

Amendment No. 242

Senate Amendment to Senate Bill No. 352

(BDR 9-866)

Proposed by: Senate 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.

NMB/BAW



Date: 4/11/2009

S.B. No. 352—Makes various changes to provisions governing mechanics' and materialmen's liens. (BDR 9-866)



SENATE BILL NO. 352—COMMITTEE ON JUDICIARY

MARCH 23, 2009

Referred to Committee on Judiciary

SUMMARY—Makes various changes to provisions governing mechanics' and materialmen's liens. (BDR 9-866)

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

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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 liens; ~~requiring a lien claimant to provide certain proof of a lien under certain circumstances; revising the provisions governing the priority of liens; revising provisions relating to the recovery of attorney's fees and court costs; revising provisions relating to the attachment of certain liens to property; reducing the amount of a security bond required to be posted under certain circumstances; revising the contents of a notice of right to lien; revising provisions governing the waiver and release of a claim of a lien;~~ ***revising provisions governing the commencement of certain work; revising provisions concerning claims of a lien; revising provisions relating to the attachment of certain liens to property; revising the requirements of a surety bond; revising certain notice provisions; revising provisions concerning the waiver of certain rights or obligations; revising provisions governing the waiver and release of a claim of a lien; making various other changes pertaining to liens;*** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[Existing law provides the circumstances under which and manner in which a person may claim a lien for work, material or equipment used in or for the construction, alteration or repair of any improvement, property or work of improvement. (NRS 108.221-108.246)]~~

~~Section 4 of this bill provides that a lien for equipment or material to be furnished must be proven by a writing signed by the owner or his representative requesting such equipment or material or by showing that the equipment or material had to be specially ordered and that such equipment or material was not delivered before the cessation of work through no fault of the lien claimant. (NRS 108.222)]~~

~~Section 5 of this bill provides that a lien, mortgage or other encumbrance may have priority over a lien for the construction of a work improvement if the owner of the property or his lender provides or reserves money equal to the amount of the lien, mortgage or encumbrance to pay for the construction of a work of improvement. Additionally, if a lien, mortgage or other encumbrance which has attached to the property is foreclosed upon, the lien for the construction of the work of improvement remains attached to the property until the lien is satisfied. (NRS 108.225)]~~

~~Section 6 of this bill prevents the recovery of attorney's fees and court costs for a subcontractor or supplier who fails to deliver the notice of lien to the prime contractor. (NRS 108.227)~~

~~Section 9 of this bill requires a court, instead of giving the court discretion, to award attorney's fees and court costs if the court finds that the notice of lien was pursued by the lien claimant without a reasonable basis in law or fact. (NRS 108.227)~~

~~Section 10 of this bill provides that if a lessee establishes a construction disbursement account or executes a surety bond, a lien arising out of a work of improvement attaches to the construction disbursement account or surety bond and not to the property of the lessor. (NRS 108.2402)~~

~~Sections 12 and 14 of this bill reduce the amount required for a surety bond. (NRS 108.2415, 108.2425)~~

~~Section 15 of this bill revises the contents of the notice of right to lien. (NRS 108.245)~~

~~Section 16 of this bill limits the amount a lien claimant waives or releases on his claim of a lien depending upon the form used for the written waiver and release. (NRS 108.2457)~~

~~Section 1 of this bill amends the existing definition of "agent of the owner." (NRS 108.22104)~~

~~Section 2 of this bill amends the existing definition of "commencement of construction" to provide that construction will also be considered to have begun once a notice of commencement of construction is filed with the county recorder. (NRS 108.22112)~~

~~Sections 3-5 of this bill make certain technical revisions to existing definitions of certain terms. (NRS 108.22116, 108.22164, 108.22168)~~

~~Section 6 of this bill provides that a lien claimant may not include certain costs of work, materials or equipment for a claim of lien after termination of a contract but may include overhead and profit in the lien. (NRS 108.222)~~

~~Section 7 of this bill provides that a deed of trust which attached to the property before the work of improvement is preferred to a mechanic's or materialman's lien if the holder of the deed of trust deposits the funds necessary to pay for the work of improvement in an account administered by the construction control or if the owner sets aside funds necessary to pay for the work of improvement.~~

~~Section 8 of this bill provides a definition of the term "nonresidential construction project." (NRS 108.226)~~

~~Sections 9 and 10 of this bill make certain revisions to clarify certain provisions relating to a frivolous notice of lien and a work stoppage. (NRS 108.2275, 108.2403)~~

~~Sections 11 and 12 of this bill reduce the amount required for a surety bond. (NRS 108.2415, 108.2425)~~

~~Section 13 of this bill: (1) revises the contents of a notice of right to lien; (2) provides for the contents of a notice of prime contractor; (3) provides for circumstances under which a lien claimant does not have to provide a notice of right to lien; and (4) provides for certain limitations on recovery if the lien claimant fails to provide a notice of right to lien when it is required. (NRS 108.245)~~

~~Section 14 of this bill requires owners and prime contractors to provide certain information to a contractor or subcontractor if the work, materials or equipment is covered by an insurance policy and provides that a contractor or subcontractor can terminate a contract or refuse to enter a contract if such information is not provided. Section 14 also provides limitations on certain indemnity and hold-harmless provisions in contracts and provides for notification by a prime contractor or owner of deficient work of the contractor or subcontractor. (NRS 108.2453)~~

~~Section 15 of this bill revises the contents of certain waivers and releases for a lien claim and revises the provisions governing when certain waivers should be executed by a lien claimant. (NRS 108.2457)~~

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

1 **Delete existing sections 1 through 16 of this bill and replace with the following**
2 **new sections 1 through 15:**

3
4 **Section 1.** NRS 108.22104 is hereby amended to read as follows:

5 108.22104 “Agent of the owner” means every architect, builder, contractor,
6 construction manager, engineer, geologist, land surveyor, lessee, miner, property
7 manager, subcontractor or other person ~~having~~ :

8 1. Having charge or control of the property, improvement or work of
9 improvement of the owner, or any part thereof ~~[-]; or~~

10 2. Who contracts for, causes or allows a work of improvement or any part
11 thereof to be constructed, altered or repaired upon the property, improvement or
12 work of improvement of the owner.

13 **Sec. 2.** NRS 108.22112 is hereby amended to read as follows:

14 108.22112 “Commencement of construction” means the date on which:

15 1. Work performed ~~[- or~~

16 ~~2. Materials] or materials~~ or equipment furnished in connection with a work
17 of improvement ~~[-~~

18 ~~[-]~~ is visible from a reasonable inspection of the ~~[-site-]~~ property; or

19 2. A notice of commencement of construction is recorded in the office of the
20 county recorder of the county where the property is located,
21 whichever occurs first.

22 **Sec. 3.** NRS 108.22116 is hereby amended to read as follows:

23 108.22116 “Completion of the work of improvement” means:

24 1. The occupation or use by the owner, an agent of the owner or a
25 representative of the owner of the work of improvement, accompanied by the
26 cessation of all work on the work of improvement;

27 2. The acceptance by the owner, an agent of the owner or a representative of
28 the owner of the work of improvement, accompanied by the cessation of all work
29 on the work of improvement; or

30 3. The cessation of all work on a work of improvement for 30 consecutive
31 days, provided a notice of completion is timely recorded and served pursuant to
32 NRS 108.228 and the work is not resumed under the same contract.

33 **Sec. 4.** NRS 108.22164 is hereby amended to read as follows:

34 108.22164 “Prime contractor” means:

35 1. A person who contracts with an owner or a lessee of property to provide
36 work, materials or equipment to be used for the improvement of the property or in
37 the construction, alteration or repair of a work of improvement; or

38 2. A person who is an owner of the property, is licensed as a general
39 engineering contractor or a general building contractor pursuant to chapter 624 of
40 NRS and provides work, materials or equipment to be used for the improvement of
41 the property or in the construction, alteration or repair of a work of improvement.

42 **Sec. 5.** NRS 108.22168 is hereby amended to read as follows:

43 108.22168 “Principal,” as pertaining to a surety bond, means ~~[the debtor of~~
44 ~~the lien claimant or a party in interest in the property subject to the lien]~~ a person
45 whose name and signature appear as principal on a surety bond.

46 **Sec. 6.** NRS 108.222 is hereby amended to read as follows:

47 108.222 1. Except as otherwise provided in ~~[subsection 2.]~~ this section, a
48 lien claimant has a lien upon the property, any improvements for which the work,

materials and equipment were furnished or to be furnished, and any construction disbursement account established pursuant to NRS 108.2403, for:

(a) If the parties agreed, by contract or otherwise, upon a specific price or method for determining a specific price for some or all of the work, material and equipment furnished or to be furnished by or through the lien claimant, the unpaid balance of the price agreed upon for such work, material or equipment, as the case may be, whether performed, furnished or to be performed or furnished at the instance of the owner or his agent; and

(b) If the parties did not agree, by contract or otherwise, upon a specific price or method for determining a specific price for some or all of the work, material and equipment furnished or to be furnished by or through the lien claimant, including, without limitation, any additional or changed work, material or equipment, an amount equal to the fair market value of such work, material or equipment, as the case may be, including a reasonable allowance for overhead and a profit, whether performed, furnished or to be performed or furnished at the instance of the owner or at the instance of his agent.

2. *If a lien claimant's contract is terminated, the lien may not include the costs of work, materials or equipment that the lien claimant has not furnished and will not furnish for the work of improvement unless the lien claimant has or will become indebted for the work, materials or equipment. This subsection does not preclude a lien claimant from including in the lien any overhead and profit that the lien claimant would otherwise be entitled to recover under the contract, at law or in equity.*

3. If a contractor or professional is required to be licensed pursuant to the provisions of NRS to perform his work, the contractor or professional will only have a lien pursuant to subsection 1 if he is licensed to perform the work.

Sec. 7. NRS 108.225 is hereby amended to read as follows:

108.225 1. ~~[[The]]~~ *Except as otherwise provided in this section, the* liens provided for in NRS 108.221 to 108.246, inclusive, are preferred to:

(a) Any lien, mortgage or other encumbrance which may have attached to the property after the commencement of construction of a work of improvement.

(b) Any lien, mortgage or other encumbrance of which the lien claimant had no notice and which was unrecorded against the property at the commencement of construction of a work of improvement.

2. ~~[[Every]]~~ *Except as otherwise provided in this section, every deed of trust, mortgage or encumbrance imposed upon, or conveyance made of, property affected by the liens provided for in NRS 108.221 to 108.246, inclusive, after the commencement of construction of a work of improvement are subordinate and subject to the liens provided for in NRS 108.221 to 108.246, inclusive, regardless of the date of recording the notices of liens.*

3. *Any deed of trust which may have attached to the property after the commencement of construction of a work of improvement is preferred to the liens provided for in NRS 108.221 to 108.246, inclusive, if either of the following conditions set forth in paragraph (a) or (b) is satisfied:*

(a) The holder of the deed of trust deposits all funds necessary to pay for the work of improvement, including funds for additional or changed work, materials or equipment, in an account which is dedicated to the work of improvement, administered by a construction control and used only to pay a lien claimant for work, materials and equipment furnished or to be furnished to construct the work of improvement. Upon written request of a lien claimant, within 5 days:

(1) The owner shall provide, in writing:

(I) The name, address and telephone number of the holder of the deed of trust;

1 (II) The name and address of the bank or financial institution in
2 which the funds are deposited;

3 (III) The bank account number in which the funds are deposited;

4 (IV) The name and address of the construction control and the name
5 of the person administering disbursements from the account for the construction
6 control; and

7 (V) An acknowledgment, signed by the holder of the deed of trust and
8 the construction control, that the funds deposited in the account cannot be used
9 for any purpose other than to pay a lien claimant for work, materials and
10 equipment furnished or to be furnished to construct the work of improvement;
11 and

12 (2) The construction control shall provide an accounting of all amounts
13 deposited with the construction control and all disbursements of amounts made
14 by the construction control.

15 (b) The owner agrees, in a writing signed by the owner and the holder of the
16 deed of trust, that money equal to the amount necessary to pay the cost of the
17 work of improvement, including money for additional or changed work, materials
18 or equipment, exists and has been dedicated to, set aside for and is immediately
19 accessible for the sole benefit of the work of improvement to pay a lien claimant
20 for work, materials and equipment furnished or to be furnished to construct the
21 work of improvement. Upon written request of a lien claimant, within 5 days;

22 (1) The owner shall provide, in writing:

23 (I) The name, address and telephone number of the holder of the
24 deed of trust;

25 (II) The name and address of the bank or financial institution in
26 which the money is deposited;

27 (III) The bank account number in which the money is deposited; and

28 (IV) An acknowledgment, signed by the owner and the holder of the
29 deed of trust that the money deposited in the account cannot be used for any
30 purpose other than to pay a lien claimant for work, materials and equipment
31 furnished or to be furnished to construct the work of improvement; and

32 (2) The holder of the deed of trust shall provide an accounting of all
33 amounts deposited and all disbursements of amounts from the account.

34 4. If an owner defaults under the loan agreement that is secured by a deed
35 of trust, within 30 days after the default, the holder of the deed of trust shall pay
36 from the account established pursuant to paragraph (a) or (b) of subsection 3, as
37 applicable, any amount owed to a lien claimant for work, materials and
38 equipment furnished or to be furnished to construct the work of improvement.

39 5. If a deed of trust, mortgage or other encumbrance that attached to the
40 property before or after the commencement of construction of the work of
41 improvement is before a lien provided for in NRS 108.221 to 108.246, inclusive,
42 and such deed of trust, mortgage or other encumbrance is foreclosed upon, the
43 lien recorded pursuant to NRS 108.226:

44 (a) Remains attached to the property after the foreclosure until the lien is
45 paid or satisfied; and

46 (b) May be perfected by the lien claimant and the lien claimant may foreclose
47 his lien pursuant to the provisions of NRS 108.221 to 108.246, inclusive.

48 **Sec. 8.** NRS 108.226 is hereby amended to read as follows:

49 108.226 1. To perfect his lien, a lien claimant must record his notice of lien
50 in the office of the county recorder of the county where the property or some part
51 thereof is located in the form provided in subsection 5:

52 (a) Within 90 days after the date on which the latest of the following occurs:

53 (1) The completion of the work of improvement;

(2) The last delivery of material or furnishing of equipment by the lien claimant for the work of improvement; or

(3) The last performance of work by the lien claimant for the work of improvement; or

(b) Within 40 days after the recording of a valid notice of completion, if the notice of completion is recorded and served in the manner required pursuant to NRS 108.228.

2. The notice of lien must contain:

(a) A statement of the lienable amount after deducting all just credits and offsets.

(b) The name of the owner if known.

(c) The name of the person by whom he was employed or to whom he furnished the material or equipment.

(d) A brief statement of the terms of payment of his contract.

(e) A description of the property to be charged with the notice of lien sufficient for identification.

3. The notice of lien must be verified by the oath of the lien claimant or some other person. The notice of lien need not be acknowledged to be recorded.

4. It is unlawful for a person knowingly to make a false statement in or relating to the recording of a notice of lien pursuant to the provisions of this section. A person who violates this subsection is guilty of a gross misdemeanor and shall be punished by a fine of not less than \$5,000 nor more than \$10,000.

5. A notice of lien must be substantially in the following form:

Assessor's Parcel Numbers

NOTICE OF LIEN

The undersigned claims a lien upon the property described in this notice for work, materials or equipment furnished or to be furnished for the improvement of the property:

1. The amount of the original contract is: \$.....

2. The total amount of all additional or changed work, materials and equipment, if any, is: \$.....

3. The total amount of all payments received to date is: \$.....

4. The amount of the lien, after deducting all just credits and offsets, is: \$.....

5. The name of the owner, if known, of the property is:

6. The name of the person by whom the lien claimant was employed or to whom the lien claimant furnished or agreed to furnish work, materials or equipment is:

7. A brief statement of the terms of payment of the lien claimant's contract is:

.....

8. A description of the property to be charged with the lien is:

.....

.....

.....

(Print Name of Lien Claimant)

By:

(Authorized Signature)

State of Nevada)

) ss.

County of)

..... (print name), being first duly sworn on oath according to law, deposes and says:

I have read the foregoing Notice of Lien, know the contents thereof and state that the same is true of my own personal knowledge, except those matters stated upon information and belief, and, as to those matters, I believe them to be true.

.....
(Authorized Signature of Lien Claimant)

Subscribed and sworn to before me
this day of the month of of the year

.....
Notary Public in and for
the County and State

6. Except as otherwise provided in subsection 7, if a work of improvement involves the construction, alteration or repair of multifamily or single-family residences, including, without limitation, apartment houses, a lien claimant, except laborers, must serve a 15-day notice of intent to lien incorporating substantially the same information required in a notice of lien upon both the owner and the reputed prime contractor before recording a notice of lien. Service of the notice of intent to lien must be by personal delivery or certified mail and will extend the time for recording the notice of lien described in subsection 1 by 15 days. A notice of lien for materials or equipment furnished or to be furnished for work or services performed or to be performed, except labor, for a work of improvement involving the construction, alteration or repair of multifamily or single-family residences may not be perfected or enforced pursuant to NRS 108.221 to 108.246, inclusive, unless the 15-day notice of intent to lien has been given to the owner.

7. The provisions of subsection 6 do not apply to the construction of any nonresidential construction project. As used in this subsection, "nonresidential construction project" means an improvement or work of improvement which is not designed or intended to be a permanent residence of a natural person.

Sec. 9. NRS 108.2275 is hereby amended to read as follows:

108.2275 1. The debtor of the lien claimant or a party in interest in the property subject to the notice of lien who believes the notice of lien is frivolous and was made without a reasonable ~~cause,~~ basis in law or fact, or that there is no reasonable basis in law or fact to support the amount or a portion of the amount of the notice of lien, ~~is excessive,~~ may apply by motion to the district court for the county where the property or some part thereof is located for an order directing the lien claimant to appear before the court to show cause why the relief requested should not be granted.

2. The motion must:

(a) Set forth in detail the legal and factual grounds upon which relief is requested; and

(b) Be supported by:

(1) A notarized affidavit signed by the applicant setting forth a concise statement of the facts upon which the motion is based; and

(2) Documentary evidence in support of the affidavit, if any.

3. If the court issues an order for a hearing, the applicant shall serve notice of the application and order of the court on the lien claimant within 3 days after the court issues the order. The court shall conduct the hearing within not less than 15 days or more than 30 days after the court issues the order for a hearing.

4. The order for a hearing must include a statement that if the lien claimant fails to appear at the time and place noted, the notice of lien will be released with prejudice and the lien claimant will be ordered to pay the reasonable costs the applicant incurs in bringing the motion, including reasonable attorney's fees.

5. If, at the time the application is filed, an action to foreclose the notice of lien has not been filed, the clerk of the court shall assign a number to the application and obtain from the applicant a filing fee of \$85. A lien claimant may file an action to foreclose the notice of lien in the action to show cause. If an action has been filed to foreclose the notice of lien before the application was filed pursuant to this section, the application must be made a part of the action to foreclose the notice of lien.

6. If, after a hearing on the matter, the court determines that:

(a) The notice of lien is frivolous and was made without a reasonable ~~cause,~~ basis in fact or law, the court shall make an order releasing the lien and awarding costs and reasonable attorney's fees to the applicant for bringing the motion.

(b) ~~The~~ There is no reasonable basis in fact or law to support the amount of the notice of lien, ~~is excessive,~~ the court may make an order reducing the notice of lien ~~to~~ by an amount deemed appropriate by the court and awarding costs and reasonable attorney's fees to the applicant for bringing the motion.

(c) The notice of lien is not frivolous and was made with a reasonable ~~cause,~~ basis in law or fact or that there is a reasonable basis in law or fact to support the amount of the notice of lien, ~~is not excessive,~~ the court shall make an order awarding costs and reasonable attorney's fees to the lien claimant for defending the motion.

7. Proceedings conducted pursuant to this section do not affect any other rights and remedies otherwise available to the parties.

8. An appeal may be taken from an order made pursuant to subsection 6. A stay may not be granted if the district court does not release the lien pursuant to subsection 6.

9. If an order releasing or reducing a notice of lien is entered by the court, and the order is not stayed, the applicant may, within 5 days after the order is entered, record a certified copy of the order in the office of the county recorder of the county where the property or some part thereof is located. The recording of a certified copy of the order releasing or reducing a notice of lien is notice to any interested party that the notice of lien has been released or reduced.

Sec. 10. NRS 108.2403 is hereby amended to read as follows:

108.2403 1. Except as otherwise provided in NRS 108.2405, before a lessee may cause a work of improvement to be constructed, altered or repaired upon property that he is leasing, the lessee shall:

(a) Record a notice of posted security with the county recorder of the county where the property is located upon which the improvement is or will be constructed, altered or repaired; and

(b) Either:

(1) Establish a construction disbursement account and:

(I) Fund the account in an amount equal to the total cost of the work of improvement, but in no event less than the total amount of the prime contract;

(II) Obtain the services of a construction control to administer the construction disbursement account; and

(III) Notify each person who gives the lessee a notice of right to lien of the establishment of the construction disbursement account as provided in paragraph (f) of subsection 2; or

(2) Record a surety bond for the prime contract that meets the requirements of subsection 2 of NRS 108.2415 and notify each person who gives the lessee a

notice of right to lien of the recording of the surety bond as provided in paragraph (f) of subsection 2.

2. The notice of posted security required pursuant to subsection 1 must:

(a) Identify the name and address of the lessee;

(b) Identify the location of the improvement and the address, legal description and assessor's parcel number of the property upon which the improvement is or will be constructed, altered or repaired;

(c) Describe the nature of the lessee's interest in:

(1) The property upon which the improvement is or will be constructed, altered or repaired; and

(2) The improvement on such property;

(d) If the lessee establishes a construction disbursement account pursuant to subsection 1, include:

(1) The name and address of the construction control;

(2) The date that the lessee obtained the services of the construction control and the total amount of funds in the construction disbursement account; and

(3) The number of the construction disbursement account, if any;

(e) If the lessee records a surety bond pursuant to subsection 1, include:

(1) The name and address of the surety;

(2) The surety bond number;

(3) The date that the surety bond was recorded in the office of the county recorder of the county where the property is located upon which the improvement is or will be constructed, altered or repaired;

(4) The book and the instrument or document number of the recorded surety bond; and

(5) A copy of the recorded surety bond with the notice of posted security; and

(f) Be served upon each person who gives a notice of right to lien within 10 days after receipt of the notice of right to lien, in one of the following ways:

(1) By personally delivering a copy of the notice of posted security to the person who gives a notice of right to lien at the address identified in the notice of right to lien; or

(2) By mailing a copy of the notice of posted security by certified mail, return receipt requested, to the person who gives a notice of right to lien at the address identified in the notice of right to lien.

3. If a lessee fails to satisfy the requirements of subsection 1 of this section or subsection 2 of NRS 108.2407, at any time during the construction of a work of improvement, the prime contractor who has furnished or will furnish materials or equipment for the work of improvement may stop work. If the prime contractor stops work, the prime contractor's lower-tiered subcontractors and suppliers may stop work.

4. If the lessee:

(a) Satisfies the requirements of subsection 1 of this section or subsection 2 of NRS 108.2407 within 25 days after any work stoppage, the prime contractor and his lower-tiered subcontractors or suppliers who stopped work shall resume work and the prime contractor and his lower-tiered subcontractors and suppliers are entitled to compensation for any reasonable costs and expenses that any of them have incurred because of the delay and remobilization; or

(b) Does not satisfy the requirements of subsection 1 of this section or subsection 2 of NRS 108.2407 within 25 days after the work stoppage, the prime contractor and his lower-tiered subcontractors and suppliers who stopped work may terminate his contract relating to the work of improvement and the prime contractor and his lower-tiered subcontractors and suppliers are entitled to recover:

(1) The cost of all work, materials and equipment, including any overhead the prime contractor and his lower-tiered subcontractors and suppliers incurred and profit the prime contractor and his lower-tiered subcontractors and suppliers earned through the date of termination;

(2) The balance of the profit the prime contractor and his lower-tiered subcontractors and suppliers would have earned if the contract had not been terminated;

(3) Any interest, costs and attorney's fees that the prime contractor and his lower-tiered subcontractors and suppliers are entitled to pursuant to NRS 108.237; and

(4) Any other amount awarded by a court or other trier of fact.

~~44~~ 5. The rights and remedies provided to a prime contractor and his lower-tiered subcontractors and suppliers pursuant to this section are in addition to any other rights and remedies that may exist at law or in equity, including, without limitation, the rights and remedies provided pursuant to NRS 624.606 to 624.630, inclusive.

Sec. 11. NRS 108.2415 is hereby amended to read as follows:

108.2415 1. To obtain the release of a lien for which notice of lien has been recorded against the property, the principal and a surety must execute a surety bond in an amount equal to 1.5 times the lienable amount in the notice of lien, which must be in the following form:

(Assessor's Parcel Numbers)

(Title of court and cause, if action has been commenced)

WHEREAS, (name of principal), located at (address of principal), desires to give a bond for releasing the following described property owned by (name of owners) from that certain notice of lien in the sum of \$..... recorded (month) (day), (year), in the office of the recorder in (name of county where the property is located):

(Legal Description)

NOW, THEREFORE, the undersigned principal and surety do hereby obligate themselves to the lien claimant named in the notice of lien,, (name of lien claimant) under the conditions prescribed by NRS 108.2413 to 108.2425, inclusive, in the sum of \$..... (1 1/2 x lienable amount), from which sum they will pay the lien claimant that amount as a court of competent jurisdiction may adjudge to have been secured by his lien, including the total amount awarded pursuant to NRS 108.237, but the liability of the surety may not exceed the penal sum of the surety bond.

IN TESTIMONY WHEREOF, the principal and surety have executed this bond at, Nevada, on the day of the month of of the year

.....
(Signature of Principal)

(Surety Corporation)

By.....
(Its Attorney in Fact)

1 State of Nevada }
2 } ss.
3 County of..... }
4

5 On (month) (day), (year), before me, the undersigned, a notary
6 public of this County and State, personally appeared who
7 acknowledged that he executed the foregoing instrument as principal for the
8 purposes therein mentioned and also personally appeared
9 known (or satisfactorily proved) to me to be the attorney in fact of the surety that
10 executed the foregoing instrument, known to me to be the person who executed that
11 instrument on behalf of the surety therein named, and he acknowledged to me that
12 the surety executed the foregoing instrument.
13

14
15 (Notary Public in and for
16 the County and State)
17

18 2. To obtain the release of all prospective ~~[and existing]~~ lien rights of lien
19 claimants related to a work of improvement, the principal and a surety must execute
20 and cause to be recorded a surety bond in an amount equal to ~~[1.5 times]~~ the total
21 amount of the prime contract ~~[which]~~ to be paid by the owner for the work,
22 material and equipment to be furnished by or through the prime contractor for
23 the improvement or work of improvement. The surety bond must be in the
24 following form:
25

26 (Assessor's Parcel Numbers)
27

28 (Title of court and cause, if action has been commenced)
29

30 WHEREAS, (name of principal), located at
31 (address of principal), desires to give a bond for releasing
32 the following described property owned by (name of
33 owners) from all prospective and existing lien rights and notices of liens arising
34 from materials, equipment or work provided or to be provided under the prime
35 contract described as follows:
36

37 (Parties to the Prime Contract)
38 (Amount of the Prime Contract)
39 (Date of the Prime Contract)
40 (Summary of Terms of the Prime Contract)
41

42 WHEREAS, the property that is the subject of the surety bond is described as
43 follows:
44

45 (Legal Description)
46

47 NOW, THEREFORE, the undersigned principal and surety do hereby obligate
48 themselves in the sum of \$..... ~~[(1 1/2 x)]~~ (the total amount of the prime
49 contract ~~[H]~~ to be paid by the owner for the work, material and equipment to be
50 furnished by or through the prime contractor for the improvement or work of
51 improvement) to all prospective and existing lien claimants who have provided or
52 hereafter provide materials, equipment or work under the prime contract, from
53 which sum the principal and surety will pay the lien claimants the lienable amount

IN TESTIMONY WHEREOF, the principal and surety have executed this bond at, Nevada, on the day of the month of of the year

By.....
(Its Attorney in Fact)

5. Failure to serve the surety bond as provided in subsection 4 does not affect the validity of the surety bond, but the statute of limitations on any action on the

surety bond, including a motion excepting to the sufficiency of the surety pursuant to NRS 108.2425, is tolled until notice is given.

6. Subject to the provisions of NRS 108.2425, the recording and service of the surety bond pursuant to:

(a) Subsection 1 releases the property described in the surety bond from the lien and the surety bond shall be deemed to replace the property as security for the lien.

(b) Subsection 2 releases the property described in the surety bond from any liens and prospective liens for work, materials or equipment related to the prime contract and the surety bond shall be deemed to replace the property as security for the lien.

Sec. 12. NRS 108.2425 is hereby amended to read as follows:

108.2425 1. The lien claimant may, within 15 days after the service of a copy of the surety bond pursuant to subsection 4 of NRS 108.2415, file a motion with the clerk of the court in a pending action, or if no action has been commenced, file a petition with the court, excepting to the sufficiency of the surety or the surety bond, and shall, at the same time and together with that motion or petition, file an affidavit setting forth the grounds and basis of the exceptions to the surety or the surety bond, and shall serve a copy of the motion or petition and a copy of the affidavit upon the principal at the address set forth in the surety bond within 5 business days after the date of filing. A hearing must be had upon the justification of the surety or the surety bond not less than 10 days and not more than 20 days after the filing of the motion or petition. If the court determines that the surety or surety bond is insufficient, the lien claimant's lien will remain against the property or the court may allow the substitution of a sufficient surety and surety bond.

2. If, at any time after the recording of a surety bond pursuant to NRS 108.2415, the surety becomes unauthorized to transact surety business in this State pursuant to NRS 679A.030 or is dropped from the United States Department of the Treasury's Listing of Approved Sureties or there exists any other good cause, a lien claimant or other person having an interest in the surety bond may apply to the district court in a pending action, or commence an action if none is pending, for an order to require the principal to provide additional security or to change, substitute or add securities, or to enforce or change any other matter affecting the security provided by the surety bond.

3. If a court finds that the amount of a surety bond recorded pursuant to NRS 108.2403 or 108.2415 is insufficient to pay the total amount that may be awarded by the court pursuant to NRS 108.237, the court shall order the principal to obtain additional security or to change or substitute securities so that the amount of the security provided is ~~1.5 times~~ equal to the total amount that may be awarded.

4. Any surety that records or consents to the recording of a surety bond pursuant to NRS 108.2415 will remain fully liable to any lien claimant for up to the penal sum of the surety bond regardless of the payment or nonpayment of any surety bond premium.

Sec. 13. NRS 108.245 is hereby amended to read as follows:

108.245 1. Except as otherwise provided in ~~subsection 5~~ subsections 2, 3 and 4, every lien claimant, other than ~~one~~ a laborer, as defined in NRS 108.2214, or a natural person who performs only labor, who claims ~~the benefit of~~ a lien pursuant to NRS 108.221 to 108.246, inclusive, shall, at any time before or after the first delivery of material or equipment or the performance of work ~~for services under his contract~~ for a work of improvement, deliver in person or by certified mail to the owner ~~of the property~~ and the prime contractor a notice of right to lien in substantially the following form:

NOTICE OF RIGHT TO LIEN

~~{To:~~
~~(Owner's name and address)~~

~~—The}~~

AND REQUEST FOR RECEIPT OF NOTICE OF COMPLETION

Name and address of owner:.....

Name and address of tenant, if known:.....

Name and address of prime contractor, if known:.....

Name and address of the customer of the undersigned:.....

Name and address of the property to be improved:.....

Description of work, materials or equipment:.....

Anticipated value of work, materials or equipment:.....

Certified Return Receipt Number:.....

NOTICE IS HEREBY GIVEN that the undersigned ~~{notifies you that he}~~ has
~~{supplied}~~ **furnished or intends to furnish** materials or equipment or **has**
performed work or ~~{services as follows:~~

~~.....~~
~~(General description of materials, equipment, work or services)}~~
intends to perform work (described above), for the improvement of property (
identified ~~{as (property description or street address)}~~ **above**) under contract with
~~{(general contractor or subcontractor).}~~ **the customer of the undersigned (identified**
above). This is not a notice that the undersigned has not been or does not expect to
be paid, but a notice required by law that the undersigned may, at a future date,
record a notice of lien as provided by law against the property if the undersigned is
not paid.

~~.....~~
~~(Claimant)~~

~~A subcontractor or equipment or material supplier who gives such a notice must
also deliver in person or send by certified mail a copy of the notice to the prime
contractor for information only. The failure by a subcontractor to deliver the notice
to the prime contractor is a ground for disciplinary proceedings against the
subcontractor under chapter 624 of NRS but does not invalidate the notice to the
owner.~~

~~—2. Such a}~~

REQUEST IS HEREBY MADE that the owner, pursuant to NRS 108.228, serve
on the undersigned a copy or copies of any and all notices of completion the
owner or an agent of the owner may cause to be recorded with the office of the
county recorder where the property is located with respect to the improvements
made.

Signature:.....

Printed Name:.....

Position or Title:.....

Company Name:.....

Company Address:.....

Date Signed:.....

1 2. A lien claimant is not required to provide a notice of right to lien to a
2 prime contractor if:

3 (a) Before the commencement of construction, the prime contractor fails to
4 record against the property a notice of prime contractor in the office of the
5 county recorder of the county where the property is located;

6 (b) The prime contractor fails to continually and openly post the notice of
7 prime contractor on the property in a conspicuous location where it can be seen
8 by all lien claimants on the work of improvement;

9 (c) The notice of prime contractor fails to comply with the provisions of
10 subsection 3; or

11 (d) The lien claimant contracts directly with the prime contractor or his
12 agent to perform work or furnish materials or equipment.

13 3. The notice of prime contractor must include the following:

14 (a) A first sentence of the notice that conspicuously states in bold, oversized
15 and capitalized font, "PURSUANT TO NRS 108.245, YOU ARE HEREBY
16 NOTIFIED TO GIVE A NOTICE OF RIGHT TO LIEN TO THE PRIME
17 CONTRACTOR IDENTIFIED BELOW";

18 (b) The name, address, telephone number, facsimile number and license
19 number of the prime contractor and the contact information for the authorized
20 representative of the prime contractor of the work of improvement;

21 (c) The name and a description of the work of improvement to be constructed
22 by the prime contractor that is sufficient to identify the work to be performed by
23 the prime contractor; and

24 (d) The common address or a legal description of the property to be
25 improved.

26 4. A lien claimant is not required to provide an owner a notice of right to
27 lien if the lien claimant contracts directly with the owner or the agent of the
28 owner to perform work or furnish materials or equipment.

29 5. A notice of right to lien does not constitute a lien or give actual or
30 constructive notice of a lien for any purpose.

31 ~~[3. No lien for materials or equipment furnished or for work or services~~
32 ~~performed, except labor, may be perfected or enforced pursuant to NRS 108.221 to~~
33 ~~108.246, inclusive, unless the notice has been given.~~

34 ~~4.]~~ 6. If a lien claimant is required by this section to give notice of right to
35 lien to the owner or prime contractor and fails to give such notice, the lien
36 claimant is not entitled to recover:

37 (a) The amount of interest awarded by the court to the lien claimant
38 pursuant to NRS 108.237; or

39 (b) The amount of attorney's fees and costs awarded by the court to the lien
40 claimant pursuant to NRS 108.237,

41 whichever is less.

42 7. The notice need not be verified, sworn to or acknowledged.

43 ~~[5. A prime contractor or other person who contracts directly with an owner~~
44 ~~or sells materials directly to an owner is not required to give notice pursuant to this~~
45 ~~section.~~

46 ~~6.]~~ 8. A lien claimant who is required by this section to give a notice of
47 right to lien to an owner or a prime contractor and who gives such a notice has
48 the right to perfect his lien pursuant to NRS 108.222 for materials or equipment
49 furnished or for work ~~for services~~ performed in the 31 days before the date the
50 notice of right to lien is given and for the materials or equipment furnished ~~or to be~~
51 furnished ~~or for work~~ ~~for services~~ performed or to be performed anytime
52 thereafter until the completion of the work of improvement.

1 **Sec. 14.** NRS 108.2453 is hereby amended to read as follows:

2 108.2453 1. Except as otherwise provided in NRS 108.221 to 108.246,
3 inclusive, a person , by any provision in a contract or otherwise, may not ~~waive or~~
4 ~~modify a right;~~ ;

5 (a) Be relieved of an obligation or liability set forth in the provisions of NRS
6 108.221 to 108.246, inclusive ~~;~~ ; or

7 (b) Obtain a waiver, modification or impairment from a lien claimant of any
8 of the rights and remedies provided to a lien claimant pursuant to NRS 108.221
9 to 108.246, inclusive.

10 2. A condition, stipulation or provision in a contract or other agreement for
11 the improvement of property or for the construction, alteration or repair of a work
12 of improvement in this State that attempts to do any of the following is contrary to
13 public policy and is void and unenforceable:

14 (a) Require a lien claimant to waive rights provided by law to lien claimants or
15 to limit the rights provided to lien claimants, other than as expressly provided in
16 NRS 108.221 to 108.246, inclusive;

17 (b) Relieve a person of an obligation or liability imposed by the provisions of
18 NRS 108.221 to 108.246, inclusive;

19 (c) Make the contract or other agreement subject to the laws of a state other
20 than this State;

21 (d) Require any litigation, arbitration or other process for dispute resolution on
22 disputes arising out of the contract or other agreement to occur in a state other than
23 this State; ~~;~~ ~~or~~

24 (e) Require a prime contractor ~~;~~ , higher-tiered contractor, subcontractor or
25 lower-tiered subcontractor to waive, release or extinguish a claim or right that the
26 prime contractor ~~;~~ , higher-tiered contractor, subcontractor or lower-tiered
27 subcontractor may otherwise possess or acquire for delay, acceleration, disruption
28 or impact damages or an extension of time for delays incurred, for any delay,
29 acceleration, disruption or impact event which was unreasonable under the
30 circumstances, not within the contemplation of the parties at the time the contract
31 was entered into, or for which the prime contractor ~~;~~ , higher-tiered contractor,
32 subcontractor or lower-tiered subcontractor is not responsible ~~;~~ ; or

33 (f) Incorporate by reference exhibits, terms or conditions of a higher-tiered
34 contract unless a complete copy of the contract to which the lower-tiered
35 subcontractor will be bound is provided to the subcontractor before the time at
36 which the subcontractor signs the contract.

37 3. If all or part of the work, materials or equipment furnished or to be
38 furnished by a prime contractor, higher-tiered contractor, subcontractor or
39 lower-tiered subcontractor is insured by one or more insurance policies provided
40 or to be provided by the owner or a higher-tiered contractor, then before the date
41 on which the prime contractor, higher-tiered contractor, subcontractor or lower-
42 tiered subcontractor begins to furnish work, materials or equipment or before the
43 date a contract is entered into, whichever occurs first, the owner or prime
44 contractor shall provide to the contractor or subcontractor a copy of any
45 insurance policy and endorsements confirming the coverage to be provided and
46 that the prime contractor, higher-tiered contractor, subcontractor or lower-tiered
47 subcontractor are enrolled insureds under the insurance policy.

48 4. If the owner or prime contractor fails to provide a contractor or
49 subcontractor with a copy or endorsement of any insurance policy, the prime
50 contractor, higher-tiered contractor, subcontractor or lower-tiered subcontractor
51 may:

52 (a) If no contract has been entered into, decline to enter into a contract; or

(b) If a contract has been entered into, terminate the contract after giving 10 days' notice, in writing, to the other party with whom the contract was made.

5. A prime contractor, higher-tiered contractor, subcontractor or lower-tiered subcontractor, their lower-tiered subcontractors and the sureties of each may not be held liable for any delays or damages that may result from declining to enter into or terminating a contract pursuant to subsection 4.

6. Except as otherwise provided in subsection 7, any contractual duty or obligation that a prime contractor, higher-tiered contractor, subcontractor or lower-tiered subcontractor has to indemnify or hold harmless a person for defective or deficient work, materials or equipment furnished by the prime contractor, higher-tiered contractor, subcontractor or lower-tiered subcontractor is limited to the proceeds that may be recovered from the insurance policy provided for the work of improvement, including any insurance provided by the prime contractor, higher-tiered contractor, subcontractor or lower-tiered subcontractor.

7. The limitation pursuant to subsection 6 does not limit any contractual duty a prime contractor, higher-tiered contractor, subcontractor or lower-tiered subcontractor may have to warranty any defective or deficient work, materials or equipment furnished by him. The contractual warranty to be provided must not exceed 2 years from the date the work is substantially completed or the materials and equipment were last furnished, but a manufacturer of materials or equipment may provide a warranty longer or shorter than is provided for in this section.

8. An owner or prime contractor may provide written notice to a prime contractor, higher-tiered contractor, subcontractor or lower-tiered subcontractor that work, materials or equipment furnished is defective or deficient. Such notice must be provided during the period established by the contract during which the work, materials or equipment is under warranty.

Sec. 15. NRS 108.2457 is hereby amended to read as follows:

108.2457 1. Any term of a contract that attempts to waive or impair the lien rights of a contractor, subcontractor or supplier is void. An owner, contractor or subcontractor by any term of a contract, or otherwise, may not obtain the waiver of, or impair the lien rights of, a contractor, subcontractor or supplier, except as provided in this section. ~~Any written consent given by a lien claimant that waives or limits his lien rights is unenforceable unless the lien claimant:~~

~~(a) Executes and delivers a waiver and release that is signed by the lien claimant or his authorized agent in the form set forth in this section; and~~

~~(b) In the case of a conditional waiver and release, receives payment of the amount identified in the conditional waiver and release.~~

2. ~~Any~~ Any oral or written statement ~~purporting~~ or consent given by a lien claimant that purports to waive, release or otherwise adversely affect the lien rights of ~~the~~ a lien claimant is not enforceable and does not create any estoppel or impairment of a lien unless:

(a) ~~There is~~ The lien claimant delivers a written waiver and release that is signed by the lien claimant or his authorized agent in the form set forth in this section; and

(b) The lien claimant received payment ~~for the lien~~ and then only to the extent of the payment received.

3. Payment in the form of a two-party joint check made payable to a lien claimant and another joint payee who are in privity with each other shall, upon endorsement by the lien claimant and the joint check clearing the bank upon which it is drawn, be deemed to be payment to the lien claimant for only:

(a) The amount of the joint check;

(b) The amount the payor intended to pay the lien claimant out of the joint check; or

(c) The balance owed to the lien claimant for the work, materials or equipment covered by the joint check, whichever is less.

4. This section does not affect the enforceability of either an accord and satisfaction regarding a bona fide dispute or any agreement made in settlement of an action pending in any court or arbitration, provided the accord and satisfaction or settlement makes specific reference to the lien rights waived or impaired and is in a writing signed by the lien claimant.

5. The waiver and release given by any lien claimant is void and unenforceable unless it is in the following forms in the following circumstances:

(a) Where the lien claimant is required to execute a waiver and release in exchange for or to induce the payment of a progress billing and the lien claimant is not in fact paid in exchange for the waiver and release or a single payee check or joint payee check is given in exchange for the waiver and release, the waiver and release must be in the following form:

CONDITIONAL WAIVER AND RELEASE
UPON PROGRESS PAYMENT

Property Name:
Property Location:
Undersigned's Customer:
Invoice/Payment Application Number:
Invoice/Payment Application Period:
Payment Amount:

Upon receipt by the undersigned of a check in the above-referenced Payment Amount payable to the undersigned, and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release and the undersigned shall be deemed to waive any notice of lien, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to payment rights that the undersigned has on the above-described Property to the following extent:

This release covers a progress payment for ~~the~~ certain work, materials or equipment furnished by the undersigned to the Property or to the Undersigned's Customer during the Invoice or Payment Application Period which are the subject of the Invoice or Payment Application ~~for~~ for which payment is being sought, but only to the extent of the Payment Amount or such portion of the Payment Amount as the undersigned is actually paid ~~for~~ for such work, materials or equipment, and does not cover any retention withheld, any items, modifications or changes pending approval, disputed items and claims, or items furnished that are not paid. Before any recipient of this document relies on it, he should verify evidence of payment to the undersigned. The undersigned warrants that he either has already paid or will use the money he receives from this progress payment promptly to pay in full all his laborers, subcontractors, materialmen and suppliers for all work, materials or equipment that are the subject of this waiver and release.

~~Dated:~~
.....
..... (Company Name)
By:

Its: _____
Signature:.....
Printed Name:.....
Position/Title:.....
Company Name:.....
Company Address:.....
Date Signed:.....

STATE OF NEVADA)
) ss.
COUNTY OF.....

On the (day) of (month), (year), (name)
personally appeared and signed the Conditional Waiver and Release Upon
Progress Payment before me.

NOTARY PUBLIC in and for said
County and State

(b) Where the lien claimant has been paid in full or a part of the amount provided for in the progress billing, the waiver and release of the amount paid must be in the following form:

UNCONDITIONAL WAIVER AND RELEASE
UPON PROGRESS PAYMENT

Property Name:
Property Location:.....
Undersigned's Customer:.....
Invoice/Payment Application Number:.....
Invoice/Payment Application Period:.....
Payment Amount:.....

The undersigned has been paid and has received a progress payment ~~in the above referenced Payment Amount~~ for ~~all~~ certain work, materials and equipment the undersigned furnished to his Customer for the above-described Property and does hereby waive and release any notice of lien, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to payment rights that the undersigned has on the above-described Property to the following extent:

This release covers a progress payment for ~~the~~ certain work, materials and equipment furnished by the undersigned to the Property or to the Undersigned's Customer during the Invoice or Payment Application Period which are the subject of the Invoice or Payment Application ~~for which payment was sought~~, but only to the extent of the Payment Amount or such portion of the Payment Amount as the undersigned ~~has~~ was actually paid ~~for~~ for such work, materials or equipment and does not cover any retention withheld, any items, modifications or changes pending approval, disputed items and claims, or items furnished that ~~were~~ were not paid. The undersigned warrants that he either has already paid or will use the money he ~~receives~~ received from ~~this~~ the progress payment to promptly ~~to~~ pay in full all his laborers, subcontractors, materialmen and suppliers for all work, materials or equipment that are the subject of this waiver and release.

~~{~~Dated:.....
.....
.....(Company Name)
.....
By:.....
.....
It:.....}
Signature:.....
Printed Name:.....
Position/Title:.....
Company Name:.....
Company Address:.....
Date Signed:.....

STATE OF NEVADA)
) ss.
COUNTY OF.....)

On the (day) of (month), (year), (name)
personally appeared and signed the Unconditional Waiver and Release Upon
Progress Payment before me.

.....
NOTARY PUBLIC in and for said
County and State

(Each unconditional waiver and release must contain the following language, in
type at least as large as the largest type otherwise on the document:)

Notice: ~~{This document waives rights unconditionally and states that you have been
paid for giving up those rights.}~~ This document is enforceable against you if you
sign it to the extent of the Payment Amount or the amount received. If you have not
been paid, use a conditional release form.

(c) Where the lien claimant is required to execute a waiver and release in
exchange for or to induce payment of a final billing and the lien claimant is not paid
in exchange for the waiver and release or a single payee check or joint payee check
is given in exchange for the waiver and release, the waiver and release must be in
the following form:

CONDITIONAL WAIVER AND RELEASE
UPON FINAL PAYMENT

Property Name:
Property Location:.....
Undersigned's Customer:.....
Invoice/Payment Application Number:.....
Payment Amount:.....
~~{~~Payment Period:.....
Amount of Disputed Claims:.....

Upon receipt by the undersigned of a check in the above-referenced Payment
Amount payable to the undersigned, and when the check has been properly

1 endorsed and has been paid by the bank on which it is drawn, this document
2 becomes effective to release and the undersigned shall be deemed to waive any
3 notice of lien, any private bond right, any claim for payment and any rights under
4 any similar ordinance, rule or statute related to payment rights that the undersigned
5 has on the above-described Property to the following extent:

6 This release covers the final payment to the undersigned for all work, materials
7 or equipment furnished by the undersigned to the Property or to the Undersigned's
8 Customer and does not cover payment for Disputed Claims, if any. Before any
9 recipient of this document relies on it, he should verify evidence of payment to the
10 undersigned. The undersigned warrants that he either has already paid or will use
11 the money he receives from the final payment promptly to pay in full all his
12 laborers, subcontractors, materialmen and suppliers for all work, materials or
13 equipment that are the subject of this waiver and release.

14
15 {Dated:.....}
16
17 (Company Name)
18
19 By:.....
20
21 Its:..... }
22 Signature:.....
23 Printed Name:.....
24 Position/Title:.....
25 Company Name:.....
26 Company Address:.....
27 Date Signed:.....

28
29 STATE OF NEVADA)
30) ss.
31 COUNTY OF.....)

32
33 On the (day) of (month), (year), (name)
34 personally appeared and signed the Conditional Waiver and Release Upon Final
35 Payment before me.

36
37
38 NOTARY PUBLIC in and for said
39 County and State

40
41 (d) Where the lien claimant has been paid the final billing, the waiver and
42 release must be in the following form:

43
44 UNCONDITIONAL WAIVER AND RELEASE
45 UPON FINAL PAYMENT

46
47 Property Name:
48 Property Location:
49 Undersigned's Customer:
50 Invoice/Payment Application Number:
51 Payment Amount:
52 Amount of Disputed Claims:

The undersigned has been paid in full for all work, materials and equipment furnished to his Customer for the above-described Property and does hereby waive and release any notice of lien, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to payment rights that the undersigned has on the above-described Property, except for the payment of Disputed Claims, if any, noted above. The undersigned warrants that he either has already paid or will use the money he receives from this final payment promptly to pay in full all his laborers, subcontractors, materialmen and suppliers for all work, materials and equipment that are the subject of this waiver and release.

~~{Dated:.....}~~

.....
 (Company Name)

By:.....

Its:.....}

Signature:.....

Printed Name:.....

Position/Title:.....

Company Name:.....

Company Address:.....

Date Signed:.....

STATE OF NEVADA)

) ss.

COUNTY OF.....)

On the (day) of (month), (year), (name)
personally appeared and signed the Unconditional Waiver and Release Upon
Final Payment before me.

NOTARY PUBLIC in and for said
County and State

(Each unconditional waiver and release must contain the following language, in type at least as large as the largest type otherwise on the document:)

Notice: This document waives rights unconditionally and states that you have been paid for giving up those rights. ~~{This document is enforceable against you if you sign it, even if you have not been paid.}~~ If you have not been paid, use a conditional release form.

(e) Notwithstanding any language in any waiver and release form set forth in this section, if the payment given in exchange for any waiver and release of lien is made by check, draft or other such negotiable instrument, and the same fails to clear the bank on which it is drawn for any reason, then the waiver and release shall be deemed null, void and of no legal effect whatsoever and all liens, lien rights, bond rights, contract rights or any other right to recover payment afforded to the lien claimant in law or equity will not be affected by the lien claimant's execution of the waiver and release.

1 (f) A higher-tiered contractor may require a lien claimant to provide waivers
2 and releases as a condition precedent to paying a lien claimant only pursuant to
3 the circumstances described in paragraphs (a) and (c).

4 (g) A lien claimant is not required to execute a waiver described in
5 paragraph (b) or (d) until after the lien claimant receives payment of the amounts
6 described in the waiver. Any waiver or release obtained before payment of the
7 lien claimant shall be deemed null, void and of no legal effect whatsoever.