to the parties. Each proposed mediator must be available to hold the presuit mediation in the county in which the condominium is located or within 40 miles of the condominium without charging extra for travel-related costs. If a presuit mediation session cannot be scheduled and concluded within 90 days after the date of acceptance of presuit mediation and there is no agreement between the parties to extend the 90-day deadline, the aggrieved party may file an action in court.
- (d) The parties shall share equally the costs of presuit mediation, including any fee charged by the mediator, unless the parties agree otherwise. The mediator may require advance payment of his or her reasonable fees and costs, which must also be shared equally. The failure of any party to respond to a demand or response, to agree upon a mediator, to pay fees and costs within the time established by the mediator, or to fail to appear for a scheduled presuit mediation session without the approval of the mediator constitutes the failure or refusal to

participate in the presuit mediation process, entitling the other party to proceed in court and to seek an award of the costs and fees associated with the presuit mediation.

Additionally, and notwithstanding any other law, document, or contractual provision, any person who fails or refuses to participate in the entire presuit mediation process may not recover attorney fees and costs in subsequent litigation relating to the dispute.

- (e) If presuit mediation as described in paragraph (a) is not successful in resolving all issues between the parties, any party may file suit regarding the unresolved dispute in a court of competent jurisdiction. As to any issue or dispute that is not resolved at presuit mediation, and as to any issue or dispute that is settled at presuit mediation but is later subject to an action seeking enforcement of the mediation settlement, the prevailing party in any subsequent litigation or proceeding is entitled to an award of all costs and attorney fees incurred in the presuit mediation process.
- (f) The parties may agree to a mediator who is not certified by the Florida Supreme Court. Unless such mediator is agreed upon, a mediator may not conduct presuit mediation under this section unless he or she has been certified as a circuit court civil mediator pursuant to the requirements established by the Florida Supreme Court. Settlement agreements resulting from presuit mediation do not have precedential value in proceedings

involving parties other than those participating in the presuit mediation to support a claim or defense in other disputes.

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DISPUTES INVOLVING ELECTIONS FOR THE BOARD OF ADMINISTRATION OR RECALL OF BOARD MEMBERS. - Any dispute challenging the legality of the election of any director of the board of administration or the recall of any member of the board of administration must be filed as a summary procedure under s. 51.011, and in any such action the prevailing party is entitled to recover reasonable attorney fees and costs. Any action filed pursuant to this subsection must be tried without a jury. The Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation may employ full-time attorneys to act as arbitrators to conduct the arbitration hearings provided by this chapter. The division may also certify attorneys who are not employed by the division to act as arbitrators to conduct the arbitration hearings provided by this chapter. No person may be employed by the department as a full-time arbitrator unless he or she is a member in good standing of The Florida Bar. A person may only be certified by division to act as an arbitrator if he or she has been in good standing of The Florida Bar for at least 5 years and has mediated or arbitrated at least 10 disputes involving condominiums in this state during the 3 years immediately preceding the date of application, mediated or arbitrated at least 30 disputes in any subject area in this state during the 3

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years immediately preceding the date of application, or attained board certification in real estate law or condominium and planned development law from The Florida Bar. Arbitrator certification is valid for 1 year. An arbitrator who does not maintain the minimum qualifications for initial certification may not have his or her certification renewed. The department may not enter into a legal services contract for an arbitration hearing under this chapter with an attorney who is not a certified arbitrator unless a certified arbitrator is not available within 50 miles of the dispute. The department shall adopt rules of procedure to govern such arbitration hearings including mediation incident thereto. The decision of an arbitrator shall be final; however, a decision shall not be deemed final agency action. Nothing in this provision shall be construed to foreclose parties from proceeding in a trial de novo unless the parties have agreed that the arbitration is binding. If judicial proceedings are initiated, the final decision of the arbitrator shall be admissible in evidence in the trial de novo. (a) Prior to the institution of court litigation, a party to a dispute shall petition the division for nonbinding arbitration. The petition must be accompanied by a filing fee in

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the amount of \$50. Filing fees collected under this section must

be used to defray the expenses of the alternative dispute

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resolution program.

L226	(b) The petition must recite, and have attached thereto,
L227	supporting proof that the petitioner gave the respondents:
L228	1. Advance written notice of the specific nature of the
L229	dispute;
L230	2. A demand for relief, and a reasonable opportunity to
L231	comply or to provide the relief; and
L232	3. Notice of the intention to file an arbitration petition
L233	or other legal action in the absence of a resolution of the
L234	dispute.
L235	
L236	Failure to include the allegations or proof of compliance with
L237	these prerequisites requires dismissal of the petition without
L238	prejudice.
L239	(c) Upon receipt, the petition shall be promptly reviewed
L240	by the division to determine the existence of a dispute and
L241	compliance with the requirements of paragraphs (a) and (b). If
L242	emergency relief is required and is not available through
L243	arbitration, a motion to stay the arbitration may be filed. The
L244	motion must be accompanied by a verified petition alleging facts
L245	that, if proven, would support entry of a temporary injunction,
L246	and if an appropriate motion and supporting papers are filed,
L247	the division may abate the arbitration pending a court hearing
L248	and disposition of a motion for temporary injunction.
L249	(d) Upon determination by the division that a dispute
250	exists and that the petition substantially meets the

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requirements of paragraphs (a) and (b) and any other applicable rules, the division shall assign or enter into a contract with an arbitrator and serve a copy of the petition upon all respondents. The arbitrator shall conduct a hearing within 30 days after being assigned or entering into a contract unless the petition is withdrawn or a continuance is granted for good cause shown.

(e) Before or after the filing of the respondents' answer to the petition, any party may request that the arbitrator refer the case to mediation under this section and any rules adopted by the division. Upon receipt of a request for mediation, the division shall promptly contact the parties to determine if there is agreement that mediation would be appropriate. If all parties agree, the dispute must be referred to mediation.

Notwithstanding a lack of an agreement by all parties, the arbitrator may refer a dispute to mediation at any time.

(f) Upon referral of a case to mediation, the parties must select a mutually acceptable mediator. To assist in the selection, the arbitrator shall provide the parties with a list of both volunteer and paid mediators that have been certified by the division under s. 718.501. If the parties are unable to agree on a mediator within the time allowed by the arbitrator, the arbitrator shall appoint a mediator from the list of certified mediators. If a case is referred to mediation, the parties shall attend a mediation conference, as scheduled by the

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parties and the mediator. If any party fails to attend a duly noticed mediation conference, without the permission or approval of the arbitrator or mediator, the arbitrator must impose sanctions against the party, including the striking of any pleadings filed, the entry of an order of dismissal or default if appropriate, and the award of costs and attorney fees incurred by the other parties. Unless otherwise agreed to by the parties or as provided by order of the arbitrator, a party is deemed to have appeared at a mediation conference by the physical presence of the party or its representative having full authority to settle without further consultation, provided that an association may comply by having one or more representatives present with full authority to negotiate a settlement and recommend that the board of administration ratify and approve such a settlement within 5 days from the date of the mediation conference. The parties shall share equally the expense of mediation, unless they agree otherwise.

- (g) The purpose of mediation as provided for by this section is to present the parties with an opportunity to resolve the underlying dispute in good faith, and with a minimum expenditure of time and resources.
- (h) Mediation proceedings must generally be conducted in accordance with the Florida Rules of Civil Procedure, and these proceedings are privileged and confidential to the same extent as court-ordered mediation. Persons who are not parties to the

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dispute are not allowed to attend the mediation conference without the consent of all parties, with the exception of counsel for the parties and corporate representatives designated to appear for a party. If the mediator declares an impasse after a mediation conference has been held, the arbitration proceeding terminates, unless all parties agree in writing to continue the arbitration proceeding, in which case the arbitrator's decision shall be binding or nonbinding, as agreed upon by the parties; in the arbitration proceeding, the arbitrator shall not consider any evidence relating to the unsuccessful mediation except in a proceeding to impose sanctions for failure to appear at the mediation conference. If the parties do not agree to continue arbitration, the arbitrator shall enter an order of dismissal, and either party may institute a suit in a court of competent jurisdiction. The parties may seek to recover any costs and attorney fees incurred in connection with arbitration and mediation proceedings under this section as part of the costs and fees that may be recovered by the prevailing party in any subsequent litigation.

- (i) Arbitration shall be conducted according to rules adopted by the division. The filing of a petition for arbitration shall toll the applicable statute of limitations.
- (j) At the request of any party to the arbitration, the arbitrator shall issue subpoenas for the attendance of witnesses and the production of books, records, documents, and other

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evidence and any party on whose behalf a subpoena is issued may apply to the court for orders compelling such attendance and production. Subpoenas shall be served and shall be enforceable in the manner provided by the Florida Rules of Civil Procedure. Discovery may, in the discretion of the arbitrator, be permitted in the manner provided by the Florida Rules of Civil Procedure. Rules adopted by the division may authorize any reasonable sanctions except contempt for a violation of the arbitration procedural rules of the division or for the failure of a party to comply with a reasonable nonfinal order issued by an arbitrator which is not under judicial review.

(k) The arbitration decision shall be rendered within 30 days after the hearing and presented to the parties in writing. An arbitration decision is final in those disputes in which the parties have agreed to be bound. An arbitration decision is also final if a complaint for a trial de novo is not filed in a court of competent jurisdiction in which the condominium is located within 30 days. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of the dispute. The prevailing party in an arbitration proceeding shall be awarded the costs of the arbitration and reasonable attorney fees in an amount determined by the arbitrator. Such an award shall include the costs and reasonable attorney fees incurred in the arbitration proceeding as well as the costs and reasonable attorney fees incurred in

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preparing for and attending any scheduled mediation. An arbitrator's failure to render a written decision within 30 days after the hearing may result in the cancellation of his or her arbitration certification.

(1) The party who files a complaint for a trial de novo shall be assessed the other party's arbitration costs, court costs, and other reasonable costs, including attorney fees, investigation expenses, and expenses for expert or other testimony or evidence incurred after the arbitration hearing if the judgment upon the trial de novo is not more favorable than the arbitration decision. If the judgment is more favorable, the party who filed a complaint for trial de novo shall be awarded reasonable court costs and attorney fees.

(m) Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent jurisdiction in which the condominium is located. A petition may not be granted unless the time for appeal by the filing of a complaint for trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition for enforcement is granted, the petitioner shall recover reasonable attorney fees and costs incurred in enforcing the arbitration award. A mediation settlement may also be enforced through the county or circuit court, as applicable, and any costs and fees incurred in the enforcement of a settlement

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agreement reached at mediation must be awarded to the prevailing party in any enforcement action.

- (5) DISPUTES INVOLVING ELECTION IRREGULARITIES.—Every arbitration petition received by the division and required to be filed under this section challenging the legality of the election of any director of the board of administration must be handled on an expedited basis in the manner provided by the division's rules for recall arbitration disputes.
- (5)(6) APPLICABILITY.—This section does not apply to a nonresidential condominium unless otherwise specifically provided for in the declaration of the nonresidential condominium.
- Section 9. Subsection (1) and paragraph (b) of subsection (3) of section 718.303, Florida Statutes, are amended to read: 718.303 Obligations of owners and occupants; remedies.—
- (1) Each unit owner, each tenant and other invitee, and each association is governed by, and must comply with the provisions of, this chapter, the declaration, the documents creating the association, and the association bylaws which are shall be deemed expressly incorporated into any lease of a unit. Actions at law or in equity for damages or for injunctive relief, or both, for failure to comply with these provisions may be brought by the association or by a unit owner against:
 - (a) The association.
 - (b) A unit owner.

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(c) Directors designated by the developer, for actions taken by them before control of the association is assumed by unit owners other than the developer.

- (d) Any director who willfully and knowingly fails to comply with these provisions.
- (e) Any tenant leasing a unit, and any other invitee occupying a unit.

The prevailing party in any such action or in any action in which the purchaser claims a right of voidability based upon contractual provisions as required in s. 718.503(1)(a) is entitled to recover reasonable attorney attorney's fees. A unit owner prevailing in an action between the association and the unit owner under this subsection section, in addition to recovering his or her reasonable attorney attorney's fees, may recover additional amounts as determined by the court to be necessary to reimburse the unit owner for his or her share of assessments levied by the association to fund its expenses of the litigation. This relief does not exclude other remedies provided by law. Actions arising under this subsection are not considered may not be deemed to be actions for specific performance.

(3) The association may levy reasonable fines for the failure of the owner of the unit or its occupant, licensee, or invitee to comply with any provision of the declaration, the

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association bylaws, or reasonable rules of the association. A fine may not become a lien against a unit. A fine may be levied by the board on the basis of each day of a continuing violation, with a single notice and opportunity for hearing before a committee as provided in paragraph (b). However, the fine may not exceed \$100 per violation, or \$1,000 in the aggregate.

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A fine or suspension levied by the board of administration may not be imposed unless the board first provides at least 14 days' written notice to the unit owner and, if applicable, any occupant, licensee, or invitee of the unit owner sought to be fined or suspended, and an opportunity for a hearing before a committee of at least three members appointed by the board who are not officers, directors, or employees of the association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. The role of the committee is limited to determining whether to confirm or reject the fine or suspension levied by the board. If the committee does not approve the proposed fine or suspension by majority vote, the fine or suspension may not be imposed. If the proposed fine or suspension is approved by the committee, the fine payment is due 5 days after notice of the approved fine is provided to the unit owner and, if applicable, to any tenant, licensee, or invitee of the unit owner the date of the committee meeting at which the fine is approved. The association must provide written notice of such fine or suspension by mail or

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hand delivery to the unit owner and, if applicable, to any tenant, licensee, or invitee of the unit owner.

Section 10. Paragraphs (m) through (s) of subsection (1) of section 718.501, Florida Statutes, are redesignated as paragraphs (l) through (r), respectively, and present paragraphs (d), (l), and (s) of that subsection are amended to read:

718.501 Authority, responsibility, and duties of Division of Florida Condominiums, Timeshares, and Mobile Homes.—

- (1) The division may enforce and ensure compliance with the provisions of this chapter and rules relating to the development, construction, sale, lease, ownership, operation, and management of residential condominium units. In performing its duties, the division has complete jurisdiction to investigate complaints and enforce compliance with respect to associations that are still under developer control or the control of a bulk assignee or bulk buyer pursuant to part VII of this chapter and complaints against developers, bulk assignees, or bulk buyers involving improper turnover or failure to turnover, pursuant to s. 718.301. However, after turnover has occurred, the division has jurisdiction to investigate complaints related only to financial issues, elections, and unit owner access to association records pursuant to s. 718.111(12).
- (d) Notwithstanding any remedies available to unit owners and associations, if the division has reasonable cause to believe that a violation of any provision of this chapter or

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related rule has occurred, the division may institute enforcement proceedings in its own name against any developer, bulk assignee, bulk buyer, association, officer, or member of the board of administration, or its assignees or agents, as follows:

- 1. The division may permit a person whose conduct or actions may be under investigation to waive formal proceedings and enter into a consent proceeding whereby orders, rules, or letters of censure or warning, whether formal or informal, may be entered against the person.
- 2. The division may issue an order requiring the developer, bulk assignee, bulk buyer, association, developer-designated officer, or developer-designated member of the board of administration, developer-designated assignees or agents, bulk assignee-designated assignees or agents, bulk buyer-designated assignees or agents, community association manager, or community association management firm to cease and desist from the unlawful practice and take such affirmative action as in the judgment of the division carry out the purposes of this chapter. If the division finds that a developer, bulk assignee, bulk buyer, association, officer, or member of the board of administration, or its assignees or agents, is violating or is about to violate any provision of this chapter, any rule adopted or order issued by the division, or any written agreement entered into with the division, and presents an immediate danger

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to the public requiring an immediate final order, it may issue an emergency cease and desist order reciting with particularity the facts underlying such findings. The emergency cease and desist order is effective for 90 days. If the division begins nonemergency cease and desist proceedings, the emergency cease and desist order remains effective until the conclusion of the proceedings under ss. 120.569 and 120.57.

- 3. If a developer, bulk assignee, or bulk buyer, fails to pay any restitution determined by the division to be owed, plus any accrued interest at the highest rate permitted by law, within 30 days after expiration of any appellate time period of a final order requiring payment of restitution or the conclusion of any appeal thereof, whichever is later, the division must bring an action in circuit or county court on behalf of any association, class of unit owners, lessees, or purchasers for restitution, declaratory relief, injunctive relief, or any other available remedy. The division may also temporarily revoke its acceptance of the filing for the developer to which the restitution relates until payment of restitution is made.
- 4. The division may petition the court for appointment of a receiver or conservator. If appointed, the receiver or conservator may take action to implement the court order to ensure the performance of the order and to remedy any breach thereof. In addition to all other means provided by law for the enforcement of an injunction or temporary restraining order, the

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circuit court may impound or sequester the property of a party defendant, including books, papers, documents, and related records, and allow the examination and use of the property by the division and a court-appointed receiver or conservator.

- 5. The division may apply to the circuit court for an order of restitution whereby the defendant in an action brought pursuant to subparagraph 4. is ordered to make restitution of those sums shown by the division to have been obtained by the defendant in violation of this chapter. At the option of the court, such restitution is payable to the conservator or receiver appointed pursuant to subparagraph 4. or directly to the persons whose funds or assets were obtained in violation of this chapter.
- 6. The division may impose a civil penalty against a developer, bulk assignee, or bulk buyer, or association, or its assignee or agent, for any violation of this chapter or related rule. The division may impose a civil penalty individually against an officer or board member who willfully and knowingly violates a provision of this chapter, adopted rule, or a final order of the division; may order the removal of such individual as an officer or from the board of administration or as an officer of the association; and may prohibit such individual from serving as an officer or on the board of a community association for a period of time. The term "willfully and knowingly" means that the division informed the officer or board

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member that his or her action or intended action violates this chapter, a rule adopted under this chapter, or a final order of the division and that the officer or board member refused to comply with the requirements of this chapter, a rule adopted under this chapter, or a final order of the division. The division, before initiating formal agency action under chapter 120, must afford the officer or board member an opportunity to voluntarily comply, and an officer or board member who complies within 10 days is not subject to a civil penalty. A penalty may be imposed on the basis of each day of continuing violation, but the penalty for any offense may not exceed \$5,000. By January 1, 1998, the division shall adopt, by rule, penalty guidelines applicable to possible violations or to categories of violations of this chapter or rules adopted by the division. The guidelines must specify a meaningful range of civil penalties for each such violation of the statute and rules and must be based upon the harm caused by the violation, the repetition of the violation, and upon such other factors deemed relevant by the division. For example, the division may consider whether the violations were committed by a developer, bulk assignee, or bulk buyer, or owner-controlled association, the size of the association, and other factors. The guidelines must designate the possible mitigating or aggravating circumstances that justify a departure from the range of penalties provided by the rules. It is the legislative intent that minor violations be distinguished from

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those which endanger the health, safety, or welfare of the condominium residents or other persons and that such guidelines provide reasonable and meaningful notice to the public of likely penalties that may be imposed for proscribed conduct. This subsection does not limit the ability of the division to informally dispose of administrative actions or complaints by stipulation, agreed settlement, or consent order. All amounts collected shall be deposited with the Chief Financial Officer to the credit of the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund. If a developer, bulk assignee, or bulk buyer fails to pay the civil penalty and the amount deemed to be owed to the association, the division shall issue an order directing that such developer, bulk assignee, or bulk buyer cease and desist from further operation until such time as the civil penalty is paid or may pursue enforcement of the penalty in a court of competent jurisdiction. If an association fails to pay the civil penalty, the division shall pursue enforcement in a court of competent jurisdiction, and the order imposing the civil penalty or the cease and desist order is not effective until 20 days after the date of such order. Any action commenced by the division shall be brought in the county in which the division has its executive offices or in the county where the violation occurred.

7. If a unit owner presents the division with proof that the unit owner has requested access to official records in

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writing by certified mail, and that after 10 days the unit owner again made the same request for access to official records in writing by certified mail, and that more than 10 days has elapsed since the second request and the association has still failed or refused to provide access to official records as required by this chapter, the division shall issue a subpoena requiring production of the requested records where the records are kept pursuant to s. 718.112.

- 8. In addition to subparagraph 6., the division may seek the imposition of a civil penalty through the circuit court for any violation for which the division may issue a notice to show cause under paragraph (q) paragraph (r). The civil penalty shall be at least \$500 but no more than \$5,000 for each violation. The court may also award to the prevailing party court costs and reasonable attorney attorney's fees and, if the division prevails, may also award reasonable costs of investigation.
- (1) The division shall develop a program to certify both volunteer and paid mediators to provide mediation of condominium disputes. The division shall provide, upon request, a list of such mediators to any association, unit owner, or other participant in arbitration proceedings under s. 718.1255 requesting a copy of the list. The division shall include on the list of volunteer mediators only the names of persons who have received at least 20 hours of training in mediation techniques or who have mediated at least 20 disputes. In order to become

initially certified by the division, paid mediators must be certified by the Supreme Court to mediate court cases in county or circuit courts. However, the division may adopt, by rule, additional factors for the certification of paid mediators, which must be related to experience, education, or background. Any person initially certified as a paid mediator by the division must, in order to continue to be certified, comply with the factors or requirements adopted by rule.

(s) The division shall submit to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairs of the legislative appropriations committees an annual report that includes, but need not be limited to, the number of training programs provided for condominium association board members and unit owners, the number of complaints received by type, the number and percent of complaints acknowledged in writing within 30 days and the number and percent of investigations acted upon within 90 days in accordance with paragraph (1) paragraph (m), and the number of investigations exceeding the 90-day requirement. The annual report must also include an evaluation of the division's core business processes and make recommendations for improvements, including statutory changes. The report shall be submitted by September 30 following the end of the fiscal year.

Section 11. Section 718.5014, Florida Statutes, is amended to read:

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718.5014 Ombudsman location.—The ombudsman shall maintain his or her principal office in any Leon County on the premises of the division or, if suitable space cannot be provided there, at another place convenient to the offices of the division which will enable the ombudsman to expeditiously carry out the duties and functions of his or her office. The ombudsman may establish branch offices elsewhere in the state upon the concurrence of the Governor.

Section 12. Subsection (25) of section 719.103, Florida Statutes, is amended to read:

719.103 Definitions.—As used in this chapter:

(25) "Unit" means a part of the cooperative property which is subject to exclusive use and possession. A unit may be improvements, land, or land and improvements together, as specified in the cooperative documents. An interest in a unit is an interest in real property.

Section 13. Paragraph (c) of subsection (2) of section 719.104, Florida Statutes, is amended to read:

719.104 Cooperatives; access to units; records; financial reports; assessments; purchase of leases.—

(2) OFFICIAL RECORDS.-

(c) The official records of the association are open to inspection by any association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain

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copies, at the reasonable expense, if any, of the association member. The association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying, but may not require a member to demonstrate any purpose or state any reason for the inspection. The failure of an association to provide the records within 10 working days after receipt of a written request creates a rebuttable presumption that the association willfully failed to comply with this paragraph. A member unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply. The minimum damages are \$50 per calendar day for up to 10 days, beginning on the 11th working day after receipt of the written request. The failure to permit inspection entitles any person prevailing in an enforcement action to recover reasonable attorney fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records. Any person who knowingly or intentionally defaces or destroys accounting records that are required by this chapter to be maintained during the period for which such records are required to be maintained, or who knowingly or intentionally fails to create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to the association or one or more of its members, is personally subject to a civil penalty pursuant to s. 719.501(1)(d). The association

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shall maintain an adequate number of copies of the declaration, articles of incorporation, bylaws, and rules, and all amendments to each of the foregoing, as well as the question and answer sheet as described in s. 719.504 and year-end financial information required by the department, on the cooperative property to ensure their availability to members unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the same. An association shall allow a member or his or her authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the association providing the member or his or her authorized representative with a copy of such records. The association may not charge a member or his or her authorized representative for the use of a portable device. Notwithstanding this paragraph, the following records shall not be accessible to members unit owners:

1. Any record protected by the lawyer-client privilege as described in s. 90.502 and any record protected by the work-product privilege, including any record prepared by an association attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association, and which was prepared exclusively for civil or

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criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.

- 2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a unit.
- 3. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subparagraph, the term "personnel records" does not include written employment agreements with an association employee or management company, or budgetary or financial records that indicate the compensation paid to an association employee.
 - 4. Medical records of unit owners.

5. Social security numbers, driver license numbers, credit card numbers, e-mail addresses, telephone numbers, facsimile numbers, emergency contact information, addresses of a unit owner other than as provided to fulfill the association's notice requirements, and other personal identifying information of any person, excluding the person's name, unit designation, mailing address, property address, and any address, e-mail address, or facsimile number provided to the association to fulfill the association's notice requirements. Notwithstanding the restrictions in this subparagraph, an association may print and

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distribute to <u>unit</u> <u>parcel</u> owners a directory containing the name, <u>unit</u> <u>parcel</u> address, and all telephone numbers of each <u>unit</u> <u>parcel</u> owner. However, an owner may exclude his or her telephone numbers from the directory by so requesting in writing to the association. An owner may consent in writing to the disclosure of other contact information described in this subparagraph. The association is not liable for the inadvertent disclosure of information that is protected under this subparagraph if the information is included in an official record of the association and is voluntarily provided by an owner and not requested by the association.

- 6. Electronic security measures that are used by the association to safeguard data, including passwords.
- 7. The software and operating system used by the association which allow the manipulation of data, even if the owner owns a copy of the same software used by the association. The data is part of the official records of the association.
- Section 14. Paragraphs (b), (f), and (l) of subsection (1) of section 719.106, Florida Statutes, are amended to read:
 - 719.106 Bylaws; cooperative ownership.-
- (1) MANDATORY PROVISIONS.—The bylaws or other cooperative documents shall provide for the following, and if they do not, they shall be deemed to include the following:
 - (b) Quorum; voting requirements; proxies.-
 - 1. Unless otherwise provided in the bylaws, the percentage

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

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Except as specifically otherwise provided herein, after January 1, 1992, unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the division. 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 (j)2., for votes taken to waive the financial reporting requirements of s. 719.104(4)(b), 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), after January 1, 1992, no proxy, limited or general, shall be used in the election of board members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. Notwithstanding

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the provisions of this section, unit owners may vote in person at unit owner meetings. Nothing contained herein shall limit the use of general proxies or require the use of limited proxies or require the use of limited proxies for any agenda item or election at any meeting of a timeshare cooperative.

- 3. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given. Every proxy shall be 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 and may not be used for the purposes of creating a quorum.
- 5. A board or committee member's participation in a meeting via telephone, real-time video conferencing, or similar real-time electronic or video communication counts toward a quorum, and such member may vote as if physically present When some or all of the board or committee members meet by telephone conference, those board or committee members attending by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker must shall be

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<u>used</u> <u>utilized</u> so that the conversation of <u>such</u> those board or <u>committee</u> members attending by telephone may be heard by the board or committee members attending in person, as well as by any unit owners present at a meeting.

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

forth in subparagraph 3.

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- 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 shall turn over to the board within 10 full business days after the date of the recall any and all records and property of the association in his or her possession At the meeting, the board shall either certify the written agreement to recall members of the board, in which case such members shall be recalled effective immediately and shall turn over to the board, within 5 full business days, any and all records and property of the association in their possession, or proceed as described in subparagraph 3.
- 3. If the board determines not to certify the written agreement to recall members of the board, or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the board meeting, file with the division a petition for binding arbitration pursuant to the procedures of s. 719.1255. For purposes of this paragraph, the

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 unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member of the board, the recall shall be effective upon mailing of the final order of arbitration to the association. If the association fails to comply with the order of the arbitrator, the division may take action pursuant to s. 719.501. Any member so recalled shall deliver to the board any and all records and property of the association in the member's possession within 5 full business days after the effective date of the recall.

3.4. 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 shall be deemed effective and the board members so recalled shall immediately turn over to the board any and all records and property of the association.

4.5. 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 an action under s. 719.1255 challenging the board's failure to act or challenging the board's determination on facial validity. The action must be filed within 60 days after the expiration of the applicable 5-full-

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business-day period. The review of an 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 fails to file the required petition, the unit owner representative may file a petition pursuant to s. 719.1255 challenging the board's failure to act. The petition must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of a petition under this subparagraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or ballots filed.

5.6. If a vacancy occurs on the board as a result of a recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained in this <u>subsection chapter</u>. 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 <u>must shall</u> be filled in accordance with <u>the bylaws procedural</u> rules to be adopted by the division, which rules need not be consistent with this chapter. The rules must provide procedures governing the conduct of the recall election as well as the operation of the association during the period after a recall but before the recall election.

6.7. A board member who has been recalled may file <u>an</u>

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action under a petition pursuant to s. 719.1255 challenging the validity of the recall. The action petition must be filed within 60 days after the recall is deemed certified. The association and the unit owner representative shall be named as the defendants respondents.

- 7.8. An action may not be filed to challenge the validity of the division may not accept for filing a recall petition, whether filed pursuant to subparagraph 1., subparagraph 2., subparagraph 4.5., or subparagraph 6.7. and regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the board member sought to be recalled or when 60 or fewer days have not elapsed since the election of the board member sought to be recalled.
- (1) <u>Mediation</u> <u>Arbitration</u>.—There shall be a provision for mandatory <u>mediation</u> <u>nonbinding arbitration</u> of internal disputes arising from the operation of the cooperative in accordance with s. 719.1255.

Section 15. Section 719.1255, Florida Statutes, is amended to read:

719.1255 Alternative resolution of disputes.—The Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation shall provide for Alternative dispute resolution shall be conducted in accordance with s. 718.1255.

Section 16. Paragraph (n) of subsection (1) of section

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719.501, Florida Statutes, is amended to read:

719.501 Powers and duties of Division of Florida Condominiums, Timeshares, and Mobile Homes.—

- (1) The Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation, referred to as the "division" in this part, in addition to other powers and duties prescribed by chapter 718, has the power to enforce and ensure compliance with this chapter and adopted rules relating to the development, construction, sale, lease, ownership, operation, and management of residential cooperative units. In performing its duties, the division shall have the following powers and duties:
- (n) The division shall develop a program to certify both volunteer and paid mediators to provide mediation of cooperative disputes. The division shall provide, upon request, a list of such mediators to any association, unit owner, or other participant in arbitration proceedings under s. 718.1255 requesting a copy of the list. The division shall include on the list of voluntary mediators only persons who have received at least 20 hours of training in mediation techniques or have mediated at least 20 disputes. In order to become initially certified by the division, paid mediators must be certified by the Supreme Court to mediate court cases in county or circuit courts. However, the division may adopt, by rule, additional factors for the certification of paid mediators, which factors

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must be related to experience, education, or background. Any person initially certified as a paid mediator by the division must, in order to continue to be certified, comply with the factors or requirements imposed by rules adopted by the division.

Section 17. Paragraph (c) of subsection (2), paragraph (l) of subsection (4), and paragraphs (d), (g), (h), (k), and (l) of subsection (10) of section 720.303, Florida Statutes, are amended, and paragraph (m) is added to subsection (4) of that section, to read:

720.303 Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls.—

(2) BOARD MEETINGS.-

- (c) The bylaws shall provide the following for giving notice to parcel owners and members of all board meetings and, if they do not do so, shall be deemed to include the following:
- 1. Notices of all board meetings must be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the community, notice of each board meeting must be mailed or delivered to each member at least 7 days before the meeting, except in an emergency. Notwithstanding this general notice requirement, for communities with more than 100 members, the association bylaws

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may provide for a reasonable alternative to posting or mailing of notice for each board meeting, including publication of notice, provision of a schedule of board meetings, or the conspicuous posting and repeated broadcasting of the notice on a closed-circuit cable television system serving the homeowners' association. However, if broadcast notice is used in lieu of a notice posted physically in the community, the notice must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required. When 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 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 association 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 is required for a notice for a meeting of the members, which must include a hyperlink to the website where the notice is posted, to members whose e-mail addresses are included in the association's official records. The association may

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provide notice by electronic transmission in a manner authorized by law for meetings of the board of directors, committee meetings requiring notice under this section, and annual and special meetings of the members to any member who has provided a facsimile number or e-mail address to the association to be used for such purposes; however, a member must consent in writing to receiving notice by electronic transmission.

- 2. An assessment may not be levied at a board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Written notice of any meeting at which special assessments will be considered or at which amendments to rules regarding parcel use will be considered must be mailed, delivered, or electronically transmitted to the members and parcel owners and posted conspicuously on the property or broadcast on closed-circuit cable television not less than 14 days before the meeting.
- 3. Directors may not vote by proxy or by secret ballot at board meetings, except that secret ballots may be used in the election of officers. This subsection also applies to the meetings of any committee or other similar body, when a final decision will be made regarding the expenditure of association funds, and to any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the

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2051 community.

- (4) OFFICIAL RECORDS.—The association shall maintain each of the following items, when applicable, which constitute the official records of the association:
- (1) Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by parcel owners, which shall be maintained for at least 1 year after the date of the election, vote, or meeting to which the document relates.
- (m) All other written records of the association not specifically included in paragraphs (a) through (l) the foregoing which are related to the operation of the association.
 - (10) RECALL OF DIRECTORS.-
- (d) If the board determines not to certify the written agreement or written ballots to recall a director or directors of the board or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the meeting, file an action under with the department a petition for binding arbitration pursuant to the applicable procedures in ss. 718.112(2)(j) and 718.1255 and the rules adopted thereunder. For the purposes of this section, the members who voted at the meeting or who executed the agreement in writing shall constitute one party under the action petition for arbitration. If the court arbitrator certifies the recall as to any director or directors of the board, the recall is will be effective upon

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entry mailing of the final order of arbitration to the association. The director or directors so recalled shall deliver to the board any and all records of the association in their possession within 5 full business days after the effective date of the recall.

- (g) If the board fails to duly notice and hold the required meeting or fails to file the required action petition, the parcel unit owner representative may file an action under a petition pursuant to s. 718.1255 challenging the board's failure to act. The action petition must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of an action a petition under this paragraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or ballots filed.
- (h) If a director who is removed fails to relinquish his or her office or turn over records as required under this section, the <u>county circuit</u> court in the county where the association maintains its principal office may, upon the petition of the association, summarily order the director to relinquish his or her office and turn over all association records upon application of the association.
- (k) A board member who has been recalled may file <u>an</u> <u>action under a petition pursuant to</u> ss. 718.112(2)(j) and 718.1255 and the rules adopted challenging the validity of the recall. The action <u>petition</u> must be filed within 60 days after

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the recall is deemed certified. The association and the <u>parcel</u> unit owner representative shall be named as <u>defendants</u> respondents.

(1) An action may not be filed challenging the validity of the division may not accept for filing a recall petition, whether filed pursuant to paragraph (b), paragraph (c), paragraph (g), or paragraph (k) and regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the board member sought to be recalled or when 60 or fewer days have not elapsed since the election of the board member sought to be recalled.

Section 18. Subsections (1) and (2) of section 720.305, Florida Statutes, are amended to read:

720.305 Obligations of members; remedies at law or in equity; levy of fines and suspension of use rights.—

- (1) Each member and the member's tenants, guests, and invitees, and each association, are governed by, and must comply with, this chapter and, the governing documents of the community, and the rules of the association. Actions at law or in equity, or both, to redress alleged failure or refusal to comply with these provisions may be brought by the association or by any member against:
 - (a) The association;
 - (b) A member;

(c) Any director or officer of an association who

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2126 willfully and knowingly fails to comply with these provisions; 2127 and

- (d) Any tenants, guests, or invitees occupying a parcel or using the common areas.
- The prevailing party in any such litigation is entitled to recover reasonable attorney fees and costs. A member prevailing in an action between the association and the member under this section, in addition to recovering his or her reasonable attorney fees, may recover additional amounts as determined by the court to be necessary to reimburse the member for his or her share of assessments levied by the association to fund its expenses of the litigation. This relief does not exclude other remedies provided by law. This section does not deprive any person of any other available right or remedy.
- (2) An The association may levy reasonable fines. A fine may not exceed \$100 per violation against any member or any member's tenant, guest, or invitee for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the governing documents declaration, the association bylaws, or reasonable rules of the association unless otherwise provided in the governing documents. A fine may be levied by the board for each day of a continuing violation, with a single notice and opportunity for hearing, except that the fine may not exceed \$1,000 in the aggregate unless otherwise

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provided in the governing documents. A fine of less than \$1,000 may not become a lien against a parcel. In any action to recover a fine, the prevailing party is entitled to reasonable attorney fees and costs from the nonprevailing party as determined by the court.

- (a) An association may suspend, for a reasonable period of time, the right of a member, or a member's tenant, guest, or invitee, to use common areas and facilities for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. This paragraph does not apply to that portion of common areas used to provide access or utility services to the parcel. A suspension may not prohibit an owner or tenant of a parcel from having vehicular and pedestrian ingress to and egress from the parcel, including, but not limited to, the right to park.
- (b) A fine or suspension levied by the board of administration may not be imposed unless the board first provides at least 14 days' notice to the parcel owner and, if applicable, any occupant, licensee, or invitee of the parcel owner, sought to be fined or suspended and an opportunity for a hearing before a committee of at least three members appointed by the board who are not officers, directors, or employees of the association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. If the committee,

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by majority vote, does not approve a proposed fine or suspension, the proposed fine or suspension may not be imposed. The role of the committee is limited to determining whether to confirm or reject the fine or suspension levied by the board. If the proposed fine or suspension levied by the board is approved by the committee, the fine payment is due 5 days after notice of the approved fine is provided to the parcel owner and, if applicable, to any occupant, licensee, or invitee of the parcel owner the date of the committee meeting at which the fine is approved. The association must provide written notice of such fine or suspension by mail or hand delivery to the parcel owner and, if applicable, to any occupant tenant, licensee, or invitee of the parcel owner.

Section 19. Paragraph (g) of subsection (1) and paragraph (c) of subsection (9) of section 720.306, Florida Statutes, are amended to read:

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

(1) QUORUM; AMENDMENTS.—

(g) A notice required under this section must be mailed or delivered to the address identified as the parcel owner's mailing address in the official records of the association as required under s. 720.303(4) on the property appraiser's website for the county in which the parcel is located, or electronically transmitted in a manner authorized by the association if the

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parcel owner has consented, in writing, to receive notice by electronic transmission.

(9) ELECTIONS AND BOARD VACANCIES.-

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Any election dispute between a member and an association must be filed with the county court in the county where the association maintains its principal office submitted to mandatory binding arbitration with the division. Such proceedings must be conducted in the manner provided by s. 718.1255 and the procedural rules adopted by the division. Unless otherwise provided in the bylaws, any vacancy occurring on the board before the expiration of a term may be filled by an affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case the election procedures must conform to the requirements of the governing documents. Unless otherwise provided in the bylaws, a board member appointed or elected under this section is appointed for the unexpired term of the seat being filled. Filling vacancies created by recall is governed by s. 720.303(10) and rules adopted by the division. Section 20. Section 720.311, Florida Statutes, is amended to read:

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(1) (a) As used in this section, the term "dispute" means

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720.311 Dispute resolution.—

2226	any disagreement between two or more parties which involves:
2227	1. The authority of the board of directors, under this
2228	chapter or an association document, to:
2229	a. Require any owner to take any action, or not to take
2230	any action, involving that owner's parcel.
2231	b. Alter or add to a common area.
2232	2. The failure of a governing body, when required by this
2233	chapter or an association document, to:
2234	a. Properly enforce the governing documents.
2235	b. Provide adequate notice of meetings or other actions.
2236	c. Properly conduct meetings of the board and committees
2237	appointed by the board and membership meetings. This sub-
2238	subparagraph does not apply to elections held at a meeting.
2239	d. To maintain a common area.
2240	(b) The term "dispute" does not include any disagreement
2241	that primarily involves:
2242	1. Title to any parcel or common area;
2243	2. The interpretation or enforcement of any warranty;
2244	3. The levy of a fee or assessment or the collection of an
2245	assessment levied against a party;
2246	4. The eviction or removal of an occupant, licensee, or
2247	<pre>invitee from a parcel;</pre>
2248	5. An alleged breach of fiduciary duty by one or more
2249	directors; or
2250	6. Claims for damages to a parcel based upon the alleged

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failure of the association to maintain the common areas or association property.

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The Legislature finds that alternative dispute (2) resolution reduces has made progress in reducing court dockets and trials and offers in offering a more efficient, costeffective option to litigation. The filing of any petition for arbitration or the serving of a demand for presuit mediation as provided for in this section tolls shall toll the applicable statute of limitations until 30 days after mediation is completed and no agreement has been made, 10 days after the date by which a party must accept presuit mediation, or until the conclusion of the period of time during which a mediation must be conducted under this section. Any recall action must be in accordance with ss. 718.112(2)(j) and 718.1255. Election disputes and recall disputes are not eligible for presuit mediation dispute filed with the department pursuant to s. 720.303(10) shall be conducted by the department in accordance with the provisions of ss. 718.112(2)(j) and 718.1255 and the rules adopted by the division. In addition, the department shall conduct mandatory binding arbitration of election disputes between a member and an association pursuant to s. 718.1255 and rules adopted by the division. Neither election disputes nor recall disputes are eligible for presuit mediation; these disputes shall be arbitrated by the department. At the conclusion of the proceeding, the department shall charge the

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parties a fee in an amount adequate to cover all costs and expenses incurred by the department in conducting the proceeding. Initially, the petitioner shall remit a filing fee of at least \$200 to the department. The fees paid to the department shall become a recoverable cost in the arbitration proceeding, and the prevailing party in an arbitration proceeding shall recover its reasonable costs and attorney's fees in an amount found reasonable by the arbitrator. The department shall adopt rules to effectuate the purposes of this section.

(3) (a)1. (2) (a) Disputes between an association and a parcel owner regarding use of or changes to the parcel or the common areas and other covenant enforcement disputes, disputes regarding amendments to the association documents, disputes regarding meetings of the board and committees appointed by the board, membership meetings not including election meetings, and access to the official records of the association shall be the subject of a demand for presuit mediation served by an aggrieved party before the dispute is filed in court. Presuit mediation proceedings must be conducted in accordance with the applicable rules of the Florida Rules of Civil Procedure and chapter 44, and these proceedings are privileged and confidential to the same extent as court-ordered mediation. Disputes subject to presuit mediation under this section may shall not include the collection of any assessment, fine, or other financial

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obligation, including attorney attorney's fees and costs, claimed to be due or any action to enforce a prior mediation settlement agreement between the parties. Also, In any dispute subject to presuit mediation under this section where preliminary injunctive emergency relief is required, a motion for temporary injunctive relief may be filed with the court without first complying with the presuit mediation requirements of this section. After any issues regarding preliminary injunctive emergency or temporary relief are resolved, the court may either refer the parties to a mediation program administered by the courts or require mediation under this section. A An arbitrator or judge may not consider any information or evidence arising from the presuit mediation proceeding except in a proceeding to impose sanctions for failure to attend a presuit mediation session or to enforce a mediated settlement agreement. Persons who are not parties to the dispute may not attend the presuit mediation conference without the consent of all parties, except for counsel for the parties, and a corporate representative designated by the association, and a representative from the association's insurance carrier, if applicable. When mediation is attended by a quorum of the board, such mediation is not a board meeting for purposes of notice and participation set forth in s. 720.303. An aggrieved party shall serve on the responding party a written demand to participate in presuit mediation in substantially the following form:

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2327	STATUTORY OFFER TO PARTICIPATE
2328	IN PRESUIT MEDIATION
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2330	The alleged aggrieved party,, hereby demands
2331	that, as the responding party, engage in
2332	mandatory presuit mediation in connection with the following
2333	disputes, which by statute are of a type that are subject to
2334	presuit mediation:
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2336	(List specific nature of the dispute or disputes to be mediated
2337	and the authority supporting a finding of a violation as to each
2338	dispute.)
2339	
2340	Pursuant to section 720.311, Florida Statutes, this demand to
2341	resolve the dispute through presuit mediation is required before
2342	a lawsuit can be filed concerning the dispute. Pursuant to the
2343	statute, the parties are required to engage in presuit mediation
2344	with a neutral third-party mediator in order to attempt to
2345	resolve this dispute without court action, and the aggrieved
2346	party demands that you likewise agree to this process. If you
2347	fail to participate in the mediation process, suit may be
2348	brought against you without further warning.
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2350	The process of mediation involves a supervised negotiation

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process in which a trained, neutral third-party mediator meets with both parties and assists them in exploring possible opportunities for resolving part or all of the dispute. By agreeing to participate in presuit mediation, you are not bound in any way to change your position. Furthermore, the mediator has no authority to make any decisions in this matter or to determine who is right or wrong and merely acts as a facilitator to ensure that each party understands the position of the other party and that all options for reasonable settlement are fully explored.

If an agreement is reached, it <u>must shall</u> be reduced to writing and <u>signed</u>, at which time the agreement becomes a binding and enforceable <u>contract between commitment of</u> the parties. A resolution of one or more disputes in this fashion avoids the need to litigate <u>those these</u> issues in court. The failure to reach an agreement, or the failure of a party to participate in the process or the failure of the parties to reach an agreement during the mediation process, results in the aggrieved party being able to mediator declaring an impasse in the mediation, after which the aggrieved party may proceed to court on all outstanding and, unsettled disputes. If you <u>fail or refuse have failed or refused</u> to participate in the entire mediation process, you will not be entitled to recover attorney attorney's fees, even if you prevail.

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2377 The aggrieved party has selected and hereby lists five circuit 2378 court civil certified mediators certified by the Florida Supreme 2379 Court who the aggrieved party believes we believe to be neutral 2380 and qualified to mediate the dispute. You have the right to 2381 select any one of these mediators. The fact that one party may 2382 be familiar with one or more of the listed mediators does not 2383 mean that the mediator cannot act as a neutral and impartial 2384 facilitator. Any mediator who cannot act in this capacity is 2385 required ethically to decline to accept engagement. The 2386 mediators that we suggest, and their current hourly rates, are 2387 as follows: 2388 2389 (List the names, physical addresses, e-mail addresses, telephone 2390 numbers, and hourly rates of the mediators. Other pertinent 2391 information about the backgrounds background of the mediators 2392 may be included as an attachment, including whether the mediator 2393 is board certified by The Florida Bar in any practice area.) 2394 2395 By mutual agreement, and before accepting presuit mediation, we 2396 can also select mediators other than the Supreme Court-certified circuit court civil mediators named above as alternates to the 2397 2398 above-named mediators. The alternate mediators are not required 2399 to be Supreme Court-certified circuit court civil mediators. The 2400 alternate mediators that we suggest, and their hourly rates, are

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2401 as follows: 2402 (List the names, physical addresses, e-mail addresses, telephone 2403 numbers, and hourly rates of the alternate mediators. Other 2404 pertinent information about the backgrounds of the alternate 2405 mediators may be included as an attachment.) 2406 2407 You may contact the offices of these mediators to confirm that 2408 the listed mediators will be neutral and will not show any 2409 favoritism toward either party. The Florida Supreme Court can 2410 provide you a list of certified mediators who are certified in 2411 the area of circuit civil law. 2412 Unless otherwise agreed by the parties, section 720.311(2)(b), 2413 2414 Florida Statutes, requires that the parties share equally the 2415 costs of presuit mediation equally, including the fee charged by the mediator. A typical An average mediation may require three 2416 2417 to four hours of the mediator's time, including some preparation 2418 time, and the parties would need to share equally the mediator's 2419 fees as well as pay their own attorney attorney's fees if they 2420 choose to employ an attorney in connection with the mediation. 2421 However, use of an attorney is not required and is at the option 2422 of each party. The mediators may require the advance payment of some or all of the anticipated fees. The aggrieved party hereby 2423 agrees to pay or prepay one-half of the mediator's estimated 2424 2425 fees and to forward this amount or such other reasonable advance

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deposits as the mediator requires for this purpose. Any funds deposited will be returned to you if these are in excess of your share of the fees incurred.

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To begin your participation in presuit mediation to try to resolve the dispute and avoid further legal action, please sign below and clearly indicate which mediator is acceptable to you. We will then ask the mediator to schedule a mutually convenient time and place for the mediation conference to be held. The mediation conference must be held within 90 ninety (90) days after the date of acceptance of presuit mediation of this date, unless extended by mutual written agreement. In the event that you fail to respond within 30 days after 20 days from the date of this letter, or if you fail to agree to at least one of the mediators that we have suggested or to pay or prepay to the mediator one-half of the costs involved, the aggrieved party will be authorized to proceed with the filing of a lawsuit against you without further notice and may seek an award of attorney attorney's fees or costs incurred in attempting to obtain mediation.

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Therefore, please give this matter your immediate attention. By law, your response must be mailed by certified mail, return receipt requested, and by first-class mail to the address shown on this demand.

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2455	RESPONDING PARTY: YOUR SIGNATURE INDICATES YOUR AGREEMENT TO
2456	THAT CHOICE.
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2458	AGREEMENT TO MEDIATE
2459	The undersigned hereby agrees to participate in presuit
2460	mediation and agrees to attend a mediation conducted by the
2461	following mediator or mediators who are listed above as
2462	individuals someone who would be acceptable to mediate this
2463	dispute:
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2465	(List acceptable mediator or mediators.)
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2467	I/we further agree to pay or prepay one-half of the mediator's
2468	fees and to forward such advance deposits as the mediator may
2469	require for this purpose.
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2472	Signature of responding party #1
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2475	Telephone contact information

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CODING: Words $\frac{\text{stricken}}{\text{stricken}}$ are deletions; words $\frac{\text{underlined}}{\text{ore additions}}$ are additions.

Signature and telephone contact information of responding party #2 (if applicable) (if property is owned by more than one person, all owners must sign)

- 2. The statutory demand must also contain the following statement in capitalized, bold letters in a font size larger than any other used in the statutory demand: A PERSON WHO FAILS OR REFUSES TO PARTICIPATE IN THE ENTIRE PRESUIT MEDIATION PROCESS IS PROHIBITED FROM RECOVERING ATTORNEY FEES AND COSTS IN SUBSEQUENT LITIGATION RELATING TO THE DISPUTE.
- (b) Service of the statutory demand to participate in presuit mediation shall be effected by sending a letter in substantial conformity with the above form by certified mail, return receipt requested, with an additional copy being sent by regular first-class mail, to the address of the responding party as it last appears on the books and records of the association. The responding party has 30 20 days after from the date of the mailing of the statutory demand to serve a response to the aggrieved party in writing. The response must be sent shall be served by certified mail, return receipt requested, with an additional copy being sent by regular first-class mail, to the address shown on the statutory demand. Notwithstanding the foregoing, once the parties have agreed on a mediator, the

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mediator may schedule reschedule the mediation for a date and time mutually convenient to the parties. Each proposed mediator must be available to hold the mediation in the county in which the parcel is located or within 40 miles of the parcel without charging extra for travel-related costs. If a presuit mediation session cannot be scheduled and concluded within 90 days after the date of acceptance of presuit mediation and there is no agreement between the parties to extend the 90-day deadline, the aggrieved party may file an action in court. The parties shall share equally the costs of presuit mediation equally, including the fee charged by the mediator, if any, unless the parties agree otherwise, and the mediator may require advance payment of its reasonable fees and costs. The failure of any party to respond to a demand or response, to agree upon a mediator, to make payment of fees and costs within the time established by the mediator, or to appear for a scheduled mediation session without the approval of the mediator, constitutes shall constitute the failure or refusal to participate in the mediation process and operates shall operate as an impasse in the presuit mediation by such party, entitling the other party to proceed in court and to seek an award of the costs and fees associated with the mediation. Additionally, notwithstanding the provisions of any other law or document, persons who fail or refuse to participate in the entire mediation process may not recover attorney attorney's fees and costs in subsequent

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litigation relating to the dispute. If any presuit mediation session cannot be scheduled and conducted within 90 days after the offer to participate in mediation was filed, an impasse shall be deemed to have occurred unless both parties agree to extend this deadline.

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If presuit mediation as described in paragraph (a) is not successful in resolving all issues between the parties, any party the parties may file an action regarding the unresolved dispute in a court of competent jurisdiction or elect to enter into binding or nonbinding arbitration pursuant to the procedures set forth in s. 718.1255 and rules adopted by the division, with the arbitration proceeding to be conducted by a department arbitrator or by a private arbitrator certified by the department. If all parties do not agree to arbitration proceedings following an unsuccessful presuit mediation, any party may file the dispute in court. A final order resulting from nonbinding arbitration is final and enforceable in the courts if a complaint for trial de novo is not filed in a court of competent jurisdiction within 30 days after entry of the order. As to any issue or dispute that is not resolved at presuit mediation, and as to any issue that is settled at presuit mediation but is thereafter subject to an action seeking enforcement of the mediation settlement, the prevailing party in any subsequent arbitration or litigation proceeding shall be entitled to seek recovery of all costs and attorney attorney's

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fees incurred in the presuit mediation process.

- certified by the Florida Supreme Court. Unless such mediator is agreed upon, a mediator may not or arbitrator shall be authorized to conduct mediation or arbitration under this section unless only if he or she has been certified as a circuit court civil mediator or arbitrator, respectively, pursuant to the requirements established by the Florida Supreme Court. Settlement agreements resulting from mediation may shall not have precedential value in proceedings involving parties other than those participating in the mediation to support either a claim or defense in other disputes.
- (e) The presuit mediation procedures provided by this subsection may be used by a Florida corporation responsible for the operation of a community in which the voting members are parcel owners or their representatives, in which membership in the corporation is not a mandatory condition of parcel ownership, or which is not authorized to impose an assessment that may become a lien on the parcel.
- (4) Any dispute challenging the legality of the election or the recall of any member of the board of directors must be filed as a summary procedure under s. 51.011, and in any such action the prevailing party is entitled to recover reasonable attorney fees and costs. Any action filed pursuant to this subsection must be tried without a jury.

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Section 21. This act shall take effect July 1, 2019.

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