

ASSEMBLY BILL NO. 142—ASSEMBLYMAN O’NEILL

FEBRUARY 9, 2023

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing certain sales of property. (BDR 2-70)

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

~

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

AN ACT relating to property; authorizing certain sales of property to be conducted on an Internet website or other electronic medium under certain circumstances; revising the time and manner in which certain sales of property may be conducted; revising notice requirements relating to certain sales of property; prohibiting certain persons from becoming a purchaser or being interested in any purchase of certain sales of property; and providing other matters property relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires a sale of property under execution to be made: (1) at
2 auction to the highest bidder; (2) between the hours of 9 a.m. and 5 p.m.; and (3)
3 for sales of real property, at the courthouse of the county in which the property or
4 some part thereof is situated. (NRS 21.150) **Section 2** of this bill: (1) eliminates the
5 requirement concerning the time of day at which a sale must be conducted; (2)
6 authorizes the officer conducting a sale to conduct the sale on an Internet website or
7 other electronic medium; (3) authorizes a person who operates such an Internet
8 website or other electronic medium to engage in certain activities concerning a sale;
9 and (4) revises certain procedures for the conduct of a sale to account for sales
10 conducted on an Internet website or other electronic medium.

11 Existing law requires a sale of property pursuant to a trustee’s power of sale to
12 be made: (1) at auction to the highest bidder; (2) between the hours of 9 a.m. and 5
13 p.m.; and (3) for sales of real property, at the public location in the county
14 designated by the governing body of the county for that purpose. (NRS 107.081)
15 **Section 6** of this bill eliminates the requirement concerning the time of day at
16 which a sale must be conducted. **Section 6** also authorizes the governing body of a
17 county to authorize: (1) a sale to be conducted on an Internet website or other
18 electronic medium; and (2) a person who operates such an Internet website or other
19 electronic medium to engage in certain activities concerning a sale.



20 Existing law authorizes a deed of trust to adopt by reference certain covenants,
21 including, among others, a covenant setting forth the process by which a sale of
22 property pursuant to a trustee's power of sale may be conducted. (NRS 107.030)
23 **Section 3** of this bill revises the process set forth in that covenant to account for
24 sales conducted on an Internet website or other electronic medium.

25 Existing law sets forth certain requirements for a sale of property pursuant to a
26 trustee's power of sale that is postponed by oral proclamation. (NRS 107.082)
27 **Section 7** of this bill applies the same requirements to a sale of property pursuant to
28 a trustee's power of sale that is held on an Internet website or other electronic
29 medium and which is postponed by publication of a proclamation on the Internet
30 website or other electronic medium.

31 Existing law requires certain actions to declare void a sale of property pursuant
32 to a trustee's power of sale to be brought in the county in which the sale took place.
33 (NRS 107.080, 107.0805) **Sections 4 and 5** of this bill require such actions to be
34 brought instead in the county in which the property is located, to account for sales
35 held on an Internet website or other electronic medium.

36 Existing law requires the sale of a unit in a common-interest community to
37 satisfy a lien held by a unit-owners' association to be conducted: (1) between the
38 hours of 9 a.m. and 5 p.m.; and (2) depending on the county in which the unit is
39 located, at the courthouse in the county or at a public location in the county
40 designated by the governing body of the county to conduct a sale of property
41 pursuant to a trustee's power of sale. (NRS 116.31164) **Section 9** of this bill
42 eliminates the requirement concerning the time of day at which a sale must be held.
43 **Section 9** also authorizes the governing body of a county to authorize: (1) a sale to
44 be conducted on an Internet website or other electronic medium; and (2) a person
45 who operates an Internet website or other electronic medium to engage in certain
46 activities concerning a sale. Finally, **section 9** revises procedures for the conduct of
47 a sale to account for sales conducted on an Internet website or other electronic
48 medium.

49 **Sections 1, 4 and 8** of this bill revise certain requirements relating to the notice
50 that is required before a sale of property under execution, a sale of property
51 pursuant to a trustee's power of sale and a sale of a unit in a common-interest
52 community to require the notice to include certain information concerning the
53 Internet website or electronic medium on which the sale is to be held, if applicable.

54 **Sections 2, 6 and 9** prohibit certain persons from becoming a purchaser at or
55 being interested in any purchase at a sale of property under execution, a sale of
56 property pursuant to a trustee's power of sale and a sale of a unit in a common-
57 interest community.

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

1 **Section 1.** NRS 21.130 is hereby amended to read as follows:

2 21.130 1. Before the sale of property on execution, notice of
3 the sale, in addition to the notice required pursuant to NRS 21.075
4 and 21.076, must be given as follows:

5 (a) In cases of perishable property, by posting written notice of
6 the time and place of sale in three public places at the township or
7 city where the sale is to take place **or, if the sale is to be**
8 **conducted on an Internet website or other electronic medium,**
9 **where the property is being stored pending the sale,** for such a time



1 as may be reasonable, considering the character and condition of the
2 property.

3 (b) In case of other personal property, by posting a similar
4 notice in three public places of the township or city where the sale is
5 to take place **§ or, if the sale is to be conducted on an Internet**
6 **website or other electronic medium, where the property is being**
7 **stored pending the sale,** not less than 5 or more than 10 days before
8 the sale, and, in case of sale on execution issuing out of a district
9 court, by the publication of a copy of the notice in a newspaper, if
10 there is one in the county, at least twice, the first publication being
11 not less than 10 days before the date of the sale.

12 (c) In case of real property, by:

13 (1) Personal service upon each judgment debtor or by
14 registered mail to the last known address of each judgment debtor
15 and, if the property of the judgment debtor is operated as a facility
16 licensed under chapter 449 of NRS, upon the State Board of Health;

17 (2) Posting a similar notice particularly describing the
18 property, for 20 days successively, in three public places of
19 the township or city where the property is situated and where the
20 property is to be sold **§ or, if the sale is to be conducted on an**
21 **Internet website or other electronic medium, where the property is**
22 **situated;**

23 (3) Publishing a copy of the notice three times, once each
24 week, for 3 successive weeks, in a newspaper, if there is one in the
25 county. The cost of publication must not exceed the rate for legal
26 advertising as provided in NRS 238.070. If the newspaper
27 authorized by this section to publish the notice of sale neglects or
28 refuses from any cause to make the publication, then the posting of
29 notices as provided in this section shall be deemed sufficient notice.
30 Notice of the sale of property on execution upon a judgment for any
31 sum less than \$500, exclusive of costs, must be given only by
32 posting in three public places in the county, one of which must be
33 the courthouse;

34 (4) Recording a copy of the notice in the office of the county
35 recorder;

36 (5) If the sale of property is a residential foreclosure, posting
37 a copy of the notice in a conspicuous place on the property. In
38 addition to the requirements of NRS 21.140, the notice must not be
39 defaced or removed until the transfer of title is recorded or the
40 property becomes occupied after completion of the sale, whichever
41 is earlier; and

42 (6) In the case of a foreclosure sale, depositing in the United
43 States mail an envelope, registered or certified, return receipt
44 requested and with postage prepaid, containing a copy of the notice,
45 addressed to:



1 (I) Each person who, in accordance with subsection 1 of
2 NRS 107.090, has recorded a request for a copy of a notice of
3 default or notice of sale with respect to the mortgage or other lien
4 being foreclosed;

5 (II) Each other person with an interest in the real property
6 whose interest or claimed interest is subordinate to the mortgage or
7 other lien being foreclosed; and

8 (III) An association that, pursuant to subsection 4 of NRS
9 107.090, has recorded a request for a copy of the deed upon a
10 foreclosure sale.

11 2. If the sale of property is a residential foreclosure, the notice
12 must include, without limitation:

13 (a) The physical address of the property; and

14 (b) The contact information of the party who is authorized to
15 provide information relating to the foreclosure status of the
16 property.

17 3. If the sale of property is a residential foreclosure, a separate
18 notice must be posted in a conspicuous place on the property and
19 mailed, with a certificate of mailing issued by the United States
20 Postal Service or another mail delivery service, to any tenant or
21 subtenant, if any, other than the judgment debtor, in actual
22 occupation of the premises not later than 3 business days after the
23 notice of the sale is given pursuant to subsection 1. The separate
24 notice must be in substantially the following form:

25
26 NOTICE TO TENANTS OF THE PROPERTY

27
28 Foreclosure proceedings against this property have started,
29 and a notice of sale of the property to the highest bidder has
30 been issued.

31
32 You may either: (1) terminate your lease or rental agreement
33 and move out; or (2) remain and possibly be subject to
34 eviction proceedings under chapter 40 of the Nevada Revised
35 Statutes. Any subtenants may also be subject to eviction
36 proceedings.

37
38 Between now and the date of the sale, you may be evicted if
39 you fail to pay rent or live up to your other obligations to the
40 landlord.

41
42 After the date of the sale, you may be evicted if you fail to
43 pay rent or live up to your other obligations to the successful
44 bidder, in accordance with chapter 118A of the Nevada
45 Revised Statutes.



1 Under the Nevada Revised Statutes, eviction proceedings
2 may begin against you after you have been given a notice to
3 surrender.
4

5 If the property is sold and you pay rent by the week or
6 another period of time that is shorter than 1 month, you
7 should generally receive notice after not less than the number
8 of days in that period of time.
9

10 If the property is sold and you pay rent by the month or any
11 other period of time that is 1 month or longer, you should
12 generally receive notice at least 60 days in advance.
13

14 Under Nevada Revised Statutes 40.280, notice must generally
15 be served on you pursuant to chapter 40 of the Nevada
16 Revised Statutes.
17

18 If the property is sold and a landlord, successful bidder or
19 subsequent purchaser files an eviction action against you in
20 court, you will be served with a summons and complaint and
21 have the opportunity to respond. Eviction actions may result
22 in temporary evictions, permanent evictions, the awarding of
23 damages pursuant to Nevada Revised Statutes 40.360 or some
24 combination of those results.
25

26 Under the Justice Court Rules of Civil Procedure:

27 (1) You will be given at least 10 days to answer a
28 summons and complaint;

29 (2) If you do not file an answer, an order evicting you by
30 default may be obtained against you;

31 (3) A hearing regarding a temporary eviction may be
32 called as soon as 11 days after you are served with the
33 summons and complaint; and

34 (4) A hearing regarding a permanent eviction may be
35 called as soon as 20 days after you are served with the
36 summons and complaint.
37

38 4. *If the sale of property is to be conducted on an Internet*
39 *website or other electronic medium, notice required pursuant to*
40 *this section must specify:*

41 (a) *The Internet website or other electronic medium;*

42 (b) *The manner in which electronic bids will be accepted; and*

43 (c) *The period during which bids will be accepted.*

44 5. The sheriff shall not conduct a sale of the property on
45 execution or deliver the judgment debtor's property to the judgment



1 creditor if the judgment debtor or any other person entitled to notice
2 has not been properly notified as required in this section and NRS
3 21.075 and 21.076.

4 ~~[5.]~~ 6. As used in this section:

5 (a) "Foreclosure sale" means the sale of real property pursuant
6 to NRS 40.430.

7 (b) "Residential foreclosure" means the sale of a single family
8 residence pursuant to NRS 40.430. As used in this subsection,
9 "single family residence" means a structure that is comprised of not
10 more than four units.

11 **Sec. 2.** NRS 21.150 is hereby amended to read as follows:

12 21.150 1. All sales of property under execution must be made
13 at auction to the highest bidder . ~~[between the hours of 9 a.m. and 5~~
14 ~~p.m. All]~~ *Except as otherwise provided in subsection 2, all* sales of
15 real property must be made at the courthouse of the county in which
16 the property or some part thereof is situated.

17 2. *An officer conducting a sale of property under execution*
18 *may conduct the sale on an Internet website or other electronic*
19 *medium. In connection with such a sale, the officer may authorize*
20 *the person who operates the Internet website or other electronic*
21 *medium to:*

22 (a) *Collect deposits and payments made by a bidder, including,*
23 *without limitation, payments made by wire transfer, electronic*
24 *funds transfer or cashier's check;*

25 (b) *Settle the transaction; and*

26 (c) *Remit payment of the purchase price as directed by the*
27 *officer.*

28 3. After sufficient property has been sold to satisfy the
29 execution, more property must not be sold.

30 ~~[3.]~~ 4. The ~~[officer holding the execution and the officer's~~
31 ~~deputy]~~ *following persons* shall not become a purchaser or be
32 interested in any purchase at ~~[such]~~ a sale ~~[.]~~ *of property under*
33 *execution:*

34 (a) *The officer conducting the sale or the officer's deputy;*

35 (b) *An appraiser involved in the sale or a director, officer,*
36 *employee, managing member or partner of the appraiser; or*

37 (c) *A person who operates an Internet website or other*
38 *electronic medium involved in the sale or a director, officer,*
39 *employee, managing member or partner of the person.*

40 ~~[4.]~~ 5. When the sale is of personal property capable of manual
41 delivery ~~[, it shall]~~ :

42 (a) *If the sale is not being conducted on an Internet website or*
43 *other electronic medium, the personal property must* be in view of
44 those who attend the sale ;



1 (b) *If the sale is being conducted on an Internet website or*
2 *other electronic medium, a photograph of the personal property*
3 *must be available to be viewed by any prospective purchaser of the*
4 *personal property;* and

5 (c) *The personal property must* be sold in such parcels as are
6 likely to bring the highest price.

7 ~~{5.}~~ 6. Except as otherwise provided in subsection ~~{6.}~~ 7, when
8 the sale is of real property and consisting of several known lots or
9 parcels, they ~~{shall}~~ *must* be sold separately, or when a portion of
10 such real property is claimed by a third person and the third party
11 requires it to be sold separately, such portion ~~{shall}~~ *must* be thus
12 sold. If the land to be sold under execution consists of a single
13 parcel, or two or more contiguous parcels, situated in two or more
14 counties, notice of the sale must be posted and published in each of
15 such counties, as provided in this chapter. ~~{The}~~ *If the* judgment
16 debtor ~~{,if}~~ *is* present at the sale ~~{}~~ *or, for a sale conducted on an*
17 *Internet website or other electronic medium, if the judgment*
18 *debtor has made his or her wishes known, the judgment debtor*
19 may also direct the order in which property, real or personal, ~~{shall}~~
20 *is to* be sold. When such property consists of several known lots or
21 parcels, or of articles which can be sold to advantage separately, the
22 sheriff shall ~~{be bound to}~~ follow such directions.

23 ~~{6.}~~ 7. The provisions of subsection ~~{5}~~ 6 do not apply to a sale
24 pursuant to NRS 40.430.

25 **Sec. 3.** NRS 107.030 is hereby amended to read as follows:

26 107.030 Every deed of trust made after March 29, 1927, may
27 adopt by reference all or any of the following covenants,
28 agreements, obligations, rights and remedies:

29 1. COVENANT NO. 1. That grantor agrees to pay and discharge
30 at maturity all taxes and assessments and all other charges and
31 encumbrances which now are or shall hereafter be, or appear to be, a
32 lien upon the premises, or any part thereof; and that grantor will pay
33 all interest or installments due on any prior encumbrance, and that in
34 default thereof, beneficiary may, without demand or notice, pay the
35 same, and beneficiary shall be sole judge of the legality or validity
36 of such taxes, assessments, charges or encumbrances, and the
37 amount necessary to be paid in satisfaction or discharge thereof.

38 2. COVENANT NO. 2. That the grantor will at all times keep the
39 buildings and improvements which are now or shall hereafter be
40 erected upon the premises insured against loss or damage by fire, to
41 the amount of at least \$....., by some insurance company or
42 companies approved by beneficiary, the policies for which insurance
43 shall be made payable, in case of loss, to beneficiary, and shall be
44 delivered to and held by the beneficiary as further security; and that
45 in default thereof, beneficiary may procure such insurance, not



1 exceeding the amount aforesaid, to be effected either upon the
2 interest of trustee or upon the interest of grantor, or his or her
3 assigns, and in their names, loss, if any, being made payable to
4 beneficiary, and may pay and expend for premiums for such
5 insurance such sums of money as the beneficiary may deem
6 necessary.

7 3. COVENANT NO. 3. That if, during the existence of the trust,
8 there be commenced or pending any suit or action affecting the
9 premises, or any part thereof, or the title thereto, or if any adverse
10 claim for or against the premises, or any part thereof, be made or
11 asserted, the trustee or beneficiary may appear or intervene in the
12 suit or action and retain counsel therein and defend same, or
13 otherwise take such action therein as they may be advised, and may
14 settle or compromise same or the adverse claim; and in that behalf
15 and for any of the purposes may pay and expend such sums of
16 money as the trustee or beneficiary may deem to be necessary.

17 4. COVENANT NO. 4. That the grantor will pay to trustee and to
18 beneficiary respectively, on demand, the amounts of all sums of
19 money which they shall respectively pay or expend pursuant to the
20 provisions of the implied covenants of this section, or any of them,
21 together with interest upon each of the amounts, until paid, from the
22 time of payment thereof, at the rate of percent per annum.

23 5. COVENANT NO. 5. That in case grantor shall well and truly
24 perform the obligation or pay or cause to be paid at maturity the
25 debt or promissory note, and all moneys agreed to be paid, and
26 interest thereon for the security of which the transfer is made, and
27 also the reasonable expenses of the trust in this section specified,
28 then the trustee, its successors or assigns, shall reconvey to the
29 grantor all the estate in the premises conveyed to the trustee by
30 the grantor. Any part of the trust property may be reconveyed at the
31 request of the beneficiary.

32 6. COVENANT NO. 6. That if default be made in the
33 performance of the obligation, or in the payment of the debt, or
34 interest thereon, or any part thereof, or in the payment of any of the
35 other moneys agreed to be paid, or of any interest thereon, or if any
36 of the conditions or covenants in this section adopted by reference
37 be violated, and if the notice of breach and election to sell, required
38 by this chapter, be first recorded, then trustee, its successors or
39 assigns, on demand by beneficiary, or assigns, shall sell the above-
40 granted premises, or such part thereof as in its discretion it shall find
41 necessary to sell, in order to accomplish the objects of these trusts,
42 in the manner following, namely:

43 The trustee shall first give notice of the time and place of such
44 sale, in the manner provided in NRS 107.080 and may postpone
45 such sale not more than three times by proclamation made to the



1 persons assembled at the time and place previously appointed and
 2 advertised for such sale ~~[-and on]~~ *or, if the sale is to be conducted*
 3 *on an Internet website or other electronic medium, by*
 4 *proclamation published on the Internet website or other electronic*
 5 *medium. On* the day ~~{of sale so}~~ advertised *[-]* *for the sale,* or to
 6 which such sale may have been postponed, the trustee may sell the
 7 property so advertised, or any portion thereof, at public auction, at
 8 the time and place specified in the notice, at a public location in the
 9 county in which the property, or any part thereof, to be sold, is
 10 situated *[-]* *or, if authorized by the governing body of the county,*
 11 *on an Internet website or other electronic medium,* to the highest
 12 cash bidder. The beneficiary, obligee, creditor, or the holder or
 13 holders of the promissory note or notes secured thereby may bid and
 14 purchase at such sale. The beneficiary may, after recording the
 15 notice of breach and election, waive or withdraw the same or any
 16 proceedings thereunder, and shall thereupon be restored to the
 17 beneficiary's former position and have and enjoy the same rights as
 18 though such notice had not been recorded.

19 7. COVENANT NO. 7. That the trustee, upon such sale, shall
 20 make (without warranty), execute and, after due payment made,
 21 deliver to purchaser or purchasers, his, her or their heirs or assigns, a
 22 deed or deeds of the premises so sold which shall convey to the
 23 purchaser all the title of the grantor in the premises, and shall apply
 24 the proceeds of the sale thereof in payment, firstly, of the expenses
 25 of such sale, together with the reasonable expenses of the trust,
 26 including counsel fees, in an amount equal to percent of
 27 the amount secured thereby and remaining unpaid or reasonable
 28 counsel fees and costs actually incurred, which shall become due
 29 upon any default made by grantor in any of the payments aforesaid;
 30 and also such sums, if any, as trustee or beneficiary shall have paid,
 31 for procuring a search of the title to the premises, or any part
 32 thereof, subsequent to the execution of the deed of trust; and in
 33 payment, secondly, of the obligation or debts secured, and interest
 34 thereon then remaining unpaid, and the amount of all other moneys
 35 with interest thereon herein agreed or provided to be paid by
 36 grantor; and the balance or surplus of such proceeds of sale it shall
 37 pay to grantor, his or her heirs, executors, administrators or assigns.

38 8. COVENANT NO. 8. That in the event of a sale of the
 39 premises, or any part thereof, and the execution of a deed or deeds
 40 therefor under such trust, the recital therein of default, and of
 41 recording notice of breach and election of sale, and of the elapsing
 42 of the 3-month period, and of the giving of notice of sale, and of a
 43 demand by beneficiary, his or her heirs or assigns, that such sale
 44 should be made, shall be conclusive proof of such default,
 45 recording, election, elapsing of time, and of the due giving of such



1 notice, and that the sale was regularly and validly made on due and
2 proper demand by beneficiary, his or her heirs and assigns; and any
3 such deed or deeds with such recitals therein shall be effectual and
4 conclusive against grantor, his or her heirs and assigns, and all other
5 persons; and the receipt for the purchase money recited or contained
6 in any deed executed to the purchaser as aforesaid shall be sufficient
7 discharge to such purchaser from all obligation to see to the proper
8 application of the purchase money, according to the trusts aforesaid.

9 9. COVENANT NO. 9. That the beneficiary or his or her assigns
10 may, from time to time, appoint another trustee, or trustees, to
11 execute the trust created by the deed of trust. An instrument
12 executed and acknowledged by the beneficiary is conclusive proof
13 of the proper appointment of such substituted trustee. Upon the
14 recording of such executed and acknowledged instrument, the new
15 trustee or trustees shall be vested with all the title, interest, powers,
16 duties and trusts in the premises vested in or conferred upon the
17 original trustee. If there be more than one trustee, either may act
18 alone and execute the trusts upon the request of the beneficiary, and
19 all of the trustee's acts thereunder shall be deemed to be the acts of
20 all trustees, and the recital in any conveyance executed by such sole
21 trustee of such request shall be conclusive evidence thereof, and of
22 the authority of such sole trustee to act.

23 **Sec. 4.** NRS 107.080 is hereby amended to read as follows:

24 107.080 1. Except as otherwise provided in NRS 106.210,
25 107.0805, 107.085 and 107.086, if any transfer in trust of any estate
26 in real property is made after March 29, 1927, to secure the
27 performance of an obligation or the payment of any debt, a power of
28 sale is hereby conferred upon the trustee to be exercised after a
29 breach of the obligation for which the transfer is security.

30 2. The power of sale must not be exercised, however, until:

31 (a) In the case of any deed of trust coming into force:

32 (1) On or after July 1, 1949, and before July 1, 1957, the
33 grantor, the person who holds the title of record, a beneficiary under
34 a subordinate deed of trust or any other person who has a
35 subordinate lien or encumbrance of record on the property has, for a
36 period of 15 days, computed as prescribed in subsection 3, failed to
37 make good the deficiency in performance or payment; or

38 (2) On or after July 1, 1957, the grantor, the person who
39 holds the title of record, a beneficiary under a subordinate deed of
40 trust or any other person who has a subordinate lien or encumbrance
41 of record on the property has, for a period of 35 days, computed as
42 prescribed in subsection 3, failed to make good the deficiency in
43 performance or payment.

44 (b) The beneficiary, the successor in interest of the beneficiary
45 or the trustee first executes and causes to be recorded in the office of



1 the recorder of the county wherein the trust property, or some part
2 thereof, is situated a notice of the breach and of the election to sell
3 or cause to be sold the property to satisfy the obligation.

4 (c) The beneficiary or its successor in interest or the servicer of
5 the obligation or debt secured by the deed of trust has instructed the
6 trustee to exercise the power of sale with respect to the property.

7 (d) Not less than 3 months have elapsed after the recording of
8 the notice.

9 3. The 15- or 35-day period provided in paragraph (a) of
10 subsection 2 commences on the first day following the day upon
11 which the notice of default and election to sell is recorded in the
12 office of the county recorder of the county in which the property is
13 located and a copy of the notice of default and election to sell is
14 mailed by registered or certified mail, return receipt requested and
15 with postage prepaid to the grantor or, to the person who holds the
16 title of record on the date the notice of default and election to sell is
17 recorded, and, if the property is operated as a facility licensed under
18 chapter 449 of NRS, to the State Board of Health, at their respective
19 addresses, if known, otherwise to the address of the trust property
20 or, if authorized by the parties, delivered by electronic transmission.
21 The notice of default and election to sell must describe the
22 deficiency in performance or payment and may contain a notice of
23 intent to declare the entire unpaid balance due if acceleration is
24 permitted by the obligation secured by the deed of trust, but
25 acceleration must not occur if the deficiency in performance or
26 payment is made good and any costs, fees and expenses incident to
27 the preparation or recordation of the notice and incident to the
28 making good of the deficiency in performance or payment are paid
29 within the time specified in subsection 2.

30 4. The trustee, or other person authorized to make the sale
31 under the terms of the deed of trust, shall, after expiration of the
32 applicable period specified in paragraph (d) of subsection 2
33 following the recording of the notice of breach and election to sell,
34 and before the making of the sale, give notice of the time and place
35 thereof by recording the notice of sale and by:

36 (a) Providing the notice to each trustor, any other person entitled
37 to notice pursuant to this section and, if the property is operated as a
38 facility licensed under chapter 449 of NRS, the State Board of
39 Health, by personal service, by electronic transmission if authorized
40 by the parties or by mailing the notice by registered or certified mail
41 to the last known address of the trustor and any other person entitled
42 to such notice pursuant to this section;

43 (b) Posting a similar notice particularly describing the property,
44 for 20 days successively, in a public place in the county where the
45 property is situated; ~~and~~



1 (c) Publishing a copy of the notice three times, once each week
2 for 3 consecutive weeks, in a newspaper of general circulation in the
3 county where the property is situated or, if the property is a time
4 share, by posting a copy of the notice on an Internet website and
5 publishing a statement in a newspaper in the manner required by
6 subsection 3 of NRS 119A.560 ~~[]~~; and

7 (d) *If the sale is to be conducted on an Internet website or*
8 *other electronic medium, including in the notice:*

9 (1) *The Internet website or other electronic medium;*

10 (2) *The manner in which electronic bids will be accepted;*
11 *and*

12 (3) *The period during which bids will be accepted.*

13 5. Every sale made under the provisions of this section and
14 other sections of this chapter vests in the purchaser the title of the
15 grantor and any successors in interest without equity or right of
16 redemption. Except as otherwise provided in subsection 7, a sale
17 made pursuant to this section must be declared void by any court of
18 competent jurisdiction in the county ~~[where]~~ *in which* the ~~[sale took~~
19 ~~place]~~ *property is located* if:

20 (a) The trustee or other person authorized to make the sale does
21 not substantially comply with the provisions of this section;

22 (b) Except as otherwise provided in subsection 6, an action is
23 commenced in the county ~~[where]~~ *in which* the ~~[sale took place]~~
24 *property is located* within 30 days after the date on which the
25 trustee's deed upon sale is recorded pursuant to subsection 10 in the
26 office of the county recorder of the county in which the property is
27 located; and

28 (c) A notice of lis pendens providing notice of the pendency of
29 the action is recorded in the office of the county recorder of the
30 county ~~[where]~~ *in which* the ~~[sale took place]~~ *property is located*
31 within 5 days after commencement of the action.

32 6. If proper notice is not provided pursuant to subsection 3 or
33 paragraph (a) of subsection 4 to the grantor, to the person who holds
34 the title of record on the date the notice of default and election to
35 sell is recorded, to each trustor or to any other person entitled to
36 such notice, the person who did not receive such proper notice may
37 commence an action pursuant to subsection 5 within 90 days after
38 the date of the sale.

39 7. Upon expiration of the time for commencing an action
40 which is set forth in subsections 5 and 6, any failure to comply with
41 the provisions of this section or any other provision of this chapter
42 does not affect the rights of a bona fide purchaser as described in
43 NRS 111.180.

44 8. If, in an action brought by the grantor or the person who
45 holds title of record in the district court in and for the county in



1 which the real property is located, the court finds that the
2 beneficiary, the successor in interest of the beneficiary or the trustee
3 did not comply with any requirement of subsection 2, 3 or 4, the
4 court must award to the grantor or the person who holds title of
5 record:

6 (a) Damages of \$5,000 or treble the amount of actual damages,
7 whichever is greater;

8 (b) An injunction enjoining the exercise of the power of sale
9 until the beneficiary, the successor in interest of the beneficiary or
10 the trustee complies with the requirements of subsections 2, 3 and 4;
11 and

12 (c) Reasonable attorney's fees and costs,
13 ↪ unless the court finds good cause for a different award. The
14 remedy provided in this subsection is in addition to the remedy
15 provided in subsection 5.

16 9. The sale or assignment of a proprietary lease in a
17 cooperative vests in the purchaser or assignee title to the ownership
18 interest and votes in the cooperative association which accompany
19 the proprietary lease.

20 10. After a sale of property is conducted pursuant to this
21 section, the trustee shall:

22 (a) Within 30 days after the date of the sale, record the trustee's
23 deed upon sale in the office of the county recorder of the county in
24 which the property is located; or

25 (b) Within 20 days after the date of the sale, deliver the trustee's
26 deed upon sale to the successful bidder. Within 10 days after the
27 date of delivery of the deed by the trustee, the successful bidder
28 shall record the trustee's deed upon sale in the office of the county
29 recorder of the county in which the property is located.

30 11. Within 5 days after recording the trustee's deed upon sale,
31 the trustee or successful bidder, whoever recorded the trustee's deed
32 upon sale pursuant to subsection 10, shall cause a copy of the
33 trustee's deed upon sale to be posted conspicuously on the property.
34 The failure of a trustee or successful bidder to effect the posting
35 required by this subsection does not affect the validity of a sale of
36 the property to a bona fide purchaser for value without knowledge
37 of the failure.

38 12. If the successful bidder fails to record the trustee's deed
39 upon sale pursuant to paragraph (b) of subsection 10, the successful
40 bidder:

41 (a) Is liable in a civil action to any party that is a senior
42 lienholder against the property that is the subject of the sale in a sum
43 of up to \$500 and for reasonable attorney's fees and the costs of
44 bringing the action; and



1 (b) Is liable in a civil action for any actual damages caused by
2 the failure to comply with the provisions of subsection 10 and for
3 reasonable attorney's fees and the costs of bringing the action.

4 13. The county recorder shall, in addition to any other fee, at
5 the time of recording a notice of default and election to sell collect:

6 (a) A fee of \$150 for deposit in the State General Fund.

7 (b) A fee of \$95 for deposit in the Account for Foreclosure
8 Mediation Assistance, which is hereby created in the State General
9 Fund. The Account must be administered by the Interim Finance
10 Committee and the money in the Account may be expended only for
11 the purpose of:

12 (1) Supporting a program of foreclosure mediation; and

13 (2) The development and maintenance of an Internet portal
14 for a program of foreclosure mediation pursuant to subsection 16 of
15 NRS 107.086.

16 (c) A fee of \$5 to be paid over to the county treasurer on or
17 before the fifth day of each month for the preceding calendar month.
18 The county recorder may direct that 1.5 percent of the fees collected
19 by the county recorder pursuant to this paragraph be transferred into
20 a special account for use by the office of the county recorder. The
21 county treasurer shall remit quarterly to the organization operating
22 the program for legal services that receives the fees charged
23 pursuant to NRS 19.031 for the operation of programs for the
24 indigent all the money received from the county recorder pursuant
25 to this paragraph.

26 14. The fees collected pursuant to paragraphs (a) and (b) of
27 subsection 13 must be paid over to the county treasurer by the
28 county recorder on or before the fifth day of each month for the
29 preceding calendar month, and, except as otherwise provided in this
30 subsection, must be placed to the credit of the State General Fund or
31 the Account for Foreclosure Mediation Assistance as prescribed
32 ~~pursuant to~~ in subsection 13. The county recorder may direct that
33 1.5 percent of the fees collected by the county recorder be
34 transferred into a special account for use by the office of the county
35 recorder. The county treasurer shall, on or before the 15th day of
36 each month, remit the fees deposited by the county recorder
37 pursuant to this subsection to the State Controller for credit to the
38 State General Fund or the Account as prescribed in subsection 13.

39 15. The beneficiary, the successor in interest of the beneficiary
40 or the trustee who causes to be recorded the notice of default and
41 election to sell shall not charge the grantor or the successor in
42 interest of the grantor any portion of any fee required to be paid
43 pursuant to subsection 13.



1 **Sec. 5.** NRS 107.0805 is hereby amended to read as follows:
2 107.0805 1. In addition to the requirements set forth in NRS
3 107.080, 107.085 and 107.086, the power of sale for a residential
4 foreclosure is subject to the following requirements and conditions
5 and must not be executed until:

6 (a) In the case of any deed of trust which concerns owner-
7 occupied housing, the grantor, the person who holds the title of
8 record, a beneficiary under a subordinate deed of trust or any other
9 person who has a subordinate lien or encumbrance of record on the
10 property has, for a period that commences in the manner and subject
11 to the requirements described in subsection 2 and expires 5 days
12 before the date of sale, failed to make good the deficiency in
13 performance or payment.

14 (b) The beneficiary, the successor in interest of the beneficiary
15 or the trustee first executes and causes to be recorded in the office of
16 the recorder of the county wherein the trust property, or some part
17 thereof, is situated a notice of the breach and of the election to sell
18 or cause to be sold the property pursuant to subsection 2 of NRS
19 107.080, together with a notarized affidavit of authority to exercise
20 the power of sale. The affidavit required by this paragraph must
21 state under penalty of perjury the following information, which must
22 be based on the direct, personal knowledge of the affiant or the
23 personal knowledge which the affiant acquired by a review of
24 the business records of the beneficiary, the successor in interest of
25 the beneficiary or the servicer of the obligation or debt secured
26 by the deed of trust, which business records must meet the standards
27 set forth in NRS 51.135:

28 (1) The full name and business address of the current trustee
29 or the current trustee's personal representative or assignee, the
30 current holder of the note secured by the deed of trust, the current
31 beneficiary of record and the current servicer of the obligation or
32 debt secured by the deed of trust.

33 (2) That the beneficiary under the deed of trust, the successor
34 in interest of the beneficiary or the trustee is in actual or
35 constructive possession of the note secured by the deed of trust or
36 that the beneficiary or its successor in interest or the trustee is
37 entitled to enforce the obligation or debt secured by the deed of
38 trust. For the purposes of this subparagraph, if the obligation or debt
39 is an instrument, as defined in subsection 2 of NRS 104.3103, a
40 beneficiary or its successor in interest or the trustee is entitled to
41 enforce the instrument if the beneficiary or its successor in interest
42 or the trustee is:

- 43 (I) The holder of the instrument;
44 (II) A nonholder in possession of the instrument who has
45 the rights of a holder; or



1 (III) A person not in possession of the instrument who is
2 entitled to enforce the instrument pursuant to a court order issued
3 under NRS 104.3309.

4 (3) That the beneficiary or its successor in interest, the
5 servicer of the obligation or debt secured by the deed of trust or the
6 trustee, or an attorney representing any of those persons, has sent to
7 the obligor or borrower of the obligation or debt secured by the deed
8 of trust a written statement of:

9 (I) That amount of payment required to make good the
10 deficiency in performance or payment, avoid the exercise of
11 the power of sale and reinstate the terms and conditions of the
12 underlying obligation or debt existing before the deficiency in
13 performance or payment, as of the date of the statement;

14 (II) The amount in default;

15 (III) The principal amount of the obligation or debt
16 secured by the deed of trust;

17 (IV) The amount of accrued interest and late charges;

18 (V) A good faith estimate of all fees imposed in
19 connection with the exercise of the power of sale; and

20 (VI) Contact information for obtaining the most current
21 amounts due and the local or toll-free telephone number described
22 in subparagraph (4).

23 (4) A local or toll-free telephone number that the obligor or
24 borrower of the obligation or debt may call to receive the most
25 current amounts due and a recitation of the information contained in
26 the affidavit.

27 (5) The date and the recordation number or other unique
28 designation of, and the name of each assignee under, each recorded
29 assignment of the deed of trust. The information required to be
30 stated in the affidavit pursuant to this subparagraph may be based
31 on:

32 (I) The direct, personal knowledge of the affiant;

33 (II) The personal knowledge which the affiant acquired
34 by a review of the business records of the beneficiary, the successor
35 in interest of the beneficiary or the servicer of the obligation or debt
36 secured by the deed of trust, which business records must meet the
37 standards set forth in NRS 51.135;

38 (III) Information contained in the records of the recorder
39 of the county in which the property is located; or

40 (IV) The title guaranty or title insurance issued by a title
41 insurer or title agent authorized to do business in this State pursuant
42 to chapter 692A of NRS.

43 2. The period provided in paragraph (a) of subsection 1
44 commences on the first day following the day upon which the notice
45 of default and election to sell is recorded in the office of the county



1 recorder of the county in which the property is located and a copy of
2 the notice of default and election to sell is mailed by registered or
3 certified mail, return receipt requested and with postage prepaid, to
4 the grantor or to the person who holds the title of record on the date
5 the notice of default and election to sell is recorded, at their
6 respective addresses, if known, otherwise to the address of the trust
7 property or, if authorized by the parties, delivered by electronic
8 transmission. In addition to meeting the requirements set forth in
9 subsection 1 and NRS 107.080, the notice of default and election
10 must:

11 (a) If the property is subject to the requirements of NRS 107.400
12 to 107.560, inclusive, contain the declaration required by subsection
13 6 of NRS 107.510; and

14 (b) Comply with the provisions of NRS 107.087.

15 3. In addition to providing notice pursuant to the requirements
16 set forth in subsection 4 of NRS 107.080, the trustee, or other
17 person authorized to make the sale under the terms of the deed of
18 trust with respect to a residential foreclosure, shall, after expiration
19 of the applicable period specified in paragraph (d) of subsection 2 of
20 NRS 107.080, following the recording of the notice of breach and
21 election to sell, and before the making of the sale, comply with the
22 provisions of NRS 107.087.

23 4. In addition to the grounds provided in paragraph (a) of
24 subsection 5 of NRS 107.080, a sale made pursuant to this section
25 must be declared void by any court of competent jurisdiction in the
26 county ~~[where the sale took place]~~ *in which the property is located*
27 if the trustee or other person authorized to make the sale does not
28 substantially comply with any applicable provisions set forth in
29 NRS 107.086 and 107.087, and the applicant otherwise complies
30 with subsection 5 of NRS 107.080.

31 **Sec. 6.** NRS 107.081 is hereby amended to read as follows:

32 107.081 1. All sales of property pursuant to NRS 107.080
33 must be made at auction to the highest bidder . ~~[and must be made~~
34 ~~between the hours of 9 a.m. and 5 p.m. The agent holding the sale~~
35 ~~must not become a purchaser at the sale or be interested in any~~
36 ~~purchase at such a sale.]~~

37 2. ~~[All]~~ *Except as otherwise provided in subsection 3, all* sales
38 of real property must be made at the public location in the county
39 designated by the governing body of the county for that purpose.

40 3. *The governing body of the county may authorize a sale of*
41 *property pursuant to NRS 107.080 to be conducted on an Internet*
42 *website or other electronic medium designated by the governing*
43 *body. In connection with such a sale, the governing body of the*
44 *county may authorize the person who operates the Internet website*
45 *or other electronic medium to:*



1 (a) *Collect deposits and payments made by a bidder, including,*
2 *without limitation, payments made by wire transfer, electronic*
3 *funds transfer or cashier's check;*

4 (b) *Settle the transaction; and*

5 (c) *Remit payment of the purchase price as directed by the*
6 *agent holding the sale.*

7 4. *The following persons shall not become a purchaser at a*
8 *sale of property pursuant to NRS 107.080 or be interested in any*
9 *purchase at such a sale:*

10 (a) *The agent conducting the sale;*

11 (b) *An appraiser involved in the sale or a director, officer,*
12 *employee, managing member or partner of the appraiser; or*

13 (c) *A person who operates an Internet website or other*
14 *electronic medium involved in the sale or a director, officer,*
15 *employee, managing member or partner of the person.*

16 **Sec. 7.** NRS 107.082 is hereby amended to read as follows:

17 107.082 1. If a sale of property pursuant to NRS 107.080 is
18 postponed by oral proclamation ~~[]~~ *or, for a sale conducted on an*
19 *Internet website or other electronic medium, by proclamation*
20 *published on the Internet website or other electronic medium,* the
21 sale must be postponed to a later date at the same time and
22 ~~[location.]~~ *place.*

23 2. If such a sale has been postponed ~~[by oral proclamation]~~ *in*
24 *the manner described in subsection 1* three times, any new sale
25 information must be provided by notice as provided in
26 NRS 107.080.

27 **Sec. 8.** NRS 116.311635 is hereby amended to read as
28 follows:

29 116.311635 1. The association or other person conducting
30 the sale shall also, after the expiration of the 90-day period
31 described in paragraph (c) of subsection 1 of NRS 116.31162 and
32 before selling the unit, give notice of the time and place of the sale
33 by recording the notice of sale and by:

34 (a) Posting a similar notice particularly describing the unit, for
35 20 days consecutively, in a public place in the county where the unit
36 is situated;

37 (b) Publishing a copy of the notice three times, once each week
38 for 3 consecutive weeks, in a newspaper of general circulation in the
39 county where the unit is situated;

40 (c) Notifying the unit's owner or his or her successor in interest
41 as follows:

42 (1) A copy of the notice of sale must be mailed, on or before
43 the date of first publication or posting, by certified or registered
44 mail, return receipt requested, to the unit's owner or his or her



1 successor in interest at his or her address, if known, and to the
2 address of the unit; and

3 (2) A copy of the notice of sale must be served, on or before
4 the date of first publication or posting, in the manner set forth in
5 subsection 2; and

6 (d) Mailing, on or before the date of first publication or posting,
7 a copy of the notice by certified mail to:

8 (1) Each person entitled to receive a copy of the notice of
9 default and election to sell notice under subsection 1 of
10 NRS 116.31163;

11 (2) The holder of a security interest recorded before the
12 mailing of the notice of sale, at the address of the holder that is
13 provided pursuant to NRS 657.110 on the Internet website
14 maintained by the Division of Financial Institutions of the
15 Department of Business and Industry; and

16 (3) The Ombudsman.

17 2. In addition to the requirements set forth in subsection 1, a
18 copy of the notice of sale must be served:

19 (a) By a person who is 18 years of age or older and who is not a
20 party to or interested in the sale by personally delivering a copy of
21 the notice of sale to an occupant of the unit who is of suitable age;
22 or

23 (b) By posting a copy of the notice of sale in a conspicuous
24 place on the unit.

25 3. Any copy of the notice of sale required to be served pursuant
26 to this section must include:

27 (a) The amount necessary to satisfy the lien as of the date of the
28 proposed sale; and

29 (b) The following warning in 14-point bold type:

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

**WARNING! A SALE OF YOUR PROPERTY IS
IMMINENT! UNLESS YOU PAY THE AMOUNT
SPECIFIED IN THIS NOTICE BEFORE THE SALE DATE,
YOU COULD LOSE YOUR HOME, EVEN IF THE
AMOUNT IS IN DISPUTE. YOU MUST ACT BEFORE
THE SALE DATE. IF YOU HAVE ANY QUESTIONS,
PLEASE CALL (name and telephone number of the contact
person for the association). IF YOU NEED ASSISTANCE,
PLEASE CALL THE FORECLOSURE SECTION OF THE
OMBUDSMAN'S OFFICE, NEVADA REAL ESTATE
DIVISION, AT (toll-free telephone number designated by the
Division) IMMEDIATELY.**

4. Proof of service of any copy of the notice of sale required to
be served pursuant to this section must consist of:



1 (a) A certificate of mailing which evidences that the notice was
2 mailed through the United States Postal Service; or

3 (b) An affidavit of service signed by the person who served the
4 notice stating:

5 (1) The time of service, manner of service and location of
6 service; and

7 (2) The name of the person served or, if the notice was not
8 served on a person, a description of the location where the notice
9 was posted on the unit.

10 **5. *If the sale is to be conducted on an Internet website or***
11 ***other electronic medium, notice required pursuant to this section***
12 ***must include, without limitation:***

13 (a) *The Internet website or other electronic medium;*

14 (b) *The manner in which electronic bids will be accepted; and*

15 (c) *The period during which bids will be accepted.*

16 **Sec. 9.** NRS 116.31164 is hereby amended to read as follows:

17 116.31164 1. The sale must be conducted in accordance with
18 the provisions of this section.

19 2. If the holder of the security interest described in paragraph
20 (b) of subsection 2 of NRS 116.3116 satisfies the amount of the
21 association's lien that is prior to its security interest not later than 5
22 days before the date of sale, the sale may not occur unless a record
23 of such satisfaction is recorded in the office of the county recorder
24 of the county in which the unit is located not later than 2 days before
25 the date of sale.

26 3. ~~[The]~~ ***Except as otherwise provided in subsection 5, the*** sale
27 ***must be made : ~~[between the hours of 9 a.m. and 5 p.m. and:]~~***

28 (a) If the unit is located in a county whose population is less
29 than 100,000, at the courthouse in the county in which the unit is
30 located.

31 (b) If the unit is located in a county whose population is 100,000
32 or more, at the public location in the county designated by the
33 governing body of the county to conduct a sale of real property
34 pursuant to NRS 107.080.

35 4. The sale may be conducted by the association, its agent or
36 attorney, or a title insurance company or escrow agent licensed to do
37 business in this State.

38 5. ***The governing body of the county in which the unit is***
39 ***located may authorize a person described in subsection 3 to***
40 ***conduct the sale on an Internet website or other electronic***
41 ***medium designated by the governing body. In connection with***
42 ***such a sale, the governing body may authorize the person who***
43 ***operates the Internet website or other electronic medium to:***



1 (a) *Collect deposits and payments made by a bidder, including,*
2 *without limitation, payments made by wire transfer, electronic*
3 *funds transfer or cashier's check;*

4 (b) *Settle the transaction; and*

5 (c) *Remit payment of the purchase price as directed by the*
6 *person conducting the sale.*

7 6. The association or other person conducting the sale may
8 from time to time postpone the sale by such advertisement and
9 notice as it considers reasonable or, without further advertisement or
10 notice, by proclamation made to the persons assembled at the time
11 and place previously set and advertised for the sale ~~[]~~ *or, for a sale*
12 *conducted on an Internet website or other electronic medium, by*
13 *proclamation published on the Internet website or other electronic*
14 *medium, except that:*

15 (a) If the sale is postponed by oral proclamation ~~[]~~ *or by*
16 *proclamation published on the Internet website or other electronic*
17 *medium, the sale must be postponed to a later date at the same time*
18 *and ~~[location;] place;~~ and*

19 (b) If such a date has been postponed ~~[by oral proclamation]~~ *in*
20 *the manner described in paragraph (a)* three times, any new sale
21 information must be provided by notice as provided in
22 NRS 116.311635.

23 ~~[6.]~~ 7. On the day of sale, at the time and place specified in the
24 notice, the person conducting the sale:

25 (a) ~~[Shall]~~ *For a sale that is not conducted on an Internet*
26 *website or other electronic medium, shall* state to the persons
27 assembled for the sale whether or not the holder of the security
28 interest described in paragraph (b) of subsection 2 of NRS 116.3116
29 has satisfied the amount of the association's lien that is prior to that
30 first security interest pursuant to subsection 3 of NRS 116.3116.

31 (b) *For a sale that is conducted on an Internet website or other*
32 *electronic medium, shall publish the information described in*
33 *paragraph (a) on the Internet website or other electronic medium.*

34 (c) Except as otherwise provided in subsection ~~[7.]~~ 8, may sell
35 the unit at public auction to the highest cash bidder.

36 ~~[7.]~~ 8. The following persons may not purchase the unit:

37 (a) Any person who was involved in the process of foreclosing
38 the association's lien pursuant to NRS 116.3116 to 116.31168,
39 inclusive, including, without limitation:

40 (1) Any person who exercised discretion in any decision
41 relating to the foreclosure of the lien and any person employed by
42 such a person;

43 (2) A collection agency used by the association to collect an
44 obligation relating to the unit;



1 (3) A community manager of the association and any of his
2 or her assistants;

3 (4) A member of the executive board of the association; or

4 (5) An attorney who provided representation to any of the
5 parties with regard to the foreclosure of the lien;

6 (b) Any person who is related by blood, adoption, marriage or
7 domestic partnership within the third degree of consanguinity or
8 affinity to a person set forth in paragraph (a); ~~for~~

9 (c) The person conducting the sale or any entity in which that
10 person holds an interest ~~f~~;

11 ~~—8.1 ;~~

12 *(d) An appraiser involved in the sale or a director, officer,*
13 *employee, managing member or partner of the appraiser; or*

14 *(e) A person who operated an Internet website or other*
15 *electronic medium involved in the sale of a director, officer,*
16 *employee, managing member or partner of the person.*

17 **9.** After the sale, the person conducting the sale shall:

18 (a) Comply with the provisions of subsection 2 of NRS
19 116.31166; and

20 (b) Apply the proceeds of the sale for the following purposes in
21 the following order:

22 (1) The reasonable expenses of sale;

23 (2) The reasonable expenses of securing possession before
24 sale, holding, maintaining, and preparing the unit for sale, including
25 payment of taxes and other governmental charges, premiums on
26 hazard and liability insurance, and, to the extent provided for by the
27 declaration, reasonable attorney's fees and other legal expenses
28 incurred by the association;

29 (3) Satisfaction of the association's lien;

30 (4) Satisfaction in the order of priority of any subordinate
31 claim of record; and

32 (5) Remittance of any excess to the unit's owner.

33 **Sec. 10.** This act becomes effective on July 1, 2023.



