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HB 1076/96 - ECM

1997 Regular Session  
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CF 7r2555

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**By: Delegates Frank, V. Mitchell, Stocksdale, Dembrow, and Bissett**

Introduced and read first time: January 30, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Common Interest Developments - Dispute Resolution**

3 FOR the purpose of establishing a mechanism for resolving disputes as an alternative to  
4 litigation between developers and governing bodies of common interest  
5 developments, including councils of unit owners of a condominium, homeowners  
6 associations, and cooperative housing corporations; requiring that persons who  
7 bring an action for damages against a developer must first meet certain  
8 requirements concerning notice, making available of certain parts of the common  
9 interest development for inspection and testing, meeting with the developer and the  
10 appointment of a mediator; providing for the tolling of certain statutes of limitation  
11 under certain circumstances; requiring the dissemination of certain information to  
12 members of certain associations; requiring the court to stay certain actions for a  
13 certain time if it finds that certain provisions of this Act have not been complied  
14 with; and generally relating to alternative dispute resolutions for developers and  
15 governing bodies of common interest developments.

16 BY adding to

17 Article - Real Property  
18 Section 11C-101 through 11C-104 to be under the new title "Title 11C. Dispute  
19 Resolution"  
20 Annotated Code of Maryland  
21 (1996 Replacement Volume and 1996 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article - Real Property**

25 TITLE 11C. DISPUTE RESOLUTION.

26 11C-101.

27 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

28 (B) "ASSOCIATION" MEANS:

29 (1) A COUNCIL OF UNIT OWNERS OF A CONDOMINIUM, AS THAT TERM  
30 IS DEFINED UNDER § 11-101 OF THIS ARTICLE;

2

1 (2) A COOPERATIVE HOUSING CORPORATION, AS THAT TERM IS  
2 DEFINED UNDER § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; OR

3 (3) A HOMEOWNERS ASSOCIATION, AS THAT TERM IS DEFINED UNDER §  
4 11B-101 OF THIS ARTICLE.

5 (C) "COMMON AREAS" MEANS PROPERTY THAT IS OWNED, LEASED, OR  
6 MAINTAINED BY A HOMEOWNERS ASSOCIATION OR PROPERTY THAT IS A COMMON  
7 ELEMENT UNDER TITLE 11 OF THIS ARTICLE.

8 (D) "COMMON INTEREST DEVELOPMENT" MEANS PROPERTY THAT IS EITHER  
9 SUBJECT TO:

10 (1) A CONDOMINIUM REGIME UNDER TITLE 11 OF THIS ARTICLE;

11 (2) A COOPERATIVE HOUSING CORPORATION UNDER TITLE 5, SUBTITLE  
12 6B OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; OR

13 (3) THE ENFORCEMENT POWERS OF A HOMEOWNERS ASSOCIATION  
14 UNDER TITLE 11B OF THIS ARTICLE.

15 (E) "DEVELOPER" MEANS THE PERSON OR PERSONS DIRECTLY AND  
16 MATERIALLY INVOLVED IN THE DESIGN, CONSTRUCTION, OR SALE OF PROPERTY  
17 WITHIN A COMMON INTEREST DEVELOPMENT.

18 (F) "GOVERNING BODY" MEANS THE BOARD OF DIRECTORS, BOARD OF  
19 TRUSTEES OR OTHER BODY OF A CONDOMINIUM REGIME, A COOPERATIVE  
20 HOUSING CORPORATION, OR A HOMEOWNERS ASSOCIATION WHICH IS PROVIDED  
21 THE AUTHORITY TO ACT ON BEHALF OF THE CONDOMINIUM REGIME,  
22 COOPERATIVE HOUSING CORPORATION, OR HOMEOWNERS ASSOCIATION.

23 11C-102.

24 (A) UNLESS OTHERWISE AGREED UPON BY THE ASSOCIATION AND THE  
25 DEVELOPER, BEFORE AN ASSOCIATION MAY BRING AN ACTION FOR DAMAGES  
26 AGAINST THE DEVELOPER OF A COMMON INTEREST DEVELOPMENT BASED ON A  
27 CLAIM FOR DEFECTS IN THE DESIGN OR CONSTRUCTION OF THE COMMON  
28 INTEREST DEVELOPMENT, THE REQUIREMENTS UNDER THIS SECTION SHALL BE  
29 MET.

30 (B) (1) (I) THE ASSOCIATION SHALL MAKE A PRUDENT AND  
31 REASONABLE ATTEMPT TO DELIVER WRITTEN NOTICE TO ALL DEVELOPERS  
32 AGAINST WHOM THE CLAIM IS MADE SPECIFYING THE DEFECTS THAT ARE THE  
33 SUBJECT OF THE CLAIM, INCLUDING IDENTIFICATION OF THE AREAS AND  
34 COMPONENTS OF THE COMMON INTEREST DEVELOPMENT THAT HAVE MANIFESTED  
35 DAMAGE OR OTHERWISE INDICATE EXISTENCE OF A DEFECT.

36 (II) THE NOTICE SHALL CONTAIN THE CURRENT MAILING  
37 ADDRESS FOR THE ASSOCIATION AND SHALL BE DELIVERED TO THE DEVELOPERS  
38 OR THEIR AGENTS.

39 (III) THE NOTICE SHALL BE ACCOMPANIED BY COPIES OF THE  
40 RESULTS OF ANY INVESTIGATION OR TESTING ACTUALLY CONDUCTED BY THE

3  
1 ASSOCIATION BUT ONLY TO THE EXTENT THESE RESULTS ARE RELIED UPON IN THE  
2 CLAIM MADE BY THE ASSOCIATION AGAINST THE DEVELOPER.

3 (IV) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, UPON  
4 THE SENDING OF THE NOTICE BY THE ASSOCIATION TO THE DEVELOPER, ALL  
5 STATUTES OF LIMITATION APPLICABLE TO ANY CLAIMS AGAINST ANY DEVELOPER  
6 WHO HAS BEEN SENT NOTICE SHALL BE TOLLED; PROVIDED, HOWEVER, THE  
7 NOTICE IS SENT IN ACCORDANCE WITH SUBSECTION (K) OF THIS SECTION.

8 (2) (I) WITHIN 20 DAYS AFTER THE RECEIPT OF THE NOTICE, A  
9 DEVELOPER MAY MAKE A WRITTEN REQUEST TO THE ASSOCIATION TO INSPECT  
10 THE COMMON INTEREST DEVELOPMENT AND CONDUCT TESTING TO ANY PORTION  
11 OF THE COMMON INTEREST DEVELOPMENT IDENTIFIED IN THE ASSOCIATION'S  
12 NOTICE.

13 (II) IF THE DEVELOPER FAILS TO DELIVER A WRITTEN REQUEST  
14 TO INSPECT THE COMMON INTEREST DEVELOPMENT WITHIN 20 DAYS AFTER  
15 RECEIPT OF THE NOTICE THE ASSOCIATION MAY BRING AN ACTION WITHOUT  
16 SATISFYING ANY OTHER REQUIREMENT OF THIS SECTION AND THE TOLLING OF  
17 ALL STATUTES OF LIMITATIONS SHALL CEASE 20 DAYS AFTER DELIVERY OF THE  
18 NOTICE.

19 (3) (I) WITHIN 10 DAYS AFTER RECEIPT OF A WRITTEN REQUEST  
20 FROM ANY DEVELOPER AGAINST WHOM THE CLAIM IS MADE, THE ASSOCIATION  
21 SHALL MAKE AVAILABLE FOR INSPECTION AND TESTING ALL COMMON AREAS AND  
22 OTHER PORTIONS OF THE COMMON INTEREST DEVELOPMENT IDENTIFIED IN THE  
23 ASSOCIATION'S NOTICE.

24 (II) ALL INSPECTIONS AND TESTING BY THE DEVELOPER SHALL BE  
25 COMPLETED WITHIN 15 DAYS AFTER THE DATE THE COMMON INTEREST  
26 DEVELOPMENT IS MADE AVAILABLE FOR INSPECTION AND TESTING.

27 (4) RIGHTS GRANTED TO THE DEVELOPER UNDER THIS SUBSECTION  
28 SHALL BE CONDITIONED UPON COMPLIANCE WITH THE FOLLOWING CONDITIONS:

29 (I) THE DEVELOPER SHALL PAY ALL COSTS OF INSPECTION AND  
30 TESTING, RESTORE THE COMMON INTEREST DEVELOPMENT TO THE CONDITION  
31 WHICH EXISTED IMMEDIATELY BEFORE THE TESTING, AND INDEMNIFY THE  
32 ASSOCIATION FOR ANY AND ALL DAMAGES RESULTING FROM THE TESTING; AND

33 (II) INTERIOR INSPECTIONS OF DWELLINGS SHALL OCCUR ONLY  
34 DURING NORMAL BUSINESS HOURS OR OTHER MUTUALLY AGREED UPON TIMES,  
35 ONLY UPON NOTICE TO THE OWNER OR OCCUPANT OF THE DWELLING, AND ONLY  
36 WITH THE CONSENT OF THE OWNER, WHOSE CONSENT MAY NOT BE  
37 UNREASONABLY WITHHELD OR DELAYED.

38 (5) WITHIN 15 DAYS AFTER COMPLETION OF THE INSPECTION AND  
39 TESTING UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE DEVELOPER AGAINST  
40 WHOM THE CLAIM IS MADE WHO CONDUCTED THE INSPECTION AND TESTING MAY  
41 SUBMIT A WRITTEN STATEMENT TO THE ASSOCIATION, STATING THE DEVELOPER'S  
42 PROPOSED SETTLEMENT OF THE CLAIM, AND WHETHER THE DEVELOPER PROPOSES  
43 TO DO ANY REMEDIAL WORK, PAY THE ASSOCIATION A CASH AMOUNT, OR BOTH.

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1 THE STATEMENT SHALL BE ACCOMPANIED BY COPIES OF THE RESULTS OF ANY  
2 INVESTIGATION OR TESTING ACTUALLY CONDUCTED BY THE DEVELOPER BUT  
3 ONLY TO THE EXTENT THESE RESULTS RELATE, DIRECTLY OR INDIRECTLY, TO THE  
4 CLAIM MADE BY THE ASSOCIATION AGAINST THE DEVELOPER.

5 (6) IF THE DEVELOPER DOES NOT DELIVER THE WRITTEN STATEMENT  
6 WITHIN 15 DAYS, THE ASSOCIATION MAY BRING AN ACTION ON THE CLAIM  
7 DESCRIBED IN THE ASSOCIATION'S NOTICE WITHOUT MEETING ANY OTHER  
8 REQUIREMENT OF THIS SECTION.

9 (7) IF THE DEVELOPER DELIVERS A PROPOSED SETTLEMENT OF THE  
10 CLAIM, THE ASSOCIATION SHALL CAUSE AT LEAST A MAJORITY OF ITS GOVERNING  
11 BODY TO HOLD A SETTLEMENT CONFERENCE WITH THE DEVELOPER WITHIN 15  
12 DAYS AFTER RECEIPT OF THE DEVELOPER'S WRITTEN SETTLEMENT PROPOSAL TO  
13 DISCUSS THE ASSOCIATION'S CLAIM AND THE DEVELOPER'S PROPOSED  
14 SETTLEMENT.

15 (C) IF A SETTLEMENT OF THE ASSOCIATION'S CLAIM IS NOT REACHED  
16 WITHIN 15 DAYS AFTER THE SETTLEMENT CONFERENCE HELD PURSUANT TO  
17 SUBSECTION (B)(7) OF THIS SECTION, THE ASSOCIATION OR DEVELOPER MAY  
18 DELIVER TO THE AMERICAN ARBITRATION ASSOCIATION (OR ANY OTHER  
19 MEDIATION ORGANIZATION OR MECHANISM AGREED TO BY THE DEVELOPER AND  
20 THE ASSOCIATION) WITHIN 30 DAYS AFTER THE CONFERENCE A WRITTEN REQUEST  
21 FOR NONBINDING MEDIATION OF THE DISPUTE IN ACCORDANCE WITH THE  
22 CONSTRUCTION INDUSTRY MEDIATION RULES OF THE AMERICAN ARBITRATION  
23 ASSOCIATION, AS AMENDED AND IN EFFECT AS OF THE DATE THE REQUEST FOR  
24 MEDIATION IS DELIVERED (OR ANY OTHER RULES AGREED TO BY THE DEVELOPER  
25 AND THE ASSOCIATION).

26 (D) IF THE GOVERNING BODY OF THE ASSOCIATION DOES NOT ACCEPT THE  
27 DEVELOPER'S PROPOSED SETTLEMENT OF THE CLAIM UNDER SUBSECTION (B)(5) OF  
28 THIS SECTION AND IF THE PARTIES DECIDE NOT TO PURSUE RESOLUTION OF THE  
29 DISPUTE THROUGH MEDIATION, OR IF THE PARTIES ARE UNABLE TO RESOLVE THE  
30 DISPUTE THROUGH MEDIATION PURSUANT TO SUBSECTION (C) OF THIS SECTION,  
31 THE ASSOCIATION SHALL DISSEMINATE TO EACH MEMBER OF THE ASSOCIATION A  
32 SUMMARY OF ALL OF THE MATERIALS REQUIRED UNDER § 11C-103 OF THIS TITLE  
33 PRIOR TO BRINGING AN ACTION AGAINST THE DEVELOPER ON THE CLAIM  
34 DESCRIBED IN THE ASSOCIATION'S NOTICE. THE SUMMARY REFERRED TO IN THE  
35 PRECEDING SENTENCE SHALL CONTAIN A STATEMENT THAT ALL OF THE  
36 MATERIALS REQUIRED UNDER § 11C-103 OF THIS TITLE ARE AVAILABLE FOR  
37 REVIEW AT THE ASSOCIATION'S OFFICE DURING NORMAL BUSINESS HOURS.

38 (E) IF THE MEDIATION HAS COMMENCED PURSUANT TO SUBSECTION (C) OF  
39 THIS SECTION, BUT HAS NOT CONCLUDED WITHIN 90 DAYS AFTER THE  
40 COMMENCEMENT OF THE TOLLING OF A STATUTE OF LIMITATIONS, AND THE  
41 PARTIES HAVE NOT OTHERWISE AGREED TO EXTEND THE TOLLING PERIOD, THE  
42 ASSOCIATION SHALL NOT BE PRECLUDED FROM BRINGING AN ACTION AGAINST  
43 THE DEVELOPER ON THE CLAIM DESCRIBED IN THE ASSOCIATION'S NOTICE AND  
44 THE PARTIES SHALL CONTINUE TO PURSUE RESOLUTION OF THE DISPUTE  
45 THROUGH MEDIATION.

5

1 (F) AT ANY TIME AFTER DELIVERY OF THE NOTICE BY THE ASSOCIATION  
2 PURSUANT TO SUBSECTION (B)(1)(I) OF THIS SECTION, THE ASSOCIATION AND THE  
3 DEVELOPER MAY AGREE IN WRITING TO MODIFY OR EXCUSE ANY OF THE OTHER  
4 CONDITIONS OR TIME PERIODS SET FORTH IN THIS SECTION.

5 (G) SATISFACTION OF THE REQUIREMENTS OF THIS SECTION, OR A WRITTEN  
6 MODIFICATION OR EXCUSE OF THESE REQUIREMENTS, SHALL BE SPECIFIED IN A  
7 COMPLAINT IN AN ACTION FOR DAMAGES SUBJECT TO THIS SECTION.

8 (H) (1) AT ANY TIME, ANY DEVELOPER WHO HAS DELIVERED THE WRITTEN  
9 REQUEST DESCRIBED IN SUBSECTION (B)(2) OF THIS SECTION MAY DELIVER  
10 WRITTEN NOTICE TO THE ASSOCIATION TO CANCEL THE TOLLING OF THE STATUTE  
11 OF LIMITATIONS PROVIDED IN SUBSECTION (B)(1)(IV) OF THIS SECTION.

12 (2) ON RECEIPT OF THE NOTICE PURSUANT TO PARAGRAPH (1) OF THIS  
13 SUBSECTION, THE ASSOCIATION SHALL BE RELIEVED OF ALL FURTHER  
14 OBLIGATIONS TO SATISFY THE CONDITIONS OF SUBSECTIONS (B), (C), AND (D) OF  
15 THIS SECTION WITH RESPECT TO ANY DEVELOPER WHO HAS DELIVERED A  
16 WRITTEN NOTICE TO CANCEL THE TOLLING OF THE STATUTE OF LIMITATIONS. THE  
17 TOLLING OF ALL APPLICABLE STATUTES OF LIMITATION SHALL END 45 DAYS AFTER  
18 DELIVERY OF THE WRITTEN NOTICE OF CANCELLATION BY THE DEVELOPER.

19 (I) UNLESS OTHERWISE PROVIDED HEREIN, THE PROHIBITION ON ACTIONS  
20 BY THE ASSOCIATION AGAINST THE DEVELOPER AND THE TOLLING OF THE  
21 STATUTE OF LIMITATIONS SHALL AUTOMATICALLY END 110 DAYS AFTER THE  
22 COMMENCEMENT OF THE TOLLING, UNLESS OTHERWISE AGREED TO BY THE  
23 PARTIES.

24 (J) (1) IF THE ASSOCIATION SUBSEQUENTLY ASSERTS ANY CLAIM NOT SET  
25 FORTH IN ANY PRIOR NOTICE DELIVERED TO THE DEVELOPER UNDER SUBSECTION  
26 (B)(1) OF THIS SECTION, ALL OF THE REQUIREMENTS OF THIS SECTION SHALL APPLY  
27 TO EACH CLAIM NOT SET FORTH IN THE PRIOR NOTICE, EXCEPT AS FOLLOWS:

28 (I) DEFECTS THAT ARE DISCOVERED IN THE COURSE OF  
29 INSPECTIONS OR INVESTIGATIONS CONDUCTED IN ACCORDANCE WITH THIS  
30 SECTION SHALL BE DEEMED INCLUDED IN THE PRIOR PROVIDED NOTICE; AND

31 (II) DEFECTS THAT ARE DISCOVERED BY THE ASSOCIATION AFTER  
32 ITS GIVING OF NOTICE AND THAT ARE NOT RELATED TO AN AREA OR COMPONENT  
33 OF THE COMMON INTEREST DEVELOPMENT IDENTIFIED IN THE CLAIM MAY BE  
34 AMENDED INTO THAT NOTICE UPON NOTIFYING THE DEVELOPER.

35 (2) IF A CLAIM IS AMENDED, THE TIME SPECIFIED IN SUBSECTION (B)(3)  
36 OF THIS SECTION FOR A DEVELOPER'S TESTING AND INSPECTION SHALL BE  
37 EXTENDED BY 10 DAYS TO PERMIT TESTING AND INSPECTION, OR BY 15 DAYS IF LESS  
38 THAN 10 DAYS REMAINS IN THE SPECIFIED PERIOD.

39 (K) A NOTICE, REQUEST, STATEMENT, OR OTHER COMMUNICATION  
40 REQUIRED TO BE SENT TO THE DEVELOPER OR THE ASSOCIATION UNDER THIS  
41 TITLE SHALL BE MAILED BY FIRST-CLASS REGISTERED OR CERTIFIED MAIL,  
42 RETURN RECEIPT REQUESTED, OR PERSONALLY SERVED ON THE PARTY ENTITLED  
43 TO RECEIVE SUCH NOTICE, REQUEST, STATEMENT, OR OTHER COMMUNICATION.

1 11C-103.

2 (A) BEFORE AN ASSOCIATION BRINGS AN ACTION FOR DAMAGES AGAINST  
3 ANY DEVELOPER UNDER § 11C-102 OF THIS TITLE, THE ASSOCIATION SHALL MAKE A  
4 REASONABLE ATTEMPT TO DISSEMINATE TO EACH MEMBER OF THE ASSOCIATION  
5 AND TO EACH MORTGAGEE WHO HAS REQUESTED NOTICES FROM THE  
6 ASSOCIATION:

7 (1) A WRITTEN STATEMENT OF THE CLAIM OF THE ASSOCIATION  
8 AGAINST THE DEVELOPER, SPECIFYING THE DEFECTS THAT ARE THE SUBJECT OF  
9 THE CLAIM, INCLUDING REASONABLE IDENTIFICATION OF THE AREAS AND  
10 COMPONENTS OF THE COMMON INTEREST DEVELOPMENT THAT HAVE MANIFESTED  
11 DAMAGE OR OTHERWISE INDICATED EXISTENCE OF A DEFECT;

12 (2) A COPY OF THE WRITTEN RESPONSE OF THE DEVELOPER TO THE  
13 CLAIM OF THE ASSOCIATION, INCLUDING ANY PROPOSED SETTLEMENT DELIVERED  
14 BY THE DEVELOPER TO THE ASSOCIATION;

15 (3) INFORMATION ABOUT THE REQUEST FOR MEDIATION, THE  
16 RESULTS OF THE MEDIATION, AND A NOTICE ADVISING THE MEMBER THAT ANY  
17 MATERIALS PRODUCED BY OR PROVIDED TO THE ASSOCIATION DURING THE  
18 MEDIATION ARE AVAILABLE FOR REVIEW AT THE ASSOCIATION'S OFFICE DURING  
19 NORMAL BUSINESS HOURS;

20 (4) A STATEMENT AS TO WHICH PARTY OR PARTIES REFUSED TO  
21 ACCEPT THE RESULTS OF, OR FINAL OFFERS MADE DURING, THE MEDIATION, IF  
22 APPLICABLE, AND THE REASON FOR THE REFUSAL;

23 (5) A STATEMENT THAT THE GOVERNING BODY OF THE ASSOCIATION  
24 DESIRES TO BRING SUIT AND A STATEMENT OF THE REASONABLY ANTICIPATED  
25 CONSEQUENCES OF PROCEEDING WITH THE LITIGATION (THE FORM AND CONTENT  
26 OF SUCH STATEMENT TO BE SUBJECT TO THE REASONABLE JUDGMENT OF THE  
27 GOVERNING BODY); AND

28 (6) A STATEMENT THAT IF 10% OF THE MEMBERS, OR 10% OF THE  
29 MORTGAGEES ENTITLED TO NOTICE, REQUEST A SPECIAL MEETING OF THE  
30 ASSOCIATION TO DISCUSS THE PROPOSED LITIGATION BY THE ASSOCIATION  
31 AGAINST THE DEVELOPER WITHIN 30 DAYS AFTER THE DATE THE NOTICE IS  
32 MAILED OR DELIVERED TO THE MEMBERS AND MORTGAGEES BY THE  
33 ASSOCIATION, THEN A SPECIAL MEETING MUST BE HELD.

34 (B) ALL WRITTEN MATERIALS PROVIDED TO THE MEMBERS OF THE  
35 ASSOCIATION UNDER SUBSECTION (A) OF THIS SECTION ARE PRIVILEGED  
36 COMMUNICATIONS AND ARE NOT ADMISSIBLE IN EVIDENCE IN ANY ACTION  
37 SUBJECT TO THIS TITLE.

38 (C) SATISFACTION OF THE REQUIREMENTS OF SUBSECTION (A) OF THIS  
39 SECTION SHALL BE SPECIFIED IN ANY COMPLAINT SUBJECT TO THIS TITLE.

7

1 11C-104.

2 (A) (1) FAILURE BY THE ASSOCIATION TO COMPLY WITH A MATERIAL  
3 REQUIREMENT UNDER THIS TITLE MAY BE ASSERTED AS A PROCEDURAL  
4 DEFICIENCY TO ANY ACTION BROUGHT BY THE ASSOCIATION AGAINST THE  
5 DEVELOPER PURSUANT TO § 11C-103 OF THIS TITLE.

6 (2) UPON APPLICATION BY THE DEVELOPER ALLEGING  
7 NONCOMPLIANCE WITH THIS TITLE, THE COURT SHALL SCHEDULE A HEARING  
8 WITHIN 15 DAYS AFTER THE FILING OF THE PETITION TO DETERMINE WHETHER  
9 THE ASSOCIATION HAS COMPLIED WITH THE MATERIAL REQUIREMENTS OF THIS  
10 TITLE.

11 (B) IF THE COURT FINDS THAT THE ASSOCIATION DID NOT COMPLY WITH  
12 THE PROVISIONS OF THIS TITLE AND THAT NONCOMPLIANCE MATERIALLY AFFECTS  
13 THE PUBLIC INTEREST FOR THE PARTIES TO EXPLORE ALTERNATIVES TO  
14 LITIGATION, THEN THE COURT:

15 (1) SHALL STAY THE ACTION FOR UP TO 90 DAYS TO ALLOW THE  
16 ASSOCIATION TO ESTABLISH COMPLIANCE TO SATISFY THE PUBLIC INTEREST; AND

17 (2) IN THE INTEREST OF JUSTICE, SHALL EXTEND THE TIME PERIOD  
18 FOR COMPLIANCE UPON PETITION BY THE ASSOCIATION.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 July 1, 1997.