COMMITTEE ON COMMERCE HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2648 (Reference to printed bill)

1	Strike everything after the enacting clause and insert:
2	"Section 1. Section 33-1256, Arizona Revised Statutes, is amended to
3	read:
4	33–1256. Lien for common expense assessments; priority;
5	mechanics' and materialmen's liens; notice;
6	<u>applicability</u>
7	A. The association has a lien on a unit for any COMMON EXPENSE
8	assessment levied against that unit from the time the assessment becomes
9	due. The association's lien for COMMON EXPENSE assessments , for MAY
10	INCLUDE REASONABLE charges OR INTEREST for late payment of those
11	assessments ONLY IF AUTHORIZED IN THE DECLARATION, for reasonable
12	collection COSTS OR fees INCURRED OR APPLIED BY THE ASSOCIATION ONLY, and
13	for THOSE reasonable attorney fees and costs incurred BUT ONLY AS AWARDED
14	BY THE COURT IN ANY ACTION with respect to those assessments. IF A COMMON
15	EXPENSE ASSESSMENT IS PAYABLE IN INSTALLMENTS, THE FULL AMOUNT OF THE
16	ASSESSMENT IS A LIEN FROM THE TIME THE FIRST INSTALLMENT OF THE ASSESSMENT
17	BECOMES DUE.
18	B. THE COMMON EXPENSE ASSESSMENT LIEN PRESCRIBED BY THIS SECTION IS
19	NOT SUBJECT TO THE HOMESTEAD EXEMPTION PRESCRIBED BY CHAPTER 8 OF THIS
20	TITLE AND may be foreclosed in the same manner as a mortgage on real estate
21	but may be foreclosed only if the UNIT owner has been AND REMAINS
22	delinquent in the payment of monies secured by the lien, excluding
23	reasonable collection fees, reasonable attorney fees and charges for late

1 payment of and costs incurred with respect to those assessments, COMMON 2 EXPENSE ASSESSMENTS for a period of one year or in the amount of \$1,200 or 3 more, whichever occurs first, as determined on the date the action is 4 filed. Fees, charges, late charges, monetary penalties and interest 5 charged pursuant to section 33-1242, subsection A, paragraphs 10, 11 and 6 12, other than charges for late payment of assessments, are not enforceable 7 as assessments under this section. If an assessment is payable in 8 installments, the full amount of the assessment is a lien from the time the 9 first installment of the assessment becomes due. The association has a 10 lien for fees, charges, late charges, other than charges for late payment 11 of assessments, monetary penalties or interest charged pursuant to section 12 33-1242, subsection A, paragraphs 10, 11 and 12 after the entry of a judgment in a civil suit for those fees, charges, late charges, monetary 13 penalties or interest from a court of competent jurisdiction and the 14 15 recording of that judgment in the office of the county recorder as otherwise provided by law. The association's lien for monies other than 16 17 for assessments, for charges for late payment of those assessments, for 18 reasonable collection fees and for reasonable attorney fees and costs 19 incurred with respect to those assessments may not be foreclosed and is 20 effective only on conveyance of any interest in the real property.

B. C. A lien for COMMON EXPENSE assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments under this section is prior to all other liens, interests and encumbrances on a unit except:

Liens and encumbrances recorded before the recordation of the
 declaration.

28 2. A recorded first mortgage on the unit, a seller's interest in a 29 first contract for sale pursuant to chapter 6, article 3 of this title on 30 the unit recorded prior to BEFORE the lien arising pursuant to subsection A 31 of this section or a recorded first deed of trust on the unit.

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3. Liens for real estate taxes and other governmental assessments or
 charges against the unit.

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3 C. D. Subsection B C of this section does not affect the priority 4 of mechanics' or materialmen's liens or the priority of JUDGMENT liens for 5 other assessments made by the association. The lien under this section is 6 not subject to chapter 8 of this title.

7 D. E. Unless the declaration otherwise provides, if two or more
8 associations have liens for COMMON EXPENSE assessments created at any time
9 on the same real estate, those liens have equal priority.

10 E. F. Recording of the declaration constitutes record notice and 11 perfection of the lien for COMMON EXPENSE assessments, AND for charges for 12 late payment of those assessments, for reasonable collection fees and for 13 reasonable attorney fees and costs incurred with respect to those 14 assessments. Further recordation of any claim of lien for COMMON EXPENSE 15 assessments under this section is not required.

16 F. G. A lien for unpaid COMMON EXPENSE assessments is extinguished
 17 unless proceedings to enforce the lien are instituted within six years
 18 after the full amount of the assessments becomes due.

19

G. H. This section does not prohibit:

Actions to recover sums for which subsection A of this section
 creates a lien.

22

2. An association from taking a deed in lieu of foreclosure.

H. I. A judgment or decree in any action brought under this section
 shall MAY include costs and reasonable attorney fees for the prevailing
 party ONLY IF ORDERED BY THE COURT.

I: J. The association on written request shall furnish to a lienholder, escrow agent, unit owner or person designated by a unit owner a statement setting forth the amount of ANY unpaid assessments ASSESSMENT LIENS PRESCRIBED BY SUBSECTION A OF THIS SECTION against the unit. The statement shall be furnished within ten CALENDAR days after receipt of the request. and The statement is binding on the association, the board of directors and every unit owner if the statement is requested by an escrow agency that is licensed pursuant to title 6, chapter 7. Failure to provide
 the statement to the escrow agent within the time provided for in this
 subsection extinguishes any lien for any unpaid assessment then due.

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4 J. K. Notwithstanding any provision in the condominium documents or 5 in any contract between the association and a management company OR ANY OTHER AGENT OF THE ASSOCIATION, INCLUDING ANY AGREEMENT OR CONTRACT WITH 6 ANY ATTORNEY, unless the unit owner directs otherwise, all payments 7 received on a unit owner's account shall be applied first to any unpaid 8 9 DELINQUENT COMMON EXPENSE assessments, UNPAID CURRENT BUT NONDELINQUENT 10 COMMON EXPENSE ASSESSMENTS, unpaid charges OR INTEREST for late payment of 11 those assessments, unpaid reasonable collection COSTS OR fees and unpaid 12 COURT-ORDERED attorney fees and costs incurred with respect to those 13 assessments, in that order, with any remaining amounts applied next to other unpaid fees, charges and monetary penalties or interest and late 14 15 charges on any of those amounts.

K. L. For a delinquent account for unpaid COMMON EXPENSE assessments or for charges related to unpaid COMMON EXPENSE assessments, the association shall provide the following written notice to the unit owner at the unit owner's address as provided to the association at least thirty days before authorizing an attorney, or a collection agency that is not acting as the association's managing agent, to begin collection activity on behalf of the association:

Your account is delinquent. If you do not bring your account 23 24 current or make arrangements that are approved by the association to bring your account current within thirty days 25 26 after the date of this notice, your account will be turned over collection proceedings. Such 27 for further collection proceedings could include bringing a foreclosure action against 28 29 your property.

The notice shall be in boldfaced type or all capital letters and shall include the contact information for the person that the unit owner may contact to discuss payment. The notice shall be sent by certified mail,

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1 2 return receipt requested, and may be included within other correspondence sent to the unit owner regarding the unit owner's delinguent account.

3 L. M. Beginning January 1, 2020, Except for condominiums that have fewer than fifty units and that do not contract with a third party to 4 5 perform management services on behalf of the association. the association 6 shall provide a statement of account in lieu of a periodic payment book to 7 the unit owner with the same frequency that assessments are provided for in 8 the declaration. The statement of account shall include the current 9 account balance due and the immediately preceding ledger history. If the 10 association offers the statement of account by electronic means, a unit 11 owner may opt to receive the statement electronically. The association may stop providing any further statements of account to a unit owner if 12 13 collection activity begins by an attorney, or a collection agency that is not acting as the association's managing agent. regarding that unit owner's 14 15 unpaid account. After collection activity begins, a unit owner may request 16 statements of account by written request to the attorney or collection agency. Any request by a unit owner for a statement of account after 17 collection activity begins by an attorney or a collection agency that is 18 not acting as the association's managing agent must be fulfilled by the 19 attorney or the collection agency responsible for the collection. 20 The 21 statement of account provided by the attorney or collection agency 22 responsible for the collection shall include all amounts claimed to be owing to resolve the delinquency through the date set forth in the 23 statement, including attorney fees and costs, regardless of whether such 24 25 amounts have been reduced to judgment.

M. N. An agent for the association may collect on behalf of the association directly from a unit owner the assessments and other amounts owed by cash or check, by mailed or hand-delivered bank drafts, checks, cashier's checks or money orders, by credit, charge or debit card or by other electronic means. For any form of payment other than for cash or for mailed or hand-delivered bank drafts, checks, cashier's checks or money orders, the agent may charge a convenience fee to the unit owner that is

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approximately the amount charged to the agent by a third-party service
 provider.

3 N. O. This section does not apply to timeshare plans or
 4 associations that are subject to chapter 20 of this title.

5 Sec. 2. Title 33, chapter 9, article 3, Arizona Revised Statutes, is 6 amended by adding section 33-1256.01, to read:

7

33-1256.01. <u>Fees. charges. late charges. monetary penalties</u> and interest; judgment lien only; exception

8

A. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS AND 9 EXCEPT FOR CHARGES FOR LATE PAYMENT OF COMMON EXPENSE ASSESSMENTS AS 10 PRESCRIBED BY SECTION 33-1256, A CONDOMINIUM ASSOCIATION THAT IS OWED FEES, 11 12 CHARGES, LATE CHARGES AND MONETARY PENALTIES OR INTEREST CHARGED PURSUANT TO SECTION 33-1242, SUBSECTION A, PARAGRAPHS 10, 11 AND 12 DOES NOT HAVE A 13 14 LIEN AGAINST THE DEBTOR'S UNIT FOR THOSE AMOUNTS AND THE UNPAID AMOUNTS ARE NOT ENFORCEABLE AND COLLECTABLE AS COMMON EXPENSE ASSESSMENTS PURSUANT TO 15 16 SECTION 33-1256.

17 B. THE ASSOCIATION HAS A LIEN FOR FEES, CHARGES AND LATE CHARGES, OTHER THAN CHARGES FOR LATE PAYMENT OF COMMON EXPENSE ASSESSMENTS, AND FOR 18 19 MONETARY PENALTIES OR INTEREST CHARGED PURSUANT TO SECTION 33-1242, SUBSECTION A. PARAGRAPHS 10. 11 AND 12 ONLY AFTER THE ENTRY OF A JUDGMENT 20 IN A CIVIL SUIT FOR THOSE FEES, CHARGES, LATE CHARGES, MONETARY PENALTIES 21 OR INTEREST FROM A COURT OF COMPETENT JURISDICTION AND THE RECORDING OF 22 23 THAT JUDGMENT IN THE OFFICE OF THE COUNTY RECORDER AS OTHERWISE PROVIDED BY LAW. THE ASSOCIATION'S JUDGMENT LIEN FOR MONIES PRESCRIBED BY THIS 24 25 SUBSECTION MAY NOT BE FORECLOSED AND IS EFFECTIVE ONLY ON CONVEYANCE OF ANY 26 INTEREST IN THE REAL PROPERTY.

C. SUBSECTION B OF THIS SECTION DOES NOT AFFECT THE PRIORITY OF
 MECHANICS' OR MATERIALMEN'S LIENS OR THE PRIORITY OF LIENS FOR OTHER
 ASSESSMENTS MADE BY THE ASSOCIATION.

D. THIS SECTION DOES NOT PROHIBIT ACTIONS TO RECOVER SUMS FOR WHICH
 SUBSECTION B OF THIS SECTION CREATES A LIEN.

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1 E. A JUDGMENT OR DECREE IN ANY ACTION BROUGHT UNDER THIS SECTION MAY 2 INCLUDE COSTS AND REASONABLE ATTORNEY FEES FOR THE PREVAILING PARTY ONLY IF 3 ORDERED BY THE COURT.

F. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS OR IN 4 5 ANY CONTRACT BETWEEN THE ASSOCIATION AND A MANAGEMENT COMPANY OR ANY OTHER AGENT OF THE ASSOCIATION, INCLUDING ANY AGREEMENT OR CONTRACT WITH ANY 6 7 ATTORNEY, UNLESS THE UNIT OWNER DIRECTS OTHERWISE, ALL PAYMENTS RECEIVED ON A UNIT OWNER'S ACCOUNT SHALL BE APPLIED FIRST TO ANY UNPAID DELINQUENT 8 9 COMMON EXPENSE ASSESSMENTS, UNPAID CURRENT BUT NONDELINQUENT COMMON EXPENSE 10 ASSESSMENTS. UNPAID CHARGES OR INTEREST FOR LATE PAYMENT OF THOSE 11 ASSESSMENTS, UNPAID REASONABLE COLLECTION COSTS OR FEES AND UNPAID 12 COURT-ORDERED ATTORNEY FEES AND COSTS INCURRED WITH RESPECT TO THOSE 13 ASSESSMENTS, IN THAT ORDER, WITH ANY REMAINING AMOUNTS APPLIED NEXT TO 14 OTHER UNPAID FEES. CHARGES AND MONETARY PENALTIES OR INTEREST AND LATE 15 CHARGES ON ANY OF THOSE AMOUNTS.

G. THIS SECTION DOES NOT APPLY TO TIMESHARE PLANS OR ASSOCIATIONS 16 17 THAT ARE SUBJECT TO CHAPTER 20 OF THIS TITLE.

Sec. 3. Section 33-1807, Arizona Revised Statutes, is amended to 18 19 read:

20 21 33-1807. Lien for common expense assessments: priority: mechanics' and materialmen's liens; notice

22 A. The association has a lien on a unit PROPERTY for any COMMON 23 EXPENSE assessment levied against that unit PROPERTY from the time the assessment becomes due. The association's lien for COMMON EXPENSE 24 25 assessments, for MAY INCLUDE REASONABLE charges OR INTEREST for late 26 payment of those assessments ONLY IF AUTHORIZED IN THE DECLARATION. for 27 reasonable collection COSTS OR fees INCURRED OR APPLIED BY THE ASSOCIATION ONLY, and for THOSE reasonable attorney fees and costs incurred BUT ONLY AS 28 29 AWARDED BY THE COURT IN ANY ACTION with respect to those assessments. IF A 30 COMMON EXPENSE ASSESSMENT IS PAYABLE IN INSTALLMENTS. THE FULL AMOUNT OF 31 THE ASSESSMENT IS A LIEN FROM THE TIME THE FIRST INSTALLMENT OF THE 32 ASSESSMENT BECOMES DUE.

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1 B. THE COMMON EXPENSE ASSESSMENT LIEN PRESCRIBED BY THIS SECTION IS 2 NOT SUBJECT TO THE HOMESTEAD EXEMPTION PRESCRIBED BY CHAPTER 8 OF THIS 3 TITLE AND may be foreclosed in the same manner as a mortgage on real estate but may be foreclosed only if the owner has been AND REMAINS delinguent in 4 5 the payment of monies secured by the lien, excluding reasonable collection 6 fees, reasonable attorney fees and charges for late payment of and costs 7 incurred with respect to those assessments, COMMON EXPENSE ASSESSMENTS for 8 a period of one year or in the amount of \$1,200 or more, whichever occurs 9 first, as determined on the date the action is filed. Fees, charges, late 10 charges, monetary penalties and interest charged pursuant to section 11 33-1803, other than charges for late payment of assessments are not 12 enforceable as assessments under this section. If an assessment is payable 13 in installments, the full amount of the assessment is a lien from the time the first installment of the assessment becomes due. The association has a 14 15 lien for fees, charges, late charges, other than charges for late payment 16 of assessments, monetary penalties or interest charged pursuant to section 17 33-1803 after the entry of a judgment in a civil suit for those fees, charges, late charges, monetary penalties or interest from a court of 18 competent jurisdiction and the recording of that judgment in the office of 19 the county recorder as otherwise provided by law. The association's lien 20 21 for monies other than for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable 22 23 attorney fees and costs incurred with respect to those assessments may not 24 be foreclosed and is effective only on conveyance of any interest in the 25 real property.

B. C. A lien for COMMON EXPENSE assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments under this section is prior to all other liens, interests and encumbrances on a unit PROPERTY except:

Liens and encumbrances recorded before the recordation of the
 declaration.

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2. A recorded first mortgage on the unit PROPERTY, a seller's interest in a first contract for sale pursuant to chapter 6, article 3 of this title on the unit PROPERTY recorded prior to BEFORE the lien arising pursuant to subsection A of this section or a recorded first deed of trust on the unit PROPERTY.

6 3. Liens for real estate taxes and other governmental assessments or
7 charges against the unit PROPERTY.

8 C. D. Subsection B C of this section does not affect the priority 9 of mechanics' or materialmen's liens or the priority of JUDGMENT liens for 10 other assessments made by the association. The lien under this section is 11 not subject to chapter 8 of this title.

12 D. E. Unless the declaration otherwise provides, if two or more
 13 associations have liens for COMMON EXPENSE assessments created at any time
 14 on the same real estate those liens have equal priority.

E. F. Recording of the declaration constitutes record notice and perfection of the lien for COMMON EXPENSE assessments, AND for charges for late payment of THOSE assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments. Further recordation of any claim of lien for COMMON EXPENSE assessments under this section is not required.

G. A lien for an unpaid COMMON EXPENSE assessment is
 extinguished unless proceedings to enforce the lien are instituted within
 six years after the full amount of the assessment becomes due.

24

G. H. This section does not prohibit:

Actions to recover amounts for which subsection A of this section
 creates a lien.

27

2. An association from taking a deed in lieu of foreclosure.

H. I. A judgment or decree in any action brought under this section
 shall MAY include costs and reasonable attorney fees for the prevailing
 party ONLY IF ORDERED BY THE COURT.

J. On written request, the association shall furnish to a
 lienholder, escrow agent, unit owner MEMBER or person designated by a unit

1 owner MEMBER a statement setting forth the amount of any unpaid assessment 2 LIENS PRESCRIBED BY SUBSECTION A OF THIS SECTION against the unit 3 PROPERTY. The association shall furnish the statement within ten CALENDAR days after receipt of the request. , and The statement is binding on the 4 5 association, the board of directors and every unit owner if the statement 6 is requested by an escrow agency that is licensed pursuant to title 6, 7 chapter 7. Failure to provide the statement to the escrow agent within the 8 time provided for in this subsection extinguishes any lien for any unpaid 9 assessment then due.

J. K. Notwithstanding any provision in the community documents or 10 11 in any contract between the association and a management company OR ANY OTHER AGENT OF THE ASSOCIATION. INCLUDING ANY AGREEMENT OR CONTRACT WITH 12 13 ANY ATTORNEY, unless the member directs otherwise, all payments received on a member's account shall be applied first to any unpaid DELINQUENT COMMON 14 15 EXPENSE assessments, UNPAID CURRENT BUT NONDELINQUENT COMMON EXPENSE 16 ASSESSMENTS, unpaid charges OR INTEREST for late payment of those 17 assessments, unpaid reasonable collection COSTS OR fees and unpaid COURT-ORDERED attorney fees and costs incurred with respect to those 18 assessments, in that order, with any remaining amounts applied next to 19 other unpaid fees, charges and monetary penalties or interest and late 20 21 charges on any of those amounts.

K. L. For a delinquent account for unpaid COMMON EXPENSE assessments or for charges related to unpaid COMMON EXPENSE assessments, the association shall provide the following written notice to the member at the member's address as provided to the association at least thirty days before authorizing an attorney, or a collection agency that is not acting as the association's managing agent, to begin collection activity on behalf of the association:

Your account is delinquent. If you do not bring your account
current or make arrangements that are approved by the
association to bring your account current within thirty days
after the date of this notice, your account will be turned over

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for further collection proceedings. Such collection proceedings could include bringing a foreclosure action against your property.

The notice shall be in boldfaced type or all capital letters and shall include the contact information for the person that the member may contact d to discuss payment. The notice shall be sent by certified mail, return receipt requested, and may be included within other correspondence sent to the member regarding the member's delinquent account.

9 L. M. Beginning January 1, 2020, Except for planned communities that have fewer than fifty lots and that do not contract with a third party 10 11 to perform management services on behalf of the association, the 12 association shall provide a statement of account in lieu of a periodic 13 payment book to the member with the same frequency that assessments are 14 provided for in the declaration. The statement of account shall include 15 the current account balance due and the immediately preceding ledger history. If the association offers the statement of account by electronic 16 17 means, a member may opt to receive the statement electronically. The association may stop providing any further statements of account to a 18 19 member if collection activity begins by an attorney, or a collection agency 20 that is not acting as the association's managing agent, regarding that 21 member's unpaid account. After collection activity begins, a member may 22 request statements of account by written request to the attorney or 23 collection agency. Any request by a member for a statement of account after collection activity begins by an attorney or a collection agency that 24 25 is not acting as the association's managing agent must be fulfilled by the 26 attorney or the collection agency responsible for the collection. The 27 statement of account provided by the attorney or collection agency responsible for the collection shall include all amounts claimed to be 28 29 owing to resolve the delinquency through the date set forth in the statement, including attorney fees and costs, regardless of whether such 30 31 amounts have been reduced to judgment.

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1 M_{\cdot} N. An agent for the association may collect on behalf of the 2 association directly from a member the assessments and other amounts owed 3 by cash or check, by mailed or hand-delivered bank drafts, checks, cashier's checks or money orders, by credit, charge or debit card or by 4 5 other electronic means. For any form of payment other than for cash or for 6 mailed or hand-delivered bank drafts, checks, cashier's checks or money 7 orders, the agent may charge a convenience fee to the member that is 8 approximately the amount charged to the agent by a third-party service 9 provider.

10Sec. 4. Title 33, chapter 16, article 1, Arizona Revised Statutes,11is amended by adding section 33-1807.01, to read:

12 13

33-1807.01. <u>Fees, charges, late charges, monetary penalties</u> <u>and interest: judgment lien only: exception</u>

A. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS AND EXCEPT FOR CHARGES FOR LATE PAYMENT OF COMMON EXPENSE ASSESSMENTS AS PRESCRIBED BY SECTION 33-1803, AN ASSOCIATION THAT IS OWED FEES, CHARGES, LATE CHARGES AND MONETARY PENALTIES OR INTEREST CHARGED PURSUANT TO SECTION 33-1803 DOES NOT HAVE A LIEN AGAINST THE DEBTOR'S PROPERTY FOR THOSE AMOUNTS AND THE UNPAID AMOUNTS ARE NOT ENFORCEABLE AND COLLECTABLE AS COMMON EXPENSE ASSESSMENTS PURSUANT TO SECTION 33-1807.

21 B. THE ASSOCIATION HAS A LIEN FOR FEES, CHARGES AND LATE CHARGES, 22 OTHER THAN CHARGES FOR LATE PAYMENT OF COMMON EXPENSE ASSESSMENTS. AND FOR 23 MONETARY PENALTIES OR INTEREST CHARGED PURSUANT TO SECTION 33-1803 ONLY AFTER THE ENTRY OF A JUDGMENT IN A CIVIL SUIT FOR THOSE FEES. CHARGES. LATE 24 25 CHARGES. MONETARY PENALTIES OR INTEREST FROM A COURT OF COMPETENT 26 JURISDICTION AND THE RECORDING OF THAT JUDGMENT IN THE OFFICE OF THE COUNTY 27 RECORDER AS OTHERWISE PROVIDED BY LAW. THE ASSOCIATION'S JUDGMENT LIEN FOR MONIES PRESCRIBED BY THIS SUBSECTION MAY NOT BE FORECLOSED AND IS EFFECTIVE 28 29 ONLY ON CONVEYANCE OF ANY INTEREST IN THE REAL PROPERTY.

C. SUBSECTION B OF THIS SECTION DOES NOT AFFECT THE PRIORITY OF
 MECHANICS' OR MATERIALMEN'S LIENS OR THE PRIORITY OF JUDGMENT LIENS FOR
 OTHER ASSESSMENTS MADE BY THE ASSOCIATION.

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D. THIS SECTION DOES NOT PROHIBIT ACTIONS TO RECOVER SUMS FOR WHICH SUBSECTION B OF THIS SECTION CREATES A LIEN.

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E. A JUDGMENT OR DECREE IN ANY ACTION BROUGHT UNDER THIS SECTION MAY
INCLUDE COSTS AND REASONABLE ATTORNEY FEES FOR THE PREVAILING PARTY ONLY IF
ORDERED BY THE COURT.

F. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS OR IN 6 7 ANY CONTRACT BETWEEN THE ASSOCIATION AND A MANAGEMENT COMPANY OR ANY OTHER AGENT OF THE ASSOCIATION, INCLUDING ANY AGREEMENT OR CONTRACT WITH ANY 8 ATTORNEY, UNLESS THE MEMBER DIRECTS OTHERWISE, ALL PAYMENTS RECEIVED ON A 9 MEMBER'S ACCOUNT SHALL BE APPLIED FIRST TO ANY UNPAID DELINQUENT COMMON 10 EXPENSE ASSESSMENTS, UNPAID CURRENT BUT NONDELINQUENT COMMON EXPENSE 11 12 ASSESSMENTS. UNPAID CHARGES OR INTEREST FOR LATE PAYMENT OF THOSE 13 ASSESSMENTS, UNPAID REASONABLE COLLECTION COSTS OR FEES AND UNPAID 14 COURT-ORDERED ATTORNEY FEES AND COSTS INCURRED WITH RESPECT TO THOSE ASSESSMENTS. IN THAT ORDER. WITH ANY REMAINING AMOUNTS APPLIED NEXT TO 15 OTHER UNPAID FEES, CHARGES AND MONETARY PENALTIES OR INTEREST AND LATE 16 CHARGES ON ANY OF THOSE AMOUNTS." 17

18 Amend title to conform

And, as so amended, it do pass

JUSTIN WILMETH CHAIRMAN

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