House



LEGISLATIVE ACTION

Senate Comm: RS 04/12/2019

The Committee on Innovation, Industry, and Technology (Gruters) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert: Section 1. Subsection (1) of section 34.01, Florida Statutes, is amended to read: 34.01 Jurisdiction of county court.-

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(1) County courts shall have original jurisdiction:

9 (a) In all misdemeanor cases not cognizable by the circuit 10 courts;

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11 (b) Of all violations of municipal and county ordinances; 12 (c) Of all actions at law in which the matter in controversy does not exceed the sum of \$15,000, exclusive of 13 14 interest, costs, and attorney's fees, except those within the exclusive jurisdiction of the circuit courts; and 15 16 (d) Of disputes occurring in condominium associations as 17 described in s. 718.1255, cooperative associations as described 18 in s. 719.1255, and the homeowners' associations as described in s. 720.311(3)(a) s. 720.311(2)(a), which is shall be concurrent 19 20 with jurisdiction of the circuit courts. 21 Section 2. Paragraph (a) of subsection (2) of section 22 514.0115, Florida Statutes, is amended to read: 23 514.0115 Exemptions from supervision or regulation; 24 variances.-25 (2) (a) Pools serving condominium, cooperative, and 26 homeowners' associations, as well as other property 27 associations, which have no more than 32 condominium or 28 cooperative units or parcels and which are not operated as a 29 public lodging establishments are establishment shall be exempt 30 from supervision under this chapter, except for water quality. 31 Section 3. Subsection (4) of section 627.714, Florida 32 Statutes, is amended to read: 33 627.714 Residential condominium unit owner coverage; loss 34 assessment coverage required.-35 (4) Every individual unit owner's residential property 36 policy must contain a provision stating that the coverage 37 afforded by such policy is excess coverage over the amount 38 recoverable under any other policy covering the same property. 39 An insurance policy issued to an individual unit owner may not

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| 40 | provide rights of subrogation against the condominium            |
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| 41 | association operating the condominium in which such individual's |
| 42 | unit is located.   |
| 43 | Section 4. Paragraphs (a), (b), (c), and (g) of subsection       |
| 44 | (12) of section 718.111, Florida Statutes, are amended to read:  |
| 45 | 718.111 The association  |
| 46 | (12) OFFICIAL RECORDS  |
| 47 | (a) From the inception of the association, the association       |
| 48 | shall maintain each of the following items, if applicable, which |
| 49 | constitutes the official records of the association:             |
| 50 | 1. A copy of the plans, permits, warranties, and other           |
| 51 | items provided by the developer pursuant to s. 718.301(4).       |
| 52 | 2. A photocopy of the recorded declaration of condominium        |
| 53 | of each condominium operated by the association and each         |
| 54 | amendment to each declaration.                                   |
| 55 | 3. A photocopy of the recorded bylaws of the association         |
| 56 | and each amendment to the bylaws.                                |
| 57 | 4. A certified copy of the articles of incorporation of the      |
| 58 | association, or other documents creating the association, and    |
| 59 | each amendment thereto.  |
| 60 | 5. A copy of the current rules of the association.               |
| 61 | 6. A book or books that contain the minutes of all meetings      |
| 62 | of the association, the board of administration, and the unit    |
| 63 | owners.  |
| 64 | 7. A current roster of all unit owners and their mailing         |
| 65 | addresses, unit identifications, voting certifications, and, if  |
| 66 | known, telephone numbers. The association shall also maintain    |
| 67 | the e-mail addresses and facsimile numbers of unit owners        |
| 68 | consenting to receive notice by electronic transmission. The e-  |
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69 mail addresses and facsimile numbers are not accessible to unit 70 owners if consent to receive notice by electronic transmission 71 is not provided in accordance with sub-subparagraph (c)3.e. 72 However, the association is not liable for an inadvertent 73 disclosure of the e-mail address or facsimile number for 74 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.

83 11. Accounting records for the association and separate accounting records for each condominium that the association 84 85 operates. Any person who knowingly or intentionally defaces or destroys such records, or who knowingly or intentionally fails 86 87 to create or maintain such records, with the intent of causing harm to the association or one or more of its members, is 88 89 personally subject to a civil penalty pursuant to s. 90 718.501(1)(d). The accounting records must include, but are not 91 limited to:

92 a. Accurate, itemized, and detailed records of all receipts93 and expenditures.

94 b. A current account and a monthly, bimonthly, or quarterly 95 statement of the account for each unit designating the name of 96 the unit owner, the due date and amount of each assessment, the 97 amount paid on the account, and the balance due.

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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.

16. A copy of the inspection report as described in s. 718.301(4)(p).

included in subparagraphs 1.-16. which are related to the

16.17. Bids for materials, equipment, or services.

17. All other records of the association not specifically

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122 (b) The official records specified in subparagraphs (a)1.-123 6. must be permanently maintained from the inception of the 124 association. Bids for work to be performed or for materials, 125 equipment, or services must be maintained for 1 year after 126 receipt of the bid. All other official records must be

operation of the association.



127 maintained within the state for at least 7 years, unless 128 otherwise provided by general law. The records of the 129 association shall be made available to a unit owner within 45 130 miles of the condominium property or within the county in which 131 the condominium property is located within 10 working days after 132 receipt of a written request by the board or its designee. 133 However, such distance requirement does not apply to an 134 association governing a timeshare condominium. This paragraph 135 may be complied with by having a copy of the official records of 136 the association available for inspection or copying on the 137 condominium property or association property, or the association 138 may offer the option of making the records available to a unit 139 owner electronically via the Internet or by allowing the records 140 to be viewed in electronic format on a computer screen and 141 printed upon request. The association is not responsible for the 142 use or misuse of the information provided to an association 143 member or his or her authorized representative in <del>pursuant to</del> 144 the compliance with requirements of this chapter unless the association has an affirmative duty not to disclose such 145 146 information under pursuant to this chapter.

147 (c)1. The official records of the association are open to inspection by any association member or the authorized 148 149 representative of such member at all reasonable times. The right 150 to inspect the records includes the right to make or obtain 151 copies, at the reasonable expense, if any, of the member or 152 authorized representative of such member. A renter of a unit has 153 a right to inspect and copy the association's bylaws and rules. 154 The association may adopt reasonable rules regarding the 155 frequency, time, location, notice, and manner of record



156 inspections and copying, but may not require a member to 157 demonstrate any purpose or state any reason for the inspection. 158 The failure of an association to provide the records within 10 159 working days after receipt of a written request creates a 160 rebuttable presumption that the association willfully failed to 161 comply with this paragraph. A unit owner who is denied access to 162 official records is entitled to the actual damages or minimum 163 damages for the association's willful failure to comply. Minimum 164 damages are \$50 per calendar day for up to 10 days, beginning on 165 the 11th working day after receipt of the written request. The 166 failure to permit inspection entitles any person prevailing in 167 an enforcement action to recover reasonable attorney fees from 168 the person in control of the records who, directly or 169 indirectly, knowingly denied access to the records.

170 2. Any person who knowingly or intentionally defaces or 171 destroys accounting records that are required by this chapter to 172 be maintained during the period for which such records are 173 required to be maintained, or who knowingly or intentionally 174 fails to create or maintain accounting records that are required 175 to be created or maintained, with the intent of causing harm to 176 the association or one or more of its members, is personally 177 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



185 costs for preparing and furnishing these documents to those 186 requesting the documents. An association shall allow a member or 187 his or her authorized representative to use a portable device, 188 including a smartphone, tablet, portable scanner, or any other 189 technology capable of scanning or taking photographs, to make an 190 electronic copy of the official records in lieu of the 191 association's providing the member or his or her authorized 192 representative with a copy of such records. The association may 193 not charge a member or his or her authorized representative for 194 the use of a portable device. Notwithstanding this paragraph, 195 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 workproduct 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.

206 b. Information obtained by an association in connection 207 with the approval of the lease, sale, or other transfer of a 208 unit.

209 c. Personnel records of association or management company 210 employees, including, but not limited to, disciplinary, payroll, 211 health, and insurance records. For purposes of this sub-212 subparagraph, the term "personnel records" does not include 213 written employment agreements with an association employee or

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214 management company, or budgetary or financial records that 215 indicate the compensation paid to an association employee.

d. Medical records of unit owners.

217 e. Social security numbers, driver license numbers, credit 218 card numbers, e-mail addresses, telephone numbers, facsimile 219 numbers, emergency contact information, addresses of a unit 220 owner other than as provided to fulfill the association's notice 221 requirements, and other personal identifying information of any person, excluding the person's name, unit designation, mailing 2.2.2 223 address, property address, and any address, e-mail address, or 224 facsimile number provided to the association to fulfill the 225 association's notice requirements. Notwithstanding the 226 restrictions in this sub-subparagraph, an association may print 227 and distribute to unit parcel owners a directory containing the 228 name, unit parcel address, and all telephone numbers of each 229 unit parcel owner. However, an owner may exclude his or her 230 telephone numbers from the directory by so requesting in writing 231 to the association. An owner may consent in writing to the disclosure of other contact information described in this sub-232 233 subparagraph. The association is not liable for the inadvertent 234 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.

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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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| 243 | The data is part of the official records of the association.                            |
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| 244 | (g)1. By January 1, 2019, an association managing a                                     |
| 245 | condominium with 150 or more units which does not contain                               |
| 246 | timeshare units shall post digital copies of the documents                              |
| 247 | specified in subparagraph 2. on its website or make such                                |
| 248 | documents available through an application that can be                                  |
| 249 | downloaded on a mobile device.  |
| 250 | a. The association's website or application must be:                                    |
| 251 | (I) An independent website, application, or web portal                                  |
| 252 | wholly owned and operated by the association; or  |
| 253 | (II) A website, application, or web portal operated by a                                |
| 254 | third-party provider with whom the association owns, leases,                            |
| 255 | rents, or otherwise obtains the right to operate a web page,                            |
| 256 | subpage, web portal, <del>or</del> collection of subpages or web portals <u>,</u>       |
| 257 | or application which is dedicated to the association's                                  |
| 258 | activities and on which required notices, records, and documents                        |
| 259 | may be posted or made available by the association.                                     |
| 260 | b. The association's website <u>or application</u> must be                              |
| 261 | accessible through the Internet and must contain a subpage, web                         |
| 262 | portal, or other protected electronic location that is                                  |
| 263 | inaccessible to the general public and accessible only to unit                          |
| 264 | owners and employees of the association.  |
| 265 | c. Upon a unit owner's written request, the association                                 |
| 266 | must provide the unit owner with a username and password and                            |
| 267 | access to the protected sections of the association's website $\underline{\mathrm{or}}$ |
| 268 | application that contain any notices, records, or documents that                        |
| 269 | must be electronically provided.  |
| 270 | 2. A current copy of the following documents must be posted                             |

2. A current copy of the following documents must be posted in digital format on the association's website <u>or made available</u>

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272 through an application that can be downloaded on a mobile 273 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 <u>to</u> <u>the articles of incorporation or other documents</u> <del>thereto</del>. The copy posted pursuant to this sub-subparagraph must be a copy of the articles of incorporation filed with the Department of State.

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d. The rules of the association.

286 e. A list of all executory contracts or documents to which 287 the association is a party or under which the association or the 288 unit owners have an obligation or responsibility and, after 289 bidding for the related materials, equipment, or services has 290 closed, a list of bids received by the association within the 291 past year. Summaries of bids for materials, equipment, or 292 services which exceed \$500 must be maintained on the website or 293 application for 1 year. In lieu of summaries, complete copies of 294 the bids may be posted.

295 f. The annual budget required by s. 718.112(2)(f) and any 296 proposed budget to be considered at the annual meeting.

297 g. The financial report required by subsection (13) and any 298 monthly income or expense statement to be considered at a 299 meeting.

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h. The certification of each director required by s.



301 718.112(2)(d)4.b.

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i. All contracts or transactions between the association 302 303 and any director, officer, corporation, firm, or association 304 that is not an affiliated condominium association or any other 305 entity in which an association director is also a director or 306 officer and financially interested.

307 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). 309

310 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 14 311 312 days before the meeting. The notice must be posted in plain view 313 on the front page of the website or application, or on a 314 separate subpage of the website or application labeled "Notices" 315 which is conspicuously visible and linked from the front page. The association must also post on its website or application any 316 317 document to be considered and voted on by the owners during the 318 meeting or any document listed on the agenda at least 7 days 319 before the meeting at which the document or the information 320 within the document will be considered.

321 1. Notice of any board meeting, the agenda, and any other 322 document required for the meeting as required by s. 323 718.112(2)(c), which must be posted no later than the date 324 required for notice pursuant to s. 718.112(2)(c).

325 3. The association shall ensure that the information and 326 records described in paragraph (c), which are not allowed to be 327 accessible to unit owners, are not posted on the association's 328 website or the association's application that can be downloaded 329 on a mobile device. If protected information or information



330 restricted from being accessible to unit owners is included in 331 documents that are required to be posted on the association's 332 website or application, the association shall ensure the 333 information is redacted before posting the documents online. 334 Notwithstanding the foregoing, the association or its agent is 335 not liable for disclosing information that is protected or 336 restricted pursuant to this paragraph unless such disclosure was 337 made with a knowing or intentional disregard of the protected or restricted nature of such information. 338

339 4. The failure of the association to post information
340 required under subparagraph 2. is not in and of itself
341 sufficient to invalidate any action or decision of the
342 association's board or its committees.

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:

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(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.

357 2. Unless the bylaws provide otherwise, a vacancy on the358 board caused by the expiration of a director's term must be



359 filled by electing a new board member, and the election must be 360 by secret ballot. An election is not required if the number of 361 vacancies equals or exceeds the number of candidates. For 362 purposes of this paragraph, the term "candidate" means an 363 eligible person who has timely submitted the written notice, as 364 described in sub-subparagraph 4.a., of his or her intention to 365 become a candidate. Except in a timeshare or nonresidential 366 condominium, or if the staggered term of a board member does not expire until a later annual meeting, or if all members' terms 367 368 would otherwise expire but there are no candidates, the terms of 369 all board members expire at the annual meeting, and such members 370 may stand for reelection unless prohibited by the bylaws. Board 371 members may serve terms longer than 1 year if permitted by the 372 bylaws or articles of incorporation. A board member may not 373 serve more than 8 consecutive years unless approved by an 374 affirmative vote of unit owners representing two-thirds of all 375 votes cast in the election or unless there are not enough 376 eligible candidates to fill the vacancies on the board at the 377 time of the vacancy. Only board service that occurs on or after 378 July 1, 2018, may be used when calculating a board member's term 379 limit. If the number of board members whose terms expire at the 380 annual meeting equals or exceeds the number of candidates, the 381 candidates become members of the board effective upon the 382 adjournment of the annual meeting. Unless the bylaws provide 383 otherwise, any remaining vacancies shall be filled by the 384 affirmative vote of the majority of the directors making up the 385 newly constituted board even if the directors constitute less 386 than a quorum or there is only one director. In a residential 387 condominium association of more than 10 units or in a

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388 residential condominium association that does not include 389 timeshare units or timeshare interests, coowners of a unit may 390 not serve as members of the board of directors at the same time 391 unless they own more than one unit or unless there are not 392 enough eligible candidates to fill the vacancies on the board at 393 the time of the vacancy. A unit owner in a residential 394 condominium desiring to be a candidate for board membership must 395 comply with sub-subparagraph 4.a. and must be eligible to be a 396 candidate to serve on the board of directors at the time of the 397 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 398 399 or to serve on the board. A person who has been suspended or 400 removed by the division under this chapter, or who is delinquent 401 in the payment of any monetary obligation due to the 402 association, is not eligible to be a candidate for board 403 membership and may not be listed on the ballot. A person who has 404 been convicted of any felony in this state or in a United States 405 District or Territorial Court, or who has been convicted of any 406 offense in another jurisdiction which would be considered a 407 felony if committed in this state, is not eligible for board 408 membership unless such felon's civil rights have been restored 409 for at least 5 years as of the date such person seeks election 410 to the board. The validity of an action by the board is not 411 affected if it is later determined that a board member is 412 ineligible for board membership due to having been convicted of 413 a felony. This subparagraph does not limit the term of a member 414 of the board of a nonresidential or timeshare condominium.

3. The bylaws must provide the method of calling meetingsof unit owners, including annual meetings. Written notice must



417 include an agenda, must be mailed, hand delivered, or 418 electronically transmitted to each unit owner at least 14 days 419 before the annual meeting, and must be posted in a conspicuous 420 place on the condominium property at least 14 continuous days 421 before the annual meeting. Upon notice to the unit owners, the 422 board shall, by duly adopted rule, designate a specific location 423 on the condominium property where all notices of unit owner 424 meetings must be posted. This requirement does not apply if 42.5 there is no condominium property for posting notices. In lieu 426 of, or in addition to, the physical posting of meeting notices, 427 the association may, by reasonable rule, adopt a procedure for 428 conspicuously posting and repeatedly broadcasting the notice and 429 the agenda on a closed-circuit cable television system serving 430 the condominium association. However, if broadcast notice is 431 used in lieu of a notice posted physically on the condominium 432 property, the notice and agenda must be broadcast at least four 433 times every broadcast hour of each day that a posted notice is otherwise required under this section. If broadcast notice is 434 435 provided, the notice and agenda must be broadcast in a manner 436 and for a sufficient continuous length of time so as to allow an 437 average reader to observe the notice and read and comprehend the 438 entire content of the notice and the agenda. In addition to any 439 of the authorized means of providing notice of a meeting of the board, the association may, by rule, adopt a procedure for 440 441 conspicuously posting the meeting notice and the agenda on a 442 website serving the condominium association for at least the 443 minimum period of time for which a notice of a meeting is also 444 required to be physically posted on the condominium property. Any rule adopted shall, in addition to other matters, include a 445

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446 requirement that the association send an electronic notice in 447 the same manner as a notice for a meeting of the members, which 448 must include a hyperlink to the website where the notice is 449 posted, to unit owners whose e-mail addresses are included in 450 the association's official records. Unless a unit owner waives 451 in writing the right to receive notice of the annual meeting, 452 such notice must be hand delivered, mailed, or electronically 453 transmitted to each unit owner. Notice for meetings and notice 454 for all other purposes must be mailed to each unit owner at the 455 address last furnished to the association by the unit owner, or 456 hand delivered to each unit owner. However, if a unit is owned 457 by more than one person, the association must provide notice to 458 the address that the developer identifies for that purpose and 459 thereafter as one or more of the owners of the unit advise the 460 association in writing, or if no address is given or the owners 461 of the unit do not agree, to the address provided on the deed of 462 record. An officer of the association, or the manager or other 463 person providing notice of the association meeting, must provide 464 an affidavit or United States Postal Service certificate of 465 mailing, to be included in the official records of the 466 association affirming that the notice was mailed or hand 467 delivered in accordance with this provision.

468 4. The members of the board of a residential condominium 469 shall be elected by written ballot or voting machine. Proxies 470 may not be used in electing the board in general elections or 471 elections to fill vacancies caused by recall, resignation, or 472 otherwise, unless otherwise provided in this chapter. This 473 subparagraph does not apply to an association governing a 474 timeshare condominium.



a. At least 60 days before a scheduled election, the association shall mail, deliver, or electronically transmit, by separate association mailing or included in another association mailing, delivery, or transmission, including regularly published newsletters, to each unit owner entitled to a vote, a first notice of the date of the election. A unit owner or other eligible person desiring to be a candidate for the board must give written notice of his or her intent to be a candidate to the association at least 40 days before a scheduled election. Together with the written notice and agenda as set forth in subparagraph 3., the association shall mail, deliver, or electronically transmit a second notice of the election to all unit owners entitled to vote, together with a ballot that lists all candidates not less than 14 days or more than 34 days before the date of the election. Upon request of a candidate, an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate at least 35 days before the election, must be included with the mailing, delivery, or transmission of the ballot, with the costs of mailing, delivery, or electronic transmission and copying to be borne by the association. The association is not liable for the contents of the information sheets prepared by the candidates. In order to reduce costs, the association may print or duplicate the information sheets on both sides of the paper. The division shall by rule establish voting procedures consistent with this sub-subparagraph, including rules establishing procedures for giving notice by electronic transmission and rules providing for the secrecy of ballots. Elections shall be decided by a plurality of ballots cast. There is no quorum requirement;

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504 however, at least 20 percent of the eligible voters must cast a 505 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 506 507 ballots improperly cast are invalid. A unit owner who violates 508 this provision may be fined by the association in accordance 509 with s. 718.303. A unit owner who needs assistance in casting 510 the ballot for the reasons stated in s. 101.051 may obtain such 511 assistance. The regular election must occur on the date of the 512 annual meeting. Notwithstanding this sub-subparagraph, an 513 election is not required unless more candidates file notices of 514 intent to run or are nominated than board vacancies exist.

515 b. Within 90 days after being elected or appointed to the 516 board of an association of a residential condominium, each newly 517 elected or appointed director shall certify in writing to the 518 secretary of the association that he or she has read the 519 association's declaration of condominium, articles of 520 incorporation, bylaws, and current written policies; that he or 521 she will work to uphold such documents and policies to the best 522 of his or her ability; and that he or she will faithfully 523 discharge his or her fiduciary responsibility to the 524 association's members. In lieu of this written certification, 525 within 90 days after being elected or appointed to the board, 526 the newly elected or appointed director may submit a certificate 527 of having satisfactorily completed the educational curriculum 528 administered by a division-approved condominium education 529 provider within 1 year before or 90 days after the date of 530 election or appointment. The written certification or 531 educational certificate is valid and does not have to be 532 resubmitted as long as the director serves on the board without

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533 interruption. A director of an association of a residential 534 condominium who fails to timely file the written certification or educational certificate is suspended from service on the 535 536 board until he or she complies with this sub-subparagraph. The 537 board may temporarily fill the vacancy during the period of 538 suspension. The secretary shall cause the association to retain 539 a director's written certification or educational certificate 540 for inspection by the members for 5 years after a director's 541 election or the duration of the director's uninterrupted tenure, 542 whichever is longer. Failure to have such written certification 543 or educational certificate on file does not affect the validity 544 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.

557 6. Unit owners may waive notice of specific meetings if
558 allowed by the applicable bylaws or declaration or any law.
559 Notice of meetings of the board of administration, unit owner
560 meetings, except unit owner meetings called to recall board
561 members under paragraph (j), and committee meetings may be given

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562 by electronic transmission to unit owners who consent to receive 563 notice by electronic transmission. A unit owner who consents to 564 receiving notices by electronic transmission is solely 565 responsible for removing or bypassing filters that block receipt 566 of mass <u>e-mails</u> <del>emails</del> sent to members on behalf of the 567 association in the course of giving electronic notices.

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

8. A unit owner may tape record or videotape a meeting of the unit owners subject to reasonable rules adopted by the division.

575 9. Unless otherwise provided in the bylaws, any vacancy 576 occurring on the board before the expiration of a term may be 577 filled by the affirmative vote of the majority of the remaining 578 directors, even if the remaining directors constitute less than 579 a quorum, or by the sole remaining director. In the alternative, 580 a board may hold an election to fill the vacancy, in which case 581 the election procedures must conform to sub-subparagraph 4.a. 582 unless the association governs 10 units or fewer and has opted 583 out of the statutory election process, in which case the bylaws 584 of the association control. Unless otherwise provided in the bylaws, a board member appointed or elected under this section 585 586 shall fill the vacancy for the unexpired term of the seat being 587 filled. Filling vacancies created by recall is governed by 588 paragraph (j) and rules adopted by the division.

589 10. This chapter does not limit the use of general or 590 limited proxies, require the use of general or limited proxies,

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591 or require the use of a written ballot or voting machine for any 592 agenda item or election at any meeting of a timeshare 593 condominium association or nonresidential condominium 594 association. 595 596 Notwithstanding subparagraph (b)2. and sub-subparagraph 4.a., an 597 association of 10 or fewer units may, by affirmative vote of a majority of the total voting interests, provide for different 598 599 voting and election procedures in its bylaws, which may be by a 600 proxy specifically delineating the different voting and election 601 procedures. The different voting and election procedures may 602 provide for elections to be conducted by limited or general

603 proxy.

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(i) Transfer fees.—An association may not no charge an 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 <u>may not</u> in no event may such fee exceed \$100 per applicant other than <u>a husband and wife or parent and dependent</u> <u>child husband/wife or parent/dependent child</u>, which are considered one applicant. However, if the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, a charge may not <del>no charge shall</del> be made. The

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foregoing notwithstanding, an association may, if the authority



620 to do so appears in the declaration, articles, or bylaws, 621 require that a prospective lessee place a security deposit, in 622 an amount not to exceed the equivalent of 1 month's rent, into 623 an escrow account maintained by the association. The security 624 deposit shall protect against damages to the common elements or 625 association property. Payment of interest, claims against the 626 deposit, refunds, and disputes under this paragraph shall be 627 handled in the same fashion as provided in part II of chapter 83. 62.8

629 (j) Recall of board members.-Subject to s. 718.301, any 630 member of the board of administration may be recalled and 631 removed from office with or without cause by the vote or 632 agreement in writing by a majority of all the voting interests. 633 A special meeting of the unit owners to recall a member or 634 members of the board of administration may be called by 10 635 percent of the voting interests giving notice of the meeting as 636 required for a meeting of unit owners, and the notice shall 637 state the purpose of the meeting. Electronic transmission may 638 not be used as a method of giving notice of a meeting called in 639 whole or in part for this purpose.

1. If the recall is approved by a majority of all voting 640 interests by a vote at a meeting, the recall will be effective 641 642 as provided in this paragraph. The board shall duly notice and 643 hold a board meeting within 5 full business days after the 644 adjournment of the unit owner meeting to recall one or more board members. Such member or members shall be recalled 645 646 effective immediately upon conclusion of the board meeting, 647 provided that the recall is facially valid. A recalled member must turn over to the board, within 10 full business days after 648

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649 the vote, any and all records and property of the association in 650 <u>his or her</u> their possession.

651 2. If the proposed recall is by an agreement in writing by 652 a majority of all voting interests, the agreement in writing or 653 a copy thereof shall be served on the association by certified 654 mail or by personal service in the manner authorized by chapter 655 48 and the Florida Rules of Civil Procedure. The board of 656 administration shall duly notice and hold a meeting of the board 657 within 5 full business days after receipt of the agreement in 658 writing. Such member or members shall be recalled effective 659 immediately upon the conclusion of the board meeting, provided 660 that the recall is facially valid. A recalled member must turn 661 over to the board, within 10 full business days, any and all 662 records and property of the association in his or her their 663 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 <u>is</u> 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 <u>an action</u> <del>a petition</del> pursuant to s. 718.1255 challenging the board's failure to act or challenging the board's determination on facial validity. The <u>action</u> must be filed within 60 days after the expiration of the applicable 5-



678 full-business-day period. The review of <u>an action</u> a petition 679 under this subparagraph is limited to the sufficiency of service 680 on the board and the facial validity of the written agreement or 681 ballots filed.

682 5. If a vacancy occurs on the board as a result of a recall 683 or removal and less than a majority of the board members are 684 removed, the vacancy may be filled by the affirmative vote of a 685 majority of the remaining directors, notwithstanding any provision to the contrary contained in this subsection. If 686 687 vacancies occur on the board as a result of a recall and a 688 majority or more of the board members are removed, the vacancies 689 shall be filled in accordance with the bylaws procedural rules 690 to be adopted by the division, which rules need not be 691 consistent with this subsection. The rules must provide 692 procedures governing the conduct of the recall election as well 693 as the operation of the association during the period after a 694 recall but before the recall election.

695 6. A board member who has been recalled may file an action 696 a petition pursuant to s. 718.1255 challenging the validity of 697 the recall. The action petition must be filed within 60 days 698 after the recall. The association and the unit owner 699 representative shall be named as the defendants respondents. The 700 action petition may challenge the facial validity of the written agreement or ballots filed or the substantial compliance with 701 702 the procedural requirements for the recall. If the court 703 arbitrator determines the recall was invalid, the plaintiff 704 petitioning board member shall immediately be reinstated and the 705 recall is null and void. A board member who is successful in 706 challenging a recall is entitled to recover reasonable attorney

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707 fees and costs from the <u>defendants</u> respondents. The <u>court shall</u> 708 arbitrator may award reasonable attorney fees and costs to the 709 <u>defendants</u> respondents if they prevail, if the <u>court</u> arbitrator 710 makes a finding that the <u>plaintiff's</u> petitioner's claim is 711 frivolous.

7. <u>An action may not be filed regarding</u> 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 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:
735 718.113 Maintenance; limitation upon improvement; display

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736 of flag; hurricane shutters and protection; display of religious 737 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 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 <u>or</u> <u>exclusively designated</u> 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 <u>or exclusively designated</u> parking area. The installation of such charging stations are subject to the provisions of this subsection.

757 (c) The electricity for the electric vehicle charging 758 station must be separately metered <u>or must use an embedded meter</u> 759 and <u>be</u> payable by the unit owner installing such charging 760 station.

761 Section 7. Subsection (16) of section 718.117, Florida762 Statutes, is amended to read:

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718.117 Termination of condominium.-

(16) RIGHT TO CONTEST.-A unit owner or lienor may contest a



765 plan of termination by initiating a summary procedure pursuant 766 to s. 51.011 petition for mandatory nonbinding arbitration pursuant to s. 718.1255 within 90 days after the date the plan 767 768 is recorded. A unit owner or lienor may only contest the 769 fairness and reasonableness of the apportionment of the proceeds 770 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 771 772 will not be satisfied to the extent required by subsection (3), 773 or that the required vote to approve the plan was not obtained. 774 A unit owner or lienor who does not contest the plan within the 775 90-day period is barred from asserting or prosecuting a claim 776 against the association, the termination trustee, any unit 777 owner, or any successor in interest to the condominium property. 778 In an action contesting a plan of termination, the person 779 contesting the plan has the burden of pleading and proving that 780 the apportionment of the proceeds from the sale among the unit 781 owners was not fair and reasonable or that the required vote was 782 not obtained. The apportionment of sale proceeds is presumed 783 fair and reasonable if it was determined pursuant to the methods 784 prescribed in subsection (12). The court arbitrator shall 785 determine the rights and interests of the parties in the 786 apportionment of the sale proceeds. If the court arbitrator 787 determines that the apportionment of sales proceeds is not fair 788 and reasonable, the court arbitrator may void the plan or may 789 modify the plan to apportion the proceeds in a fair and 790 reasonable manner pursuant to this section based upon the 791 proceedings and order the modified plan of termination to be 792 implemented. If the court arbitrator determines that the plan 793 was not properly approved, or that the procedures to adopt the

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COMMITTEE AMENDMENT

Florida Senate - 2019 Bill No. SB 1362

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| 794 | plan were not properly followed, the <u>court</u> arbitrator may void |
|-----|---|
| 795 | the plan or grant other relief it deems just and proper. <u>The</u>   |
| 796 | bulk owner is liable for any damages, as determined by the            |
| 797 | court, The arbitrator shall automatically void the plan upon a        |
| 798 | finding that any of the disclosures required in subparagraph          |
| 799 | (3)(c)5. are omitted, misleading, incomplete, or inaccurate. Any      |
| 800 | challenge to a plan, other than a challenge that the required         |
| 801 | vote was not obtained, does not affect title to the condominium       |
| 802 | property or the vesting of the condominium property in the            |
| 803 | trustee, but shall only be a claim against the proceeds of the        |
| 804 | plan. In any such action, the prevailing party shall recover          |
| 805 | reasonable attorney fees and costs.                                   |
| 806 | Section 8. Section 718.1255, Florida Statutes, is amended             |
| 807 | to read:  |
| 808 | 718.1255 Alternative dispute resolution; mandatory                    |
| 809 | voluntary mediation; mandatory nonbinding arbitration;                |
| 810 | legislative findings  |
| 811 | (1) DEFINITIONS.—As used in this section, the term                    |
| 812 | "dispute" means any disagreement between two or more parties          |
| 813 | that involves:  |
| 814 | (a) The authority of the board of directors, under this               |
| 815 | chapter or association document to:                                   |
| 816 | 1. Require any owner to take any action, or not to take any           |
| 817 | action, involving that owner's unit or the appurtenances              |
| 818 | thereto.  |
| 819 | 2. Alter or add to a common area or element.                          |
| 820 | (b) The failure of a governing body, when required by this            |
| 821 | chapter or an association document, to:                               |
| 822 | 1. Maintain common elements, association property, or                 |
|     |   |

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| 823 | portions of the unit for which the association is responsible    |
|-----|--|
| 824 | Properly conduct elections.                                      |
| 825 | 2. Give adequate notice of meetings or other actions.            |
| 826 | 3. Properly conduct meetings of the board and committees         |
| 827 | appointed by the board and membership meetings. This             |
| 828 | subparagraph does not apply to elections held at a meeting.      |
| 829 | 4. Allow inspection of books and records.                        |
| 830 | (c) A plan of termination pursuant to s. 718.117.                |
| 831 |  |
| 832 | "Dispute" does not include any disagreement that primarily       |
| 833 | involves: title to any unit or common element; the               |
| 834 | interpretation or enforcement of any warranty; the levy of a fee |
| 835 | or assessment, or the collection of an assessment levied against |
| 836 | a party; the eviction or other removal of a tenant from a unit;  |
| 837 | alleged breaches of fiduciary duty by one or more directors; or  |
| 838 | claims for damages to a unit based upon the alleged failure of   |
| 839 | the association to maintain the common elements or condominium   |
| 840 | property.  |
| 841 | (2) VOLUNTARY MEDIATIONVoluntary mediation through               |
| 842 | Citizen Dispute Settlement Centers as provided for in s. 44.201  |
| 843 | is encouraged.   |
| 844 | (2) (3) LEGISLATIVE FINDINGS                                     |
| 845 | (a) The Legislature finds that alternative dispute               |
| 846 | resolution reduces court dockets and trials and offers a more    |
| 847 | efficient, cost-effective option to litigation. However, the     |
| 848 | Legislature also finds that alternative dispute resolution       |
| 849 | should not be used as a mechanism to encourage the filing of     |
| 850 | frivolous or nuisance actions. Upon serving a demand for presuit |
| 851 | mediation as provided for in this section, the applicable        |
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852 statute of limitations is tolled until 30 days after mediation 853 is completed and no agreement has been made, 10 days after the 854 date by which a party must accept presuit mediation, or until 855 the conclusion of the period of time during which a mediation 856 must be conducted under this section unit owners are frequently 857 at a disadvantage when litigating against an association. Specifically, a condominium association, with its statutory 858 859 assessment authority, is often more able to bear the costs and 860 expenses of litigation than the unit owner who must rely on his 861 or her own financial resources to satisfy the costs of 862 litigation against the association.

863 (b) The Legislature finds that alternative dispute 864 resolution has been making progress in reducing court dockets 865 and trials and in offering a more efficient, cost-effective 866 option to court litigation. However, the Legislature also finds 867 that alternative dispute resolution should not be used as a 868 mechanism to encourage the filing of frivolous or nuisance 869 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.

873 (d) The high cost and significant delay of circuit court 874 litigation faced by unit owners in the state can be alleviated 875 by requiring nonbinding arbitration and mediation in appropriate 876 cases, thereby reducing delay and attorney's fees while 877 preserving the right of either party to have its case heard by a 878 jury, if applicable, in a court of law.

879 <u>(3)-(4)</u> MANDATORY NONBINDING ARBITRATION AND MEDIATION OF 880 DISPUTES.-

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881 (a)1. Before an action may be filed in court, all disputes, 882 except for disputes relating to the collection of any 883 assessment, fine, or other financial obligation, including 884 attorney fees and costs, between an association and a unit owner 885 must be mediated pursuant to this subsection. An association or 886 unit owner may file an action in court without presuit mediation 887 to enforce a prior mediation settlement agreement between the 888 parties or request injunctive relief. However, the court hearing 889 the action for injunctive relief must refer the parties to a 890 mediation program administered by the courts or mediation under 891 this subsection after the injunctive relief issues are 892 determined. Presuit mediation proceedings must be conducted in 893 accordance with the applicable rules of the Florida Rules of 894 Civil Procedure and chapter 44. The proceedings under this 895 subsection are privileged and confidential to the same extent as 896 court-ordered mediation. Except for each party's counsel, a 897 corporate representative designated by the association, and a 898 representative from the association's insurance carrier, if 899 applicable, a person who is not a party to the dispute may not 900 attend the presuit mediation without the consent of all the 901 parties. If the presuit mediation is attended by a quorum of the 902 board, the mediation is not considered a board meeting for 903 purposes of notice and participation as required in s. 718.112. 904 An aggrieved party shall serve a written demand to participate 905 in presuit mediation on the responding party in substantially 906 the following form: 907

## STATUTORY OFFER TO PARTICIPATE IN PRESUIT MEDIATION

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| 910 |  |
|-----|--|
| 911 | The alleged aggrieved party, hereby                    |
| 912 | demands that as the responding                         |
| 913 | party, engage in mandatory presuit mediation in        |
| 914 | connection with the following disputes, which are      |
| 915 | statutorily subject to presuit mediation:              |
| 916 |  |
| 917 | (List each dispute to be mediated and the basis for    |
| 918 | the violation.)  |
| 919 |  |
| 920 | Under section 718.1255, Florida Statutes, this demand  |
| 921 | to resolve the dispute through presuit mediation is    |
| 922 | required before a lawsuit can be filed concerning the  |
| 923 | dispute. The parties are required to engage in presuit |
| 924 | mediation with a neutral third-party mediator in order |
| 925 | to attempt to resolve this dispute without court       |
| 926 | action, and the aggrieved party demands that you       |
| 927 | likewise agree to this process. If you fail to         |
| 928 | participate in the presuit mediation process, an       |
| 929 | action may be brought against you without further      |
| 930 | warning.   |
| 931 |  |
| 932 | Presuit mediation involves a supervised negotiation    |
| 933 | process in which a trained, neutral third-party        |
| 934 | mediator meets with both parties and assists them in   |
| 935 | exploring possible opportunities for resolving part or |
| 936 | all of the dispute. By agreeing to participate in      |
| 937 | presuit mediation, you are not bound in any way to     |
| 938 | change your position. Furthermore, the mediator has no |
|     |  |

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| 939 | authority to make any decisions in this matter or to   |
|-----|--|
| 940 | determine who is right or wrong; he or she merely acts |
| 941 | as a facilitator to ensure that each party understands |
| 942 | the position of the other party and that all options   |
| 943 | for reasonable settlement are fully explored.          |
| 944 |  |
| 945 | If an agreement is reached, it must be reduced to      |
| 946 | writing and signed, at which time the agreement        |
| 947 | becomes a binding and enforceable contract between the |
| 948 | parties. A resolution of one or more disputes in this  |
| 949 | fashion avoids the need to litigate those issues in    |
| 950 | court. The failure of a party to participate in the    |
| 951 | process or the failure of the parties to reach an      |
| 952 | agreement during the mediation process results in the  |
| 953 | aggrieved party being able to proceed to court on all  |
| 954 | outstanding and unsettled disputes. If you fail or     |
| 955 | refuse to participate in the presuit mediation         |
| 956 | process, you will not be entitled to recover your      |
| 957 | attorney fees, even if you prevail during the court    |
| 958 | process.   |
| 959 |  |
| 960 | The aggrieved party has selected and hereby lists five |
| 961 | circuit court civil mediators certified by the Florida |
| 962 | Supreme Court who the aggrieved party believes to be   |
| 963 | neutral and qualified to mediate the dispute. You have |
| 964 | the right to select any one of these mediators. The    |
| 965 | fact that one party may be familiar with one or more   |
| 966 | of the listed mediators does not mean that the         |
| 967 | mediator cannot act as a neutral and impartial         |

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| 968 | facilitator. Any mediator who cannot act in this       |
|-----|--|
| 969 | capacity is required ethically to decline to accept    |
| 970 | the engagement. The mediators that we suggest, and     |
| 971 | their current hourly rates, are as follows:            |
| 972 | enerr current hourry races, are ab rorrows.            |
| 973 | (List the names, physical addresses, e-mail addresses, |
| 974 | telephone numbers, and hourly rates of the mediators.  |
| 975 | Other pertinent information about the backgrounds of   |
| 976 |  |
|     | the mediators may be included as an attachment,        |
| 977 | including whether the mediator is board certified by   |
| 978 | The Florida Bar in any practice area.)                 |
| 979 |  |
| 980 | By mutual agreement, and before accepting presuit      |
| 981 | mediation, we can also select mediators other than the |
| 982 | Supreme Court-certified circuit court civil mediators  |
| 983 | named above as alternates to the above-named           |
| 984 | mediators. The alternate mediators are not required to |
| 985 | be Supreme Court-certified circuit court civil         |
| 986 | mediators. The alternate mediators that we suggest,    |
| 987 | and their hourly rates, are as follows:                |
| 988 |  |
| 989 | (List the names, physical addresses, e-mail addresses, |
| 990 | telephone numbers, and hourly rates of the alternate   |
| 991 | mediators. Other pertinent information about the       |
| 992 | backgrounds of the alternate mediators may be included |
| 993 | as an attachment.)                                     |
| 994 |  |
| 995 | You may contact the offices of these mediators to      |
| 996 | confirm that the listed mediators will be neutral and  |
| I   |  |

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| 997  | will not show any favoritism toward either party. The  |
|------|--|
| 998  | <u>Florida Supreme Court can provide you a list of</u> |
| 999  | mediators who are certified in the area of circuit     |
| 1000 | civil law.   |
| 1001 |  |
| 1002 | Unless otherwise agreed to by the parties, section     |
| 1003 | 718.1255(3)(d), Florida Statutes, requires that the    |
| 1004 | parties share equally the costs of presuit mediation,  |
| 1005 | including the fee charged by the mediator. A typical   |
| 1006 | presuit mediation may require 3 to 4 hours of the      |
| 1007 | mediator's time, including preparation time. Parties   |
| 1008 | who choose to hire an attorney will pay their own      |
| 1009 | attorney fees without a guarantee that the court will  |
| 1010 | issue an award for reimbursement of the fees. However, |
| 1011 | the use of an attorney is not required. The mediator   |
| 1012 | may require an advance payment for some or all of the  |
| 1013 | anticipated fees. The aggrieved party hereby agrees to |
| 1014 | pay, or prepay if requested by the mediator, one-half  |
| 1015 | of the mediator's estimated fees and to forward this   |
| 1016 | amount or such other reasonable advance deposits as    |
| 1017 | the mediator requires. Any funds you deposit will be   |
| 1018 | returned to you if the deposited funds are in excess   |
| 1019 | of your share of the fees incurred.                    |
| 1020 |  |
| 1021 | To begin your participation in presuit mediation to    |
| 1022 | try to resolve the dispute and avoid further legal     |
| 1023 | action, please sign below and clearly indicate which   |
| 1024 | mediator is acceptable to you. We will then ask the    |
| 1025 | mediator to schedule a mutually convenient time and    |
|      |  |



| .026 | place for the presuit mediation conference to be held |
|------|---|
| .027 | The presuit mediation conference must be held within  |
| 1028 | 90 days after the date of acceptance of presuit       |
| 1029 | mediation, unless extended by mutual written          |
| 1030 | agreement. In the event that you fail to respond      |
| 1031 | within 30 days after the date of this letter, or if   |
| 1032 | you fail to agree to at least one of the mediators    |
| 1033 | that we have suggested or fail to pay or prepay to th |
| 1034 | mediator one-half of the fees involved, the aggrieved |
| 1035 | party is authorized to proceed with the filing of a   |
| 1036 | lawsuit against you without further notice and may    |
| 1037 | then seek an award of attorney fees or costs incurred |
| 1038 | in attempting to mediate this dispute.                |
| 1039 |   |
| 1040 | Therefore, please give this matter your immediate     |
| 1041 | attention. By law, your response must be mailed by    |
| 1042 | certified mail, return receipt requested, and by      |
| 1043 | first-class mail to the address shown on this demand. |
| 1044 |   |
| 1045 |   |
| 1046 | <u></u>   |
| 1047 | <u></u>   |
| 1048 |   |
| 1049 | RESPONDING PARTY: YOUR SIGNATURE INDICATES YOUR       |
| 1050 | AGREEMENT TO THAT CHOICE.                             |
| 1051 |   |
| 1052 | AGREEMENT TO MEDIATE                                  |
| 1053 |   |
| 1054 | The undersigned agrees to participate in presuit      |

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| 1055 | mediation and agrees to attend a mediation conducted             |
|------|--|
| 1056 | by the following mediator or mediators who are listed            |
| 1057 | above as individuals who would be acceptable to                  |
| 1058 | mediate this dispute:  |
| 1059 |  |
| 1060 | (List acceptable mediator or mediators.)                         |
| 1061 |  |
| 1062 | I/we further agree to pay or prepay one-half of the              |
| 1063 | mediator's fees and to forward such advance deposits             |
| 1064 | as the mediator may require for this purpose.                    |
| 1065 |  |
| 1066 | <u></u>  |
| 1067 | Signature of responding party #1                                 |
| 1068 |  |
| 1069 | <u></u>  |
| 1070 | Telephone number   |
| 1071 |  |
| 1072 | <u></u>  |
| 1073 | Signature and telephone number of responding party #2,           |
| 1074 | if applicable. (If property is owned by more than one            |
| 1075 | person, all owners must sign.)                                   |
| 1076 |  |
| 1077 | 2. The statutory demand must also contain the following          |
| 1078 | statement in capitalized, bold letters in a font size larger     |
| 1079 | than any other used in the statutory demand: A PERSON WHO FAILS  |
| 1080 | OR REFUSES TO PARTICIPATE IN THE ENTIRE PRESUIT MEDIATION        |
| 1081 | PROCESS IS PROHIBITED FROM RECOVERING ATTORNEY FEES AND COSTS IN |
| 1082 | SUBSEQUENT LITIGATION RELATING TO THE DISPUTE.                   |
| 1083 | (b) Service of the statutory demand to participate in            |

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1084 presuit mediation shall be effected by sending a letter in 1085 substantially the above form by certified mail, return receipt 1086 requested, with an additional copy being sent by first-class 1087 mail, to the address of the responding party as it last appears 1088 on the books and records of the association. The responding 1089 party shall serve a written response to the aggrieved party 1090 within 30 days after the date of the mailing of the statutory 1091 demand. The response must be sent by certified mail, return 1092 receipt requested, with an additional copy being sent by first-1093 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 90day 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 1112

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| 1113 | participate in the presuit mediation process, entitling the      |
|------|--|
| 1114 | other party to proceed in court and to seek an award of the      |
| 1115 | costs and fees associated with the presuit mediation.            |
| 1116 | Additionally, and notwithstanding any other law, document, or    |
| 1117 | contractual provision, any person who fails or refuses to        |
| 1118 | participate in the entire presuit mediation process may not      |
| 1119 | recover attorney fees and costs in subsequent litigation         |
| 1120 | relating to the dispute.   |
| 1121 | (e) If presuit mediation as described in paragraph (a) is        |
| 1122 | not successful in resolving all issues between the parties, any  |
| 1123 | party may file suit regarding the unresolved dispute in a court  |
| 1124 | of competent jurisdiction. As to any issue or dispute that is    |
| 1125 | not resolved at presuit mediation, and as to any issue or        |
| 1126 | dispute that is settled at presuit mediation but is later        |
| 1127 | subject to an action seeking enforcement of the mediation        |
| 1128 | settlement, the prevailing party in any subsequent litigation or |
| 1129 | proceeding is entitled to an award of all costs and attorney     |
| 1130 | fees incurred in the presuit mediation process.                  |
| 1131 | (f) The parties may agree to a mediator who is not               |
| 1132 | certified by the Florida Supreme Court. Unless such mediator is  |
| 1133 | agreed upon, a mediator may not conduct presuit mediation under  |
| 1134 | this section unless he or she has been certified as a circuit    |
| 1135 | court civil mediator pursuant to the requirements established by |
| 1136 | the Florida Supreme Court. Settlement agreements resulting from  |
| 1137 | presuit mediation do not have precedential value in proceedings  |
| 1138 | involving parties other than those participating in the presuit  |
| 1139 | mediation to support a claim or defense in other disputes.       |
| 1140 | (4) DISPUTES INVOLVING ELECTIONS FOR THE BOARD OF                |
| 1141 | ADMINISTRATION OR RECALL OF BOARD MEMBERSAny dispute             |
|      |  |

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challenging the legality of the election of any director of the 1142 board of administration or the recall of any member of the board 1143 1144 of administration must be filed as a summary procedure under s. 1145 51.011, and in any such action the prevailing party is entitled 1146 to recover reasonable attorney fees and costs. Any action filed 1147 pursuant to this subsection must be tried without a jury. The Division of Florida Condominiums, Timeshares, and Mobile Homes 1148 1149 of the Department of Business and Professional Regulation may 1150 employ full-time attorneys to act as arbitrators to conduct the 1151 arbitration hearings provided by this chapter. The division may 1152 also certify attorneys who are not employed by the division to 1153 act as arbitrators to conduct the arbitration hearings provided 1154 by this chapter. No person may be employed by the department as 1155 a full-time arbitrator unless he or she is a member in good 1156 standing of The Florida Bar. A person may only be certified by 1157 the division to act as an arbitrator if he or she has been a member in good standing of The Florida Bar for at least 5 years 1158 1159 and has mediated or arbitrated at least 10 disputes involving 1160 condominiums in this state during the 3 years immediately 1161 preceding the date of application, mediated or arbitrated at 1162 least 30 disputes in any subject area in this state during the 3 1163 vears immediately preceding the date of application, or attained 1164 board certification in real estate law or condominium and 1165 planned development law from The Florida Bar. Arbitrator 1166 certification is valid for 1 year. An arbitrator who does not 1167 maintain the minimum qualifications for initial certification 1168 may not have his or her certification renewed. The department 1169 may not enter into a legal services contract for an arbitration 1170 hearing under this chapter with an attorney who is not a

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1171 certified arbitrator unless a certified arbitrator is not 1172 available within 50 miles of the dispute. The department shall 1173 adopt rules of procedure to govern such arbitration hearings 1174 including mediation incident thereto. The decision of an 1175 arbitrator shall be final; however, a decision shall not be 1176 deemed final agency action. Nothing in this provision shall be 1177 construed to foreclose parties from proceeding in a trial de 1178 novo unless the parties have agreed that the arbitration is 1179 binding. If judicial proceedings are initiated, the final 1180 decision of the arbitrator shall be admissible in evidence in 1181 the trial de novo. 1182 (a) Prior to the institution of court litigation, a party 1183 to a dispute shall petition the division for nonbinding 1184 arbitration. The petition must be accompanied by a filing fee in the amount of \$50. Filing fees collected under this section must 1185 1186 be used to defray the expenses of the alternative dispute 1187 resolution program. (b) The petition must recite, and have attached thereto, 1188 1189 supporting proof that the petitioner gave the respondents: 1190 1. Advance written notice of the specific nature of the 1191 dispute; 1192 2. A demand for relief, and a reasonable opportunity to comply or to provide the relief; and 1193 1194 3. Notice of the intention to file an arbitration petition 1195 or other legal action in the absence of a resolution of the 1196 dispute. 1197 1198 Failure to include the allegations or proof of compliance with

these prerequisites requires dismissal of the petition without

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1200 prejudice. 1201 (c) Upon receipt, the petition shall be promptly reviewed 1202 by the division to determine the existence of a dispute and 1203 compliance with the requirements of paragraphs (a) and (b). If 1204 emergency relief is required and is not available through 1205 arbitration, a motion to stay the arbitration may be filed. The 1206 motion must be accompanied by a verified petition alleging facts 1207 that, if proven, would support entry of a temporary injunction, 1208 and if an appropriate motion and supporting papers are filed, 1209 the division may abate the arbitration pending a court hearing 1210 and disposition of a motion for temporary injunction. 1211 (d) Upon determination by the division that a dispute 1212 exists and that the petition substantially meets the 1213 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.

1220 (c) Before or after the filing of the respondents' answer 1221 to the petition, any party may request that the arbitrator refer 1222 the case to mediation under this section and any rules adopted 1223 by the division. Upon receipt of a request for mediation, the 1224 division shall promptly contact the parties to determine if 1225 there is agreement that mediation would be appropriate. If all 1226 parties agree, the dispute must be referred to mediation. 1227 Notwithstanding a lack of an agreement by all parties, the 1228 arbitrator may refer a dispute to mediation at any time.

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1229 (f) Upon referral of a case to mediation, the parties must 1230 select a mutually acceptable mediator. To assist in the 1231 selection, the arbitrator shall provide the parties with a list 1232 of both volunteer and paid mediators that have been certified by 1233 the division under s. 718.501. If the parties are unable to 1234 agree on a mediator within the time allowed by the arbitrator, 1235 the arbitrator shall appoint a mediator from the list of 1236 certified mediators. If a case is referred to mediation, the 1237 parties shall attend a mediation conference, as scheduled by the 1238 parties and the mediator. If any party fails to attend a duly 1239 noticed mediation conference, without the permission or approval of the arbitrator or mediator, the arbitrator must impose 1240 1241 sanctions against the party, including the striking of any 1242 pleadings filed, the entry of an order of dismissal or default 1243 if appropriate, and the award of costs and attorney fees 1244 incurred by the other parties. Unless otherwise agreed to by the 1245 parties or as provided by order of the arbitrator, a party is 1246 deemed to have appeared at a mediation conference by the 1247 physical presence of the party or its representative having full 1248 authority to settle without further consultation, provided that 1249 an association may comply by having one or more representatives 1250 present with full authority to negotiate a settlement and 1251 recommend that the board of administration ratify and approve 1252 such a settlement within 5 days from the date of the mediation 1253 conference. The parties shall share equally the expense of 1254 mediation, unless they agree otherwise. 1255 (g) The purpose of mediation as provided for by this

1255 (g) The purpose of mediation as provided for by this
1256 section is to present the parties with an opportunity to resolve
1257 the underlying dispute in good faith, and with a minimum

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1258 expenditure of time and resources. 1259 (h) Mediation proceedings must generally be conducted in accordance with the Florida Rules of Civil Procedure, and these 1260 1261 proceedings are privileged and confidential to the same extent 1262 as court-ordered mediation. Persons who are not parties to the 1263 dispute are not allowed to attend the mediation conference without the consent of all parties, with the exception of 1264 1265 counsel for the parties and corporate representatives designated to appear for a party. If the mediator declares an impasse after 1266 1267 a mediation conference has been held, the arbitration proceeding 1268 terminates, unless all parties agree in writing to continue the 1269 arbitration proceeding, in which case the arbitrator's decision 1270 shall be binding or nonbinding, as agreed upon by the parties; 1271 in the arbitration proceeding, the arbitrator shall not consider 1272 any evidence relating to the unsuccessful mediation except in a 1273 proceeding to impose sanctions for failure to appear at the 1274 mediation conference. If the parties do not agree to continue 1275 arbitration, the arbitrator shall enter an order of dismissal, 1276 and either party may institute a suit in a court of competent 1277 jurisdiction. The parties may seek to recover any costs and 1278 attorney fees incurred in connection with arbitration and 1279 mediation proceedings under this section as part of the costs 1280 and fees that may be recovered by the prevailing party in any 1281 subsequent litigation. 1282 (i) Arbitration shall be conducted according to rules

1283 adopted by the division. The filing of a petition for 1284 arbitration shall toll the applicable statute of limitations.

1285(j) At the request of any party to the arbitration, the1286arbitrator shall issue subpoenas for the attendance of witnesses



1287 and the production of books, records, documents, and other 1288 evidence and any party on whose behalf a subpoena is issued may 1289 apply to the court for orders compelling such attendance and 1290 production. Subpoenas shall be served and shall be enforceable 1291 in the manner provided by the Florida Rules of Civil Procedure. 1292 Discovery may, in the discretion of the arbitrator, be permitted 1293 in the manner provided by the Florida Rules of Civil Procedure. 1294 Rules adopted by the division may authorize any reasonable sanctions except contempt for a violation of the arbitration 1295 1296 procedural rules of the division or for the failure of a party 1297 to comply with a reasonable nonfinal order issued by an 1298 arbitrator which is not under judicial review.

1299 (k) The arbitration decision shall be rendered within 30 1300 days after the hearing and presented to the parties in writing. 1301 An arbitration decision is final in those disputes in which the 1302 parties have agreed to be bound. An arbitration decision is also 1303 final if a complaint for a trial de novo is not filed in a court 1304 of competent jurisdiction in which the condominium is located 1305 within 30 days. The right to file for a trial de novo entitles 1306 the parties to file a complaint in the appropriate trial court 1307 for a judicial resolution of the dispute. The prevailing party 1308 in an arbitration proceeding shall be awarded the costs of the 1309 arbitration and reasonable attorney fees in an amount determined 1310 by the arbitrator. Such an award shall include the costs and 1311 reasonable attorney fees incurred in the arbitration proceeding 1312 as well as the costs and reasonable attorney fees incurred in 1313 preparing for and attending any scheduled mediation. An arbitrator's failure to render a written decision within 30 days 1314 1315 after the hearing may result in the cancellation of his or her

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1316 arbitration certification.

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1324 1325 (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.

1326 (m) Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a court of competent 1327 jurisdiction in which the condominium is located. A petition may 1328 1329 not be granted unless the time for appeal by the filing of a 1330 complaint for trial de novo has expired. If a complaint for a 1331 trial de novo has been filed, a petition may not be granted with 1332 respect to an arbitration award that has been stayed. If the 1333 petition for enforcement is granted, the petitioner shall 1334 recover reasonable attorney fees and costs incurred in enforcing 1335 the arbitration award. A mediation settlement may also be 1336 enforced through the county or circuit court, as applicable, and 1337 any costs and fees incurred in the enforcement of a settlement agreement reached at mediation must be awarded to the prevailing 1338 1339 party in any enforcement action.

1340 (5) DISPUTES INVOLVING ELECTION IRREGULARITIES. Every 1341 arbitration petition received by the division and required to be 1342 filed under this section challenging the legality of the 1343 election of any director of the board of administration must be 1344 handled on an expedited basis in the manner provided by the



| 1345 | division's rules for recall arbitration disputes.                  |
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| 1346 | (5)(6) APPLICABILITY.—This section does not apply to a             |
| 1347 | nonresidential condominium unless otherwise specifically           |
| 1348 | provided for in the declaration of the nonresidential              |
| 1349 | condominium.   |
| 1350 | Section 9. Subsection (1) and paragraph (b) of subsection          |
| 1351 | (3) of section 718.303, Florida Statutes, are amended to read:     |
| 1352 | 718.303 Obligations of owners and occupants; remedies              |
| 1353 | (1) Each unit owner, <del>each</del> tenant and other invitee, and |
| 1354 | each association is governed by, and must comply with the          |
| 1355 | provisions of, this chapter, the declaration, the documents        |
| 1356 | creating the association, and the association bylaws which are     |
| 1357 | shall be deemed expressly incorporated into any lease of a unit.   |
| 1358 | Actions at law or in equity for damages or for injunctive          |
| 1359 | relief, or both, for failure to comply with these provisions may   |
| 1360 | be brought by the association or by a unit owner against:          |
| 1361 | (a) The association.   |
| 1362 | (b) A unit owner.  |
| 1363 | (c) Directors designated by the developer, for actions             |
| 1364 | taken by them before control of the association is assumed by      |
| 1365 | unit owners other than the developer.                              |
| 1366 | (d) Any director who willfully and knowingly fails to              |
| 1367 | comply with these provisions.                                      |
| 1368 | (e) Any tenant leasing a unit, and any other invitee               |
| 1369 | occupying a unit.  |
| 1370 |  |
| 1371 | The prevailing party in any such action or in any action in        |
| 1372 | which the purchaser claims a right of voidability based upon       |
| 1373 | contractual provisions as required in s. 718.503(1)(a) is          |

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1374 entitled to recover reasonable attorney attorney's fees. A unit 1375 owner prevailing in an action between the association and the 1376 unit owner under this subsection section, in addition to 1377 recovering his or her reasonable attorney attorney's fees, may recover additional amounts as determined by the court to be 1378 1379 necessary to reimburse the unit owner for his or her share of 1380 assessments levied by the association to fund its expenses of 1381 the litigation. This relief does not exclude other remedies 1382 provided by law. Actions arising under this subsection are not 1383 considered may not be deemed to be actions for specific 1384 performance.

1385 (3) The association may levy reasonable fines for the 1386 failure of the owner of the unit or its occupant, licensee, or 1387 invitee to comply with any provision of the declaration, the 1388 association bylaws, or reasonable rules of the association. A 1389 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, 1390 with a single notice and opportunity for hearing before a 1391 1392 committee as provided in paragraph (b). However, the fine may 1393 not exceed \$100 per violation, or \$1,000 in the aggregate.

1394 (b) A fine or suspension levied by the board of 1395 administration may not be imposed unless the board first 1396 provides at least 14 days' written notice to the unit owner and, 1397 if applicable, any occupant, licensee, or invitee of the unit 1398 owner sought to be fined or suspended, and an opportunity for a hearing before a committee of at least three members appointed 1399 1400 by the board who are not officers, directors, or employees of the association, or the spouse, parent, child, brother, or 1401 sister of an officer, director, or employee. The role of the 1402

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1403 committee is limited to determining whether to confirm or reject the fine or suspension levied by the board. If the committee 1404 1405 does not approve the proposed fine or suspension by majority 1406 vote, the fine or suspension may not be imposed. If the proposed 1407 fine or suspension is approved by the committee, the fine 1408 payment is due 5 days after notice of the approved fine is provided to the unit owner and, if applicable, to any tenant, 1409 1410 licensee, or invitee of the unit owner the date of the committee 1411 meeting at which the fine is approved. The association must 1412 provide written notice of such fine or suspension by mail or 1413 hand delivery to the unit owner and, if applicable, to any 1414 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 (1) through (r), respectively, and paragraphs (d) and (1) and present paragraph (s) of that subsection are amended to read:

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

1422 (1) The division may enforce and ensure compliance with the 1423 provisions of this chapter and rules relating to the development, construction, sale, lease, ownership, operation, 1424 1425 and management of residential condominium units. In performing 1426 its duties, the division has complete jurisdiction to 1427 investigate complaints and enforce compliance with respect to 1428 associations that are still under developer control or the 1429 control of a bulk assignee or bulk buyer pursuant to part VII of this chapter and complaints against developers, bulk assignees, 1430 1431 or bulk buyers involving improper turnover or failure to

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1432 turnover, pursuant to s. 718.301. However, after turnover has 1433 occurred, the division has jurisdiction to investigate 1434 complaints related only to financial issues, elections, and unit 1435 owner access to association records pursuant to s. 718.111(12).

1436 (d) Notwithstanding any remedies available to unit owners 1437 and associations, if the division has reasonable cause to 1438 believe that a violation of any provision of this chapter or 1439 related rule has occurred, the division may institute 1440 enforcement proceedings in its own name against any developer, 1441 bulk assignee, bulk buyer, association, officer, or member of 1442 the board of administration, or its assignees or agents, as 1443 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, 1449 1450 bulk assignee, bulk buyer, association, developer-designated 1451 officer, or developer-designated member of the board of 1452 administration, developer-designated assignees or agents, bulk 1453 assignee-designated assignees or agents, bulk buyer-designated 1454 assignees or agents, community association manager, or community 1455 association management firm to cease and desist from the 1456 unlawful practice and take such affirmative action as in the 1457 judgment of the division carry out the purposes of this chapter. 1458 If the division finds that a developer, bulk assignee, bulk buyer, association, officer, or member of the board of 1459 administration, or its assignees or agents, is violating or is 1460

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1461 about to violate any provision of this chapter, any rule adopted or order issued by the division, or any written agreement 1462 1463 entered into with the division, and presents an immediate danger 1464 to the public requiring an immediate final order, it may issue 1465 an emergency cease and desist order reciting with particularity 1466 the facts underlying such findings. The emergency cease and desist order is effective for 90 days. If the division begins 1467 1468 nonemergency cease and desist proceedings, the emergency cease 1469 and desist order remains effective until the conclusion of the 1470 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 1479 restitution, declaratory relief, injunctive relief, or any other available remedy. The division may also temporarily revoke its 1481 acceptance of the filing for the developer to which the restitution relates until payment of restitution is made.

1483 4. The division may petition the court for appointment of a 1484 receiver or conservator. If appointed, the receiver or 1485 conservator may take action to implement the court order to 1486 ensure the performance of the order and to remedy any breach 1487 thereof. In addition to all other means provided by law for the enforcement of an injunction or temporary restraining order, the 1488 circuit court may impound or sequester the property of a party 1489

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1490 defendant, including books, papers, documents, and related 1491 records, and allow the examination and use of the property by the division and a court-appointed receiver or conservator. 1492

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 1499 receiver appointed pursuant to subparagraph 4. or directly to the persons whose funds or assets were obtained in violation of 1501 this chapter.

1502 6. The division may impose a civil penalty against a 1503 developer, bulk assignee, or bulk buyer, or association, or its 1504 assignee or agent, for any violation of this chapter or related 1505 rule. The division may impose a civil penalty individually 1506 against an officer or board member who willfully and knowingly 1507 violates a provision of this chapter, adopted rule, or a final 1508 order of the division; may order the removal of such individual 1509 as an officer or from the board of administration or as an 1510 officer of the association; and may prohibit such individual 1511 from serving as an officer or on the board of a community 1512 association for a period of time. The term "willfully and knowingly" means that the division informed the officer or board 1513 1514 member that his or her action or intended action violates this 1515 chapter, a rule adopted under this chapter, or a final order of 1516 the division and that the officer or board member refused to 1517 comply with the requirements of this chapter, a rule adopted under this chapter, or a final order of the division. The 1518

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1519 division, before initiating formal agency action under chapter 1520 120, must afford the officer or board member an opportunity to voluntarily comply, and an officer or board member who complies 1521 1522 within 10 days is not subject to a civil penalty. A penalty may 1523 be imposed on the basis of each day of continuing violation, but 1524 the penalty for any offense may not exceed \$5,000. By January 1, 1998, the division shall adopt, by rule, penalty guidelines 1525 1526 applicable to possible violations or to categories of violations 1527 of this chapter or rules adopted by the division. The guidelines 1528 must specify a meaningful range of civil penalties for each such 1529 violation of the statute and rules and must be based upon the 1530 harm caused by the violation, the repetition of the violation, 1531 and upon such other factors deemed relevant by the division. For 1532 example, the division may consider whether the violations were 1533 committed by a developer, bulk assignee, or bulk buyer, or 1534 owner-controlled association, the size of the association, and 1535 other factors. The quidelines must designate the possible 1536 mitigating or aggravating circumstances that justify a departure 1537 from the range of penalties provided by the rules. It is the 1538 legislative intent that minor violations be distinguished from 1539 those which endanger the health, safety, or welfare of the 1540 condominium residents or other persons and that such quidelines 1541 provide reasonable and meaningful notice to the public of likely 1542 penalties that may be imposed for proscribed conduct. This 1543 subsection does not limit the ability of the division to 1544 informally dispose of administrative actions or complaints by 1545 stipulation, agreed settlement, or consent order. All amounts collected shall be deposited with the Chief Financial Officer to 1546 the credit of the Division of Florida Condominiums, Timeshares, 1547



1548 and Mobile Homes Trust Fund. If a developer, bulk assignee, or 1549 bulk buyer fails to pay the civil penalty and the amount deemed to be owed to the association, the division shall issue an order 1550 1551 directing that such developer, bulk assignee, or bulk buyer 1552 cease and desist from further operation until such time as the 1553 civil penalty is paid or may pursue enforcement of the penalty 1554 in a court of competent jurisdiction. If an association fails to 1555 pay the civil penalty, the division shall pursue enforcement in 1556 a court of competent jurisdiction, and the order imposing the 1557 civil penalty or the cease and desist order is not effective 1558 until 20 days after the date of such order. Any action commenced 1559 by the division shall be brought in the county in which the 1560 division has its executive offices or in the county where the 1561 violation occurred.

1562 7. If a unit owner presents the division with proof that 1563 the unit owner has requested access to official records in 1564 writing by certified mail, and that after 10 days the unit owner 1565 again made the same request for access to official records in 1566 writing by certified mail, and that more than 10 days has 1567 elapsed since the second request and the association has still 1568 failed or refused to provide access to official records as 1569 required by this chapter, the division shall issue a subpoena 1570 requiring production of the requested records where the records 1571 are kept pursuant to s. 718.112.

1572 8. In addition to subparagraph 6., the division may seek 1573 the imposition of a civil penalty through the circuit court for 1574 any violation for which the division may issue a notice to show 1575 cause under <u>paragraph (q)</u> <del>paragraph (r)</del>. The civil penalty shall 1576 be at least \$500 but no more than \$5,000 for each violation. The

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1577 court may also award to the prevailing party court costs and 1578 reasonable <u>attorney</u> attorney's fees and, if the division 1579 prevails, may also award reasonable costs of investigation.

1580 (1) The division shall develop a program to certify both 1581 volunteer and paid mediators to provide mediation of condominium 1582 disputes. The division shall provide, upon request, a list of such mediators to any association, unit owner, or other 1583 1584 participant in arbitration proceedings under s. 718.1255 requesting a copy of the list. The division shall include on the 1585 1586 list of volunteer mediators only the names of persons who have 1587 received at least 20 hours of training in mediation techniques 1588 or who have mediated at least 20 disputes. In order to become 1589 initially certified by the division, paid mediators must be 1590 certified by the Supreme Court to mediate court cases in county 1591 or circuit courts. However, the division may adopt, by rule, 1592 additional factors for the certification of paid mediators, 1593 which must be related to experience, education, or background. 1594 Any person initially certified as a paid mediator by the 1595 division must, in order to continue to be certified, comply with 1596 the factors or requirements adopted by rule.

1597 (r) (s) The division shall submit to the Governor, the 1598 President of the Senate, the Speaker of the House of 1599 Representatives, and the chairs of the legislative 1600 appropriations committees an annual report that includes, but 1601 need not be limited to, the number of training programs provided for condominium association board members and unit owners, the 1602 1603 number of complaints received by type, the number and percent of 1604 complaints acknowledged in writing within 30 days and the number and percent of investigations acted upon within 90 days in 1605

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1606 accordance with paragraph (1) paragraph (m), and the number of 1607 investigations exceeding the 90-day requirement. The annual 1608 report must also include an evaluation of the division's core 1609 business processes and make recommendations for improvements, 1610 including statutory changes. The report shall be submitted by 1611 September 30 following the end of the fiscal year.

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

718.5014 Ombudsman location.—The ombudsman shall maintain his or her principal office in <u>any</u> 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. <u>An interest in a unit is</u> an interest in real property.

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

1632 719.104 Cooperatives; access to units; records; financial 1633 reports; assessments; purchase of leases.-1634 (2) OFFICIAL RECORDS.-

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(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 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



1664 shall maintain an adequate number of copies of the declaration, 1665 articles of incorporation, bylaws, and rules, and all amendments 1666 to each of the foregoing, as well as the question and answer 1667 sheet as described in s. 719.504 and year-end financial 1668 information required by the department, on the cooperative 1669 property to ensure their availability to members unit owners and prospective purchasers, and may charge its actual costs for 1670 1671 preparing and furnishing these documents to those requesting the 1672 same. An association shall allow a member or his or her 1673 authorized representative to use a portable device, including a 1674 smartphone, tablet, portable scanner, or any other technology 1675 capable of scanning or taking photographs, to make an electronic 1676 copy of the official records in lieu of the association 1677 providing the member or his or her authorized representative 1678 with a copy of such records. The association may not charge a 1679 member or his or her authorized representative for the use of a 1680 portable device. Notwithstanding this paragraph, the following 1681 records shall not be accessible to members unit owners: 1682 1. Any record protected by the lawyer-client privilege as

1683 described in s. 90.502 and any record protected by the work-1684 product privilege, including any record prepared by an 1685 association attorney or prepared at the attorney's express 1686 direction which reflects a mental impression, conclusion, 1687 litigation strategy, or legal theory of the attorney or the 1688 association, and which was prepared exclusively for civil or 1689 criminal litigation or for adversarial administrative 1690 proceedings, or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation 1691 1692 or proceedings.

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1693 2. Information obtained by an association in connection 1694 with the approval of the lease, sale, or other transfer of a 1695 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 1699 subparagraph, the term "personnel records" does not include written employment agreements with an association employee or 1701 management company, or budgetary or financial records that 1702 indicate the compensation paid to an association employee.

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4. Medical records of unit owners.

1704 5. Social security numbers, driver license numbers, credit 1705 card numbers, e-mail addresses, telephone numbers, facsimile 1706 numbers, emergency contact information, addresses of a unit 1707 owner other than as provided to fulfill the association's notice 1708 requirements, and other personal identifying information of any 1709 person, excluding the person's name, unit designation, mailing 1710 address, property address, and any address, e-mail address, or 1711 facsimile number provided to the association to fulfill the 1712 association's notice requirements. Notwithstanding the 1713 restrictions in this subparagraph, an association may print and distribute to unit parcel owners a directory containing the 1714 1715 name, unit parcel address, and all telephone numbers of each 1716 unit parcel owner. However, an owner may exclude his or her 1717 telephone numbers from the directory by so requesting in writing 1718 to the association. An owner may consent in writing to the 1719 disclosure of other contact information described in this 1720 subparagraph. The association is not liable for the inadvertent 1721 disclosure of information that is protected under this

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1722 subparagraph if the information is included in an official 1723 record of the association and is voluntarily provided by an 1724 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:

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(b) Quorum; voting requirements; proxies.-

1. Unless otherwise provided in the bylaws, the percentage 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.

1747 2. Except as specifically otherwise provided herein, after 1748 January 1, 1992, unit owners may not vote by general proxy, but 1749 may vote by limited proxies substantially conforming to a 1750 limited proxy form adopted by the division. Limited proxies and



1751 general proxies may be used to establish a quorum. Limited 1752 proxies shall be used for votes taken to waive or reduce 1753 reserves in accordance with subparagraph (j)2., for votes taken 1754 to waive the financial reporting requirements of s. 1755 719.104(4)(b), for votes taken to amend the articles of 1756 incorporation or bylaws pursuant to this section, and for any 1757 other matter for which this chapter requires or permits a vote 1758 of the unit owners. Except as provided in paragraph (d), after 1759 January 1, 1992, no proxy, limited or general, shall be used in 1760 the election of board members. General proxies may be used for 1761 other matters for which limited proxies are not required, and 1762 may also be used in voting for nonsubstantive changes to items 1763 for which a limited proxy is required and given. Notwithstanding 1764 the provisions of this section, unit owners may vote in person 1765 at unit owner meetings. Nothing contained herein shall limit the 1766 use of general proxies or require the use of limited proxies or 1767 require the use of limited proxies for any agenda item or 1768 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

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5. <u>A board or committee member's participation in a meeting</u> <u>via telephone, real-time video conferencing, or similar real-</u> <u>time electronic or video communication counts toward a quorum,</u> <u>and such member may vote as if physically present When some or</u> <u>all of the board or committee members meet by telephone</u> <u>conference, those board or committee members attending by</u> <u>telephone conference may be counted toward obtaining a quorum</u> <u>and may vote by telephone</u>. A <u>telephone</u> speaker <u>must shall</u> be <u>used utilized</u> so that the conversation of <u>such those board or</u> <u>committee</u> members <u>attending by telephone</u> may be heard by the board or committee members attending in person, as well as by any unit owners present at a meeting.

1793 (f) Recall of board members.-Subject to s. 719.301, any 1794 member of the board of administration may be recalled and 1795 removed from office with or without cause by the vote or 1796 agreement in writing by a majority of all the voting interests. 1797 A special meeting of the voting interests to recall any member 1798 of the board of administration may be called by 10 percent of 1799 the unit owners giving notice of the meeting as required for a 1800 meeting of unit owners, and the notice shall state the purpose 1801 of the meeting. Electronic transmission may not be used as a 1802 method of giving notice of a meeting called in whole or in part 1803 for this purpose.

1804 1. If the recall is approved by a majority of all voting 1805 interests by a vote at a meeting, the recall shall be effective 1806 as provided in this paragraph. The board shall duly notice and 1807 hold a board meeting within 5 full business days after the 1808 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 4. subparagraph 3.

1815 2. If the proposed recall is by an agreement in writing by 1816 a majority of all voting interests, the agreement in writing or 1817 a copy thereof shall be served on the association by certified mail or by personal service in the manner authorized by chapter 1818 1819 48 and the Florida Rules of Civil Procedure. The board of 1820 administration shall duly notice and hold a meeting of the board 1821 within 5 full business days after receipt of the agreement in 1822 writing. Such member or members shall be recalled effective 1823 immediately upon the conclusion of the board meeting, provided 1824 that the recall is facially valid. A recalled member shall turn 1825 over to the board within 10 full business days after the date of 1826 the recall any and all records and property of the association 1827 in his or her possession At the meeting, the board shall either 1828 certify the written agreement to recall members of the board, in 1829 which case such members shall be recalled effective immediately 1830 and shall turn over to the board, within 5 full business days, 1831 any and all records and property of the association in their 1832 possession, or proceed as described in subparagraph 3.

1833 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



1838 procedures of s. 719.1255. For purposes of this paragraph, the 1839 unit owners who voted at the meeting or who executed the 1840 agreement in writing shall constitute one party under the 1841 petition for arbitration. If the arbitrator certifies the recall 1842 as to any member of the board, the recall shall be effective upon mailing of the final order of arbitration to the 1843 1844 association. If the association fails to comply with the order 1845 of the arbitrator, the division may take action pursuant to s. 719.501. Any member so recalled shall deliver to the board any 1846 1847 and all records and property of the association in the member's possession within 5 full business days after the effective date 1848 1849 of the recall. 1850 3.4. If the board fails to duly notice and hold a board 1851 meeting within 5 full business days after service of an 1852 agreement in writing or within 5 full business days after the 1853 adjournment of the unit owner recall meeting, the recall is 1854 shall be deemed effective and the board members so recalled

1855 shall immediately turn over to the board any and all records and 1856 property of the association.

1857 4.5. If the board fails to duly notice and hold the 1858 required meeting or at the conclusion of the meeting determines 1859 that the recall is not facially valid, the unit owner 1860 representative may file an action under s. 719.1255 challenging 1861 the board's failure to act or challenging the board's 1862 determination on facial validity. The action must be filed 1863 within 60 days after the expiration of the applicable 5-full-1864 business-day period. The review of an action under this 1865 subparagraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or 1866



1867 ballots filed fails to file the required petition, the unit 1868 owner representative may file a petition pursuant to s. 719.1255 1869 challenging the board's failure to act. The petition must be 1870 filed within 60 days after the expiration of the applicable 5-1871 full-business-day period. The review of a petition under this 1872 subparagraph is limited to the sufficiency of service on the 1873 board and the facial validity of the written agreement or 1874 ballots filed.

1875 5.6. If a vacancy occurs on the board as a result of a 1876 recall and less than a majority of the board members are 1877 removed, the vacancy may be filled by the affirmative vote of a 1878 majority of the remaining directors, notwithstanding any 1879 provision to the contrary contained in this subsection chapter. 1880 If vacancies occur on the board as a result of a recall and a 1881 majority or more of the board members are removed, the vacancies 1882 must shall be filled in accordance with the bylaws procedural 1883 rules to be adopted by the division, which rules need not be consistent with this chapter. The rules must provide procedures 1884 1885 governing the conduct of the recall election as well as the 1886 operation of the association during the period after a recall 1887 but before the recall election.

1888 <u>6.7.</u> A board member who has been recalled may file <u>an</u> 1889 <u>action under</u> a petition pursuant to s. 719.1255 challenging the 1890 validity of the recall. The <u>action</u> petition must be filed within 1891 60 days after the recall is deemed certified. The association 1892 and the unit owner representative shall be named as the 1893 defendants <del>respondents</del>.

18947.8. An action may not be filed to challenge the validity1895of the division may not accept for filing a recall petition,



1896 whether filed pursuant to subparagraph 1., subparagraph 2., subparagraph 4., or subparagraph 6. subparagraph 5., or 1897 1898 subparagraph 7. and regardless of whether the recall was 1899 certified, when there are 60 or fewer days until the scheduled 1900 reelection of the board member sought to be recalled or when 60 1901 or fewer days have not elapsed since the election of the board 1902 member sought to be recalled. 1903 (1) Mediation Arbitration.-There shall be a provision for 1904 mandatory mediation nonbinding arbitration of internal disputes 1905 arising from the operation of the cooperative in accordance with 1906 s. 719.1255. 1907 Section 15. Section 719.1255, Florida Statutes, is amended 1908 to read: 1909 719.1255 Alternative resolution of disputes.-The Division 1910 of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation shall provide 1911 1912 for Alternative dispute resolution shall be conducted in accordance with s. 718.1255. 1913 1914 Section 16. Paragraph (n) of subsection (1) of section 1915 719.501, Florida Statutes, is amended to read: 1916 719.501 Powers and duties of Division of Florida Condominiums, Timeshares, and Mobile Homes.-1917 1918 (1) The Division of Florida Condominiums, Timeshares, and 1919 Mobile Homes of the Department of Business and Professional 1920 Regulation, referred to as the "division" in this part, in 1921 addition to other powers and duties prescribed by chapter 718, 1922 has the power to enforce and ensure compliance with this chapter 1923 and adopted rules relating to the development, construction, 1924 sale, lease, ownership, operation, and management of residential

COMMITTEE AMENDMENT

Florida Senate - 2019 Bill No. SB 1362

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1925 cooperative units. In performing its duties, the division shall 1926 have the following powers and duties:

1927 (n) The division shall develop a program to certify both 1928 volunteer and paid mediators to provide mediation of cooperative 1929 disputes. The division shall provide, upon request, a list of 1930 such mediators to any association, unit owner, or other 1931 participant in arbitration proceedings under s. 718.1255 1932 requesting a copy of the list. The division shall include on the 1933 list of voluntary mediators only persons who have received at 1934 least 20 hours of training in mediation techniques or have 1935 mediated at least 20 disputes. In order to become initially 1936 certified by the division, paid mediators must be certified by 1937 the Supreme Court to mediate court cases in county or circuit 1938 courts. However, the division may adopt, by rule, additional 1939 factors for the certification of paid mediators, which factors 1940 must be related to experience, education, or background. Any person initially certified as a paid mediator by the division 1941 must, in order to continue to be certified, comply with the 1942 1943 factors or requirements imposed by rules adopted by the 1944 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:

1950 720.303 Association powers and duties; meetings of board; 1951 official records; budgets; financial reporting; association 1952 funds; recalls.-

(2) BOARD MEETINGS.-

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(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 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

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1983 required to be physically posted on the association property. 1984 Any rule adopted shall, in addition to other matters, include a 1985 requirement that the association send an electronic notice in 1986 the same manner as is required for a notice for a meeting of the 1987 members, which must include a hyperlink to the website where the 1988 notice is posted, to members whose e-mail addresses are included 1989 in the association's official records. The association may 1990 provide notice by electronic transmission in a manner authorized 1991 by law for meetings of the board of directors, committee 1992 meetings requiring notice under this section, and annual and 1993 special meetings of the members to any member who has provided a 1994 facsimile number or e-mail address to the association to be used 1995 for such purposes; however, a member must consent in writing to 1996 receiving notice by electronic transmission.

1997 2. An assessment may not be levied at a board meeting 1998 unless the notice of the meeting includes a statement that 1999 assessments will be considered and the nature of the 2000 assessments. Written notice of any meeting at which special assessments will be considered or at which amendments to rules 2001 2002 regarding parcel use will be considered must be mailed, 2003 delivered, or electronically transmitted to the members and 2004 parcel owners and posted conspicuously on the property or 2005 broadcast on closed-circuit cable television not less than 14 2006 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

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2012 funds, and to any body vested with the power to approve or 2013 disapprove architectural decisions with respect to a specific 2014 parcel of residential property owned by a member of the 2015 community.

(4) OFFICIAL RECORDS.—The association shall maintain each of the following items, when applicable, which constitute the official records of the association:

(1) <u>Ballots, sign-in sheets, voting proxies, and all other</u> <u>papers and electronic records relating to voting by parcel</u> <u>owners, which shall be maintained for at least 1 year after the</u> <u>date of the election, vote, or meeting to which the document</u> <u>relates.</u>

(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.-

2028 (d) If the board determines not to certify the written 2029 agreement or written ballots to recall a director or directors 2030 of the board or does not certify the recall by a vote at a 2031 meeting, the board shall, within 5 full business days after the 2032 meeting, file an action under with the department a petition for binding arbitration pursuant to the applicable procedures in ss. 2033 2034 718.112(2)(j) and 718.1255 and the rules adopted thereunder. For the purposes of this section, the members who voted at the 2035 2036 meeting or who executed the agreement in writing shall 2037 constitute one party under the action petition for arbitration. 2038 If the court arbitrator certifies the recall as to any director 2039 or directors of the board, the recall is will be effective upon entry mailing of the final order of arbitration to the 2040

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2041 association. The director or directors so recalled shall deliver 2042 to the board any and all records of the association in their 2043 possession within 5 full business days after the effective date 2044 of the recall.

2045 (g) If the board fails to duly notice and hold the required 2046 meeting or fails to file the required action petition, the 2047 parcel <del>unit</del> owner representative may file an action under <del>a</del> 2048 petition pursuant to s. 718.1255 challenging the board's failure 2049 to act. The action petition must be filed within 60 days after 2050 the expiration of the applicable 5-full-business-day period. The 2051 review of an action a petition under this paragraph is limited 2052 to the sufficiency of service on the board and the facial 2053 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 action</u> <u>under a petition pursuant to</u> ss. 718.112(2)(j) and 718.1255 <del>and</del> <del>the rules adopted</del> challenging the validity of the recall. The <u>action petition</u> must be filed within 60 days after the recall is <del>deemed</del> certified. The association and the <u>parcel unit</u> owner representative shall be named as <u>defendants</u> respondents.

(1) <u>An action may not be filed challenging the validity of</u> the division may not accept for filing a recall petition, whether filed pursuant to paragraph (b), paragraph (c),

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2070 paragraph (g), or paragraph (k) and regardless of whether the 2071 recall was certified, when there are 60 or fewer days until the 2072 scheduled reelection of the board member sought to be recalled 2073 or when 60 or fewer days have not elapsed since the election of 2074 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 <u>and</u>, 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 willfully and knowingly fails to comply with these provisions; and

(d) Any tenants, guests, or invitees occupying a parcel or using the common areas.

2093 The prevailing party in any such litigation is entitled to 2094 recover reasonable attorney fees and costs. A member prevailing 2095 in an action between the association and the member under this 2096 section, in addition to recovering his or her reasonable 2097 attorney fees, may recover additional amounts as determined by 2098 the court to be necessary to reimburse the member for his or her

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2099 share of assessments levied by the association to fund its 2100 expenses of the litigation. This relief does not exclude other 2101 remedies provided by law. This section does not deprive any 2102 person of any other available right or remedy.

2103 (2) An The association may levy reasonable fines. A fine may not exceed \$100 per violation against any member or any 2104 2105 member's tenant, quest, or invitee for the failure of the owner 2106 of the parcel or its occupant, licensee, or invitee to comply 2107 with any provision of the governing documents declaration, the 2108 association bylaws, or reasonable rules of the association unless otherwise provided in the governing documents. A fine may 2109 2110 be levied by the board for each day of a continuing violation, 2111 with a single notice and opportunity for hearing, except that 2112 the fine may not exceed \$1,000 in the aggregate unless otherwise 2113 provided in the governing documents. A fine of less than \$1,000 2114 may not become a lien against a parcel. In any action to recover 2115 a fine, the prevailing party is entitled to reasonable attorney 2116 fees and costs from the nonprevailing party as determined by the 2117 court.

2118 (a) An association may suspend, for a reasonable period of 2119 time, the right of a member, or a member's tenant, quest, or 2120 invitee, to use common areas and facilities for the failure of 2121 the owner of the parcel or its occupant, licensee, or invitee to 2122 comply with any provision of the declaration, the association 2123 bylaws, or reasonable rules of the association. This paragraph 2124 does not apply to that portion of common areas used to provide 2125 access or utility services to the parcel. A suspension may not prohibit an owner or tenant of a parcel from having vehicular 2126 2127 and pedestrian ingress to and egress from the parcel, including,

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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, 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.-

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2157 (g) A notice required under this section must be mailed or delivered to the address identified as the parcel owner's 2158 mailing address in the official records of the association as 2159 2160 required under s. 720.303(4) on the property appraiser's website 2161 for the county in which the parcel is located, or electronically 2162 transmitted in a manner authorized by the association if the 2163 parcel owner has consented, in writing, to receive notice by 2164 electronic transmission.

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(9) ELECTIONS AND BOARD VACANCIES.-

2166 (c) Any election dispute between a member and an 2167 association must be filed with the county court in the county 2168 where the association maintains its principal office submitted 2169 to mandatory binding arbitration with the division. Such 2170 proceedings must be conducted in the manner provided by s. 2171 718.1255 and the procedural rules adopted by the division. 2172 Unless otherwise provided in the bylaws, any vacancy occurring 2173 on the board before the expiration of a term may be filled by an 2174 affirmative vote of the majority of the remaining directors, 2175 even if the remaining directors constitute less than a quorum, 2176 or by the sole remaining director. In the alternative, a board 2177 may hold an election to fill the vacancy, in which case the 2178 election procedures must conform to the requirements of the 2179 governing documents. Unless otherwise provided in the bylaws, a 2180 board member appointed or elected under this section is 2181 appointed for the unexpired term of the seat being filled. 2182 Filling vacancies created by recall is governed by s. 2183 720.303(10) and rules adopted by the division.

2184 Section 20. Section 720.311, Florida Statutes, is amended 2185 to read:

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| 2186 | 720.311 Dispute resolution                                   |
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| 2187 | (1) (a) As used in this section, the term "dispute" means    |
| 2188 | any disagreement between two or more parties which involves: |
| 2189 | 1. The authority of the board of directors, under this       |
| 2190 | chapter or an association document, to:                      |
| 2191 | a. Require any owner to take any action, or not to take any  |
| 2192 | action, involving that owner's parcel.                       |
| 2193 | b. Alter or add to a common area.                            |
| 2194 | 2. The failure of a governing body, when required by this    |
| 2195 | chapter or an association document, to:                      |
| 2196 | a. Properly enforce the governing documents.                 |
| 2197 | b. Provide adequate notice of meetings or other actions.     |
| 2198 | c. Properly conduct meetings of the board and committees     |
| 2199 | appointed by the board and membership meetings. This sub-    |
| 2200 | subparagraph does not apply to elections held at a meeting.  |
| 2201 | <u>d. To maintain a common area.</u>                         |
| 2202 | (b) The term "dispute" does not include any disagreement     |
| 2203 | that primarily involves:                                     |
| 2204 | 1. Title to any parcel or common area;                       |
| 2205 | 2. The interpretation or enforcement of any warranty;        |
| 2206 | 3. The levy of a fee or assessment or the collection of an   |
| 2207 | assessment levied against a party;                           |
| 2208 | 4. The eviction or removal of an occupant, licensee, or      |
| 2209 | invitee from a parcel;                                       |
| 2210 | 5. An alleged breach of fiduciary duty by one or more        |
| 2211 | directors; or  |
| 2212 | 6. Claims for damages to a parcel based upon the alleged     |
| 2213 | failure of the association to maintain the common areas or   |
| 2214 | association property.  |
|      |  |



2215 (2) The Legislature finds that alternative dispute 2216 resolution reduces has made progress in reducing court dockets 2217 and trials and offers in offering a more efficient, cost-2218 effective option to litigation. The filing of any petition for 2219 arbitration or the serving of a demand for presuit mediation as 2220 provided for in this section tolls shall toll the applicable 2221 statute of limitations until 30 days after mediation is 2222 completed and no agreement has been made, 10 days after the date by which a party must accept presuit mediation, or until the 2223 2224 conclusion of the period of time during which a mediation must 2225 be conducted under this section. Any recall action must be in 2226 accordance with ss. 718.112(2)(j) and 718.1255. Election 2227 disputes and recall disputes are not eligible for presuit 2228 mediation dispute filed with the department pursuant to s. 2229 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 2230 2231 rules adopted by the division. In addition, the department shall 2232 conduct mandatory binding arbitration of election disputes 2233 between a member and an association pursuant to s. 718.1255 and 2234 rules adopted by the division. Neither election disputes nor 2235 recall disputes are eligible for presuit mediation; these 2236 disputes shall be arbitrated by the department. At the 2237 conclusion of the proceeding, the department shall charge the 2238 parties a fee in an amount adequate to cover all costs and 2239 expenses incurred by the department in conducting the 2240 proceeding. Initially, the petitioner shall remit a filing fee 2241 of at least \$200 to the department. The fees paid to the 2242 department shall become a recoverable cost in the arbitration 2243 proceeding, and the prevailing party in an arbitration

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2244 proceeding shall recover its reasonable costs and attorney's 2245 fees in an amount found reasonable by the arbitrator. The 2246 department shall adopt rules to effectuate the purposes of this 2247 section.

2248 (3)(a)1.(2)(a) Disputes between an association and a parcel owner regarding use of or changes to the parcel or the common 2249 2250 areas and other covenant enforcement disputes, disputes 2251 regarding amendments to the association documents, disputes 2252 regarding meetings of the board and committees appointed by the 2253 board, membership meetings not including election meetings, and 2254 access to the official records of the association shall be the 2255 subject of a demand for presuit mediation served by an aggrieved 2256 party before the dispute is filed in court. Presuit mediation 2257 proceedings must be conducted in accordance with the applicable 2258 rules of the Florida Rules of Civil Procedure and chapter 44, 2259 and these proceedings are privileged and confidential to the 2260 same extent as court-ordered mediation. Disputes subject to 2261 presuit mediation under this section may shall not include the collection of any assessment, fine, or other financial 2262 2263 obligation, including attorney attorney's fees and costs, claimed to be due or any action to enforce a prior mediation 2264 2265 settlement agreement between the parties. Also, In any dispute 2266 subject to presuit mediation under this section where 2267 preliminary injunctive emergency relief is required, a motion 2268 for temporary injunctive relief may be filed with the court 2269 without first complying with the presuit mediation requirements 2270 of this section. After any issues regarding preliminary 2271 injunctive emergency or temporary relief are resolved, the court 2272 may either refer the parties to a mediation program administered

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| 2273 | by the courts or require mediation under this section. <u>A</u> An |
|------|--|
| 2274 | arbitrator or judge may not consider any information or evidence   |
| 2275 | arising from the presuit mediation proceeding except in a          |
| 2276 | proceeding to impose sanctions for failure to attend a presuit     |
| 2277 | mediation session or to enforce a mediated settlement agreement.   |
| 2278 | Persons who are not parties to the dispute may not attend the      |
| 2279 | presuit mediation conference without the consent of all parties,   |
| 2280 | except for counsel for the parties, and a corporate                |
| 2281 | representative designated by the association, and a                |
| 2282 | representative from the association's insurance carrier, if        |
| 2283 | applicable. When mediation is attended by a quorum of the board,   |
| 2284 | such mediation is not a board meeting for purposes of notice and   |
| 2285 | participation set forth in s. 720.303. An aggrieved party shall    |
| 2286 | serve on the responding party a written demand to participate in   |
| 2287 | presuit mediation in substantially the following form:             |
| 2288 |  |
| 2289 | STATUTORY OFFER TO PARTICIPATE                                     |
| 2290 | IN PRESUIT MEDIATION   |
| 2291 |  |
| 2292 | The alleged aggrieved party, hereby                                |
| 2293 | demands that as the responding                                     |
| 2294 | party, engage in mandatory presuit mediation in                    |
| 2295 | connection with the following disputes, which by                   |
| 2296 | statute are of a type that are subject to presuit                  |
| 2297 | mediation:   |
| 2298 |  |
| 2299 | (List specific nature of the dispute or disputes to be             |
| 2300 | mediated and the authority supporting a finding of a               |
| 2301 | violation as to each dispute.)                                     |
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Pursuant to section 720.311, Florida Statutes, this 2303 2304 demand to resolve the dispute through presuit 2305 mediation is required before a lawsuit can be filed 2306 concerning the dispute. Pursuant to the statute, the 2307 parties are required to engage in presuit mediation 2308 with a neutral third-party mediator in order to 2309 attempt to resolve this dispute without court action, 2310 and the aggrieved party demands that you likewise 2311 agree to this process. If you fail to participate in 2312 the mediation process, suit may be brought against you 2313 without further warning.

2315 The process of mediation involves a supervised 2316 negotiation process in which a trained, neutral third-2317 party mediator meets with both parties and assists 2318 them in exploring possible opportunities for resolving 2319 part or all of the dispute. By agreeing to participate 2320 in presuit mediation, you are not bound in any way to 2321 change your position. Furthermore, the mediator has no 2322 authority to make any decisions in this matter or to 2323 determine who is right or wrong and merely acts as a facilitator to ensure that each party understands the 2324 2325 position of the other party and that all options for 2326 reasonable settlement are fully explored.

If an agreement is reached, it <u>must</u> shall be reduced to writing and <u>signed</u>, at which time the agreement becomes a binding and enforceable contract between



2331 commitment of the parties. A resolution of one or more 2332 disputes in this fashion avoids the need to litigate 2333 those these issues in court. The failure to reach an 2334 agreement, or the failure of a party to participate in 2335 the process or the failure of the parties to reach an 2336 agreement during the mediation process  $\tau$  results in the 2337 aggrieved party being able to mediator declaring an 2338 impasse in the mediation, after which the aggrieved 2339 party may proceed to court on all outstanding and  $\overline{r}$ 2340 unsettled disputes. If you fail or refuse have failed 2341 or refused to participate in the entire mediation 2342 process, you will not be entitled to recover attorney 2343 attorney's fees, even if you prevail.

The aggrieved party has selected and hereby lists five <u>circuit court civil</u> <del>certified</del> mediators <u>certified by</u> <u>the Florida Supreme Court</u> who <u>the aggrieved party</u> <u>believes</u> we believe to be neutral and qualified to mediate the dispute. You have the right to select any one of these mediators. The fact that one party may be familiar with one or more of the listed mediators does not mean that the mediator cannot act as a neutral and impartial facilitator. Any mediator who cannot act in this capacity is required ethically to decline to accept engagement. The mediators that we suggest, and their current hourly rates, are as follows:

(List the names, <u>physical</u> addresses, <u>e-mail addresses</u>, telephone numbers, and hourly rates of the mediators.

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|------|---|
| 2360 | Other pertinent information about the <u>backgrounds</u>        |
| 2361 | background of the mediators may be included as an               |
| 2362 | attachment, including whether the mediator is board             |
| 2363 | certified by The Florida Bar in any practice area.)             |
| 2364 |   |
| 2365 | By mutual agreement, and before accepting presuit               |
| 2366 | mediation, we can also select mediators other than the          |
| 2367 | Supreme Court-certified circuit court civil mediators           |
| 2368 | named above as alternates to the above-named                    |
| 2369 | mediators. The alternate mediators are not required to          |
| 2370 | be Supreme Court-certified circuit court civil                  |
| 2371 | mediators. The alternate mediators that we suggest,             |
| 2372 | and their hourly rates, are as follows:                         |
| 2373 | (List the names, physical addresses, e-mail addresses,          |
| 2374 | telephone numbers, and hourly rates of the alternate            |
| 2375 | mediators. Other pertinent information about the                |
| 2376 | backgrounds of the alternate mediators may be included          |
| 2377 | as an attachment.)  |
| 2378 |   |
| 2379 | You may contact the offices of these mediators to               |
| 2380 | confirm that the listed mediators will be neutral and           |
| 2381 | will not show any favoritism toward either party. The           |
| 2382 | Florida Supreme Court can provide you a list of                 |
| 2383 | <del>certified</del> mediators who are certified in the area of |
| 2384 | circuit civil law.  |
| 2385 |   |
| 2386 | Unless otherwise agreed by the parties, section                 |
| 2387 | 720.311(2)(b), Florida Statutes, requires that the              |
| 2388 | parties share equally the costs of presuit mediation            |



2389 equally, including the fee charged by the mediator. A 2390 typical An average mediation may require three to four 2391 hours of the mediator's time, including some 2392 preparation time, and the parties would need to share 2393 equally the mediator's fees as well as pay their own 2394 attorney attorney's fees if they choose to employ an 2395 attorney in connection with the mediation. However, 2396 use of an attorney is not required and is at the 2397 option of each party. The mediators may require the 2398 advance payment of some or all of the anticipated 2399 fees. The aggrieved party hereby agrees to pay or 2400 prepay one-half of the mediator's estimated fees and 2401 to forward this amount or such other reasonable 2402 advance deposits as the mediator requires for this 2403 purpose. Any funds deposited will be returned to you 2404 if these are in excess of your share of the fees 2405 incurred. 2406

2407 To begin your participation in presuit mediation to 2408 try to resolve the dispute and avoid further legal 2409 action, please sign below and clearly indicate which 2410 mediator is acceptable to you. We will then ask the 2411 mediator to schedule a mutually convenient time and place for the mediation conference to be held. The 2412 2413 mediation conference must be held within 90 ninety 2414 (90) days after the date of acceptance of presuit 2415 mediation of this date, unless extended by mutual 2416 written agreement. In the event that you fail to 2417 respond within 30 days after <del>20 days from</del> the date of

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| i    |  |
|------|--|
| 2418 | this letter, or if you fail to agree to at least one                   |
| 2419 | of the mediators that we have suggested or to pay or                   |
| 2420 | prepay to the mediator one-half of the costs involved,                 |
| 2421 | the aggrieved party will be authorized to proceed with                 |
| 2422 | the filing of a lawsuit against you without further                    |
| 2423 | notice and may seek an award of <u>attorney</u> <del>attorney's</del>  |
| 2424 | fees or costs incurred in attempting to obtain                         |
| 2425 | mediation.   |
| 2426 |  |
| 2427 | Therefore, please give this matter your immediate                      |
| 2428 | attention. By law, your response must be mailed by                     |
| 2429 | certified mail, return receipt requested, and by                       |
| 2430 | first-class mail to the address shown on this demand.                  |
| 2431 |  |
| 2432 |  |
| 2433 |  |
| 2434 |  |
| 2435 | RESPONDING PARTY: YOUR SIGNATURE INDICATES YOUR                        |
| 2436 | AGREEMENT TO THAT CHOICE.  |
| 2437 |  |
| 2438 | AGREEMENT TO MEDIATE   |
| 2439 | The undersigned hereby agrees to participate in                        |
| 2440 | presuit mediation and agrees to attend a mediation                     |
| 2441 | conducted by the following mediator or mediators who                   |
| 2442 | are listed above as <u>individuals</u> <del>someone</del> who would be |
| 2443 | acceptable to mediate this dispute:                                    |
| 2444 |  |
| 2445 | (List acceptable mediator or mediators.)                               |
| 2446 |  |
|      |  |



| 2447 | I/we further agree to pay or prepay one-half of the                |
|------|--|
| 2448 | mediator's fees and to forward such advance deposits               |
| 2449 | as the mediator may require for this purpose.                      |
| 2450 |  |
| 2451 |  |
| 2452 | Signature of responding party #1                                   |
| 2453 |  |
| 2454 |  |
| 2455 | Telephone contact information                                      |
| 2456 |  |
| 2457 |  |
| 2458 | Signature and telephone contact information of                     |
| 2459 | responding party #2 (if applicable)(if property is                 |
| 2460 | owned by more than one person, all owners must sign)               |
| 2461 |  |
| 2462 | 2. The statutory demand must also contain the following            |
| 2463 | statement in capitalized, bold letters in a font size larger       |
| 2464 | than any other used in the statutory demand: A PERSON WHO FAILS    |
| 2465 | OR REFUSES TO PARTICIPATE IN THE ENTIRE PRESUIT MEDIATION          |
| 2466 | PROCESS IS PROHIBITED FROM RECOVERING ATTORNEY FEES AND COSTS IN   |
| 2467 | SUBSEQUENT LITIGATION RELATING TO THE DISPUTE.                     |
| 2468 | (b) Service of the statutory demand to participate in              |
| 2469 | presuit mediation shall be effected by sending a letter in         |
| 2470 | substantial conformity with the above form by certified mail,      |
| 2471 | return receipt requested, with an additional copy being sent by    |
| 2472 | regular first-class mail, to the address of the responding party   |
| 2473 | as it last appears on the books and records of the association.    |
| 2474 | The responding party has $30 + 20$ days after from the date of the |
| 2475 | mailing of the statutory demand to serve a response to the         |
|      |  |

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2476 aggrieved party in writing. The response must be sent shall be 2477 served by certified mail, return receipt requested, with an 2478 additional copy being sent by regular first-class mail, to the 2479 address shown on the statutory demand. Notwithstanding the 2480 foregoing, once the parties have agreed on a mediator, the mediator may schedule reschedule the mediation for a date and 2481 2482 time mutually convenient to the parties. Each proposed mediator 2483 must be available to hold the mediation in the county in which 2484 the parcel is located or within 40 miles of the parcel without 2485 charging extra for travel-related costs. If a presuit mediation 2486 session cannot be scheduled and concluded within 90 days after 2487 the date of acceptance of presuit mediation and there is no 2488 agreement between the parties to extend the 90-day deadline, the 2489 aggrieved party may file an action in court. The parties shall 2490 share equally the costs of presuit mediation equally, including 2491 the fee charged by the mediator, if any, unless the parties 2492 agree otherwise, and the mediator may require advance payment of 2493 its reasonable fees and costs. The failure of any party to 2494 respond to a demand or response, to agree upon a mediator, to 2495 make payment of fees and costs within the time established by 2496 the mediator, or to appear for a scheduled mediation session 2497 without the approval of the mediator, constitutes shall 2498 constitute the failure or refusal to participate in the 2499 mediation process and operates shall operate as an impasse in 2500 the presuit mediation by such party, entitling the other party 2501 to proceed in court and to seek an award of the costs and fees 2502 associated with the mediation. Additionally, notwithstanding the 2503 provisions of any other law or document, persons who fail or refuse to participate in the entire mediation process may not 2504



2505 recover <u>attorney</u> attorney's fees and costs in subsequent
2506 litigation relating to the dispute. If any presuit mediation
2507 session cannot be scheduled and conducted within 90 days after
2508 the offer to participate in mediation was filed, an impasse
2509 shall be deemed to have occurred unless both parties agree to
2510 extend this deadline.

2511 (c) If presuit mediation as described in paragraph (a) is 2512 not successful in resolving all issues between the parties, any 2513 party the parties may file an action regarding the unresolved 2514 dispute in a court of competent jurisdiction or elect to enter 2515 into binding or nonbinding arbitration pursuant to the 2516 procedures set forth in s. 718.1255 and rules adopted by the 2517 division, with the arbitration proceeding to be conducted by a 2518 department arbitrator or by a private arbitrator certified by 2519 the department. If all parties do not agree to arbitration 2520 proceedings following an unsuccessful presuit mediation, any 2521 party may file the dispute in court. A final order resulting from nonbinding arbitration is final and enforceable in the 2522 2523 courts if a complaint for trial de novo is not filed in a court 2524 of competent jurisdiction within 30 days after entry of the 2525 order. As to any issue or dispute that is not resolved at 2526 presuit mediation, and as to any issue that is settled at 2527 presuit mediation but is thereafter subject to an action seeking 2528 enforcement of the mediation settlement, the prevailing party in 2529 any subsequent arbitration or litigation proceeding shall be 2530 entitled to seek recovery of all costs and attorney attorney's 2531 fees incurred in the presuit mediation process.

2532(d) The parties may agree to a mediator who is not2533certified by the Florida Supreme Court. Unless such mediator is

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2534 agreed upon, a mediator may not or arbitrator shall be 2535 authorized to conduct mediation or arbitration under this 2536 section unless only if he or she has been certified as a circuit 2537 court civil mediator or arbitrator, respectively, pursuant to 2538 the requirements established by the Florida Supreme Court. 2539 Settlement agreements resulting from mediation may shall not 2540 have precedential value in proceedings involving parties other 2541 than those participating in the mediation to support either a 2542 claim or defense in other disputes. 2543 (e) The presuit mediation procedures provided by this 2544 subsection may be used by a Florida corporation responsible for 2545 the operation of a community in which the voting members are 2546 parcel owners or their representatives, in which membership in 2547 the corporation is not a mandatory condition of parcel 2548 ownership, or which is not authorized to impose an assessment 2549 that may become a lien on the parcel. 2550 (4) Any dispute challenging the legality of the election or 2551 the recall of any member of the board of directors must be filed 2552 as a summary procedure under s. 51.011, and in any such action 2553 the prevailing party is entitled to recover reasonable attorney 2554 fees and costs. Any action filed pursuant to this subsection 2555 must be tried without a jury. 2556 Section 21. This act shall take effect July 1, 2019. 2557 2558 2559 And the title is amended as follows: 2560 Delete everything before the enacting clause

and insert:

A bill to be entitled

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2561

2562



2563 An act relating to community associations; amending s. 2564 34.01, F.S.; expanding the jurisdiction of the county 2565 court to include certain disputes occurring in 2566 condominium and cooperative associations; amending 2567 514.0115, F.S.; providing that certain property 2568 association pools are exempt from Department of Health 2569 regulations; amending s. 627.714, F.S.; prohibiting 2570 subrogation rights against a condominium association 2571 under certain circumstances; amending s. 718.111, 2572 F.S.; requiring certain records to be maintained for a 2573 specified time; prohibiting an association from 2574 requiring certain actions related to the inspection of 2575 records; revising requirements relating to certain 2576 associations posting digital copies of certain 2577 documents; amending s. 718.112, F.S.; specifying that 2578 only board service that occurs on or after a specified 2579 date may be used for calculating a board member's term limit; providing requirements for certain notices; 2580 2581 prohibiting an association from charging certain fees; 2582 providing an exception; revising requirements relating 2583 to the recall of board members; deleting a prohibition 2584 against employing or contracting with certain service 2585 providers; amending s. 718.113, F.S.; revising installation requirements for electric vehicle 2586 2587 charging stations; amending s. 718.117, F.S.; revising 2588 requirements for contesting a plan of termination for 2589 a condominium; providing liability for certain owners; 2590 amending s. 718.1255, F.S.; revising the definition of the term "dispute"; deleting a provision encouraging 2591



2592 certain voluntary mediation; revising legislative 2593 findings; requiring mediation rather than nonbinding 2594 arbitration for disputes between a condominium 2595 association and a unit owner; providing requirements 2596 for the mediation; providing a form for the written 2597 demand an aggrieved party is required to serve on a 2598 responding party; providing requirements for the 2599 service of a statutory demand to participate in 2600 presuit mediation and the response to such service; 2601 providing requirements for mediators selected by the 2602 parties; requiring the parties to equally share the 2603 costs of presuit mediation; authorizing a mediator to 2604 require advance payment of fees and costs; specifying 2605 what constitutes a failure or refusal to participate 2606 in the mediation process; prohibiting a person who 2607 fails or refuses to participate in the entire 2608 mediation process from recovering fees and costs in 2609 subsequent litigation; authorizing parties to file 2610 suit regarding unresolved disputes under certain 2611 circumstances; specifying that a prevailing party in 2612 certain subsequent litigation is entitled to an award 2613 of all costs and attorney fees incurred in the presuit 2614 mediation process; authorizing the parties to select a 2615 mediator who has not been certified by the Florida 2616 Supreme Court; prohibiting a mediator from conducting 2617 mediation under certain circumstances unless he or she 2618 has been certified as a circuit court civil mediator; 2619 providing requirements for certain disputes involving the legality of an election or the recall of a board 2620



2621 member; amending s. 718.303, F.S.; revising 2622 requirements for certain actions for failure to comply 2623 with specified provisions; revising requirements for 2624 certain fines; amending s. 718.501, F.S.; deleting 2625 provisions relating to the Division of Florida 2626 Condominiums, Timeshares, and Mobile Homes' 2627 certification of mediators; amending s. 718.5014, 2628 F.S.; revising the location of the principal office of 2629 the Office of the Condominium Ombudsman; amending s. 2630 719.103, F.S.; revising the definition of the term 2631 "unit" to specify that an interest in a cooperative 2632 unit is an interest in real property; amending s. 2633 719.104, F.S.; prohibiting an association from 2634 requiring certain actions related to the inspection of 2635 records; amending s. 719.106, F.S.; revising 2636 provisions relating to a quorum and voting rights for 2637 members remotely participating in meetings; revising 2638 requirements relating to the recall of board members 2639 and challenges to such recalls; requiring mediation 2640 rather than nonbinding arbitration for certain 2641 disputes; amending s. 719.1255, F.S.; revising 2642 requirements for alternative resolution of disputes; 2643 amending s. 719.501, F.S.; deleting provisions relating to the division's certification of mediators; 2644 2645 amending s. 720.303, F.S.; authorizing an association 2646 to adopt procedures for electronic meeting notices; 2647 revising the documents that constitute the official 2648 records of an association; revising requirements 2649 relating to the recall of board members and challenges

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2650 to such recalls; amending s. 720.305, F.S.; providing 2651 requirements for certain fines; amending s. 720.306, 2652 F.S.; revising requirements for providing certain 2653 notices and for challenging certain elections; 2654 amending s. 720.311, F.S.; revising requirements for 2655 dispute resolution; defining the term "dispute"; 2656 revising legislative findings; revising the 2657 standardized form for the offer to participate in 2658 presuit mediation; providing requirements for the 2659 service of a statutory demand to participate in presuit mediation; providing requirements for 2660 2661 mediators selected by the parties; authorizing the 2662 parties to select a mediator who has not been 2663 certified by the Florida Supreme Court; requiring that 2664 certain disputes be filed as a summary procedure; 2665 providing an effective date.