

Amendment No. 350

Assembly Amendment to Assembly Bill No. 350

(BDR 10-620)

Proposed by: Assembly Committee on Judiciary**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date	
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold dashed underlining* is newly added transitory language.

NCA/BAW



Date: 4/19/2009

A.B. No. 350—Makes various changes relating to common-interest communities.
(BDR 10-620)



ASSEMBLY BILL NO. 350—ASSEMBLYMEN MUNFORD, KIHUEN, SEGERBLOM; AIZLEY, ANDERSON, CLABORN, DENIS, GANSERT, HOGAN, MCCLAIN, MORTENSON, PIERCE, SETTELMAYER AND STEWART

MARCH 13, 2009

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to common-interest communities. (BDR 10-620)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to common-interest communities; revising provisions relating to ~~[amendments to the declaration of a common interest community, the terms of office and actions of members of the executive board of an association.]~~ costs of collection and the payment of fines and assessments, the rights of a unit's owner with respect to meetings and the ~~[review of certain documents, the foreclosure of a lien upon a unit and the sale of a unit.]~~ budgets for the daily operation of a common-interest community; establishing certain standards for management agreements; establishing the duties, responsibilities and standards of practice for community managers; making various other changes relating to common-interest communities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 1.5** of this bill ~~[increases the percentage of units' owners required to approve~~
2 ~~an amendment to the declaration of a common interest community from a majority of units'~~
3 ~~owners to 85 percent of units' owners. (NRS 116.2117)]~~ authorizes an association to charge
4 a reasonable fee for costs associated with collecting any past due obligation. **Section 3** of
5 this bill provides that in addition to complying with the business-judgment rule, officers and
6 members of the executive board of an association are required to act on an informed basis, in
7 good faith and in the honest belief that their actions are in the best interest of the association.
8 (NRS 116.3103)

9 Existing law authorizes an executive board to impose fines for certain violations of the
10 governing documents and to assess interest on any unpaid fines at a rate established by the
11 association, not to exceed the legal rate per annum. (NRS 116.3103) **Section 4** of this bill
12 eliminates the authority to charge interest on any past due fines. ~~[Existing law also provides~~
13 ~~that any past due assessment for common expenses bears interest at a rate not to exceed 18~~
14 ~~percent per year. (NRS 116.3115)]~~ **Section 9** of this bill provides that the association may
15 ~~[not]~~ charge ~~[more than: (1) five percent simple interest per year]~~ the prime rate plus 2
16 percent on a past due assessment, beginning when the assessment is 60 days past due. ~~[or~~

~~(2) three percent simple interest per year on a past due special assessment, beginning when the special assessment is 90 days past due.~~

~~Existing law provides that: (1) the term of office of a member of the executive board may not exceed 2 years, except for members who are appointed by the declarant; and (2) unless the governing documents provide otherwise, there is no limitation on the number of terms that a person may serve as a member of the executive board. (NRS 116.31034) Section 5 of this bill provides that: (1) the term of office of a member of the executive board may not exceed 2 years under any circumstances; and (2) if the common interest community consists of more than 50 units, no person may serve as a member of the executive board for more than two consecutive terms and a period of at least 6 years must elapse before a person who formerly served as a member of the executive board may serve as a member of the executive board again.]~~

Sections 6-8 of this bill provide that: (1) a unit's owner may receive, free of charge, a copy or summary of the minutes of a meeting of the ~~association's~~ units' owners or executive board in electronic ~~for paper format~~ format at no cost to the unit's owner or, if the association is unable to provide a copy or summary in electronic format, in paper format at a cost not to exceed 10 cents per page; (2) at each meeting of the units' owners or executive board, a unit's owner must be allowed to speak for a minimum of 2 minutes at the beginning of the meeting and for a minimum of ~~5~~ 2 minutes on each agenda item at the time the agenda item is being addressed; ~~at a meeting of the association or the executive board;~~ and (3) ~~the written remarks of a unit's owner must be included in the minutes of such meetings and read into the record under certain circumstances;~~ a meeting of the executive board must be held at a time other than during normal business hours at least twice per year, (NRS 116.3108, 116.31083, 116.31085)

~~Sections 10 and 12 of this bill provide that a unit's owner is entitled to receive certain documents regarding the association and that there must not be any charges for reviewing certain books, records and other papers of the association. (NRS 116.31151, 116.31175)~~

~~Existing law provides that any penalties, fees, charges, late charges, fines and interest are assessments which may become a lien upon a unit, and that lien may then be foreclosed. (NRS 116.3116, 116.31168) Sections 11 and 21 of this bill retain the authority of an association to place a lien upon a unit, but provide that such a lien may not be foreclosed.~~

~~Sections 13 and 15 of this bill provide that a presentation containing a description and summary of the governing documents must be made available to the purchaser of a unit. (NRS 116.4102, 116.4109)~~

~~Sections 17 and 18 of this bill: (1) expand the jurisdiction of the Commission for Common Interest Communities and Condominium Hotels to include alleged violations of the governing documents of an association; (2) revise the amounts of administrative fines that may be imposed; and (3) revise the circumstances under which attorney's fees may be granted to a prevailing party. (NRS 116.745, 116.785)]~~

Section 10 of this bill requires an executive board to: (1) provide in the budget for the daily operation of the association an itemized list of expenses in excess of \$100 expected to be incurred in each month; and (2) include in the budget a requirement that any money budgeted for nonrecurring expenses in excess of \$100, other than expenses necessary for emergency repairs or emergency services, may not be expended without first obtaining the signatures of at least two members of the executive board. (NRS 116.31151) Section 10 also requires the budget to be available for review at a location not to exceed 60 miles from the common-interest community.

Section 12 of this bill requires the books, records and other papers of an association to be available for review at the business office of the association or a location not to exceed 60 miles from the common-interest community. Section 12 also requires that a copy of such documents must be provided to a unit's owner in electronic format at no cost to the unit's owner or, if the association is unable to provide a copy or summary in electronic format, in paper format at a cost not to exceed 10 cents per page. (NRS 116.31175)

Section 12.3 of this bill provides that if a unit's owner is the subject of retaliatory action based on certain complaints or requests, he may bring an action to recover compensatory damages and attorney's fees and costs. (NRS 116.31183)

Sections 13.5 and 15 of this bill require a public offering or a resale package to include a statement listing all current and expected fees for each unit.

~~Section 18.3 of this bill establishes the requirements concerning the disclosures that a community manager must make before entering into a management agreement and incorporates into statute the existing requirements contained in the Nevada Administrative Code. (NAC 116.310)~~

~~Section 18.4 of this bill sets forth the requirements of a management agreement and incorporates into statute the existing requirements contained in the Nevada Administrative Code. (NAC 116.305)~~

~~Section 18.5 of this bill sets forth the responsibilities and duties of a community manager, incorporates into statute many of the existing provisions of the Nevada Administrative Code and adds certain new responsibilities and duties. (NAC 116.300) Section 18.5 also provides that a community manager acts as a fiduciary at all times and must exercise ordinary and reasonable care in performing his duties.~~

~~Section 18.6 of this bill incorporates into statute many of the existing provisions of the Nevada Administrative Code pertaining to standards of practice for community managers and conduct warranting disciplinary action and establishes certain new requirements, such as provisions governing the acceptance of any compensation, gift or any other item of material value by the community manager. (NAC 116.341)~~

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. ~~[NRS 116.2117 is hereby amended to read as follows:]~~

~~116.2117 1. Except [as otherwise provided in NRS 116.21175, and except] in cases of amendments that may be executed by a declarant under subsection 6 of NRS 116.2109 or NRS 116.211, or by the association under NRS 116.1107, subsection 4 of NRS 116.2106, subsection 3 of NRS 116.2108, subsection 1 of NRS 116.2112 or NRS 116.2113, or by certain units' owners under subsection 2 of NRS 116.2108, subsection 1 of NRS 116.2112, subsection 2 of NRS 116.2113 or subsection 2 of NRS 116.2118, and except as otherwise limited by subsection 4, the declaration, including any plats and plans, may be amended only by vote or agreement of units' owners of units to which at least [a majority] **85 percent** of the votes in the association are allocated, or any larger [majority] **percentage** the declaration specifies. The declaration may specify a smaller number only if all of the units are restricted exclusively to nonresidential use.~~

~~2. No action to challenge the validity of an amendment adopted by the association pursuant to this section may be brought more than 1 year after the amendment is recorded.~~

~~3. Every amendment to the declaration must be recorded in every county in which any portion of the common-interest community is located and is effective only upon recordation. An amendment, except an amendment pursuant to NRS 116.2112, must be indexed in the grantee's index in the name of the common-interest community and the association and in the grantor's index in the name of the parties executing the amendment.~~

~~4. Except to the extent expressly permitted or required by other provisions of this chapter, no amendment may change the boundaries of any unit, the allocated interests of a unit or the uses to which any unit is restricted, in the absence of unanimous consent of the units' owners affected and the consent of a majority of the owners of the remaining units.~~

~~5. Amendments to the declaration required by this chapter to be recorded by the association must be prepared, executed, recorded and certified on behalf of the association by any officer of the association designated for that purpose or, in the absence of designation, by the president of the association.] **(Deleted by amendment.)**~~

1 Sec. 1.5. Chapter 116 of NRS is hereby amended by adding thereto a
2 new section to read as follows:

3 1. If the governing documents authorize an association to charge a unit's
4 owner the costs of collecting any past due obligation, the association may charge
5 the unit's owner a reasonable fee to cover such costs. The Commission shall
6 adopt regulations establishing the amount of the fee that an association may
7 charge pursuant to this section.

8 2. The provisions of this section apply to any costs of collecting a past due
9 obligation charged to a unit's owner, regardless of whether the past due
10 obligation is collected by the association itself or by any person acting on behalf
11 of the association, including, without limitation, an officer or employee of the
12 association, a community manager or a collection agency.

13 3. As used in this section:

14 (a) "Costs of collecting" includes any fee, charge or cost, by whatever name,
15 including, without limitation, any collection fee, filing fee, recording fee, fee
16 related to the preparation, recording or delivery of a lien or lien rescission, title
17 search lien fee, bankruptcy search fee, referral fee, fee for postage or delivery
18 and any other fee or cost that an association charges a unit's owner for the
19 investigation, enforcement or collection of a past due obligation. The term does
20 not include any costs incurred by an association if a lawsuit is filed to enforce
21 any past due obligation or any costs awarded by a court.

22 (b) "Obligation" means any assessment, fine, construction penalty, fee,
23 charge or interest levied or imposed against a unit's owner pursuant to any
24 provision of this chapter or the governing documents.

25 **Sec. 2.** NRS 116.3102 is hereby amended to read as follows:

26 116.3102 1. Except as otherwise provided in subsection 2, and subject to the
27 provisions of the declaration, the association may do any or all of the following:

28 (a) Adopt and amend bylaws, rules and regulations.

29 (b) Adopt and amend budgets for revenues, expenditures and reserves and
30 collect assessments for common expenses from the units' owners.

31 (c) Hire and discharge managing agents and other employees, agents and
32 independent contractors.

33 (d) Institute, defend or intervene in litigation or administrative proceedings in
34 its own name on behalf of itself or two or more units' owners on matters affecting
35 the common-interest community.

36 (e) Make contracts and incur liabilities.

37 (f) Regulate the use, maintenance, repair, replacement and modification of
38 common elements.

39 (g) Cause additional improvements to be made as a part of the common
40 elements.

41 (h) Acquire, hold, encumber and convey in its own name any right, title or
42 interest to real estate or personal property, but:

43 (1) Common elements in a condominium or planned community may be
44 conveyed or subjected to a security interest only pursuant to NRS 116.3112; and

45 (2) Part of a cooperative may be conveyed, or all or part of a cooperative
46 may be subjected to a security interest, only pursuant to NRS 116.3112.

47 (i) Grant easements, leases, licenses and concessions through or over the
48 common elements.

49 (j) Impose and receive any payments, fees or charges for the use, rental or
50 operation of the common elements, other than limited common elements described
51 in subsections 2 and 4 of NRS 116.2102, and for services provided to the units'
52 owners.

(k) Impose charges for late payment of assessments ~~§~~ *pursuant to NRS 116.3115.*

(l) Impose construction penalties when authorized pursuant to NRS 116.310305.

(m) Impose reasonable fines for violations of the governing documents of the association only if the association complies with the requirements set forth in NRS 116.31031.

(n) Impose reasonable charges for the preparation and recordation of any amendments to the declaration or any statements of unpaid assessments, and impose reasonable fees, not to exceed the amounts authorized by NRS 116.4109, for preparing and furnishing the documents and certificate required by that section.

(o) Provide for the indemnification of its officers and executive board and maintain directors' and officers' liability insurance.

(p) Assign its right to future income, including the right to receive assessments for common expenses, but only to the extent the declaration expressly so provides.

(q) Exercise any other powers conferred by the declaration or bylaws.

(r) Exercise all other powers that may be exercised in this State by legal entities of the same type as the association.

(s) Direct the removal of vehicles improperly parked on property owned or leased by the association, as authorized pursuant to NRS 487.038, or improperly parked on any road, street, alley or other thoroughfare within the common-interest community in violation of the governing documents. In addition to complying with the requirements of NRS 487.038 and any requirements in the governing documents, if a vehicle is improperly parked as described in this paragraph, the association must post written notice in a conspicuous place on the vehicle or provide oral or written notice to the owner or operator of the vehicle at least 48 hours before the association may direct the removal of the vehicle, unless the vehicle:

(1) Is blocking a fire hydrant, fire lane or parking space designated for the handicapped; or

(2) Poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.

(t) Exercise any other powers necessary and proper for the governance and operation of the association.

2. The declaration may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

Sec. 3. NRS 116.3103 is hereby amended to read as follows:

116.3103 1. Except as otherwise provided in the declaration, the bylaws, this section or other provisions of this chapter, the executive board may act in all instances on behalf of the association. In the performance of their duties, the officers and members of the executive board are fiduciaries ~~§~~ *and shall act on an informed basis, in good faith and in the honest belief that their actions are in the best interest of the association.* The members of the executive board are required to exercise the ordinary and reasonable care of directors of a corporation, subject to the business-judgment rule.

2. The executive board may not act on behalf of the association to amend the declaration, to terminate the common-interest community, or to elect members of the executive board or determine their qualifications, powers and duties or terms of office, but the executive board may fill vacancies in its membership for the unexpired portion of any term.

1 **Sec. 4.** NRS 116.31031 is hereby amended to read as follows:

2 116.31031 1. Except as otherwise provided in this section, if a unit's owner
3 or a tenant or guest of a unit's owner violates any provision of the governing
4 documents of an association, the executive board may, if the governing documents
5 so provide:

6 (a) Prohibit, for a reasonable time, the unit's owner or the tenant or guest of the
7 unit's owner from:

8 (1) Voting on matters related to the common-interest community.

9 (2) Using the common elements. The provisions of this subparagraph do
10 not prohibit the unit's owner or the tenant or guest of the unit's owner from using
11 any vehicular or pedestrian ingress or egress to go to or from the unit, including any
12 area used for parking.

13 (b) Impose a fine against the unit's owner or the tenant or guest of the unit's
14 owner for each violation, except that a fine may not be imposed for a violation that
15 is the subject of a construction penalty pursuant to NRS 116.310305. If the
16 violation poses an imminent threat of causing a substantial adverse effect on the
17 health, safety or welfare of the units' owners or residents of the common-interest
18 community, the amount of the fine must be commensurate with the severity of the
19 violation and must be determined by the executive board in accordance with the
20 governing documents. If the violation does not pose an imminent threat of causing a
21 substantial adverse effect on the health, safety or welfare of the units' owners or
22 residents of the common-interest community, the amount of the fine must be
23 commensurate with the severity of the violation and must be determined by the
24 executive board in accordance with the governing documents, but the amount of the
25 fine must not exceed \$100 for each violation or a total amount of \$1,000, whichever
26 is less. The limitations on the amount of the fine do not apply to any ~~interest,~~
27 charges or costs that may be collected by the association pursuant to this section if
28 the fine becomes past due.

29 2. The executive board may not impose a fine pursuant to subsection 1 unless:

30 (a) Not less than 30 days before the violation, the person against whom the fine
31 will be imposed had been provided with written notice of the applicable provisions
32 of the governing documents that form the basis of the violation; and

33 (b) Within a reasonable time after the discovery of the violation, the person
34 against whom the fine will be imposed has been provided with:

35 (1) Written notice specifying the details of the violation, the amount of the
36 fine, and the date, time and location for a hearing on the violation; and

37 (2) A reasonable opportunity to contest the violation at the hearing.

38 3. The executive board must schedule the date, time and location for the
39 hearing on the violation so that the person against whom the fine will be imposed is
40 provided with a reasonable opportunity to prepare for the hearing and to be present
41 at the hearing.

42 4. The executive board must hold a hearing before it may impose the fine,
43 unless the person against whom the fine will be imposed:

44 (a) Pays the fine;

45 (b) Executes a written waiver of the right to the hearing; or

46 (c) Fails to appear at the hearing after being provided with proper notice of the
47 hearing.

48 5. If a fine is imposed pursuant to subsection 1 and the violation is not cured
49 within 14 days, or within any longer period that may be established by the
50 executive board, the violation shall be deemed a continuing violation. Thereafter,
51 the executive board may impose an additional fine for the violation for each 7-day
52 period or portion thereof that the violation is not cured. Any additional fine may be
53 imposed without notice and an opportunity to be heard.

6. If the governing documents so provide, the executive board may appoint a committee, with not less than three members, to conduct hearings on violations and to impose fines pursuant to this section. While acting on behalf of the executive board for those limited purposes, the committee and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the executive board and its members.

7. The provisions of this section establish the minimum procedural requirements that the executive board must follow before it may impose a fine. The provisions of this section do not preempt any provisions of the governing documents that provide greater procedural protections.

8. Any past due fine ~~[(a)]~~ **must not bear interest, but ~~[(a)]~~**

~~[(a)] [Bears interest at the rate established by the association, not to exceed the legal rate per annum.]~~

~~[(b)] [May include any costs of collecting the past due fine at a rate established by the association. If the past due fine is for a violation that does not threaten the health, safety or welfare of the residents of the common interest community, the rate established by the association for the costs of collecting the past due fine:]~~

~~[(1) May not exceed \$20, if the outstanding balance is less than \$200;~~

~~[(2) May not exceed \$50, if the outstanding balance is \$200 or more, but is less than \$500;~~

~~[(3) May not exceed \$100, if the outstanding balance is \$500 or more, but is less than \$1,000;~~

~~[(4) May not exceed \$250, if the outstanding balance is \$1,000 or more, but is less than \$5,000;~~

~~[(5) May not exceed \$500, if the outstanding balance is \$5,000 or more.]~~

~~[(e)] [(b) May]~~ **may** include any costs incurred by the association during a civil action to enforce the payment of the past due fine.

~~[(d) As used in this section:]~~

~~[(a) "Costs of collecting" includes, without limitation, any collection fee, filing fee, recording fee, referral fee, fee for postage or delivery, and any other fee or cost that an association may reasonably charge to the unit's owner for the collection of a past due fine. The term does not include any costs incurred by an association during a civil action to enforce the payment of a past due fine.]~~

~~[(b) "Outstanding balance" means the amount of a past due fine that remains unpaid before any] [interest.] [charges for late payment or costs of collecting the past due fine are added.]~~

Sec. 5. ~~[NRS 116.31034 is hereby amended to read as follows:]~~

~~116.31034 1. Except as otherwise provided in subsection 5 of NRS 116.212, not later than the termination of any period of declarant's control, the unit's owners shall elect an executive board of at least three members, at least a majority of whom must be unit's owners. Unless the governing documents provide otherwise, the remaining members of the executive board do not have to be unit's owners. The executive board shall elect the officers of the association. The members of the executive board and the officers of the association shall take office upon election.~~

~~2. The term of office of a member of the executive board may not exceed 2 years. [, except for members who are appointed by the declarant. Unless the governing documents provide otherwise.] If the common interest community consists of 50 or fewer units, there is no limitation on the number of terms that a person may serve as a member of the executive board. If the common interest community consists of more than 50 units, no person may serve as a member of the executive board for more than two consecutive terms and a period of at least 6~~

~~years must elapse before a person who formerly served as a member of the executive board may serve as a member of the executive board again.~~

~~3. The governing documents of the association must provide for terms of office that are staggered in such a manner that, to the extent possible, an equal number of members of the executive board are elected at each election. The provisions of this subsection do not apply to:~~

~~(a) Members of the executive board who are appointed by the declarant; and~~

~~(b) Members of the executive board who serve a term of 1 year or less.~~

~~4. Not less than 20 days before the preparation of a ballot for the election of members of the executive board, the secretary or other officer specified in the bylaws of the association shall cause notice to be given to each unit's owner of his eligibility to serve as a member of the executive board. Each unit's owner who is qualified to serve as a member of the executive board may have his name placed on the ballot along with the names of the nominees selected by the members of the executive board or a nominating committee established by the association.~~

~~5. Each person whose name is placed on the ballot as a candidate for a member of the executive board must:~~

~~(a) Make a good faith effort to disclose any financial, business, professional or personal relationship or interest that would result or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a member of the executive board; and~~

~~(b) Disclose whether the candidate is a member in good standing. For the purposes of this paragraph, a candidate shall not be deemed to be in "good standing" if the candidate has any unpaid and past due assessments or construction penalties that are required to be paid to the association.~~

~~The candidate must make all disclosures required pursuant to this subsection in writing to the association with his candidacy information. The association shall distribute the disclosures to each member of the association with the ballot in the manner established in the bylaws of the association.~~

~~6. Unless a person is appointed by the declarant:~~

~~(a) A person may not be a member of the executive board or an officer of the association if the person, his spouse or his parent or child, by blood, marriage or adoption, performs the duties of a community manager for that association.~~

~~(b) A person may not be a member of the executive board of a master association or an officer of that master association if the person, his spouse or his parent or child, by blood, marriage or adoption, performs the duties of a community manager for:~~

~~(1) That master association; or~~

~~(2) Any association that is subject to the governing documents of that master association.~~

~~7. An officer, employee, agent or director of a corporate owner of a unit, a trustee or designated beneficiary of a trust that owns a unit, a partner of a partnership that owns a unit, a member or manager of a limited liability company that owns a unit, and a fiduciary of an estate that owns a unit may be an officer of the association or a member of the executive board. In all events where the person serving or offering to serve as an officer of the association or a member of the executive board is not the record owner, he shall file proof in the records of the association that:~~

~~(a) He is associated with the corporate owner, trust, partnership, limited liability company or estate as required by this subsection; and~~

~~(b) Identifies the unit or units owned by the corporate owner, trust, partnership, limited liability company or estate.~~

~~8. The election of any member of the executive board must be conducted by secret written ballot unless the declaration of the association provides that voting rights may be exercised by delegates or representatives as set forth in NRS 116.31105. If the election of any member of the executive board is conducted by secret written ballot:~~

~~(a) The secretary or other officer specified in the bylaws of the association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common interest community or to any other mailing address designated in writing by the unit's owner.~~

~~(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.~~

~~(c) A quorum is not required for the election of any member of the executive board.~~

~~(d) Only the secret written ballots that are returned to the association may be counted to determine the outcome of the election.~~

~~(e) The secret written ballots must be opened and counted at a meeting of the association. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.~~

~~(f) The incumbent members of the executive board and each person whose name is placed on the ballot as a candidate for a member of the executive board may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association before those secret written ballots have been opened and counted at a meeting of the association.~~

~~9. Each member of the executive board shall, within 90 days after his appointment or election, certify in writing to the association, on a form prescribed by the Administrator, that he has read and understands the governing documents of the association and the provisions of this chapter to the best of his ability. The Administrator may require the association to submit a copy of the certification of each member of the executive board of that association at the time the association registers with the Ombudsman pursuant to NRS 116.31158.]~~ **(Deleted by amendment.)**

Sec. 6. NRS 116.3108 is hereby amended to read as follows:

116.3108 1. A meeting of the units' owners must be held at least once each year. If the governing documents do not designate an annual meeting date of the units' owners, a meeting of the units' owners must be held 1 year after the date of the last meeting of the units' owners. If the units' owners have not held a meeting for 1 year, a meeting of the units' owners must be held on the following March 1.

2. Special meetings of the units' owners may be called by the president, by a majority of the executive board or by units' owners constituting at least 10 percent, or any lower percentage specified in the bylaws, of the total number of voting members of the association. The same number of units' owners may also call a removal election pursuant to NRS 116.31036. To call a special meeting or a removal election, the units' owners must submit a written petition which is signed by the required percentage of the total number of voting members of the association pursuant to this section and which is mailed, return receipt requested, or served by a process server to the executive board or the community manager for the association. If the petition calls for a special meeting, the executive board shall set the date for the special meeting so that the special meeting is held not less than 15 days or more than 60 days after the date on which the petition is received. If the petition calls for a removal election and:

(a) The voting rights of the units' owners will be exercised by delegates or representatives as set forth in NRS 116.31105, the executive board shall set the date

1 for the removal election so that the removal election is held not less than 15 days or
2 more than 60 days after the date on which the petition is received; or

3 (b) The voting rights of the units' owners will be exercised through the use of
4 secret written ballots pursuant to NRS 116.31036, the secret written ballots for the
5 removal election must be sent in the manner required by NRS 116.31036 not less
6 than 15 days or more than 60 days after the date on which the petition is received,
7 and the executive board shall set the date for the meeting to open and count the
8 secret written ballots so that the meeting is held not more than 15 days after the
9 deadline for returning the secret written ballots.

10 3. Not less than 15 days or more than 60 days in advance of any meeting of
11 the units' owners, the secretary or other officer specified in the bylaws shall cause
12 notice of the meeting to be hand-delivered, sent prepaid by United States mail to
13 the mailing address of each unit or to any other mailing address designated in
14 writing by the unit's owner or, if the association offers to send notice by electronic
15 mail, sent by electronic mail at the request of the unit's owner to an electronic mail
16 address designated in writing by the unit's owner. The notice of the meeting must
17 state the time and place of the meeting and include a copy of the agenda for the
18 meeting. The notice must include notification of the right of a unit's owner to:

19 (a) Have a copy of the minutes or a summary of the minutes of the meeting
20 provided to the unit's owner upon request ~~and, if required by the executive board,~~
21 ~~upon payment to the association of the cost of providing the copy to the unit's~~
22 ~~owner.~~ in electronic format at no charge to the unit's owner
23 or, if the association is unable to provide the copy or summary in electronic
24 format, in paper format at a cost not to exceed 10 cents per page.

25 (b) Speak to the association or executive board, unless the executive board is
26 meeting in executive session.

27 4. The agenda for a meeting of the units' owners must consist of:

28 (a) A clear and complete statement of the topics scheduled to be considered
29 during the meeting, including, without limitation, any proposed amendment to the
30 declaration or bylaws, any fees or assessments to be imposed or increased by the
31 association, any budgetary changes and any proposal to remove an officer of
32 the association or member of the executive board.

33 (b) A list describing the items on which action may be taken and clearly
34 denoting that action may be taken on those items. In an emergency, the units'
35 owners may take action on an item which is not listed on the agenda as an item on
36 which action may be taken.

37 (c) A period ~~for~~ at the beginning of each meeting and a period at the time
38 each agenda item is addressed devoted to comments by units' owners and
39 discussion of those comments. A unit's owner must be granted a minimum of
40 2 minutes to speak at the beginning of the meeting and a minimum of 2 minutes
41 to speak on each agenda item at the time the agenda item is being addressed.
42 Except in emergencies, no action may be taken upon a matter raised under this item
43 of the agenda until the matter itself has been specifically included on an agenda as
44 an item upon which action may be taken pursuant to paragraph (b).

45 5. If the association adopts a policy imposing fines for any violations of the
46 governing documents of the association, the secretary or other officer specified in
47 the bylaws shall prepare and cause to be hand-delivered or sent prepaid by United
48 States mail to the mailing address of each unit or to any other mailing address
49 designated in writing by the unit's owner, a schedule of the fines that may be
50 imposed for those violations.

51 6. The secretary or other officer specified in the bylaws shall cause minutes to
52 be recorded or otherwise taken at each meeting of the units' owners. Not more than
53 30 days after each such meeting, the secretary or other officer specified in the

1 bylaws shall cause the minutes or a summary of the minutes of the meeting to be
2 made available to the units' owners. ~~[(A)]~~ Except as otherwise provided in this
3 subsection, a copy of the minutes or a summary of the minutes must be provided to
4 any unit's owner upon request ~~[and, if required by the executive board, upon~~
5 ~~payment to the association of the cost of providing the copy to the unit's owner.],~~
6 in electronic ~~[or paper format.]~~ format at no charge to the unit's owner. If the
7 unit's owner requests a copy of the minutes or a summary of the minutes of the
8 meeting and the association is unable to provide the copy or summary in
9 electronic format, the association shall provide a paper copy or summary to the
10 unit's owner at a cost not to exceed 10 cents per page.

11 7. Except as otherwise provided in subsection 8, the minutes of each meeting
12 of the units' owners must include:

- 13 (a) The date, time and place of the meeting;
14 (b) The substance of all matters proposed, discussed or decided at the meeting;
15 and
16 (c) The substance of remarks made by any unit's owner at the meeting if he
17 requests that the minutes reflect his remarks or, if he has prepared written remarks,
18 a copy of his prepared remarks if he submits a copy for inclusion.

19 8. The executive board may establish reasonable limitations on materials,
20 remarks or other information to be included in the minutes of a meeting of the
21 units' owners. ~~[unless a unit's owner has submitted written comments 24 hours~~
22 ~~before the meeting, which must be included in their entirety and read into the~~
23 ~~record before any vote or action is taken.]~~

24 9. The association shall maintain the minutes of each meeting of the units'
25 owners until the common-interest community is terminated.

26 10. A unit's owner may record on audiotape or any other means of sound
27 reproduction a meeting of the units' owners if the unit's owner, before recording
28 the meeting, provides notice of his intent to record the meeting to the other units'
29 owners who are in attendance at the meeting.

30 11. The units' owners may approve, at the annual meeting of the units'
31 owners, the minutes of the prior annual meeting of the units' owners and the
32 minutes of any prior special meetings of the units' owners. A quorum is not
33 required to be present when the units' owners approve the minutes.

34 12. As used in this section, "emergency" means any occurrence or
35 combination of occurrences that:

- 36 (a) Could not have been reasonably foreseen;
37 (b) Affects the health, welfare and safety of the units' owners or residents of
38 the common-interest community;
39 (c) Requires the immediate attention of, and possible action by, the executive
40 board; and
41 (d) Makes it impracticable to comply with the provisions of subsection 3 or 4.

42 **Sec. 7.** NRS 116.31083 is hereby amended to read as follows:

43 116.31083 1. A meeting of the executive board must be held at least once
44 every 90 days ~~[(A)]~~ and must be held at a time other than during standard business
45 hours at least twice annually.

46 2. Except in an emergency or unless the bylaws of an association require a
47 longer period of notice, the secretary or other officer specified in the bylaws of the
48 association shall, not less than 10 days before the date of a meeting of the executive
49 board, cause notice of the meeting to be given to the units' owners. Such notice
50 must be:

- 51 (a) Sent prepaid by United States mail to the mailing address of each unit
52 within the common-interest community or to any other mailing address designated
53 in writing by the unit's owner;

(b) If the association offers to send notice by electronic mail, sent by electronic mail at the request of the unit's owner to an electronic mail address designated in writing by the unit's owner; or

(c) Published in a newsletter or other similar publication that is circulated to each unit's owner.

3. In an emergency, the secretary or other officer specified in the bylaws of the association shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each unit within the common-interest community. If delivery of the notice in this manner is impracticable, the notice must be hand-delivered to each unit within the common-interest community or posted in a prominent place or places within the common elements of the association.

4. The notice of a meeting of the executive board must state the time and place of the meeting and include a copy of the agenda for the meeting or the date on which and the locations where copies of the agenda may be conveniently obtained by the units' owners. The notice must include notification of the right of a unit's owner to:

(a) Have a copy of the minutes or a summary of the minutes of the meeting provided to the unit's owner upon request ~~and, if required by the executive board, upon payment to the association of the cost of providing the copy to the unit's owner.~~ in electronic format at no charge to the unit's owner ~~or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 10 cents per page.~~

(b) Speak to the association or executive board, unless the executive board is meeting in executive session.

5. The agenda of the meeting of the executive board must comply with the provisions of subsection 4 of NRS 116.3108. ~~The period required to be~~ A period at the beginning of each meeting and a period at the time each agenda item is addressed must be devoted to comments by the units' owners and discussion of those comments. must be scheduled for the beginning of each meeting. A unit's owner must be granted a minimum of 2 minutes to speak at the beginning of each meeting and a minimum of 2 minutes to speak on each agenda item at the time the agenda item is being addressed. In an emergency, the executive board may take action on an item which is not listed on the agenda as an item on which action may be taken.

6. At least once every 90 days, unless the declaration or bylaws of the association impose more stringent standards, the executive board shall review, at a minimum, the following financial information at one of its meetings:

(a) A current year-to-date financial statement of the association;

(b) A current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget for those accounts;

(c) A current reconciliation of the operating account of the association;

(d) A current reconciliation of the reserve account of the association;

(e) The latest account statements prepared by the financial institutions in which the accounts of the association are maintained; and

(f) The current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.

7. The secretary or other officer specified in the bylaws shall cause minutes to be recorded or otherwise taken at each meeting of the executive board. Not more than 30 days after each such meeting, the secretary or other officer specified in the bylaws shall cause the minutes or a summary of the minutes of the meetings to be made available to the units' owners. ~~Except as otherwise provided in this subsection, a~~ copy of the minutes or a summary of the minutes must be provided to

any unit's owner upon request ~~[and, if required by the executive board, upon payment to the association of the cost of providing the copy to the unit's owner.]~~, in electronic ~~for paper format,~~ format at no charge to the unit's owner. If the unit's owner requests a copy of the minutes or a summary of the minutes of the meeting and the association is unable to provide the copy or summary in electronic format, the association shall provide a written copy or summary to the unit's owner at a cost not to exceed 10 cents per page.

8. Except as otherwise provided in subsection 9 and NRS 116.31085, the minutes of each meeting of the executive board must include:

- (a) The date, time and place of the meeting;
- (b) Those members of the executive board who were present and those members who were absent at the meeting;
- (c) The substance of all matters proposed, discussed or decided at the meeting;
- (d) A record of each member's vote on any matter decided by vote at the meeting; and
- (e) The substance of remarks made by any unit's owner who addresses the executive board at the meeting if he requests that the minutes reflect his remarks or, if he has prepared written remarks, a copy of his prepared remarks if he submits a copy for inclusion.

9. The executive board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings ~~unless a unit's owner has submitted written comments 24 hours before the meeting, which must be included in their entirety and read into the record before any vote or action is taken.~~

10. The association shall maintain the minutes of each meeting of the executive board until the common-interest community is terminated.

11. A unit's owner may record on audiotape or any other means of sound reproduction a meeting of the executive board, unless the executive board is meeting in executive session, if the unit's owner, before recording the meeting, provides notice of his intent to record the meeting to the members of the executive board and the other units' owners who are in attendance at the meeting.

12. As used in this section, "emergency" means any occurrence or combination of occurrences that:

- (a) Could not have been reasonably foreseen;
- (b) Affects the health, welfare and safety of the units' owners or residents of the common-interest community;
- (c) Requires the immediate attention of, and possible action by, the executive board; and
- (d) Makes it impracticable to comply with the provisions of subsection 2 or 5.

Sec. 8. NRS 116.31085 is hereby amended to read as follows:

116.31085 1. Except as otherwise provided in this section, a unit's owner may attend any meeting of the units' owners or of the executive board and speak at any such meeting. The executive board may establish reasonable limitations on the time a unit's owner may speak at such a meeting ~~[]~~, but must allow a unit's owner a minimum of ~~[]~~ 2 minutes to speak at the beginning of the meeting and a minimum of 2 minutes to speak on each agenda item ~~[]~~ at the time the agenda item is being addressed.

2. An executive board may not meet in executive session to enter into, renew, modify, terminate or take any other action regarding a contract, unless it is a contract between the association and an attorney.

3. An executive board may meet in executive session only to:

- (a) Consult with the attorney for the association on matters relating to proposed or pending litigation if the contents of the discussion would otherwise be governed

1 by the privilege set forth in NRS 49.035 to 49.115, inclusive, or to enter into,
2 renew, modify, terminate or take any other action regarding a contract between the
3 association and the attorney.

4 (b) Discuss the character, alleged misconduct, professional competence, or
5 physical or mental health of a community manager or an employee of the
6 association.

7 (c) Except as otherwise provided in subsection 4, discuss a violation of the
8 governing documents, including, without limitation, the failure to pay an
9 assessment.

10 (d) Discuss the alleged failure of a unit's owner to adhere to a schedule
11 required pursuant to NRS 116.310305 if the alleged failure may subject the unit's
12 owner to a construction penalty.

13 4. An executive board shall meet in executive session to hold a hearing on an
14 alleged violation of the governing documents unless the person who may be
15 sanctioned for the alleged violation requests in writing that an open hearing be
16 conducted by the executive board. If the person who may be sanctioned for the
17 alleged violation requests in writing that an open hearing be conducted, the person:

18 (a) Is entitled to attend all portions of the hearing related to the alleged
19 violation, including, without limitation, the presentation of evidence and the
20 testimony of witnesses; and

21 (b) Is not entitled to attend the deliberations of the executive board.

22 5. Except as otherwise provided in this subsection, any matter discussed by
23 the executive board when it meets in executive session must be generally noted in
24 the minutes of the meeting of the executive board. The executive board shall
25 maintain minutes of any decision made pursuant to subsection 4 concerning an
26 alleged violation and, upon request, provide a copy of the decision to the person
27 who was subject to being sanctioned at the hearing or to his designated
28 representative.

29 6. Except as otherwise provided in subsection 4, a unit's owner is not entitled
30 to attend or speak at a meeting of the executive board held in executive session.

31 **Sec. 9.** NRS 116.3115 is hereby amended to read as follows:

32 116.3115 1. Until the association makes an assessment for common
33 expenses, the declarant shall pay all common expenses. After an assessment has
34 been made by the association, assessments must be made at least annually, based on
35 a budget adopted at least annually by the association in accordance with the
36 requirements set forth in NRS 116.31151. Unless the declaration imposes more
37 stringent standards, the budget must include a budget for the daily operation of the
38 association and a budget for the reserves required by paragraph (b) of subsection 2.

39 2. Except for assessments under subsections 4 to 7, inclusive:

40 (a) All common expenses, including the reserves, must be assessed against all
41 the units in accordance with the allocations set forth in the declaration pursuant to
42 subsections 1 and 2 of NRS 116.2107.

43 (b) The association shall establish adequate reserves, funded on a reasonable
44 basis, for the repair, replacement and restoration of the major components of the
45 common elements. The reserves may be used only for those purposes, including,
46 without limitation, repairing, replacing and restoring roofs, roads and sidewalks,
47 and must not be used for daily maintenance. The association may comply with
48 the provisions of this paragraph through a funding plan that is designed to allocate
49 the costs for the repair, replacement and restoration of the major components of the
50 common elements over a period of years if the funding plan is designed in an
51 actuarially sound manner which will ensure that sufficient money is available when
52 the repair, replacement and restoration of the major components of the common
53 elements are necessary.

3. Any ~~[past due]~~ assessment for common expenses or installment thereof *that is 60 days or more past due* bears interest at ~~[the rate established by the association] [not exceeding 18] [which must not exceed 5 percent simple interest per year]~~ a rate equal to the prime rate at the largest bank in Nevada as ascertained by the Commissioner of Financial Institutions on January 1 or July 1, as the case may be, immediately preceding the date the assessment becomes past due, plus 2 percent. The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the balance is satisfied.

4. To the extent required by the declaration:

(a) Any common expense associated with the maintenance, repair, restoration or replacement of a limited common element must be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(b) Any common expense or portion thereof benefiting fewer than all of the units must be assessed exclusively against the units benefited; and

(c) The costs of insurance must be assessed in proportion to risk and the costs of utilities must be assessed in proportion to usage.

5. Assessments to pay a judgment against the association may be made only against the units in the common-interest community at the time the judgment was entered, in proportion to their liabilities for common expenses.

6. If any common expense is caused by the misconduct of any unit's owner, the association may assess that expense exclusively against his unit.

7. The association of a common-interest community created before January 1, 1992, is not required to make an assessment against a vacant lot located within the community that is owned by the declarant.

8. If liabilities for common expenses are reallocated, assessments for common expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated liabilities.

9. The association shall provide written notice to each unit's owner of a meeting at which an assessment for a capital improvement is to be considered or action is to be taken on such an assessment at least 21 calendar days before the date of the meeting.

~~10. Notwithstanding any other provision of law, the association may levy any special assessment:~~

~~(a) To repair, replace or restore any major component of the common elements;~~

~~(b) To provide adequate funding for the reserves designated to repair, replace or restore any major component of the common elements; or~~

~~(c) For any capital improvement;~~

~~only by vote or agreement of units' owners of units to which at least two-thirds of the votes in the association are allocated, or any larger majority the declaration specifies.~~

~~11. If any special assessment is approved pursuant to subsection 10, payment of the special assessment must be made in accordance with the following schedule:~~

~~(a) If the amount of the special assessment is \$750 or less, in one payment.~~

~~(b) If the amount of the special assessment is more than \$750 but less than \$1,500, in no fewer than 3 equal installments.~~

~~(c) If the amount of the special assessment is \$1,500 or more but less than \$2,000, in no fewer than 4 equal installments.~~

~~(d) If the amount of the special assessment is \$2,000 or more but less than \$3,000, in no fewer than 6 equal installments.~~

~~(c) If the amount of the special assessment is \$3,000 or more, in equal installments of no less than \$500.~~

~~The first payment or installment of any special assessment must be made within 120 days after notice of approval of the special assessment, and there must be an interval of at least 60 days between each installment.~~

~~12. Any special assessment or installment thereof that is more than 90 days past due bears interest at the rate established by the association, which must not exceed 3 percent simple interest per year.~~

~~13. If any assessment or special assessment pursuant to this section is past due, a statement must be mailed, return receipt requested, to the mailing address of record of the unit's owner within 60 days after the assessment or special assessment becomes past due and every 60 days thereafter if the assessment or special assessment remains past due. If any statement required pursuant to this section is not mailed to the unit's owner within 10 days of the date required pursuant to this section:~~

~~(a) The association shall be deemed to have waived any right to interest due pursuant to this section; and~~

~~(b) The unit's owner is not required to pay such interest.]~~

Sec. 10. NRS 116.31151 is hereby amended to read as follows:

116.31151 1. Except as otherwise provided in subsection 2 and unless the declaration of a common-interest community imposes more stringent standards, the executive board shall, not less than 30 days or more than 60 days before the beginning of the fiscal year of the association, prepare and distribute to each unit's owner a copy of:

(a) ~~The financial statement for the prior fiscal year.~~

~~(b) Any audit prepared pursuant to NRS 116.31144.~~

~~(c)~~ The budget for the daily operation of the association. The budget must include, without limitation, the following:

(1) The estimated annual revenue and expenditures of the association, and any

(2) Any contributions to be made to the reserve account of the association.

(3) For each month in which expenses in excess of \$100 are estimated to be incurred, an itemized list of the expenses expected to be incurred during that month.

(4) A requirement that any money budgeted for nonrecurring expenses in excess of \$100, other than expenses necessary for emergency repairs or emergency services, must not be expended without first obtaining the signatures of at least two members of the executive board.

~~(b) ~~(d)~~~~ The budget to provide adequate funding for the reserves required by paragraph (b) of subsection 2 of NRS 116.3115. The budget must include, without limitation:

(1) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements;

(2) As of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the common elements;

(3) A statement as to whether the executive board has determined or anticipates that the levy of one or more special assessments will be necessary to repair, replace or restore any major component of the common elements or to provide adequate funding for the reserves designated for that purpose; and

(4) A general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to subparagraph (2), including, without

1 limitation, the qualifications of the person responsible for the preparation of the
2 study of the reserves required by NRS 116.31152.

3 2. In lieu of distributing copies of the budgets ~~[[financial documents]]~~ of the
4 association required by subsection 1, the executive board may distribute to each
5 unit's owner a summary of those budgets, ~~[[documents]]~~ accompanied by a written
6 notice that:

7 (a) The budgets are available for review at the business office of the
8 association or some other suitable location within the county where the common-
9 interest community is situated or, if it is situated in more than one county, within
10 one of those counties ~~{}; [at a designated common area located within the~~
11 ~~common-interest community]]~~ but not to exceed 60 miles from the physical
12 location of the common-interest community; and

13 (b) Copies of the budgets ~~[[financial documents]]~~ will be provided upon
14 request.

15 3. Within 60 days after adoption of any proposed budget for the common-
16 interest community, the executive board shall provide a summary of the proposed
17 budget to each unit's owner and shall set a date for a meeting of the units' owners
18 to consider ratification of the proposed budget not less than 14 days or more than
19 30 days after the mailing of the summaries. ***The executive board must provide full***
20 ***disclosure concerning the proposed budget and allow comments by units' owners***
21 ***and discussion of those comments.*** Unless at that meeting a majority of all units'
22 owners, or any larger vote specified in the declaration, reject the proposed budget,
23 the proposed budget is ratified, whether or not a quorum is present. If the proposed
24 budget is rejected, the periodic budget last ratified by the units' owners must be
25 continued until such time as the units' owners ratify a subsequent budget proposed
26 by the executive board.

27 **Sec. 11.** NRS 116.3116 is hereby amended to read as follows:

28 116.3116 1. The association has a lien on a unit for any construction penalty
29 that is imposed against the unit's owner pursuant to NRS 116.310305, any
30 assessment levied against that unit or any fines imposed against the unit's owner
31 from the time the construction penalty, assessment or fine becomes due. ~~[[Unless the~~
32 ~~declaration otherwise provides, any penalties, fees, charges, late charges, fines and~~
33 ~~interest charged pursuant to paragraphs (j) to (n), inclusive, of subsection 1 of NRS~~
34 ~~116.3102 are enforceable as assessments under this section.]]~~ If an assessment is
35 payable in installments, the full amount of the assessment is a lien from the time the
36 first installment thereof becomes due.

37 2. A lien under this section is prior to all other liens and encumbrances on a
38 unit except:

39 (a) Liens and encumbrances recorded before the recordation of the declaration
40 and, in a cooperative, liens and encumbrances which the association creates,
41 assumes or takes subject to;

42 (b) A first security interest on the unit recorded before the date on which the
43 assessment sought to be enforced became delinquent or, in a cooperative, the first
44 security interest encumbering only the unit's owner's interest and perfected before
45 the date on which the assessment sought to be enforced became delinquent; and

46 (c) Liens for real estate taxes and other governmental assessments or charges
47 against the unit or cooperative.

48 ➤ The lien is also prior to all security interests described in paragraph (b) to the
49 extent of the assessments for common expenses based on the periodic budget
50 adopted by the association pursuant to NRS 116.3115 which would have become
51 due in the absence of acceleration during the 6 months immediately preceding
52 institution of an action to enforce the lien. This subsection does not affect the

1 priority of mechanics' or materialmen's liens, or the priority of liens for other
2 assessments made by the association.

3 3. Unless the declaration otherwise provides, if two or more associations have
4 liens for assessments created at any time on the same property, those liens have
5 equal priority.

6 4. Recording of the declaration constitutes record notice and perfection of the
7 lien. No further recordation of any claim of lien for assessment under this section is
8 required.

9 5. A lien for unpaid assessments is extinguished unless proceedings to enforce
10 the lien are instituted within 3 years after the full amount of the assessments
11 becomes due.

12 6. This section does not prohibit actions to recover sums for which subsection
13 1 creates a lien or prohibit an association from taking a deed in lieu of foreclosure.

14 7. A judgment or decree in any action brought under this section must include
15 costs and reasonable attorney's fees for the prevailing party.

16 8. The association, upon written request, shall furnish to a unit's owner a
17 statement setting forth the amount of unpaid assessments against the unit. If the
18 interest of the unit's owner is real estate or if a lien for the unpaid assessments may
19 be foreclosed under NRS 116.31162 to 116.31168, inclusive, the statement must be
20 in recordable form. The statement must be furnished within 10 business days after
21 receipt of the request and is binding on the association, the executive board and
22 every unit's owner.

23 9. In a cooperative, upon nonpayment of an assessment on a unit, the unit's
24 owner may be evicted in the same manner as provided by law in the case of an
25 unlawful holdover by a commercial tenant, and:

26 (a) In a cooperative where the owner's interest in a unit is real estate under
27 NRS 116.1105, the association's lien may be foreclosed under NRS 116.31162 to
28 116.31168, inclusive.

29 (b) In a cooperative where the owner's interest in a unit is personal property
30 under NRS 116.1105, the association's lien:

31 (1) May be foreclosed as a security interest under NRS 104.9101 to
32 104.9709, inclusive; or

33 (2) If the declaration so provides, may be foreclosed under NRS 116.31162
34 to 116.31168, inclusive.

35 ~~(10. The association may not foreclose any lien upon any unit pursuant to~~
36 ~~this section.)~~

37 **Sec. 12.** NRS 116.31175 is hereby amended to read as follows:

38 116.31175 1. Except as otherwise provided in this subsection, the executive
39 board of an association shall, upon the written request of a unit's owner, make
40 available the books, records and other papers of the association for review at the
41 business office of the association or a designated ~~(common area located within)~~
42 business location not to exceed 60 miles from the physical location of the
43 common-interest community and during the regular working hours of the
44 association, including, without limitation, ~~(any draft documents, legal opinions or~~
45 ~~correspondence.)~~ all contracts to which the association is a party and all records
46 filed with a court relating to a civil or criminal action to which the association is a
47 party. The provisions of this subsection do not apply to:

48 (a) The personnel records of the employees of the association, except for those
49 records relating to the number of hours worked and the salaries and benefits of
50 those employees; ~~(and)~~

51 (b) The records of the association relating to another unit's owner, except for
52 those records described in subsection 2; and

53 (c) A contract between the association and an attorney.

2. The executive board of an association shall maintain a general record concerning each violation of the governing documents, other than a violation involving a failure to pay an assessment, for which the executive board has imposed a fine, a construction penalty or any other sanction. The general record:

(a) Must contain a general description of the nature of the violation and the type of the sanction imposed. If the sanction imposed was a fine or construction penalty, the general record must specify the amount of the fine or construction penalty.

(b) Must not contain the name or address of the person against whom the sanction was imposed or any other personal information which may be used to identify the person or the location of the unit, if any, that is associated with the violation.

(c) Must be maintained in an organized and convenient filing system or data system that allows a unit's owner to search and review the general records concerning violations of the governing documents.

3. If the executive board refuses to allow a unit's owner to review the books, records or other papers of the association, the Ombudsman may:

(a) On behalf of the unit's owner and upon written request, review the books, records or other papers of the association during the regular working hours of the association; and

(b) If he is denied access to the books, records or other papers, request the Commission, or any member thereof acting on behalf of the Commission, to issue a subpoena for their production.

4. The books, records and other papers of an association must be maintained for at least 10 years. The provisions of this subsection do not apply to:

(a) The minutes of a meeting of the units' owners which must be maintained in accordance with NRS 116.3108; or

(b) The minutes of a meeting of the executive board which must be maintained in accordance with NRS 116.31083.

5. The executive board shall not require a unit's owner to pay ~~an any~~ amount in excess of \$10 per hour to review any books, records, contracts or other papers of the association pursuant to the provisions of this section. Upon written request of a unit's owner, copies must be provided to the unit's owner, in electronic ~~for paper~~ format at no charge ~~or~~, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 10 cents per page.

Sec. 12.3. NRS 116.31183 is hereby amended to read as follows:

116.31183 L. An executive board, a member of an executive board or an officer, employee or agent of an association shall not take, or direct or encourage another person to take, any retaliatory action against a unit's owner because the unit's owner has:

~~(a)~~ (a) Complained in good faith about any alleged violation of any provision of this chapter or the governing documents of the association; or

~~(b)~~ (b) Requested in good faith to review the books, records or other papers of the association.

2. In addition to any other remedy provided by law, upon a violation of this section, a unit's owner may bring a separate action to recover:

(a) Compensatory damages; and

(b) Attorney's fees and costs of bringing the separate action.

Sec. 12.7. NRS 116.31185 is hereby amended to read as follows:

116.31185 1. Except as otherwise provided in subsection 2, a member of an executive board, an officer of an association or a community manager shall not solicit or accept any form of compensation, gratuity or other remuneration that:

1 (a) Would improperly influence or would appear to a reasonable person to
2 improperly influence the decisions made by those persons; or

3 (b) Would result or would appear to a reasonable person to result in a conflict
4 of interest for those persons.

5 2. Notwithstanding the provisions of subsection 1, a member of an executive
6 board, an officer of an association, a community manager or any person working
7 for a community manager shall not accept, directly or indirectly, any gifts,
8 incentives, gratuities, rewards or other items of value from:

9 (a) An attorney, law firm or vendor, or any person working directly or
10 indirectly for the attorney, law firm or vendor, which total more than the amount
11 established by the Commission by regulation, not to exceed \$100 per year per such
12 attorney, law firm or vendor; or

13 (b) A declarant, an affiliate of a declarant or any person responsible for the
14 construction of the applicable community or association which total more than the
15 amount established by the Commission by regulation, not to exceed \$100 per year
16 per such declarant, affiliate or person.

17 3. An attorney, law firm or vendor, or any person working directly or
18 indirectly for the attorney, law firm or vendor, shall not provide, directly or
19 indirectly, any gifts, incentives, gratuities, rewards or other items of value to a
20 member of the executive board, an officer of the association, the community
21 manager or any person working for the community manager which total more than
22 the amount established by the Commission by regulation, not to exceed \$100 per
23 year per such member, officer, community manager or person.

24 4. A declarant, an affiliate of a declarant or any person responsible for the
25 construction of a community or association, shall not provide, directly or indirectly,
26 any gifts, incentives, gratuities, rewards or other items of value to a member of the
27 executive board, an officer of the association, the community manager or any
28 person working for the community manager which total more than the amount
29 established by the Commission by regulation, not to exceed \$100 per year per such
30 member, officer, community manager or person.

31 5. In addition to the limitations set forth in subsection 1, a community
32 manager shall not solicit or accept any form of compensation, fee or other
33 remuneration that is based, in whole or in part, on:

34 (a) The number or amount of fines imposed against or collected from units'
35 owners or tenants or guests of units' owners pursuant to NRS 116.31031 for
36 violations of the governing documents of the association; or

37 (b) Any percentage or proportion of those fines.

38 6. The provisions of this section do not prohibit a community manager from
39 being paid compensation, a fee or other remuneration under the terms of a contract
40 between the community manager and an association if:

41 (a) The scope of the respective rights, duties and obligations of the parties
42 under the contract comply with the standards of practice for community managers
43 set forth in sections 18.5 and 18.6 of this act and any additional standards of
44 practice adopted by the Commission by regulation pursuant to NRS 116A.400;

45 (b) The compensation, fee or other remuneration is being paid to the
46 community manager for providing management of the common-interest
47 community; and

48 (c) The compensation, fee or other remuneration is not structured in a way that
49 would violate the provisions of subsection 1 or 5.

50 **Sec. 13.** ~~NRS 116.4102 is hereby amended to read as follows:~~

51 ~~116.4102 1. Except as otherwise provided in subsection 2, a declarant~~
52 ~~before offering any interest in a unit to the public, shall prepare a public offering~~
53 ~~statement conforming to the requirements of NRS 116.4103 to 116.4106, inclusive.~~

~~2. A declarant may transfer responsibility for the preparation of all or a part of the public offering statement to a successor declarant pursuant to NRS 116.4104 and 116.41043, or to a dealer who intends to offer units in the common-interest community. In the event of any such transfer, the transferor shall provide the transferee with any information necessary to enable the transferee to fulfill the requirements of subsection 1.~~

~~3. Any declarant or dealer who offers a unit to a purchaser shall deliver a public offering statement in the manner prescribed in subsection 1 of NRS 116.4108. The declarant or his transferee under subsection 2 is liable under NRS 116.4108 and 116.4117 for any false or misleading statement set forth therein or for any omission of a material fact therefrom with respect to that portion of the public offering statement which he prepared. If a declarant or dealer did not prepare any part of a public offering statement that he delivers, he is not liable for any false or misleading statement set forth therein or for any omission of a material fact therefrom unless he had actual knowledge of the statement or omission or, in the exercise of reasonable care, should have known of the statement or omission.~~

~~4. If a unit is part of a common-interest community and is part of any other real estate in connection with the sale of which the delivery of a public offering statement is required under the laws of this State, a single public offering statement conforming to the requirements of NRS 116.4103 to 116.4106, inclusive, as those requirements relate to the real estate in which the unit is located, and to any other requirements imposed under the laws of this State, may be prepared and delivered in lieu of providing two or more public offering statements. If the requirements of this chapter conflict with those of another law of this State, the requirements of this chapter prevail.~~

~~5. Before offering any interest in a unit to the public, in addition to preparing a public offering statement for a purchaser pursuant to this section, a declarant shall make available to a purchaser a presentation, conducted in person or through the use of multimedia technology, containing a description and summary of the governing documents. As used in this subsection, "multimedia technology" means an audio compact disc, digital video disc, computer file or other similar technology that allows a person to view or listen to recorded material.] (Deleted by amendment.)~~

Sec. 13.5. NRS 116.4103 is hereby amended to read as follows:

116.4103 1. Except as otherwise provided in NRS 116.41035, a public offering statement must set forth or fully and accurately disclose each of the following:

(a) The name and principal address of the declarant and of the common-interest community, and a statement that the common-interest community is either a condominium, cooperative or planned community.

(b) A general description of the common-interest community, including to the extent possible, the types, number and declarant's schedule of commencement and completion of construction of buildings, and amenities that the declarant anticipates including in the common-interest community.

(c) The estimated number of units in the common-interest community.

(d) Copies of the declaration, bylaws, and any rules or regulations of the association, but a plat or plan is not required.

(e) A current year-to-date financial statement, including the most recent audited or reviewed financial statement, and the projected budget for the association, either within or as an exhibit to the public offering statement, for 1 year after the date of the first conveyance to a purchaser, and thereafter the current budget of the association. The budget must include, without limitation:

(1) A statement of the amount included in the budget as reserves for repairs, replacement and restoration pursuant to NRS 116.3115; and

(2) The projected monthly assessment for common expenses for each type of unit, including the amount established as reserves pursuant to NRS 116.3115.

(f) A description of any services or subsidies being provided by the declarant or an affiliate of the declarant, not reflected in the budget.

(g) Any initial or special fee due from the purchaser at closing, together with a description of the purpose and method of calculating the fee.

(h) The terms and significant limitations of any warranties provided by the declarant, including statutory warranties and limitations on the enforcement thereof or on damages.

(i) A statement that unless the purchaser or his agent has personally inspected the unit, the purchaser may cancel, by written notice, his contract for purchase until midnight of the fifth calendar day following the date of execution of the contract, and the contract must contain a provision to that effect.

(j) A statement of any unsatisfied judgments or pending suits against the association, and the status of any pending suits material to the common-interest community of which a declarant has actual knowledge.

(k) Any current or expected fees or charges to be paid by units' owners for the use of the common elements and other facilities related to the common-interest community.

(l) In addition to any other document, a statement describing all current and expected fees or charges for each unit, including, without limitation, association fees, fines, assessments, late charges or penalties, interest rates on delinquent assessments, additional costs for collecting past due fines and charges for opening or closing any file for each unit.

(m) The information statement set forth in NRS 116.41095.

2. A declarant is not required to revise a public offering statement more than once each calendar quarter, if the following warning is given prominence in the statement: "THIS PUBLIC OFFERING STATEMENT IS CURRENT AS OF (insert a specified date). RECENT DEVELOPMENTS REGARDING (here refer to particular provisions of NRS 116.4103 and 116.4105) MAY NOT BE REFLECTED IN THIS STATEMENT."

Sec. 14. ~~{NRS 116.4105 is hereby amended to read as follows:~~

~~116.4105 If the declaration provides that ownership or occupancy of any units [,] is or may be in time shares, the public offering statement shall disclose, in addition to the information required by NRS 116.4103 and 116.41035:~~

~~1. The number and identity of units in which time shares may be created;~~

~~2. The total number of time shares that may be created;~~

~~3. The minimum duration of any time shares that may be created; and~~

~~4. The extent to which the creation of time shares will or may affect the enforceability of the association's lien for assessments provided in NRS 116.3116 and 116.31162.}~~ **(Deleted by amendment.)**

Sec. 15. NRS 116.4109 is hereby amended to read as follows:

116.4109 1. Except in the case of a sale in which delivery of a public offering statement is required, or unless exempt under subsection 2 of NRS 116.4101, a unit's owner or his authorized agent shall furnish to a purchaser a resale package containing all of the following:

(a) A copy of the declaration, other than any plats and plans, the bylaws, the rules or regulations of the association and the information statement required by NRS 116.41095;

(b) A statement setting forth the amount of the monthly assessment for common expenses and any unpaid assessment of any kind currently due from the selling unit's owner;

(c) A copy of the current operating budget of the association and current year-to-date financial statement for the association, which must include a summary of the reserves of the association required by NRS 116.31152 and which must include, without limitation, a summary of the information described in paragraphs (a) to (e), inclusive, of subsection 3 of NRS 116.31152; and

(d) A statement of any unsatisfied judgments or pending legal actions against the association and the status of any pending legal actions relating to the common-interest community of which the unit's owner has actual knowledge.

(e) In addition to any other document, a statement describing all current and expected fees or charges for each unit, including, without limitation, association fees, fines, assessments, late charges or penalties, interest rates on delinquent assessments, additional costs for collecting past due fines and charges for opening or closing any file for each unit.

2. The purchaser may, by written notice, cancel the contract of purchase until midnight of the fifth calendar day following the date of receipt of the resale package described in subsection 1, and the contract for purchase must contain a provision to that effect. If the purchaser elects to cancel a contract pursuant to this subsection, he must hand deliver the notice of cancellation to the unit's owner or his authorized agent or mail the notice of cancellation by prepaid United States mail to the unit's owner or his authorized agent. Cancellation is without penalty, and all payments made by the purchaser before cancellation must be refunded promptly. If the purchaser has accepted a conveyance of the unit, the purchaser is not entitled to:

(a) Cancel the contract pursuant to this subsection; or

(b) Damages, rescission or other relief based solely on the ground that the unit's owner or his authorized agent failed to furnish the resale package, or any portion thereof, as required by this section.

3. Within 10 days after receipt of a written request by a unit's owner or his authorized agent, the association shall furnish all of the following to the unit's owner or his authorized agent for inclusion in the resale package:

(a) Copies of the documents required pursuant to paragraphs (a) and (c) of subsection 1; and

(b) A certificate containing the information necessary to enable the unit's owner to comply with paragraphs (b) and (d) of subsection 1.

4. If the association furnishes the documents and certificate pursuant to subsection 3:

(a) The unit's owner or his authorized agent shall include the documents and certificate in the resale package provided to the purchaser, and neither the unit's owner nor his authorized agent is liable to the purchaser for any erroneous information provided by the association and included in the documents and certificate.

(b) The association may charge the unit's owner a reasonable fee to cover the cost of preparing the certificate furnished pursuant to subsection 3. Such a fee must be based on the actual cost the association incurs to fulfill the requirements of this section in preparing the certificate. The Commission shall adopt regulations establishing the maximum amount of the fee that an association may charge for preparing the certificate.

(c) The association may charge the unit's owner a reasonable fee, not to exceed 25 cents per page, to cover the cost of copying the other documents furnished pursuant to subsection 3.

(d) Except for the fees allowed pursuant to paragraphs (b) and (c), the association may not charge the unit's owner any other fees for preparing or furnishing the documents and certificate pursuant to subsection 3.

5. Neither a purchaser nor the purchaser's interest in a unit is liable for any unpaid assessment or fee greater than the amount set forth in the documents and certificate prepared by the association. If the association fails to furnish the documents and certificate within the 10 days allowed by this section, the seller is not liable for the delinquent assessment.

6. Upon the request of a unit's owner or his authorized agent, or upon the request of a purchaser to whom the unit's owner has provided a resale package pursuant to this section or his authorized agent, the association shall make the entire study of the reserves of the association which is required by NRS 116.31152 reasonably available for the unit's owner, purchaser or authorized agent to inspect, examine, photocopy and audit. The study must be made available at the business office of the association or some other suitable location within the county where the common-interest community is situated or, if it is situated in more than one county, within one of those counties.

~~7. In addition to the resale package required to be furnished to a purchaser pursuant to this section, the association shall make available to a purchaser, at the expense of the association, a presentation, conducted in person or through the use of multimedia technology, containing a description and summary of the governing documents. As used in this subsection, "multimedia technology" means an audio compact disc, digital video disc, computer file or other similar technology that allows a person to view or listen to recorded material.~~

Sec. 16. [NRS 116.41095 is hereby amended to read as follows:]

~~116.41095 The information statement required by NRS 116.4103 and 116.4109 must be in substantially the following form:~~

~~BEFORE YOU PURCHASE PROPERTY IN A
COMMON-INTEREST COMMUNITY
DID YOU KNOW?~~

~~1. YOU GENERALLY HAVE 5 DAYS TO CANCEL THE PURCHASE AGREEMENT?~~

~~When you enter into a purchase agreement to buy a home or unit in a common-interest community, in most cases you should receive either a public offering statement, if you are the original purchaser of the home or unit, or a resale package, if you are not the original purchaser. The law generally provides for a 5-day period in which you have the right to cancel the purchase agreement. The 5-day period begins on different starting dates, depending on whether you receive a public offering statement or a resale package. Upon receiving a public offering statement or a resale package, you should make sure you are informed of the deadline for exercising your right to cancel. In order to exercise your right to cancel, the law generally requires that you hand deliver the notice of cancellation to the seller within the 5-day period, or mail the notice of cancellation to the seller by prepaid United States mail within the 5-day period. For more information regarding your right to cancel, see Nevada Revised Statutes 116.4108, if you received a public offering statement, or Nevada Revised Statutes 116.4109, if you received a resale package.~~

~~2. YOU ARE AGREEING TO RESTRICTIONS ON HOW YOU CAN USE YOUR PROPERTY?~~

~~These restrictions are contained in a document known as the Declaration of Covenants, Conditions and Restrictions. The CC&Rs become a part of the title to your property. They bind you and every future owner of the property whether or not~~

1 you have read them or had them explained to you. The CC&Rs, together with other
2 "governing documents" (such as association bylaws and rules and regulations), are
3 intended to preserve the character and value of properties in the community, but
4 may also restrict what you can do to improve or change your property and limit
5 how you use and enjoy your property. By purchasing a property encumbered by
6 CC&Rs, you are agreeing to limitations that could affect your lifestyle and freedom
7 of choice. You should review the CC&Rs, and other governing documents before
8 purchasing to make sure that these limitations and controls are acceptable to you.

9 ~~3. YOU WILL HAVE TO PAY OWNERS' ASSESSMENTS FOR AS~~
10 ~~LONG AS YOU OWN YOUR PROPERTY?~~

11 As an owner in a common interest community, you are responsible for paying your
12 share of expenses relating to the common elements, such as landscaping, shared
13 amenities and the operation of any homeowners' association. The obligation to pay
14 these assessments binds you and every future owner of the property. Owners' fees
15 are usually assessed by the homeowners' association and due monthly. You have to
16 pay dues whether or not you agree with the way the association is managing the
17 property or spending the assessments. The executive board of the association may
18 have the power to change and increase the amount of the assessment and to levy
19 special assessments against your property to meet extraordinary expenses. In some
20 communities, major components of the common elements of the community such
21 as roofs and private roads must be maintained and replaced by the association. If
22 the association is not well managed or fails to provide adequate funding for
23 reserves to repair, replace and restore common elements, you may be required to
24 pay large, special assessments to accomplish these tasks.

25 ~~4. IF YOU FAIL TO PAY OWNERS' ASSESSMENTS, YOU COULD~~
26 ~~LOSE YOUR HOME?~~

27 If you do not pay these assessments when due, the association usually has the
28 power to collect them by selling your property in a nonjudicial foreclosure sale. If
29 fees become delinquent, you may also be required to pay penalties and the
30 association's costs and attorney's fees to become current. If you dispute the
31 obligation or its amount, your only remedy to avoid the loss of your home may be
32 to file a lawsuit and ask a court to intervene in the dispute.

33 ~~5. YOU MAY BECOME A MEMBER OF A HOMEOWNERS'~~
34 ~~ASSOCIATION THAT HAS THE POWER TO AFFECT HOW YOU USE AND~~
35 ~~ENJOY YOUR PROPERTY?~~

36 Many common interest communities have a homeowners' association. In a new
37 development, the association will usually be controlled by the developer until a
38 certain number of units have been sold. After the period of developer control, the
39 association may be controlled by property owners like yourself who are elected by
40 homeowners to sit on an executive board and other boards and committees formed
41 by the association. The association, and its executive board, are responsible for
42 assessing homeowners for the cost of operating the association and the common or
43 shared elements of the community and for the day to day operation and
44 management of the community. Because homeowners sitting on the executive
45 board and other boards and committees of the association may not have the
46 experience or professional background required to understand and carry out the
47 responsibilities of the association properly, the association may hire professional
48 community managers to carry out these responsibilities.

49 Homeowners' associations operate on democratic principles. Some decisions
50 require all homeowners to vote, some decisions are made by the executive board or
51 other boards or committees established by the association or governing documents.
52 Although the actions of the association and its executive board are governed by
53 state laws, the CC&Rs and other documents that govern the common interest

community, decisions made by these persons will affect your use and enjoyment of your property, your lifestyle and freedom of choice, and your cost of living in the community. You may not agree with decisions made by the association or its governing bodies even though the decisions are ones which the association is authorized to make. Decisions may be made by a few persons on the executive board or governing bodies that do not necessarily reflect the view of the majority of homeowners in the community. If you do not agree with decisions made by the association, its executive board or other governing bodies, your remedy is typically to attempt to use the democratic processes of the association to seek the election of members of the executive board or other governing bodies that are more responsive to your needs. If you have a dispute with the association, its executive board or other governing bodies, you may be able to resolve the dispute through the complaint, investigation and intervention process administered by the Office of the Ombudsman for Owners in Common Interest Communities and Condominium Hotels, the Nevada Real Estate Division and the Commission for Common Interest Communities and Condominium Hotels. However, to resolve some disputes, you may have to mediate or arbitrate the dispute and, if mediation or arbitration is unsuccessful, you may have to file a lawsuit and ask a court to resolve the dispute. In addition to your personal cost in mediation or arbitration, or to prosecute a lawsuit, you may be responsible for paying your share of the association's cost in defending against your claim.

~~— [6.] 5. YOU ARE REQUIRED TO PROVIDE PROSPECTIVE PURCHASERS OF YOUR PROPERTY WITH INFORMATION ABOUT LIVING IN YOUR COMMON INTEREST COMMUNITY?~~

The law requires you to provide a prospective purchaser of your property with a copy of the community's governing documents, including the CC&Rs, association bylaws, and rules and regulations, as well as a copy of this document. You are also required to provide a copy of the association's current year to date financial statement, including, without limitation, the most recent audited or reviewed financial statement, a copy of the association's operating budget and information regarding the amount of the monthly assessment for common expenses, including the amount set aside as reserves for the repair, replacement and restoration of common elements. You are also required to inform prospective purchasers of any outstanding judgments or lawsuits pending against the association of which you are aware. For more information regarding these requirements, see Nevada Revised Statutes 116.4109.

~~— [7.] 6. YOU HAVE CERTAIN RIGHTS REGARDING OWNERSHIP IN A COMMON INTEREST COMMUNITY THAT ARE GUARANTEED YOU BY THE STATE?~~

Pursuant to provisions of chapter 116 of Nevada Revised Statutes, you have the right:

~~— (a) To be notified of all meetings of the association and its executive board, except in cases of emergency;~~

~~— (b) To attend and speak at all meetings of the association and its executive board, except in some cases where the executive board is authorized to meet in closed, executive session;~~

~~— (c) To request a special meeting of the association upon petition of at least 10 percent of the homeowners;~~

~~— (d) To inspect, examine, photocopy and audit financial and other records of the association;~~

~~— (e) To be notified of all changes in the community's rules and regulations and other actions by the association or board that affect you;~~

~~— [8.] 7. QUESTIONS?~~

Although they may be voluminous, you should take the time to read and understand the documents that will control your ownership of a property in a common interest community. You may wish to ask your real estate professional, lawyer or other person with experience to explain anything you do not understand. You may also request assistance from the Office of the Ombudsman for Owners in Common Interest Communities and Condominium Hotels, Nevada Real Estate Division, at (telephone number).

Buyer or prospective buyer's initials: _____

Date: _____ ~~(Deleted by amendment.)~~

Sec. 17. NRS 116.745 is hereby amended to read as follows:

116.745 As used in NRS 116.745 to 116.795, inclusive, unless the context otherwise requires, "violation" means a violation of ~~[any]~~:

1. Any provision of this chapter ~~[any]~~;
2. Any regulation adopted pursuant ~~[thereto or any]~~ to this chapter;
3. Any order of the Commission or a hearing panel ~~[]~~; or
4. Any provision of the governing documents of an association.

Sec. 18. ~~NRS 116.785 is hereby amended to read as follows:~~

~~116.785 1. If the Commission or the hearing panel, after notice and hearing, finds that the respondent has committed a violation, the Commission or the hearing panel may take any or all of the following actions:~~

~~(a) Issue an order directing the respondent to cease and desist from continuing to engage in the unlawful conduct that resulted in the violation.~~

~~(b) Issue an order directing the respondent to take affirmative action to correct any conditions resulting from the violation.~~

~~(c) Impose an administrative fine [of] against:~~

~~(1) A unit's owner or tenant of a unit's owner if the tenant has entered into an agreement with the unit's owner to abide by the governing documents of the association and the provisions of this chapter and any regulations adopted pursuant thereto. The amount of the administrative fine must be not more than \$1,000] \$100 for each violation [.] , except that the total of all administrative fines imposed against a unit's owner or tenant pursuant to this subparagraph must not exceed \$400 during any 2-year period.~~

~~(2) An association, any officer, employee or agent of an association, any member of an executive board, any community manager who holds a certificate and any other community manager, any person who holds a permit to conduct a study of the reserves of an association issued pursuant to chapter 116A of NRS, and any declarant or affiliate of a declarant. Except as otherwise provided in this subparagraph, the amount of the administrative fine must be not more than \$2,000 for each violation and the total of all administrative fines imposed against any person pursuant to this subparagraph must not exceed \$6,000 during any 2-year period. If a person has committed three violations within a 2-year period, an administrative fine may be imposed of not more than \$4,500 for each additional violation that occurs within the 2-year period and the limitation of \$6,000 on the total of all administrative fines imposed against the person during the 2-year period does not apply.~~

~~2. If the respondent is a member of an executive board or an officer of an association, the Commission or the hearing panel may order the respondent removed from his office or position if the Commission or the hearing panel, after notice and hearing, finds that:~~

~~(a) The respondent has knowingly and willfully committed a violation; and~~

~~(b) The removal is in the best interest of the association.~~

~~3. If the respondent violates any order issued by the Commission or the hearing panel pursuant to this section, the Commission or the hearing panel, after notice and hearing, may impose an administrative fine of not more than \$1,000 for each violation.~~

~~4. If the Commission or the hearing panel takes any disciplinary action pursuant to this section, the Commission or the hearing panel may order the respondent to pay the costs of the proceedings incurred by the Division, including, without limitation, the cost of the investigation, [and reasonable attorney's fees.]~~

~~5. In any matter brought before the Commission or a hearing panel pursuant to the provisions of this chapter, regardless of whether or not the governing documents provide for such fees to be granted to a prevailing party, attorney's fees may be granted to:~~

~~(a) A unit's owner who is the prevailing party; or~~

~~(b) Any person other than a unit's owner who is the prevailing party, except that if the matter is brought before the Commission or a hearing panel based upon an affidavit filed by a unit's owner pursuant to NRS 116.760, that unit's owner must not be required to pay any attorney's fees unless it is determined that the affidavit was filed in bad faith or for a vexatious purpose.~~

~~6. Notwithstanding any other provision of this section, unless the respondent has knowingly and willfully committed a violation, if the respondent is a member of an executive board or an officer of an association:~~

~~(a) The association is liable for all fines and costs imposed against the respondent pursuant to this section; and~~

~~(b) The respondent may not be held personally liable for those fines and costs.]~~

~~(Deleted by amendment.)~~

Sec. 18.05. Chapter 116A of NRS is hereby amended by adding thereto the provisions set forth as sections 18.1 to 18.6, inclusive, of this act.

Sec. 18.1. "Client" means an executive board that has entered into a management agreement with a community manager.

Sec. 18.2. "Management agreement" means an agreement for the management of a common-interest community.

Sec. 18.3. Before entering into a management agreement, a community manager shall disclose in writing to the prospective client any material and relevant information which he knows, or by the exercise of reasonable care and diligence should know, relate to the performance of the management agreement, including any matters which may affect his ability to comply with the provisions of this chapter or chapter 116 or 116B of NRS. Such written disclosure must include, without limitation:

1. Whether he, or any member of his organization, expects to receive any direct or indirect compensation, gifts or profits from any person who will perform services for the client and, if so, the identity of the person and the nature of the services rendered.

2. Any affiliation with or financial interest in any person or business who furnishes any goods or services to the association.

3. Any pecuniary relationships with any unit's owner, member of the executive board or officer of the association.

Sec. 18.4. 1. Any management agreement must:

(a) Be in writing and signed by all parties;

(b) Be entered into between the client and the community manager or the employer of the community manager if the community manager is acting on behalf of a corporation, partnership, limited partnership, limited-liability partnership, limited-liability company or other entity;

(c) State the term of the management agreement;

(d) State the basic consideration for the services to be provided and the payment schedule;

(e) Include a complete schedule of all fees, costs, expenses and charges to be imposed by the community manager, whether direct or indirect, including, without limitation:

(1) The costs for any new association or start-up costs;

(2) The fees for special or nonroutine services, such as the mailing of collection letters, the recording of liens and foreclosing of property;

(3) Reimbursable expenses;

(4) The fees for the sale or resale of a unit or for setting up the account of a new member; and

(5) The portion of fees that are to be retained by the client and the portion to be retained by the community manager;

(f) State the identity and the legal status of the contracting parties;

(g) State any limitations on the liability of each contracting party;

(h) Include a statement of the scope of work of the community manager;

(i) State the spending limits of the community manager;

(j) Include provisions relating to the grounds and procedures for termination of the community manager;

(k) Identify the types and amounts of insurance coverage to be carried by each contracting party, including, without limitation:

(1) A requirement that the community manager or his employer shall maintain insurance covering liability for errors or omissions, professional liability or a surety bond to compensate for losses actionable pursuant to this chapter in an amount of \$1,000,000 or more;

(2) An indication of which contracting party will maintain fidelity bond coverage; and

(3) A statement as to whether the association will maintain directors and officers liability coverage for the executive board;

(l) Include provisions for dispute resolution;

(m) Acknowledge that all records and books of the client are the property of the client, except any proprietary information and software belonging to the community manager;

(n) State the physical location, including the street address, of the records of the client, which must be within 60 miles from the physical location of the common-interest community;

(o) State the frequency and extent of regular inspections of the common-interest community; and

(p) State the extent, if any, of the authority of the community manager to sign checks on behalf of the client in an operating account.

2. In addition to any other requirements under this section, a management agreement may:

(a) Provide for mandatory binding arbitration; or

(b) Allow the provisions of the management agreement to apply month to month following the end of the term of the management agreement, but the management agreement may not contain an automatic renewal provision.

3. Not later than 10 days after the effective date of a management agreement, the community manager shall provide each member of the executive board evidence of the existence of the required insurance, including, without limitation:

(a) The names and addresses of all insurance companies;

(b) The total amount of coverage; and

(c) The amount of any deductible.

1 4. After signing a management agreement, the community manager shall
2 provide a copy of the management agreement to each member of the executive
3 board. Within 30 days after an election or appointment of a new member to the
4 executive board, the community manager shall provide the new member with a
5 copy of the management agreement.

6 5. Any changes to a management agreement must be initialed by the
7 contracting parties. If there are any changes after the execution of a
8 management agreement, those changes must be in writing and signed by the
9 contracting parties.

10 6. Except as otherwise provided in the management agreement, upon the
11 termination or assignment of a management agreement, the community manager
12 shall, within 30 days after the termination or assignment, transfer possession of
13 all books, records and other papers of the client to the succeeding community
14 manager, or to the client if there is no succeeding community manager,
15 regardless of any unpaid fees or charges to the community manager or
16 management company.

17 7. Notwithstanding any provision in a management agreement to the
18 contrary, a management agreement may be terminated by the client without
19 penalty upon 30 days' notice following a violation by the community manager of
20 any provision of this chapter or chapter 116 of NRS.

21 Sec. 18.5. In addition to any additional standards of practice for
22 community managers adopted by the Commission by regulation pursuant to NRS
23 116A.400, a community manager shall:

24 1. Except as otherwise provided by specific statute, at all times:

25 (a) Act as a fiduciary in any client relationship; and

26 (b) Exercise ordinary and reasonable care in the performance of his duties.

27 2. Comply with all applicable:

28 (a) Federal, state and local laws, regulations and ordinances; and

29 (b) Lawful provisions of the governing documents of each client.

30 3. Keep informed of new developments in the management of a common-
31 interest community through continuing education, including, without limitation,
32 new developments in law, insurance coverage and accounting principles.

33 4. Advise a client to obtain advice from an independent expert relating to
34 matters that are beyond the expertise of the community manager.

35 5. Under the direction of a client, uniformly enforce the provisions of the
36 governing documents of the association.

37 6. At all times ensure that:

38 (a) The financial transactions of a client are current, accurate and properly
39 documented; and

40 (b) There are established policies and procedures that are designed to
41 provide reasonable assurances in the reliability of the financial reporting,
42 including, without limitation:

43 (1) Proper maintenance of accounting records;

44 (2) Documentation of the authorization for any purchase orders,
45 expenditures or disbursements;

46 (3) Verification of the integrity of the data used in business decisions;

47 (4) Facilitation of fraud detection and prevention; and

48 (5) Compliance with all applicable laws and regulations governing
49 financial records.

50 7. Prepare or cause to be prepared interim and annual financial statements
51 that will allow the Division, the executive board, the units' owners and the
52 accountant or auditor to determine whether the financial position of an

1 association is fairly presented in accordance with all applicable laws and
2 regulations.

3 8. Cause to be prepared annually a financial audit performed by an
4 independent certified public accountant of the records of the community manager
5 pertaining to the common-interest community, which must be made available to
6 the Division.

7 9. Make the financial records of an association available for inspection by
8 the Division in accordance with the applicable laws and regulations.

9 10. Cooperate with the Division in resolving complaints filed with the
10 Division.

11 11. Upon written request, make the financial records of an association
12 available to the units' owners electronically or during regular business hours
13 required for inspection at a reasonably convenient location, which must be within
14 60 miles from the physical location of the common-interest community, and
15 provide copies of such records in accordance with the applicable laws and
16 regulations. As used in this subsection, "regular business hours" means Monday
17 through Friday, 9 a.m. to 5 p.m., excluding legal holidays.

18 12. Maintain and invest association funds in a financial institution whose
19 accounts are insured by the Federal Deposit Insurance Corporation, National
20 Credit Union Share Insurance Fund, Securities Investor Protection Corporation,
21 or a private insurer approved pursuant to NRS 678.755, or in government
22 securities that are backed by the full faith and credit of the United States
23 Government.

24 13. Except as required under collection agreements, maintain the various
25 funds of the association in separate financial accounts in the name of the
26 association and ensure that the association is authorized to have direct access to
27 those accounts.

28 14. Provide notice to each unit's owner that the executive board is aware of
29 all legal requirements pursuant to the applicable laws and regulations.

30 15. Maintain internal accounting controls, including, without limitation,
31 segregation of incompatible accounting functions.

32 16. Ensure that the executive board develops and approves written
33 investment policies and procedures.

34 17. Recommend in writing to each client that the association register with
35 the Division, maintain its registration and file all papers with the Division and the
36 Secretary of State as required by law.

37 18. Comply with the directions of a client, unless the directions conflict with
38 the governing documents of the association or the applicable laws or regulations
39 of this State.

40 19. Recommend in writing to each client that the association be in
41 compliance with all applicable federal, state and local laws, regulations and
42 ordinances and the governing documents of the association.

43 20. Obtain, when practicable, at least three qualified bids for any capital
44 improvement project for the association.

45 21. Develop written collection policies, approved by the executive board, to
46 comply with all applicable federal, state and local laws, regulations and
47 ordinances relating to the collection of debt. The collection policies must require:

48 (a) That the executive board approve all write-offs of debt; and

49 (b) That the community manager provide timely updates and reports as
50 necessary.

51 Sec. 18.6. In addition to the standards of practice for community managers
52 set forth in section 18.5 of this act and any additional standards of practice

adopted by the Commission by regulation pursuant to NRS 116A.400, a community manager shall not:

1. Except as otherwise required by law or court order, disclose confidential information relating to a client, which includes, without limitation, the business affairs and financial records of the client, unless the client agrees to the disclosure in writing.

2. Impede or otherwise interfere with an investigation of the Division by:

(a) Failing to comply with a request of the Division to provide documents;

(b) Supplying false or misleading information to an investigator, auditor or any other officer or agent of the Division; or

(c) Concealing any facts or documents relating to the business of a client.

3. Commingle money or other property of a client with the money or other property of another client, another association, the community manager or the employer of the community manager.

4. Use money or other property of a client for his own personal use.

5. Be a signer on a withdrawal from a reserve account of a client.

6. Except as otherwise permitted by the provisions of the court rules governing the legal profession, establish an attorney-client relationship with an attorney or law firm which represents a client that employs the community manager or with whom the community manager has a management agreement.

7. Provide or attempt to provide to a client a service concerning a type of property or service:

(a) That is outside his field of experience or competence without the assistance of a qualified authority unless the fact of his inexperience or incompetence is disclosed fully to the client and is not otherwise prohibited by law; or

(b) For which he is not properly licensed.

8. Intentionally apply a payment of an assessment from a unit's owner towards any fine, fee or other charge that is due.

9. Refuse to accept from a unit's owner payment of any assessment, fine, fee or other charge that is due because there is an outstanding payment due.

10. Collect any fees or other charges from a client not specified in the management agreement.

11. Accept any compensation, gift or any other item of material value as payment or consideration for a referral or in the furtherance or performance of his normal duties unless:

(a) Acceptance of the compensation, gift or other item of material value complies with the provisions of NRS 116.31185 or 116B.695 and all other applicable federal, state and local laws, regulations and ordinances; and

(b) Before acceptance of the compensation, gift or other item of material value, the community manager provides full disclosure to the client and the client consents, in writing, to the acceptance of the compensation, gift or other item of material value by the community manager.

Sec. 18.7. NRS 116A.010 is hereby amended to read as follows:

116A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 116A.020 to 116A.130, inclusive, and sections 18.1 and 18.2 of this act have the meanings ascribed to them in those sections.

Sec. 18.8. NRS 116A.400 is hereby amended to read as follows:

116A.400 1. Except as otherwise provided in this section, a person shall not act as a community manager unless the person holds a certificate.

2. ~~{The}~~ In addition to the standards of practice for community managers set forth in sections 18.5 and 18.6 of this act, the Commission shall by regulation ~~{provide for the}~~ adopt any additional standards of practice for community

managers who hold certificates ~~that~~ that the Commission deems appropriate and necessary.

3. The Division may investigate any community manager who holds a certificate to ensure that the community manager is complying with the provisions of this chapter and chapters 116 and 116B of NRS and ~~the~~ any additional standards of practice adopted by the Commission.

4. In addition to any other remedy or penalty, if the Commission or a hearing panel, after notice and hearing, finds that a community manager who holds a certificate has violated any provision of this chapter or chapter 116 or 116B of NRS or any of the additional standards of practice adopted by the Commission, the Commission or the hearing panel may take appropriate disciplinary action against the community manager.

5. In addition to any other remedy or penalty, the Commission may:

(a) Refuse to issue a certificate to a person who has failed to pay money which the person owes to the Commission or the Division.

(b) Suspend, revoke or refuse to renew the certificate of a person who has failed to pay money which the person owes to the Commission or the Division.

6. The provisions of this section do not apply to:

(a) A financial institution that is engaging in an activity permitted by law.

(b) An attorney who is licensed to practice in this State and who is acting in that capacity.

(c) A trustee with respect to the property of the trust.

(d) A receiver with respect to property subject to the receivership.

(e) A member of an executive board or an officer of an association who is acting solely within the scope of his duties as a member of the executive board or an officer of the association.

Sec. 18.9. NRS 116B.695 is hereby amended to read as follows:

116B.695 1. Except as otherwise provided in subsection 2, a member of an executive board, an officer of an association or a community manager shall not solicit or accept any form of compensation, gratuity or other remuneration that:

(a) Would improperly influence or would appear to a reasonable person to improperly influence the decisions made by those persons; or

(b) Would result or would appear to a reasonable person to result in a conflict of interest for those persons.

2. Notwithstanding the provisions of subsection 1, a member of an executive board, an officer of an association or a community manager shall not accept, directly or indirectly, any gifts, incentives, gratuities, rewards or other items of value from:

(a) An attorney, law firm or vendor, or any person working directly or indirectly for the attorney, law firm or vendor, which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such attorney, law firm or vendor; or

(b) A declarant, an affiliate of a declarant or any person responsible for the construction of the applicable condominium hotel or association which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such declarant, affiliate or person.

3. An attorney, law firm or vendor, or any person working directly or indirectly for the attorney, law firm or vendor, shall not provide, directly or indirectly, any gifts, incentives, gratuities, rewards or other items of value to a member of the executive board or an officer of the association, the community manager or any person working for the community manager which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such member, officer, community manager or person.

4. A declarant, an affiliate of a declarant or any person responsible for the construction of a condominium hotel or association, ~~it~~ shall not provide, directly or indirectly, any gifts, incentives, gratuities, rewards or other items of value to a member of the executive board or an officer of the association, the community manager or any person working for the community manager which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such member, officer, community manager or person.

5. In addition to the limitations set forth in subsection 1, a community manager shall not solicit or accept any form of compensation, fee or other remuneration that is based, in whole or in part, on:

(a) The number or amount of fines imposed against or collected from units' owners or tenants or guests of units' owners pursuant to this chapter for violations of the governing documents of the association; or

(b) Any percentage or proportion of those fines.

6. The provisions of this section do not prohibit a community manager from being paid compensation, a fee or other remuneration under the terms of a contract between the community manager and an association if:

(a) The scope of the respective rights, duties and obligations of the parties under the contract comply with the standards of practice for community managers set forth in sections 18.5 and 18.6 of this act and any additional standards of practice adopted by the Commission by regulation pursuant to NRS 116A.400;

(b) The compensation, fee or other remuneration is being paid to the community manager for providing management of the association of the condominium hotel; and

(c) The compensation, fee or other remuneration is not structured in a way that would violate the provisions of subsection 1 or 5.

Sec. 19. ~~[NRS 278A.170 is hereby amended to read as follows:~~

~~278A.170 The procedures for enforcing payment of an assessment for the maintenance of common open space provided in NRS 116.3116 [to 116.31168, inclusive], are also available to any organization for the ownership and maintenance of common open space established other than under this chapter or chapter 116 of NRS and entitled to receive payments from owners of property for such maintenance under a recorded declaration of restrictions, deed restriction, restrictive covenant or equitable servitude which provides that any reasonable and ratable assessment thereon for the organization's costs of maintaining the common open space constitutes a lien or encumbrance upon the property.] (Deleted by amendment.)~~

Sec. 20. ~~[NRS 649.020 is hereby amended to read as follows:~~

~~649.020 1. "Collection agency" means all persons engaging, directly or indirectly, and as a primary or a secondary object, business or pursuit, in the collection of or in soliciting or obtaining in any manner the payment of a claim owed or due or asserted to be owed or due to another.~~

~~2. "Collection agency" does not include any of the following unless they are conducting collection agencies:~~

~~(a) Individuals regularly employed on a regular wage or salary, in the capacity of credit men or in other similar capacity upon the staff of employees of any person not engaged in the business of a collection agency or making or attempting to make collections as an incident to the usual practices of their primary business or profession;~~

~~(b) Banks;~~

~~(c) Nonprofit cooperative associations;~~

~~(d) Unit owners' associations and the board members, officers, employees and units' owners of those associations when acting under the authority of and in~~

1 accordance with chapter 116 or 116B of NRS and the governing documents of the
 2 association, except for those community managers included within the term
 3 "collection agency" pursuant to subsection 3;

4 ~~— (c) Abstract companies doing an escrow business;~~

5 ~~— (f) Duly licensed real estate brokers, except for those real estate brokers who~~
 6 ~~are community managers included within the term "collection agency" pursuant to~~
 7 ~~subsection 3;~~

8 ~~— (g) Attorneys and counselors at law licensed to practice in this State, so long as~~
 9 ~~they are retained by their clients to collect or to solicit or obtain payment of such~~
 10 ~~clients' claims in the usual course of the practice of their profession;~~

11 ~~3. "Collection agency";~~

12 ~~— (a) Includes a community manager while engaged in the management of [a~~
 13 ~~common interest community or the management of] an association of a~~
 14 ~~condominium hotel if the community manager, or any employee, agent or affiliate~~
 15 ~~of the community manager, performs or offers to perform any act associated with~~
 16 ~~the foreclosure of a lien pursuant to NRS [116.31162 to 116.31168, inclusive, or]~~
 17 ~~116B.635 to 116B.660, inclusive; and~~

18 ~~— (b) Does not include any other community manager while engaged in the~~
 19 ~~management of [a common interest community or the management of] an~~
 20 ~~association of a condominium hotel;~~

21 ~~4. As used in this section:~~

22 ~~— (a) "Community manager" has the meaning ascribed to it in NRS 116.023 or~~
 23 ~~116B.050;~~

24 ~~— (b) "Unit owners' association" has the meaning ascribed to it in NRS 116.011~~
 25 ~~or 116B.030.] (Deleted by amendment.)~~

26 **Sec. 21.** ~~[NRS 116.21175, 116.31162, 116.31163, 116.311635, 116.31164,~~
 27 ~~116.31166 and 116.31168 are hereby repealed.] (Deleted by amendment.)~~

28 **Sec. 22.** This act becomes effective on July 1, 2009.

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LEADLINES OF REPEALED SECTIONS

~~— 116.21175 Procedure for seeking confirmation from district court of certain~~
~~amendments to declaration;~~

~~— 116.31162 Foreclosure of liens: Mailing of notice of delinquent assessment;~~
~~recording of notice of default and election to sell; period during which unit's owner~~
~~may pay lien to avoid foreclosure; limitations on type of lien that may be~~
~~foreclosed;~~

~~— 116.31163 Foreclosure of liens: Mailing of notice of default and election to~~
~~sell to certain interested persons;~~

~~— 116.311635 Foreclosure of liens: Providing notice of time and place of sale;~~
~~service of notice of sale; contents of notice of sale; proof of service;~~

~~— 116.31164 Foreclosure of liens: Procedure for conducting sale; purchase of~~
~~unit by association; execution and delivery of deed; use of proceeds of sale;~~

~~— 116.31166 Foreclosure of liens: Effect of recitals in deed; purchaser not~~
~~responsible for proper application of purchase money; title vested in purchaser~~
~~without equity or right of redemption;~~

~~— 116.31168 Foreclosure of liens: Requests by interested persons for notice of~~
~~default and election to sell; right of association to waive default and withdraw~~
~~notice or proceeding to foreclose.]~~