

FILED

State of Arizona
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1996

**Jane Dee Hull
Secretary of State**

CHAPTER 236

HOUSE BILL 2299

AN ACT

AMENDING SECTIONS 33-1248, 33-1258, 33-1260, 33-1803, 33-1804, 33-1805 AND 33-1806, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 16, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 33-1807; RELATING TO CONDOMINIUMS AND PLANNED COMMUNITIES.

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 33-1248, Arizona Revised Statutes, is amended to
3 read:

4 33-1248. Meetings

5 A. Notwithstanding any provision in the declaration, bylaws or other
6 documents to the contrary, all meetings of the association and board of
7 directors are open to all members of the association and all members so
8 desiring shall be permitted to attend and listen to the deliberations and
9 proceedings provided, however, that for regular and special meetings of the
10 board, association members who are not board members may not participate in
11 any deliberation or discussion unless expressly so authorized by a vote of
12 the majority of a quorum of the board, except that any portion of a meeting
13 may be closed only if the portion of the meeting is limited to CONSIDERATION
14 OF one or more of the following:

- 15 1. Employment or personnel matters for employees of the board or the
16 association.
17 2. Legal advice from an attorney for the board or the association.
18 3. Pending or contemplated litigation.
19 4. Pending or contemplated matters relating to enforcement of the
20 association's documents or rules.

1 B. A meeting of the association shall be held at least once each year.
2 Special meetings of the association may be called by the president, BY a
3 majority of the board of directors or by unit owners having twenty-five per
4 cent, or any lower percentage specified in the bylaws, of the votes in the
5 association. UNLESS OTHERWISE PROVIDED IN THE ARTICLES OR THE BYLAWS OF THE
6 ASSOCIATION, not fewer than ten nor more than ~~sixty~~ FIFTY days in advance of
7 any meeting OF THE UNIT OWNERS, the secretary ~~or other officer specified in~~
8 ~~the bylaws~~ shall cause notice to be hand-delivered or sent prepaid by United
9 States mail to the mailing address of each unit or to any other mailing
10 address designated in writing by the unit owner. The notice of any meeting
11 OF THE UNIT OWNERS shall state the time and place of the meeting. THE notice
12 of any special meeting OF THE UNIT OWNERS shall also state the ~~items on the~~
13 ~~agenda~~ PURPOSE FOR WHICH THE MEETING IS CALLED, including the general nature
14 of any proposed amendment to the declaration or bylaws, any ~~budget changes~~
15 CHANGES IN ASSESSMENTS THAT REQUIRE APPROVAL OF THE UNIT OWNERS and any
16 proposal to remove a director or officer. THE FAILURE OF ANY UNIT OWNER TO
17 RECEIVE ACTUAL NOTICE OF A MEETING OF THE UNIT OWNERS DOES NOT AFFECT THE
18 VALIDITY OF ANY ACTION TAKEN AT THAT MEETING.

19 C. UNLESS OTHERWISE PROVIDED IN THE ARTICLES OR BYLAWS OF THE
20 ASSOCIATION, FOR MEETINGS OF THE BOARD OF DIRECTORS THAT ARE HELD AFTER THE
21 TERMINATION OF DECLARANT CONTROL OF THE ASSOCIATION, NOTICE TO UNIT OWNERS
22 OF MEETINGS OF THE BOARD OF DIRECTORS SHALL BE BY NEWSLETTER, CONSPICUOUS
23 POSTING OR ANY OTHER REASONABLE MEANS AS DETERMINED BY THE BOARD OF
24 DIRECTORS. AN AFFIDAVIT OF NOTICE BY AN OFFICER OF THE ASSOCIATION IS PRIMA
25 FACIE EVIDENCE THAT NOTICE WAS GIVEN AS PRESCRIBED BY THIS SECTION. NOTICE
26 TO UNIT OWNERS OF MEETINGS OF THE BOARD OF DIRECTORS IS NOT REQUIRED IF
27 EMERGENCY CIRCUMSTANCES REQUIRE ACTION BY THE BOARD BEFORE NOTICE CAN BE
28 GIVEN. ANY NOTICE OF A BOARD MEETING SHALL STATE THE TIME AND PLACE OF THE
29 MEETING. THE FAILURE OF ANY UNIT OWNER TO RECEIVE ACTUAL NOTICE OF A MEETING
30 OF THE BOARD OF DIRECTORS DOES NOT AFFECT THE VALIDITY OF ANY ACTION TAKEN
31 AT THAT MEETING.

32 Sec. 2. Section 33-1258, Arizona Revised Statutes, is amended to read:
33 33-1258. Association financial and other records

34 A. Except as prescribed by subsection B of this section, all financial
35 and other records of the association and the board of directors shall be made
36 reasonably available for examination by any unit owner and his authorized
37 agents. IF THE ASSOCIATION IS INCORPORATED AS A NONPROFIT CORPORATION,
38 SECTION 10-2325 RELATING TO BOOKS AND RECORDS ALSO APPLIES.

39 B. Books and records kept by or on behalf of the association and the
40 board may be withheld from disclosure to the extent that the portion withheld
41 relates to any of the following:

- 42 1. Personnel matters or a person's medical records.
- 43 2. Communication between AN ATTORNEY FOR THE ASSOCIATION AND the
44 ASSOCIATION. ~~board and an attorney for the association.~~

1 3. Pending or contemplated litigation.

2 4. Pending or contemplated matters relating to enforcement of the
3 association's documents or rules.

4 5. Meeting minutes or other records of a session of a board meeting
5 or association meeting that is not required to be open to all members
6 pursuant to section 33-1248.

7 C. The association shall not be required to disclose financial and
8 other records of the association if disclosure would violate any local, state
9 or federal law.

10 Sec. 3. Section 33-1260, Arizona Revised Statutes, is amended to read:
11 33-1260. Resale of units; information required; definition

12 A. Except for a sale in which a public report shall be issued pursuant
13 to section 32-2183, ~~or an exempt sale pursuant to section 32-2181.02 or~~
14 ~~unless otherwise waived in writing by the purchaser~~ FOR CONDOMINIUMS WITH
15 FEWER THAN FIFTY UNITS, a unit owner shall furnish to a purchaser seven days
16 before conveyance of the unit, AND FOR CONDOMINIUMS WITH FIFTY OR MORE UNITS,
17 THE ASSOCIATION SHALL FURNISH TO A PURCHASER WITHIN SEVEN DAYS AFTER RECEIPT
18 OF NOTICE OF A PENDING SALE, ALL OF THE FOLLOWING:

19 1. A copy of the bylaws and the rules of the association.

20 2. A copy of the declaration IF NOT OTHERWISE RECEIVED BY THE
21 PURCHASER IN CONNECTION WITH SUCH SALE.

22 3. A dated statement containing:

23 (a) The ~~phone~~ TELEPHONE number and address of ~~the president of~~ A
24 PRINCIPAL CONTACT FOR THE ASSOCIATION, WHICH MAY BE AN ASSOCIATION MANAGER,
25 AN ASSOCIATION MANAGEMENT COMPANY, AN OFFICER OF THE ASSOCIATION OR ANY OTHER
26 PERSON DESIGNATED BY the board of directors.

27 (b) The amount of the common expense assessment for the unit and any
28 unpaid common expense assessment, special assessment or other assessment, fee
29 or charge currently due and payable from the selling unit owner.

30 (c) A statement as to whether a portion of the unit is covered by
31 insurance maintained by the association.

32 (d) ~~Any information the unit owner may have~~ A STATEMENT AS TO WHETHER
33 THE UNIT OWNER OR THE ASSOCIATION HAS ANY KNOWLEDGE of any alterations OR
34 IMPROVEMENTS that violate any provision of the declaration.

35 (e) ~~Any notice the unit owner may have received~~ A STATEMENT AS TO
36 WHETHER THE UNIT OWNER OR THE ASSOCIATION HAS KNOWLEDGE of any violations of
37 the health or building code with respect to the unit.

38 (f) A STATEMENT OF CASE NAMES AND CASE NUMBERS FOR PENDING LITIGATION
39 WITH RESPECT TO THE UNIT FILED BY THE ASSOCIATION AGAINST THE UNIT OWNER OR
40 FILED BY THE UNIT OWNER AGAINST THE ASSOCIATION. THE UNIT OWNER OR THE
41 ASSOCIATION SHALL NOT BE REQUIRED TO DISCLOSE INFORMATION CONCERNING SUCH
42 PENDING LITIGATION WHICH WOULD VIOLATE ANY APPLICABLE RULE OF ATTORNEY-CLIENT
43 PRIVILEGE UNDER ARIZONA LAW.

1 B. A person damaged by the failure of the unit owner OR THE
2 ASSOCIATION to disclose the information required by subsection A of this
3 section may pursue any and all remedies at law or in equity against the unit
4 owner OR THE ASSOCIATION, WHICHEVER FAILED TO COMPLY WITH SUBSECTION A OF
5 THIS SECTION.

6 C. THE ASSOCIATION MAY CHARGE THE UNIT OWNER A REASONABLE FEE TO
7 COMPENSATE THE ASSOCIATION FOR THE COSTS INCURRED IN THE PREPARATION OF A
8 STATEMENT FURNISHED BY THE ASSOCIATION PURSUANT TO THIS SECTION. THE
9 ASSOCIATION SHALL MAKE AVAILABLE TO ANY INTERESTED PARTY THE AMOUNT OF ANY
10 SUCH FEE ESTABLISHED FROM TIME TO TIME BY THE ASSOCIATION.

11 ~~C.~~ D. For purposes of this section, unless the context otherwise
12 requires, "unit owner" means the seller of the condominium unit title and
13 excludes any real estate salesperson or real estate broker who is licensed
14 under title 32, chapter 20 and who is acting as a salesperson or broker AND
15 ALSO EXCLUDES A TRUSTEE OF A DEED OF TRUST WHO IS SELLING THE PROPERTY IN A
16 TRUSTEE'S SALE PURSUANT TO CHAPTER 6.1 OF THIS TITLE.

17 Sec. 4. Section 33-1803, Arizona Revised Statutes, is amended to read:
18 33-1803. Penalties

19 A. NOTWITHSTANDING ANY PROVISION IN THE DECLARATION, BYLAWS OR RULES
20 OF THE ASSOCIATION, THE ASSOCIATION SHALL NOT IMPOSE A REGULAR ASSESSMENT
21 THAT IS MORE THAN TWENTY PER CENT GREATER THAN THE IMMEDIATELY PRECEDING
22 FISCAL YEAR'S ASSESSMENT WITHOUT THE APPROVAL OF THE MAJORITY OF THE MEMBERS
23 OF THE ASSOCIATION. Unless reserved to the members of the association, the
24 board of directors may impose reasonable charges for the late payment of
25 assessments. A PAYMENT BY A MEMBER IS DEEMED LATE IF IT IS UNPAID THIRTY OR
26 MORE DAYS AFTER ITS DUE DATE, UNLESS THE COMMUNITY DOCUMENTS PROVIDE FOR A
27 LONGER PERIOD. CHARGES FOR THE LATE PAYMENT OF ASSESSMENTS ARE LIMITED TO
28 THE GREATER OF FIFTEEN DOLLARS OR TEN PER CENT OF THE AMOUNT OF THE UNPAID
29 ASSESSMENT. ANY MONIES PAID BY THE MEMBER FOR AN UNPAID ASSESSMENT SHALL BE
30 APPLIED FIRST TO THE PRINCIPAL AMOUNT UNPAID AND THEN TO THE INTEREST
31 ACCRUED. ~~and,~~

32 B. After notice and an opportunity to be heard, THE BOARD OF DIRECTORS
33 may impose reasonable monetary penalties on ~~unit owners~~ MEMBERS for
34 violations of the declaration, bylaws and rules of the association.
35 NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, THE BOARD OF
36 DIRECTORS SHALL NOT IMPOSE A CHARGE FOR A LATE PAYMENT OF A PENALTY THAT
37 EXCEEDS THE GREATER OF FIFTEEN DOLLARS OR TEN PER CENT OF THE AMOUNT OF THE
38 UNPAID PENALTY. A PAYMENT IS DEEMED LATE IF IT IS UNPAID THIRTY OR MORE DAYS
39 AFTER ITS DUE DATE, UNLESS THE DECLARATION, BYLAWS OR RULES OF THE
40 ASSOCIATION PROVIDE FOR A LONGER PERIOD. ANY MONIES PAID BY A MEMBER FOR AN
41 UNPAID PENALTY SHALL BE APPLIED FIRST TO THE PRINCIPAL AMOUNT UNPAID AND THEN
42 TO THE INTEREST ACCRUED. NOTICE PURSUANT TO THIS SUBSECTION SHALL INCLUDE
43 INFORMATION PERTAINING TO THE MANNER IN WHICH THE PENALTY SHALL BE ENFORCED.

1 C. The CHARGES FOR LATE PAYMENT AND penalties shall be enforceable in
2 the same manner as unpaid assessments.

3 Sec. 5. Section 33-1804, Arizona Revised Statutes, is amended to read:
4 33-1804. Open meetings; exceptions

5 A. Notwithstanding any provision in the declaration, bylaws or other
6 documents to the contrary, all meetings of the association and board of
7 directors are open to all members of the association and all members so
8 desiring shall be permitted to attend and listen to the deliberations and
9 proceedings provided, however, that for regular and special meetings of the
10 board, association members who are not board members may not participate in
11 any deliberation or discussion unless expressly so authorized by a vote of
12 the majority of a quorum of the board, except that any portion of a meeting
13 may be closed only if the closed portion of the meeting is limited to
14 consideration of ~~either~~ ONE OR MORE of the following:

15 1. Employment or personnel matters for employees of the board or the
16 association.

17 2. Legal advice from an attorney for the board or the association.

18 3. Pending or contemplated litigation.

19 4. Pending or contemplated matters relating to enforcement of the
20 association's documents or rules.

21 B. A MEETING OF THE ASSOCIATION SHALL BE HELD AT LEAST ONCE EACH YEAR.
22 SPECIAL MEETINGS OF THE ASSOCIATION MAY BE CALLED BY THE PRESIDENT, A
23 MAJORITY OF THE BOARD OF DIRECTORS OR BY MEMBERS HAVING TWENTY-FIVE PER CENT,
24 OR ANY LOWER PERCENTAGE SPECIFIED IN THE BYLAWS, OF THE VOTES IN THE
25 ASSOCIATION. UNLESS OTHERWISE PROVIDED IN THE ARTICLES OR BYLAWS OF THE
26 ASSOCIATION, NOT FEWER THAN TEN NOR MORE THAN FIFTY DAYS IN ADVANCE OF ANY
27 MEETING OF THE MEMBERS THE SECRETARY SHALL CAUSE NOTICE TO BE HAND-DELIVERED
28 OR SENT PREPAID BY UNITED STATES MAIL TO THE MAILING ADDRESS FOR EACH LOT,
29 PARCEL OR UNIT OWNER OR TO ANY OTHER MAILING ADDRESS DESIGNATED IN WRITING
30 BY A MEMBER. THE NOTICE SHALL STATE THE TIME AND PLACE OF THE MEETING. A
31 NOTICE OF ANY SPECIAL MEETING OF THE MEMBERS SHALL ALSO STATE THE PURPOSE FOR
32 WHICH THE MEETING IS CALLED, INCLUDING THE GENERAL NATURE OF ANY PROPOSED
33 AMENDMENT TO THE DECLARATION OR BYLAWS, CHANGES IN ASSESSMENTS THAT REQUIRE
34 APPROVAL OF THE MEMBERS AND ANY PROPOSAL TO REMOVE A DIRECTOR OR AN OFFICER.
35 THE FAILURE OF ANY MEMBER TO RECEIVE ACTUAL NOTICE OF A MEETING OF THE
36 MEMBERS DOES NOT AFFECT THE VALIDITY OF ANY ACTION TAKEN AT THAT MEETING.

37 C. UNLESS OTHERWISE PROVIDED IN THE ARTICLES OR BYLAWS OF THE
38 ASSOCIATION, FOR MEETINGS OF THE BOARD OF DIRECTORS THAT ARE HELD AFTER THE
39 TERMINATION OF DECLARANT CONTROL OF THE ASSOCIATION, NOTICE TO MEMBERS OF
40 MEETINGS OF THE BOARD OF DIRECTORS SHALL BE BY NEWSLETTER, CONSPICUOUS
41 POSTING OR ANY OTHER REASONABLE MEANS AS DETERMINED BY THE BOARD OF
42 DIRECTORS. AN AFFIDAVIT OF NOTICE BY AN OFFICER OF THE CORPORATION IS PRIMA
43 FACIE EVIDENCE THAT NOTICE WAS GIVEN AS PRESCRIBED BY THIS SECTION. NOTICE
44 TO MEMBERS OF MEETINGS OF THE BOARD OF DIRECTORS IS NOT REQUIRED IF EMERGENCY

1 CIRCUMSTANCES REQUIRE ACTION BY THE BOARD BEFORE NOTICE CAN BE GIVEN. ANY
2 NOTICE OF A BOARD MEETING SHALL STATE THE TIME AND PLACE OF THE MEETING. THE
3 FAILURE OF ANY MEMBER TO RECEIVE ACTUAL NOTICE OF A MEETING OF THE BOARD OF
4 DIRECTORS DOES NOT AFFECT THE VALIDITY OF ANY ACTION TAKEN AT THAT MEETING.

5 Sec. 6. Section 33-1805, Arizona Revised Statutes, is amended to read:
6 33-1805. Disclosure and examination of association records:

7 exceptions

8 A. EXCEPT AS PRESCRIBED BY SUBSECTION B OF THIS SECTION, all financial
9 and other records of the association shall be made reasonably available for
10 examination by any ~~unit-owner~~ MEMBER and his authorized agents. IF THE
11 ASSOCIATION IS A NONPROFIT CORPORATION, SECTION 10-2325 RELATING TO BOOKS AND
12 RECORDS ALSO APPLIES.

13 B. Books and records kept by or on behalf of the association and the
14 board may be withheld from disclosure to the extent that the portion withheld
15 relates to any of the following:

- 16 1. Personnel matters or a person's medical records.
- 17 2. Communication between AN ATTORNEY FOR THE ASSOCIATION AND the
18 ASSOCIATION. ~~board and an attorney for the association.~~
- 19 3. Pending or contemplated litigation.
- 20 4. Pending or contemplated matters relating to enforcement of the
21 association's documents or rules.
- 22 5. Meeting minutes or other records of a session of a board meeting
23 or association meeting that is not required to be open to all members
24 pursuant to section 33-1804.

25 C. The association shall not be required to disclose financial and
26 other records of the association if disclosure would violate any local, state
27 or federal law.

28 Sec. 7. Section 33-1806, Arizona Revised Statutes, is amended to read:
29 33-1806. Resales of units; information required; definition

30 A. Except for a sale in which a public report shall be issued pursuant
31 to section 32-2183, ~~or~~ a sale which is exempt pursuant to section 32-2181.02
32 ~~and unless otherwise waived in writing by the purchaser~~ OR FOR PLANNED
33 COMMUNITIES WITH FEWER THAN FIFTY UNITS, a ~~unit-owner~~ MEMBER shall furnish
34 to a purchaser, before conveyance of the unit, AND FOR PLANNED COMMUNITIES
35 WITH FIFTY OR MORE UNITS, THE ASSOCIATION SHALL FURNISH TO A PURCHASER WITHIN
36 SEVEN DAYS AFTER RECEIPT OF NOTICE OF A PENDING SALE, a copy of the bylaws,
37 the rules of the association, the declaration, IF NOT OTHERWISE RECEIVED BY
38 THE PURCHASER IN CONNECTION WITH SUCH SALE, and a dated statement containing:

- 39 1. The ~~phone~~ TELEPHONE number and address of ~~the president of~~ A
40 PRINCIPAL CONTACT FOR THE ASSOCIATION, WHICH MAY BE AN ASSOCIATION MANAGER,
41 AN ASSOCIATION MANAGEMENT COMPANY, AN OFFICER OF THE ASSOCIATION OR ANY OTHER
42 PERSON DESIGNATED BY the board of directors.
- 43 2. A statement setting forth the amount of common regular assessment
44 and the unpaid common regular assessment, special assessment or other

1 assessment, fee or charge currently due and payable from the selling ~~unit~~
2 ~~owner~~ MEMBER.

3 3. A statement as to whether a portion of the unit is covered by
4 insurance maintained by the association.

5 4. A statement as to whether the ~~unit-owner~~ MEMBER OR THE ASSOCIATION
6 has knowledge of any alterations or improvements to the unit that violate any
7 provision of the declaration.

8 5. A statement as to whether the ~~unit-owner~~ MEMBER OR THE ASSOCIATION
9 has knowledge of any violations of the health or building code with respect
10 to the unit.

11 6. A STATEMENT OF CASE NAMES AND CASE NUMBERS FOR PENDING LITIGATION
12 WITH RESPECT TO THE UNIT FILED BY THE ASSOCIATION AGAINST THE MEMBER OR FILED
13 BY THE MEMBER AGAINST THE ASSOCIATION. THE MEMBER SHALL NOT BE REQUIRED TO
14 DISCLOSE INFORMATION CONCERNING SUCH PENDING LITIGATION WHICH WOULD VIOLATE
15 ANY APPLICABLE RULE OF ATTORNEY-CLIENT PRIVILEGE UNDER ARIZONA LAW.

16 B. A person damaged by the failure of the ~~unit-owner~~ MEMBER OR THE
17 ASSOCIATION to disclose the information required by subsection A of this
18 section may pursue any and all remedies at law or in equity against the ~~unit~~
19 ~~owner~~ MEMBER OR THE ASSOCIATION, WHICHEVER FAILED TO COMPLY WITH SUBSECTION
20 A OF THIS SECTION.

21 C. THE ASSOCIATION MAY CHARGE THE MEMBER A REASONABLE FEE TO
22 COMPENSATE THE ASSOCIATION FOR THE COSTS INCURRED IN THE PREPARATION OF A
23 STATEMENT FURNISHED BY THE ASSOCIATION PURSUANT TO THIS SECTION. THE
24 ASSOCIATION SHALL MAKE AVAILABLE TO ANY INTERESTED PARTY THE AMOUNT OF ANY
25 SUCH FEE ESTABLISHED FROM TIME TO TIME BY THE ASSOCIATION.

26 ~~C.~~ D. For purposes of this section, unless the context otherwise
27 requires, "~~unit-owner~~ MEMBER" means the seller of the unit title and excludes
28 any real estate salesperson or real estate broker who is licensed under title
29 32, chapter 20, and who is acting as a salesperson or broker AND ALSO
30 EXCLUDES A TRUSTEE OF A DEED OF TRUST WHO IS SELLING THE PROPERTY IN A
31 TRUSTEE'S SALE PURSUANT TO CHAPTER 6.1 OF THIS TITLE.

32 Sec. 8. Title 33, chapter 16, article 1, Arizona Revised Statutes, is
33 amended by adding section 33-1807, to read:

34 33-1807. Lien for assessments; priority; mechanics' and
35 materialmen's liens

36 A. THE ASSOCIATION HAS A LIEN ON A UNIT FOR ANY ASSESSMENT AUTHORIZED
37 BY STATUTE OR THE DECLARATION LEVIED AGAINST THAT UNIT OR MONETARY PENALTIES
38 AUTHORIZED BY STATUTE OR THE DECLARATION IMPOSED AGAINST ITS UNIT OWNER FROM
39 THE TIME THE ASSESSMENT OR PENALTY BECOMES DELINQUENT. UNLESS THE
40 DECLARATION OTHERWISE PROVIDES, LATE CHARGES, MONETARY PENALTIES AND INTEREST
41 CHARGED PURSUANT TO SECTION 33-1803 ARE ENFORCEABLE AS ASSESSMENTS UNDER THIS
42 SECTION. IF AN ASSESSMENT IS PAYABLE IN INSTALLMENTS, THE FULL AMOUNT OF THE
43 ASSESSMENT IS A LIEN FROM THE TIME THE FIRST INSTALLMENT OF THE ASSESSMENT
44 BECOMES DELINQUENT.

1 B. A LIEN UNDER THIS SECTION IS PRIOR TO ALL OTHER LIENS AND
2 ENCUMBRANCES ON A UNIT EXCEPT:

3 1. LIENS AND ENCUMBRANCES RECORDED BEFORE THE RECORDATION OF THE
4 DECLARATION.

5 2. ANY CONSENSUAL MORTGAGE OR DEED OF TRUST ON THE UNIT RECORDED
6 BEFORE THE DATE ON WHICH THE ASSESSMENT SOUGHT TO BE ENFORCED BECAME
7 DELINQUENT.

8 3. LIENS FOR REAL ESTATE TAXES AND OTHER GOVERNMENTAL ASSESSMENTS OR
9 CHARGES AGAINST THE UNIT.

10 C. SUBSECTION B OF THIS SECTION DOES NOT AFFECT THE PRIORITY OF
11 MECHANICS' OR MATERIALSMEN'S LIENS OR THE PRIORITY OF LIENS FOR OTHER
12 ASSESSMENTS MADE BY THE ASSOCIATION. THE LIEN UNDER THIS SECTION IS NOT
13 SUBJECT TO CHAPTER 8 OF THIS TITLE.

14 D. UNLESS THE DECLARATION OTHERWISE PROVIDES, IF TWO OR MORE
15 ASSOCIATIONS HAVE LIENS FOR ASSESSMENTS CREATED AT ANY TIME ON THE SAME REAL
16 ESTATE THOSE LIENS HAVE EQUAL PRIORITY.

17 E. RECORDING OF THE DECLARATION CONSTITUTES RECORD NOTICE AND
18 PERFECTION OF THE LIEN. FURTHER RECORDATION OF ANY CLAIM OF LIEN FOR
19 ASSESSMENT UNDER THIS SECTION IS NOT REQUIRED.

20 F. A LIEN FOR AN UNPAID ASSESSMENT IS EXTINGUISHED UNLESS PROCEEDINGS
21 TO ENFORCE THE LIEN ARE INSTITUTED WITHIN ONE YEAR AFTER THE FULL AMOUNT OF
22 THE ASSESSMENT BECOMES DUE.

23 G. THIS SECTION DOES NOT PROHIBIT:

24 1. ACTIONS TO RECOVER AMOUNTS FOR WHICH SUBSECTION A OF THIS SECTION
25 CREATES A LIEN.

26 2. AN ASSOCIATION FROM TAKING A DEED IN LIEU OF FORECLOSURE OF THE
27 INTEREST OF THE UNIT OWNER.

28 H. A JUDGMENT OR DECREE IN ANY ACTION BROUGHT UNDER THIS SECTION SHALL
29 INCLUDE COSTS AND REASONABLE ATTORNEY FEES FOR THE PREVAILING PARTY.

30 I. ON WRITTEN REQUEST, THE ASSOCIATION SHALL FURNISH TO A LIENHOLDER,
31 UNIT OWNER OR PERSON DESIGNATED BY A UNIT OWNER A RECORDABLE STATEMENT
32 SETTING FORTH THE AMOUNT OF ANY UNPAID ASSESSMENT AGAINST THE UNIT. THE
33 ASSOCIATION SHALL FURNISH THE STATEMENT WITHIN SEVEN BUSINESS DAYS AFTER
34 RECEIPT OF THE REQUEST AND THE STATEMENT IS BINDING ON THE ASSOCIATION, THE
35 BOARD OF DIRECTORS AND EVERY UNIT OWNER. FAILURE TO PROVIDE THE STATEMENT
36 WITHIN THE TIME PROVIDED FOR IN THIS SUBSECTION SHALL EXTINGUISH ANY LIEN FOR
37 ANY UNPAID ASSESSMENT THEN DUE.

APPROVED BY THE GOVERNOR APRIL 20, 1996

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 22, 1996.