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IN THE SUPREME COURT OF FLORIDA

THE FLORIDA BAR RE: ADVISORY OPINION - ACTIVITIES OF COMMUNITY ASSOCIATION MANAGERS

CASE NO. SC 13-889

NOTICE OF FILING SUPPLEMENTAL AUTHORITY

THE STANDING COMMITTEE on the Unlicensed Practice of Law of The Florida Bar, through undersigned counsel, submits as supplemental authority CS/CS/HB 7073 passed by the Florida House of Representatives and Florida Senate on April 29, 2014, a copy of which is attached to this notice. The supplemental authority has not yet been acted upon by the Governor. Should the supplemental authority become law, the supplemental authority may be pertinent to the issues raised in the proposed formal advisory opinion.

Respectfully Submitted,

/s/ Lori S. Holcomb

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Motion for Extension of Time to File Answer Brief has been furnished by e-mail to the following individuals, on this 29th day of April, 2014:

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CS/CS/HB 7037, Engrossed 2

2014

A bill to be entitled An act relating to residential communities; amending s. 468.431, F.S.; revising the term "community association management"; creating s. 468.4334, F.S.; providing powers and duties of community association managers and community association management firms; authorizing the indemnification of a community association manager or community association management firm under certain conditions; amending s. 718.116, F.S.; requiring a release of lien to be in a specific form; requiring a pre-foreclosure notice to be in a specific form; amending s. 718.121, F.S.; requiring a pre-lien notice to be in a specific form; amending s. 719.108, F.S.; deleting a provision providing for the expiration of certain liens; revising notice requirements; requiring a pre-lien notice to be in a specific form; providing for execution and effect of lien; providing for the content of a recording notice; requiring a release of lien to be in a specific form; amending s. 720.3085, F.S.; requiring a release of lien to be in a specific form; requiring a pre-lien notice to be in a specific form; requiring a pre-foreclosure notice to be in a specific form; providing requirements for the execution of a claim of lien; providing an effective date.

Page 1 of 22

2014

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Subsection (2) of section 468.431, Florida Statutes, is amended to read:

468.431 Definitions.—As used in this part:

"Community association management" means any of the following practices requiring substantial specialized knowledge, judgment, and managerial skill when done for remuneration and when the association or associations served contain more than 10 units or have an annual budget or budgets in excess of \$100,000: controlling or disbursing funds of a community association, preparing budgets or other financial documents for a community association, assisting in the noticing or conduct of community association meetings, determining the number of days required for statutory notices, determining amounts due to the association, collecting amounts due to the association before the filing of a civil action, calculating the votes required for a quorum or to approve a proposition or amendment, completing forms related to the management of a community association that have been created by statute or by a state agency, drafting meeting notices and agendas, calculating and preparing certificates of assessment and estoppel certificates, responding to requests for certificates of assessment and estoppel certificates, negotiating monetary or performance terms of a contract subject to approval by an association, drafting

Page 2 of 22



CS/CS/HB 7037, Engrossed 2

prearbitration demands, coordinating or performing maintenance for real or personal property and other related routine services involved in the operation of a community association, and complying with the association's governing documents and the requirements of law as necessary to perform such practices and coordinating maintenance for the residential development and other day-to-day services involved with the operation of a community association. A person who performs clerical or ministerial functions under the direct supervision and control of a licensed manager or who is charged only with performing the maintenance of a community association and who does not assist in any of the management services described in this subsection is not required to be licensed under this part.

Section 2. Section 468.4334, Florida Statutes, is created to read:

468.4334 Professional practice standards; liability.-

(1) A community association manager or a community association management firm are deemed to act as agent on behalf of a community association as principal within the scope of authority authorized by a written contract or under this chapter. A community association manager and a community association management firm shall discharge duties performed on behalf of the association as authorized by this chapter loyally, skillfully, and diligently; dealing honestly and fairly; in good faith; with care and full disclosure to the community

Page 3 of 22



2014

78 association; accounting for all funds; and not charging 79 unreasonable or excessive fees. 80 (2) (a) A contract between a community association and a community association manager or a contract between a community 81 82 association and a community association management firm may 83 provide that the community association indemnifies and holds 84 harmless the community association manager and the community 85 association management firm for ordinary negligence resulting from the manager or management firm's act or omission that is 86 87 the result of an instruction or direction of the community 88 association. This paragraph does not preclude any other 89 negotiated indemnity or hold harmless provision. Indemnification under paragraph (a) may not cover any 90 91 act or omission that violates a criminal law; derives an 92 improper personal benefit, either directly or indirectly; is 93 grossly negligent; or is reckless, is in bad faith, is with 94 malicious purpose, or is in a manner exhibiting wanton and 95 willful disregard of human rights, safety, or property. 96 Section 3. Paragraph (d) is added to subsection (5) of 97 section 718.116, Florida Statutes, and subsection (6) of that 98 section is amended, to read: 99 718.116 Assessments; liability; lien and priority; 100 interest; collection.-101 (5)

Page 4 of 22

(d) A release of lien must be in substantially the

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following form:

CS/CS/HB7037, Engrossed 2

2014

104	
105	RELEASE OF LIEN
106	The undersigned lienor, in consideration of the final payment in
107	the amount of \$, hereby waives and releases its lien and
108	right to claim a lien for unpaid assessments through,
109	(year), recorded in the Official Records Book at Page
110	, of the public records of County, Florida, for the
111	following described real property:
112	
113	UNIT NO OF (NAME OF CONDOMINIUM), A
114	CONDOMINIUM AS SET FORTH IN THE DECLARATION OF
115	CONDOMINIUM AND THE EXHIBITS ANNEXED THERETO AND
116	FORMING A PART THEREOF, RECORDED IN OFFICIAL RECORDS
117	BOOK, PAGE, OF THE PUBLIC RECORDS OF
118	COUNTY, FLORIDA. THE ABOVE DESCRIPTION INCLUDES, BUT
119	IS NOT LIMITED TO, ALL APPURTENANCES TO THE
120	CONDOMINIUM UNIT ABOVE DESCRIBED, INCLUDING THE
121	UNDIVIDED INTEREST IN THE COMMON ELEMENTS OF SAID
122	CONDOMINIUM.
123	
124	(Signature of Authorized Agent)(Signature of Witness)
125	(Print Name)
126	
127	(Signature of Witness)
128	(Print Name)
129	

Page 5 of 22

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2014

130 Sworn to (or affirmed) and subscribed before me this day of 131 ..., ... (year)..., by ... (name of person making statement).... 132 .. (Signature of Notary Public).. 133 .. (Print, type, or stamp commissioned name of Notary Public).. Personally Known.... OR Produced.... as identification. 134 135 136 After notice of contest of lien has been recorded, the clerk of 137 the circuit court shall mail a copy of the recorded notice to 138 the association by certified mail, return receipt requested, at 139 the address shown in the claim of lien or most recent amendment 140 to it and shall certify to the service on the face of the 141 notice. Service is complete upon mailing. After service, the 142 association has 90 days in which to file an action to enforce 143 the lien; and, if the action is not filed within the 90-day 144 period, the lien is void. However, the 90-day period shall be 145 extended for any length of time during which the association is 146 prevented from filing its action because of an automatic stay 147 resulting from the filing of a bankruptcy petition by the unit 148 owner or by any other person claiming an interest in the parcel. 149 (6)(a) The association may bring an action in its name to 150 foreclose a lien for assessments in the manner a mortgage of 151 real property is foreclosed and may also bring an action to 152 recover a money judgment for the unpaid assessments without 153 waiving any claim of lien. The association is entitled to 154 recover its reasonable attorney's fees incurred in either a lien 155 foreclosure action or an action to recover a money judgment for

Page 6 of 22



156 unpaid assessments.

(b) No foreclosure judgment may be entered until at least 30 days after the association gives written notice to the unit owner of its intention to foreclose its lien to collect the unpaid assessments. The notice must be in substantially the following form:

DELINQUENT ASSESSMENT

This letter is to inform you a Claim of Lien has been filed against your property because you have not paid the ... (type of assessment)... assessment to ... (name of association).... The association intends to foreclose the lien and collect the unpaid amount within 30 days of this letter being provided to you.

You owe the interest accruing from ... (month/year)...
to the present. As of the date of this letter, the
total amount due with interest is \$.... All costs of
any action and interest from this day forward will
also be charged to your account.

Any questions concerning this matter should be directed to ...(insert name, addresses, and telephone numbers of association representative)....

If this notice is not given at least 30 days before the Page 7 of 22



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CS/CS/HB7037, Engrossed 2

2014

foreclosure action is filed, and if the unpaid assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the unit owner or by certified or registered mail, return receipt requested, addressed to the unit owner at his or her last known address; and, upon such mailing, the notice shall be deemed to have been given, and the court shall proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the unit owner records a notice of contest of lien as provided in subsection (5). The notice requirements of this subsection do not apply if an action to foreclose a mortgage on the condominium unit is pending before any court; if the rights of the association would be affected by such foreclosure; and if actual, constructive, or substitute service of process has been made on the unit owner.

Section 4. Subsection (4) of section 718.121, Florida Statutes, is amended to read:

718.121 Liens.-

(4) Except as otherwise provided in this chapter, no lien may be filed by the association against a condominium unit until 30 days after the date on which a notice of intent to file a lien has been delivered to the owner by registered or certified mail, return receipt requested, and by first-class United States

Page 8 of 22

FLORIDA HOUSE OF REPRESENTATIVES



CS/CS/HB 7037, Engrossed 2

2014

208 mail to the owner at his or her last address as reflected in the 209 records of the association, if the address is within the United 210 States, and delivered to the owner at the address of the unit if 211 the owner's address as reflected in the records of the 212 association is not the unit address. If the address reflected in 213 the records is outside the United States, sending the notice to 214 that address and to the unit address by first-class United 215 States mail is sufficient. Delivery of the notice shall be 216 deemed given upon mailing as required by this subsection. The 217 notice must be in substantially the following form: 218 219 NOTICE OF INTENT TO RECORD A CLAIM OF LIEN 220 221 RE: Unit of ... (name of association)... 222 223 The following amounts are currently due on your 224 account to ... (name of association) ..., and must be 225 paid within 30 days after your receipt of this letter. 226 This letter shall serve as the association's notice of 227 intent to record a Claim of Lien against your property 228 no sooner than 30 days after your receipt of this 229 letter, unless you pay in full the amounts set forth 230 below: 231 232 Maintenance due ... (dates) ... \$....

Page 9 of 22

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Late fee, if applicable

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\$.<u>...</u>



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234	<pre>Interest through(dates)* \$</pre>
235	Certified mail charges \$
236	Other costs \$
237	TOTAL OUTSTANDING \$
238	
239	*Interest accrues at the rate of percent per
240	annum.
241	Section 5. Subsections (3) and (4) of section 719.108,
242	Florida Statutes, are amended to read:
243	719.108 Rents and assessments; liability; lien and
244	priority; interest; collection; cooperative ownership
245	(3) Rents and assessments, and installments on them, not
246	paid when due bear interest at the rate provided in the
247	cooperative documents from the date due until paid. This rate
248	may not exceed the rate allowed by law and, if a rate is not
249	provided in the cooperative documents, accrues at 18 percent per
250	annum. If the cooperative documents or bylaws so provide, the
251	association may charge an administrative late fee in addition to
252	such interest, not to exceed the greater of \$25 or 5 percent of
253	each installment of the assessment for each delinquent
254	installment that the payment is late. Any payment received by an
255	association must be applied first to any interest accrued by the
256	association, then to any administrative late fee, then to any
257	costs and reasonable attorney attorney's fees incurred in
258	collection, and then to the delinquent assessment. The foregoing

Page 10 of 22

applies notwithstanding any restrictive endorsement,



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CS/CS/HB7037, Engrossed 2

2014

designation, or instruction placed on or accompanying a payment. A late fee is not subject to chapter 687 or s. 719.303(4).

- The association has a lien on each cooperative parcel for any unpaid rents and assessments, plus interest, and any authorized administrative late fees. If authorized by the cooperative documents, the lien also secures reasonable attorney attorney's fees incurred by the association incident to the collection of the rents and assessments or enforcement of such lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the cooperative parcel is located which states the description of the cooperative parcel, the name of the unit owner, the amount due, and the due dates. The lien expires if a claim of lien is not filed within 1 year after the date the assessment was due, and the lien does not continue for longer than 1 year after the claim of lien has been recorded unless, within that time, an action to enforce the lien is commenced. Except as otherwise provided in this chapter, a lien may not be filed by the association against a cooperative parcel until 30 days after the date on which a notice of intent to file a lien has been delivered to the owner.
- (a) The notice must be sent to the unit owner at the address of the unit by first-class United States mail and the notice must be in substantially the following form:

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NOTICE OF INTENT TO RECORD A CLAIM OF LIEN

Page 11 of 22



2014

286	
287	RE: Unit (unit number) of (name of
288	cooperative)
289	
290	The following amounts are currently due on your
291	account to (name of association), and must be
292	paid within 30 days after your receipt of this letter.
293	This letter shall serve as the association's notice of
294	intent to record a Claim of Lien against your property
295	no sooner than 30 days after your receipt of this
296	letter, unless you pay in full the amounts set forth
297	below:
298	
299	Maintenance due(dates) \$
300	Late fee, if applicable \$
301	<pre>Interest through(dates)* \$</pre>
302	Certified mail charges \$
303	Other costs \$
304	TOTAL OUTSTANDING \$
305	
306	*Interest accrues at the rate of percent per
307	annum.
308	1. If the most recent address of the unit owner on the
309	records of the association is the address of the unit, the
310	notice must be sent by registered or certified mail, return
311	receipt requested, to the unit owner at the address of the unit. Page 12 of 22 $$

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CS/CS/HB7037, Engrossed 2

2014

- 2. If the most recent address of the unit owner on the records of the association is in the United States, but is not the address of the unit, the notice must be sent by registered or certified mail, return receipt requested, to the unit owner at his or her most recent address.
- 3. If the most recent address of the unit owner on the records of the association is not in the United States, the notice must be sent by first-class United States mail to the unit owner at his or her most recent address.
- (b) A notice that is sent pursuant to this subsection is deemed delivered upon mailing. A claim of lien must be executed and acknowledged by an officer or authorized agent of the association. The lien is not effective 1 year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The 1-year period is automatically extended for any length of time during which the association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the parcel owner or any other person claiming an interest in the parcel. The claim of lien secures all unpaid rents and assessments that are due and that may accrue after the claim of lien is recorded and through the entry of a final judgment, as well as interest and all reasonable costs and attorney fees incurred by the association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien.

Page 13 of 22



2014

338 (c) By recording a notice in substantially the following 339 form, a unit owner or the unit owner's agent or attorney may 340 require the association to enforce a recorded claim of lien 341 against his or her cooperative parcel: 342 343 NOTICE OF CONTEST OF LIEN 344 345 TO: ...(Name and address of association)...: 346 347 You are notified that the undersigned contests the 348 claim of lien filed by you on ..., ... (year)..., and 349 recorded in Official Records Book at Page, 350 of the public records of County, Florida, and 351 that the time within which you may file suit to 352 enforce your lien is limited to 90 days from the date 353 of service of this notice. Executed this day of 354, ...(year).... 355 Signed: ... (Owner or Attorney) ... 356 357 After notice of contest of lien has been recorded, the clerk of 358 the circuit court shall mail a copy of the recorded notice to 359 the association by certified mail, return receipt requested, at 360 the address shown in the claim of lien or most recent amendment 361 to it and shall certify to the service on the face of the 362 notice. Service is complete upon mailing. After service, the association has 90 days in which to file an action to enforce 363

Page 14 of 22

2014

364	the lien. If the action is not filed within the 90-day period,
365	the lien is void. However, the 90-day period shall be extended
366	for any length of time during which the association is prevented
367	from filing its action because of an automatic stay resulting
368	from the filing of a bankruptcy petition by the unit owner or by
369	any other person claiming an interest in the parcel.
370	(d) A release of lien must be in substantially the
371	following form:
372	
373	RELEASE OF LIEN
374	The undersigned lienor, in consideration of the final payment in
375	the amount of \$, hereby waives and releases its lien and
376	right to claim a lien for unpaid assessments through,
377	(year), recorded in the Official Records Book at Page
378	, of the public records of County, Florida, for the
379	following described real property:
380	
381	THAT COOPERATIVE PARCEL WHICH INCLUDES UNIT NO
382	OF (NAME OF COOPERATIVE), A COOPERATIVE AS SET
383	FORTH IN THE COOPERATIVE DOCUMENTS AND THE EXHIBITS
384	ANNEXED THERETO AND FORMING A PART THEREOF, RECORDED
385	IN OFFICIAL RECORDS BOOK, PAGE, OF THE
386	PUBLIC RECORDS OF COUNTY, FLORIDA.
387	
388	(Signature of Authorized Agent)(Signature of Witness)
389	(Print Name)

Page 15 of 22



2014

390	
391	(Signature of Witness)
392	(Print Name)
393	
394	Sworn to (or affirmed) and subscribed before me this day of
395	, (year), by (name of person making statement)
396	(Signature of Notary Public)
397	(Print, type, or stamp commissioned name of Notary Public)
398	Personally Known OR Produced as identification.
399	Section 6. Paragraphs (d) and (e) of subsection (1) of
400	section 720.3085, Florida Statutes, are redesignated as
401	paragraphs (e) and (f), respectively, paragraph (a) of
402	subsection (1), paragraph (b) of subsection (3), and subsections
403	(4) and (5) are amended, and a new paragraph (d) is added to
404	subsection (1) of that section, to read:
405	720.3085 Payment for assessments; lien claims
406	(1) When authorized by the governing documents, the
407	association has a lien on each parcel to secure the payment of
408	assessments and other amounts provided for by this section.
409	Except as otherwise set forth in this section, the lien is
410	effective from and shall relate back to the date on which the
411	original declaration of the community was recorded. However, as
412	to first mortgages of record, the lien is effective from and
413	after recording of a claim of lien in the public records of the
414	county in which the parcel is located. This subsection does not
415	bestow upon any lien, mortgage, or certified judgment of record Page 16 of 22



2014

on July 1, 2008, including the lien for unpaid assessments created in this section, a priority that, by law, the lien, mortgage, or judgment did not have before July 1, 2008.

- To be valid, a claim of lien must state the description of the parcel, the name of the record owner, the name and address of the association, the assessment amount due, and the due date. The claim of lien secures all unpaid assessments that are due and that may accrue subsequent to the recording of the claim of lien and before entry of a certificate of title, as well as interest, late charges, and reasonable costs and attorney attorney's fees incurred by the association incident to the collection process. The person making payment is entitled to a satisfaction of the lien upon payment in full.
- (d) A release of lien must be in substantially the following form:

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(PARCEL NO. OR LOT AND BLOCK) OF ... (subdivision

following described real property:

name)...SUBDIVISION AS SHOWN IN THE PLAT THEREOF,

Page 17 of 22

RELEASE OF LIEN

The undersigned lienor, in consideration of the final payment in

... (year)..., recorded in the Official Records Book at Page

the amount of \$...., hereby waives and releases its lien and

...., of the public records of County, Florida, for the

right to claim a lien for unpaid assessments through,



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442	RECORDED AT PLAT BOOK, PAGE, OF THE OFFICIAL	
443	RECORDS OFCOUNTY, FLORIDA.	
444		
445	(or insert appropriate metes and bounds description	
446	here)	
447		
448	(Signature of Authorized Agent)(Signature of Witness)	
449	(Print Name)	
450		
451	(Signature of Witness)	
452	(Print Name)	
453		
454	Sworn to (or affirmed) and subscribed before me this day of	
455	, (year), by (name of person making statement)	
456	(Signature of Notary Public)	
457	(Print, type, or stamp commissioned name of Notary Public)	
458	Personally Known OR Produced as identification.	
459	(3) Assessments and installments on assessments that are	
460	not paid when due bear interest from the due date until paid at	
461	the rate provided in the declaration of covenants or the bylaws	
462	of the association, which rate may not exceed the rate allowed	
463	by law. If no rate is provided in the declaration or bylaws,	
464	interest accrues at the rate of 18 percent per year.	
465	(b) Any payment received by an association and accepted	
466	shall be applied first to any interest accrued, then to any	
467	administrative late fee, then to any costs and reasonable Page 18 of 22	



attorney attorney's fees incurred in collection, and then to the delinquent assessment. This paragraph applies notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment. A late fee is not subject to the provisions of chapter 687 and is not a fine.

- (4) A homeowners' association may not file a record of lien against a parcel for unpaid assessments unless a written notice or demand for past due assessments as well as any other amounts owed to the association pursuant to its governing documents has been made by the association. The written notice or demand must:
- (a) Provide the owner with 45 days following the date the notice is deposited in the mail to make payment for all amounts due, including, but not limited to, any attorney's fees and actual costs associated with the preparation and delivery of the written demand. The notice must be in substantially the following form:

NOTICE OF INTENT TO RECORD A CLAIM OF LIEN

RE: Parcel or (lot/block)...(lot/parcel number)... of ...(name of association)...

The following amounts are currently due on your account to ... (name of association)..., and must be paid within 45 days after your receipt of this letter.

Page 19 of 22



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(5)

CS/CS/HB7037, Engrossed 2

2014

494	This letter shall serve as the association's notice of
495	intent to record a Claim of Lien against your property
496	no sooner than 45 days after your receipt of this
497	letter, unless you pay in full the amounts set forth
498	below:
499	
500	Maintenance due(dates) \$
501	Late fee, if applicable \$
502	<pre>Interest through(dates)* \$</pre>
503	Certified mail charges \$
504	Other costs \$
505	TOTAL OUTSTANDING \$
506	
507	*Interest accrues at the rate of percent per
508	annum.
509	(b) Be sent by registered or certified mail, return
510	receipt requested, and by first-class United States mail to the
511	parcel owner at his or her last address as reflected in the
512	records of the association, if the address is within the United
513	States, and to the parcel owner subject to the demand at the
514	address of the parcel if the owner's address as reflected in the
515	records of the association is not the parcel address. If the
516	address reflected in the records is outside the United States,
517	then sending the notice to that address and to the parcel

address by first-class United States mail is sufficient.

The association may bring an action in its name to

Page 20 of 22

CS/CS/HB7037, Engrossed 2

foreclose a lien for unpaid assessments secured by a lien in the same manner that a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. The action to foreclose the lien may not be brought until 45 days after the parcel owner has been provided notice of the association's intent to foreclose and collect the unpaid amount. The notice must be given in the manner provided in paragraph (4)(b), and the notice may not be provided until the passage of the 45 days required in paragraph (4)(a). The notice must be in substantially the following form:

DELINQUENT ASSESSMENT

This letter is to inform you a Claim of Lien has been filed against your property because you have not paid the ... (type of assessment)... assessment to ... (name of association).... The association intends to foreclose the lien and collect the unpaid amount within 45 days of this letter being provided to you.

You owe the interest accruing from ... (month/year)... to the present. As of the date of this letter, the total amount due with interest is \$.... All costs of any action and interest from this day forward will also be charged to your account.

Any questions concerning this matter should be directed to (insert name, addresses, and telephone numbers of association

Page 21 of 22



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546	representative).	
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- (a) The association may recover any interest, late charges, costs, and reasonable attorney's fees incurred in a lien foreclosure action or in an action to recover a money judgment for the unpaid assessments.
- (b) The time limitations in this subsection do not apply if the parcel is subject to a foreclosure action or forced sale of another party, or if an owner of the parcel is a debtor in a bankruptcy proceeding.
 - Section 7. This act shall take effect July 1, 2014.

Page 22 of 22