

LEGAL



Management Contracts – New Laws

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Happy New Year! It's 2026. Some of you may be considering new management companies or executing new contracts with existing companies. Management contracts should be reviewed by legal counsel. While the law does not generally regulate the "business terms" of management contracts (such as price), there are a number of laws that regulate management contracts.

Section 718.3025 of the Florida Condominium Act states that no written contract for management services is valid or enforceable unless it contains the following elements: (1) the contract must outline the services to be provided, as well as the obligations and responsibilities of the management company to the unit owners; (2) the contract must detail which costs incurred in performing the services are to be reimbursed by the association to the management company; (3) the contract must indicate how often each service, obligation, or responsibility

is to be performed, either individually or by category; (4) the contract must specify the minimum number of personnel the management company will employ to service the association; and 6) the contract must also disclose any financial or ownership interest that a board member or any party providing maintenance or management services holds in the contracting party. Based on the foregoing, if the task you want the management company to perform is not included in the text of the contract the management company does not have to do it for the Association.

Management contracts are also regulated by parts of Section 468 of the Florida Statutes, which is the law that regulates community association managers and community association management firms. These laws have been updated in 2024 and 2025 and any revisions to existing contracts or new contracts should include these updates.

Section 468.4334 requires that ev-

ery contract between a community association and a manager or management firm for management services must include a specific written statement. This statement, which must be in at least 12-point type, affirms that the manager will comply with all professional standards and record-keeping requirements imposed by part VIII of chapter 468, Florida Statutes. The statute further prohibits any contract from waiving or limiting these professional practice standards.

Florida law imposes additional important requirements on management contracts and the conduct of community association managers. For example, Section 718.111(3) of the Florida Condominium Act prohibits an association from hiring an attorney who also represents its management company, or its board members or officers. That statute further states that an association that contracts with a manager or management firm has a statutory duty to ensure the manager or firm

is properly licensed before entering into a contract. Therefore, the Board is required to go to myfloridalicense.com (or your attorney reviewing your contract can do it for you) and check on the license of the manager or management firm that will be providing services to your community association.

Another important consideration; make sure you can terminate your management contract without cause. Some management contracts try to limit termination only for cause. That makes it almost impossible to ever terminate.

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