

# CHAPTER 116 - COMMON-INTEREST OWNERSHIP (UNIFORM ACT)

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## ADMINISTRATION AND ENFORCEMENT OF CHAPTER

### GENERAL PROVISIONS

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## ARTICLE 1

### GENERAL PROVISIONS

#### Part I

##### Definitions and Other General Provisions

**NRS 116.001 Short title.** This chapter may be cited as the Uniform Common-Interest Ownership Act. (Added to NRS by [1991, 535](#))—(Substituted in revision for NRS 116.1101)

**NRS 116.003 Definitions.** As used in this chapter and in the declaration and bylaws of an association, the words and terms defined in [NRS 116.005](#) to [116.095](#), inclusive, have the meanings ascribed to them in those sections. (Added to NRS by [1991, 535](#); A [2003, 1302, 2221](#); [2005, 2586](#); [2009, 1608](#); [2011, 2415](#))

**NRS 116.005 “Administrator” defined.** “Administrator” means the Real Estate Administrator. (Added to NRS by [1999, 2993](#); A [2003, 1302, 2221](#))—(Substituted in revision for NRS 116.110305)

**NRS 116.007 “Affiliate of a declarant” defined.** “Affiliate of a declarant” means any person who controls, is controlled by or is under common control with a declarant. For purposes of this section:

1. A person controls a declarant if the person:
    - (a) Is a general partner, officer, director or employer of the declarant;
    - (b) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the declarant;
    - (c) Controls in any manner the election of a majority of the directors of the declarant; or
    - (d) Has contributed more than 20 percent of the capital of the declarant.
  2. A person is controlled by a declarant if the declarant:
    - (a) Is a general partner, officer, director or employer of the person;
    - (b) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the person;
    - (c) Controls in any manner the election of a majority of the directors of the person; or
    - (d) Has contributed more than 20 percent of the capital of the person.
  3. Control does not exist if the powers described in this section are held solely as security for an obligation and are not exercised.
- (Added to NRS by [1991, 535](#); A [2011, 2415](#))—(Substituted in revision for NRS 116.11031)

**NRS 116.009 “Allocated interests” defined.** “Allocated interests” means the following interests allocated to each unit:

1. In a condominium, the undivided interest in the common elements, the liability for common expenses, and votes in the association;
  2. In a cooperative, the liability for common expenses, the ownership interest and votes in the association; and
  3. In a planned community, the liability for common expenses and votes in the association.
- (Added to NRS by [1991, 536](#); A [2011, 2416](#))—(Substituted in revision for NRS 116.110313)

**NRS 116.011 “Association” and “unit-owners’ association” defined.** “Association” or “unit-owners’ association” means the unit-owners’ association organized under [NRS 116.3101](#).  
(Added to NRS by [1991, 536](#))—(Substituted in revision for NRS 116.110315)

**NRS 116.013 “Certificate” defined.** “Certificate” means a certificate for the management of a common-interest community or the management of an association of a condominium hotel issued by the Division pursuant to [chapter 116A](#) of NRS.  
(Added to NRS by [2003, 2208](#); A [2005, 2587](#); [2007, 2268](#))

**NRS 116.015 “Commission” defined.** “Commission” means the Commission for Common-Interest Communities and Condominium Hotels created by [NRS 116.600](#).  
(Added to NRS by [2003, 2208](#); A [2007, 2268](#))

**NRS 116.017 “Common elements” defined.** “Common elements” means:

1. In the case of:
  - (a) A condominium or cooperative, all portions of the common-interest community other than the units, including easements in favor of units or the common elements over other units.
  - (b) A planned community, any real estate within a planned community which is owned or leased by the association, other than a unit.
2. In all common-interest communities, any other interests in real estate for the benefit of units’ owners which are subject to the declaration.

(Added to NRS by [1991, 536](#); A [1993, 2356](#); [2011, 2416](#))—(Substituted in revision for NRS 116.110318)

**NRS 116.019 “Common expenses” defined.** “Common expenses” means expenditures made by, or financial liabilities of, the association, together with any allocations to reserves.  
(Added to NRS by [1991, 536](#))—(Substituted in revision for NRS 116.11032)

**NRS 116.021 “Common-interest community” defined.**

1. “Common-interest community” means real estate described in a declaration with respect to which a person, by virtue of the person’s ownership of a unit, is obligated to pay for a share of real estate taxes, insurance premiums, maintenance or improvement of, or services or other expenses related to, common elements, other units or other real estate described in that declaration.
2. The term does not include an agreement described in [NRS 116.1209](#).
3. For purposes of this section, “ownership of a unit” does not include holding a leasehold interest of less than 20 years in a unit, including options to renew.

(Added to NRS by [1991, 536](#); A [2009, 1608](#))—(Substituted in revision for NRS 116.110323)

**NRS 116.023 “Community manager” defined.** “Community manager” means a person who provides for or otherwise engages in the management of a common-interest community or the management of an association of a condominium hotel.  
(Added to NRS by [2003, 2208](#); A [2007, 2268](#))

**NRS 116.025 “Complaint” defined.** “Complaint” means a complaint filed by the Administrator pursuant to [NRS 116.765](#).  
(Added to NRS by [2003, 2208](#))

**NRS 116.027 “Condominium” defined.** “Condominium” means a common-interest community in which portions of the real estate are designated for separate ownership and the remainder of the real estate is designated for common ownership solely by the owners of those portions. A common-interest community is not a condominium unless the undivided interests in the common elements are vested in the units’ owners.  
(Added to NRS by [1991, 536](#))—(Substituted in revision for NRS 116.110325)



**NRS 116.029 “Converted building” defined.** “Converted building” means a building that at any time before creation of the common-interest community was occupied wholly or partially by persons other than purchasers and persons who occupy with the consent of purchasers.

(Added to NRS by [1991, 536](#))—(Substituted in revision for NRS 116.110328)

**NRS 116.031 “Cooperative” defined.** “Cooperative” means a common-interest community in which the real estate is owned by an association, each of whose members is entitled by virtue of the member’s ownership in the association to exclusive possession of a unit.

(Added to NRS by [1991, 536](#))—(Substituted in revision for NRS 116.11033)

**NRS 116.033 “Dealer” defined.** “Dealer” means a person in the business of selling units for his or her own account.

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.110333)

**NRS 116.035 “Declarant” defined.** “Declarant” means any person or group of persons acting in concert who:

1. As part of a common promotional plan, offers to dispose of the interest of the person or group of persons in a unit not previously disposed of; or
2. Reserves or succeeds to any special declarant’s right.

(Added to NRS by [1991, 537](#); A [2011, 2416](#))—(Substituted in revision for NRS 116.110335)

**NRS 116.037 “Declaration” defined.** “Declaration” means any instruments, however denominated, that create a common-interest community, including any amendments to those instruments.

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.110338)

**NRS 116.039 “Developmental rights” defined.** “Developmental rights” means any right or combination of rights reserved by a declarant in the declaration to:

1. Add real estate to a common-interest community;
2. Create units, common elements or limited common elements within a common-interest community;
3. Subdivide units or convert units into common elements; or
4. Withdraw real estate from a common-interest community.

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.11034)

**NRS 116.041 “Dispose” and “disposition” defined.** “Dispose” or “disposition” means a voluntary transfer to a purchaser of any legal or equitable interest in a unit, but the term does not include the transfer or release of a security interest.

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.110343)

**NRS 116.043 “Division” defined.** “Division” means the Real Estate Division of the Department of Business and Industry.

(Added to NRS by [2003, 1301, 2208](#))

**NRS 116.045 “Executive board” defined.** “Executive board” means the body, regardless of name, designated in the declaration or bylaws to act on behalf of the association.

(Added to NRS by [1991, 537](#); A [2011, 2416](#))—(Substituted in revision for NRS 116.110345)

**NRS 116.047 “Financial statement” defined.** “Financial statement” means a financial statement of an association that is prepared and presented in accordance with the requirements established by the Commission pursuant to [NRS 116.31142](#).

(Added to NRS by [1997, 3110](#); A [2005, 2587](#))

**NRS 116.049 “Governing documents” defined.** “Governing documents” means:

1. The declaration for the common-interest community;
2. The articles of incorporation, articles of association, articles of organization, certificate of registration, certificate of limited partnership, certificate of trust or other documents that are used to organize the association for the common-interest community;
3. The bylaws and rules of the association; and
4. Any other documents that govern the operation of the common-interest community or the association.

(Added to NRS by [1997, 3111](#); A [2005, 2587](#))

**NRS 116.051 “Hearing panel” defined.** “Hearing panel” means a hearing panel appointed by the Commission pursuant to [NRS 116.675](#).

(Added to NRS by [2003, 2208](#))

**NRS 116.053 “Identifying number” defined.** “Identifying number” means a symbol, address or legally sufficient description of real estate which identifies only one unit in a common-interest community.

(Added to NRS by [1991, 537](#); A [1993, 2356](#))—(Substituted in revision for NRS 116.110348)

**NRS 116.055 “Leasehold common-interest community” defined.** “Leasehold common-interest community” means a common-interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common-interest community or reduce its size.

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.11035)

**NRS 116.057 “Liability for common expenses” defined.** “Liability for common expenses” means the liability for common expenses allocated to each unit pursuant to [NRS 116.2107](#).

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.110353)

**NRS 116.059 “Limited common element” defined.** “Limited common element” means a portion of the common elements allocated by the declaration or by operation of subsection 2 or 4 of [NRS 116.2102](#) for the exclusive use of one or more but fewer than all of the units.

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.110355)

**NRS 116.0605 “Major component of the common elements” defined.** “Major component of the common elements” means any component of the common elements, including, without limitation, any amenity, improvement, furnishing, fixture, finish, system or equipment, that may, within 30 years after its original installation, require repair, replacement or restoration in excess of routine annual maintenance which is included in the annual operating budget of an association.

(Added to NRS by [2005, 2581](#))

**NRS 116.061 “Management of a common-interest community” defined.** “Management of a common-interest community” means the physical, administrative or financial maintenance and management of a common-interest community, or the supervision of those activities, for a fee, commission or other valuable consideration.

(Added to NRS by [2003, 2209](#))

**NRS 116.063 “Master association” defined.** “Master association” means an organization described in [NRS 116.212](#), whether or not it is also an association described in [NRS 116.3101](#).

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.110358)

**NRS 116.064 “Nonresidential condominium” defined.** “Nonresidential condominium” means a condominium in which all units are restricted exclusively to nonresidential use.

(Added to NRS by [2009, 1607](#))

**NRS 116.065 “Offering” defined.** “Offering” means any advertisement, inducement, solicitation or attempt to encourage any person to acquire any interest in a unit, other than as security for an obligation. An advertisement in a newspaper or other periodical of general circulation, or in any broadcast medium to the general public, of a common-interest community not located in this State, is not an offering if the advertisement states that an offering may be made only in compliance with the law of the jurisdiction in which the common-interest community is located. The verb “offer” has a similar meaning.

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.11036)

**NRS 116.067 “Ombudsman” defined.** “Ombudsman” means the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels.

(Added to NRS by [2003, 2209](#); A [2007, 2268](#))

**NRS 116.069 “Party to the complaint” defined.** “Party to the complaint” means the Division and the respondent.

(Added to NRS by [2003, 2209](#))

**NRS 116.073 “Person” defined.** “Person” includes a government and governmental subdivision or agency.

(Added to NRS by [1991, 537](#))—(Substituted in revision for NRS 116.110363)

**NRS 116.075 “Planned community” defined.** “Planned community” means a common-interest community that is not a condominium or a cooperative. A condominium or cooperative may be part of a planned community.

(Added to NRS by [1991, 538](#))—(Substituted in revision for NRS 116.110368)

**NRS 116.077 “Proprietary lease” defined.** “Proprietary lease” means an agreement with the association pursuant to which a member is entitled to exclusive possession of a unit in a cooperative.

(Added to NRS by [1991, 538](#))—(Substituted in revision for NRS 116.110373)

**NRS 116.079 “Purchaser” defined.** “Purchaser” means a person, other than a declarant or a dealer, who by means of a voluntary transfer acquires a legal or equitable interest in a unit other than:

1. A leasehold interest, including options to renew, of less than 20 years; or
2. As security for an obligation.

(Added to NRS by [1991, 538](#); A [2011, 2416](#))—(Substituted in revision for NRS 116.110375)

**NRS 116.081 “Real estate” defined.** “Real estate” means any leasehold or other estate or interest in, over or under land, including structures, fixtures and other improvements and interests that by custom, usage or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. The term includes parcels with or without upper or lower boundaries and spaces that may be filled with air or water.

(Added to NRS by [1991, 538](#); A [2011, 2416](#))—(Substituted in revision for NRS 116.110378)

**NRS 116.083 “Residential use” defined.** “Residential use” means use as a dwelling or for personal, family or household purposes by ordinary customers, whether rented to particular persons or not. Such uses include marina boat slips, piers, stable or agricultural stalls or pens, campground spaces or plots, parking spaces or garage spaces, storage spaces or lockers and garden plots for individual use, but do not include spaces or units primarily used to derive commercial income from, or provide service to, the public.

(Added to NRS by [1991, 538](#); A [1999, 3355](#))—(Substituted in revision for NRS 116.11038)

**NRS 116.085 “Respondent” defined.** “Respondent” means a person against whom:

1. An affidavit has been filed pursuant to [NRS 116.760](#).
2. A complaint has been filed pursuant to [NRS 116.765](#).

(Added to NRS by [2003, 2209](#))

**NRS 116.087 “Security interest” defined.** “Security interest” means an interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association and any other consensual lien or contract for retention of title intended as security for an obligation.

(Added to NRS by [1991, 538](#))—(Substituted in revision for NRS 116.110383)

**NRS 116.089 “Special declarant’s rights” defined.** “Special declarant’s rights” means rights reserved for the benefit of a declarant to:

1. Complete improvements indicated on plats or in the declaration or, in a cooperative, to complete improvements described in the public offering statement pursuant to paragraph (b) of subsection 1 of [NRS 116.4103](#);
2. Exercise any developmental right;
3. Maintain sales offices, management offices, signs advertising the common-interest community and models;
4. Use easements through the common elements for the purpose of making improvements within the common-interest community or within real estate which may be added to the common-interest community;
5. Make the common-interest community subject to a master association;
6. Merge or consolidate a common-interest community with another common-interest community of the same form of ownership; or

7. Appoint or remove any officer of the association or any master association or any member of an executive board during any period of declarant's control.

(Added to NRS by [1991, 538](#); A [2009, 1608](#); [2011, 2416](#))—(Substituted in revision for NRS 116.110385)

**NRS 116.091 “Time share” defined.** “Time share” means the right to use and occupy a unit on a recurrent periodic basis according to an arrangement allocating this right among various owners of time shares whether or not there is an additional charge to the owner for occupying the unit.

(Added to NRS by [1991, 539](#))—(Substituted in revision for NRS 116.110388)

**NRS 116.093 “Unit” defined.** “Unit” means a physical portion of the common-interest community designated for separate ownership or occupancy, the boundaries of which are described pursuant to paragraph (e) of subsection 1 of [NRS 116.2105](#). If a unit in a cooperative is owned by the unit's owner or is sold, conveyed, voluntarily or involuntarily encumbered, or otherwise transferred by the unit's owner, the interest in that unit which is owned, sold, conveyed, encumbered or otherwise transferred is the right to possession of that unit under a proprietary lease, coupled with the allocated interests of that unit, and the association's interest in that unit is not thereby affected.

(Added to NRS by [1991, 539](#))—(Substituted in revision for NRS 116.11039)

**NRS 116.095 “Unit's owner” defined.** “Unit's owner” means a declarant or other person who owns a unit, or a lessee of a unit in a leasehold common-interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common-interest community, but does not include a person having an interest in a unit solely as security for an obligation. In a condominium or planned community, the declarant is the owner of any unit created by the declaration until that unit is conveyed to another person. In a cooperative, the declarant is treated as the owner of any unit to which allocated interests have been allocated until that unit has been conveyed to another person.

(Added to NRS by [1991, 539](#); A [2011, 2417](#))—(Substituted in revision for NRS 116.110393)

**NRS 116.1104 Provisions of chapter may not be varied by agreement, waived or evaded; exceptions.** Except as expressly provided in this chapter, its provisions may not be varied by agreement, and rights conferred by it may not be waived. Except as otherwise provided in paragraph (b) of subsection 2 of [NRS 116.12075](#), a declarant may not act under a power of attorney, or use any other device, to evade the limitations or prohibitions of this chapter or the declaration.

(Added to NRS by [1991, 539](#); A [2011, 2417](#))

**NRS 116.11045 Provisions of chapter do not invalidate or modify tariffs, rules and standards of public utility; consistency of governing documents.**

1. The provisions of this chapter do not invalidate or modify the tariffs, rules and standards of a public utility.
2. The governing documents of an association must be consistent and not conflict with the tariffs, rules and standards of a public utility. Any provision of the governing documents which conflicts with the tariffs, rules and standards of a public utility is void and may not be enforced against a purchaser.

3. As used in this section, “public utility” has the meaning ascribed to it in [NRS 704.020](#).

(Added to NRS by [2009, 974](#))

**NRS 116.1105 Categorization of property in certain common-interest communities.** In a cooperative, unless the declaration provides that the interest of a unit's owner in a unit and its allocated interests is real estate for all purposes, that interest is personal property.

(Added to NRS by [1991, 539](#); A [2005, 1231](#))

**NRS 116.1106 Applicability of local ordinances, regulations and building codes.**

1. A building code may not impose any requirement upon any structure in a common-interest community which it would not impose upon a physically identical development under a different form of ownership.

2. In condominiums and cooperatives, no zoning, subdivision or other law, ordinance or regulation governing the use of real estate may prohibit the condominium or cooperative as a form of ownership or impose any requirement upon a condominium or cooperative which it would not impose upon a physically identical development under a different form of ownership.

3. Except as otherwise provided in subsections 1 and 2, the provisions of this chapter do not invalidate or modify any provision of any building code or zoning, subdivision or other law, ordinance, rule or regulation governing the use of real estate.

4. The provisions of this section do not prohibit a local government from imposing different requirements and standards regarding design and construction on different types of structures in common-interest communities. For the purposes of this subsection, a townhouse in a planned community is a different type of structure from other structures in common-interest communities, including, without limitation, other structures that are or will be owned as condominiums or cooperatives.

(Added to NRS by [1991, 540](#); A [2005, 2587](#))

**NRS 116.1107 Eminent domain.**

1. If a unit is acquired by eminent domain or part of a unit is acquired by eminent domain leaving the unit's owner with a remnant that may not practically or lawfully be used for any purpose permitted by the declaration, the award must include compensation to the unit's owner for that unit and its allocated interests, whether or not any common elements are acquired. Upon acquisition, unless the decree otherwise provides, that unit's allocated interests are automatically reallocated to the remaining units in proportion to the respective allocated interests of those units before the taking, and the association shall promptly prepare, execute and record an amendment to the declaration reflecting the reallocations. Any remnant of a unit remaining after part of a unit is taken under this subsection is thereafter a common element.

2. Except as otherwise provided in subsection 1, if part of a unit is acquired by eminent domain, the award must compensate the unit's owner for the reduction in value of the unit and its interest in the common elements, whether or not any common elements are acquired. Upon acquisition, unless the decree otherwise provides:

(a) That unit's allocated interests are reduced in proportion to the reduction in the size of the unit, or on any other basis specified in the declaration; and

(b) The portion of the allocated interests divested from the partially acquired unit are automatically reallocated to that unit and to the remaining units in proportion to the respective allocated interests of those units before the taking, with the partially acquired unit participating in the reallocation on the basis of its reduced allocated interests.

3. If part of the common elements is acquired by eminent domain, the portion of the award attributable to the common elements taken must be paid to the association. Unless the declaration provides otherwise, any portion of the award attributable to the acquisition of a limited common element must be equally divided among the owners of the units to which that limited common element was allocated at the time of acquisition.

4. The judicial decree must be recorded in every county in which any portion of the common-interest community is located.

5. The provisions of this section do not authorize an association to exercise the power of eminent domain pursuant to [chapter 37](#) of NRS, and an association may not exercise the power of eminent domain, as provided in [NRS 37.0097](#).

(Added to NRS by [1991, 540](#); A [2009, 2877](#))

**NRS 116.1108 Supplemental general principles of law applicable.** The principles of law and equity, including the law of corporations and any other form of organization authorized by law of this State, the law of unincorporated associations, the law of real property, and the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement the provisions of this chapter, except to the extent inconsistent with this chapter.

(Added to NRS by [1991, 541](#); A [2011, 2417](#))

**NRS 116.11085 Provisions of chapter prevail over conflicting provisions governing certain business entities generally.** If a matter governed by this chapter is also governed by [chapter 78, 81, 82, 86, 87, 87A, 88](#) or [88A](#) of NRS and there is a conflict between the provisions of this chapter and the provisions of those other chapters, the provisions of this chapter prevail.

(Added to NRS by [2003, 2221](#); A [2005, 2587](#); [2007, 485](#))

**NRS 116.1109 Construction against implicit repeal; uniformity of application and construction.**

1. This chapter being a general act intended as a unified coverage of its subject matter, no part of it may be construed to be impliedly repealed by subsequent legislation if that construction can reasonably be avoided.

2. This chapter must be applied and construed so as to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it.

(Added to NRS by [1991, 541](#))

**NRS 116.1112 Unconscionable agreement or term of contract.**

1. The court, upon finding as a matter of law that a contract or clause of a contract was unconscionable at the time the contract was made, may refuse to enforce the contract, enforce the remainder of the contract without the unconscionable clause, or limit the application of any unconscionable clause to avoid an unconscionable result.

2. Whenever it is claimed, or appears to the court, that a contract or any clause of a contract is or may be unconscionable, the parties, to aid the court in making the determination, must be afforded a reasonable opportunity to present evidence as to:

- (a) The commercial setting of the negotiations; and
- (b) The effect and purpose of the contract or clause.

(Added to NRS by [1991, 541](#))

**NRS 116.1113 Obligation of good faith.** Every contract or duty governed by this chapter imposes an obligation of good faith in its performance or enforcement.

(Added to NRS by [1991, 541](#))

**NRS 116.1114 Remedies to be liberally administered.** The remedies provided by this chapter must be liberally administered to the end that the aggrieved party is put in as good a position as if the other party had fully performed. Consequential, special or punitive damages may not be awarded except as specifically provided in this chapter or by other rule of law.

(Added to NRS by [1991, 541](#); A [2011, 2417](#))

**NRS 116.1118 Relation to Electronic Signatures in Global and National Commerce Act.** This chapter modifies, limits and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., but does not modify, limit or supersede Section 101(c) of that Act, 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that Act, 15 U.S.C. § 7003(b).

(Added to NRS by [2011, 2414](#))

## Part II

### Applicability

#### **NRS 116.1201 Applicability; regulations.**

1. Except as otherwise provided in this section and [NRS 116.1203](#), this chapter applies to all common-interest communities created within this State.

2. This chapter does not apply to:

(a) A limited-purpose association, except that a limited-purpose association:

(1) Shall pay the fees required pursuant to [NRS 116.31155](#), except that if the limited-purpose association is created for a rural agricultural residential common-interest community, the limited-purpose association is not required to pay the fee unless the association intends to use the services of the Ombudsman;

(2) Shall register with the Ombudsman pursuant to [NRS 116.31158](#);

(3) Shall comply with the provisions of:

(I) [NRS 116.31038](#);

(II) [NRS 116.31083](#) and [116.31152](#), unless the limited-purpose association is created for a rural agricultural residential common-interest community;

(III) [NRS 116.31073](#), if the limited-purpose association is created for maintaining the landscape of the common elements of the common-interest community;

(IV) [NRS 116.31075](#), if the limited-purpose association is created for a rural agricultural residential common-interest community; and

(V) [NRS 116.3116](#) to [116.31168](#), inclusive.

(4) Shall comply with the provisions of [NRS 116.4101](#) to [116.412](#), inclusive, as required by the regulations adopted by the Commission pursuant to paragraph (b) of subsection 5; and

(5) Shall not enforce any restrictions concerning the use of units by the units' owners, unless the limited-purpose association is created for a rural agricultural residential common-interest community.

(b) Common-interest communities or units located outside of this State, but [NRS 116.4102](#) and [116.4103](#), and, to the extent applicable, [NRS 116.41035](#) to [116.4107](#), inclusive, apply to a contract for the disposition of a unit in that common-interest community signed in this State by any party unless exempt under subsection 2 of [NRS 116.4101](#).



(c) A common-interest community that was created before January 1, 1992, is located in a county whose population is less than 55,000, and has less than 50 percent of the units within the community put to residential use, unless a majority of the units' owners otherwise elect in writing.

(d) Except as otherwise provided in this chapter, time shares governed by the provisions of [chapter 119A](#) of NRS.

3. The provisions of this chapter do not:

(a) Prohibit a common-interest community created before January 1, 1992, from providing for separate classes of voting for the units' owners;

(b) Require a common-interest community created before January 1, 1992, to comply with the provisions of [NRS 116.2101](#) to [116.2124](#), inclusive;

(c) Invalidate any assessments that were imposed on or before October 1, 1999, by a common-interest community created before January 1, 1992;

(d) Except as otherwise provided in subsection 8 of [NRS 116.31105](#), prohibit a common-interest community created before January 1, 1992, or a common-interest community described in [NRS 116.31105](#) from providing for a representative form of government, except that, in the election or removal of a member of the executive board, the voting rights of the units' owners may not be exercised by delegates or representatives;

(e) Prohibit a master association which governs a time-share plan created pursuant to [chapter 119A](#) of NRS from providing for a representative form of government for the time-share plan; or

(f) Prohibit a master association which governs a planned community containing both units that are restricted exclusively to nonresidential use and other units that are not so restricted and which is exempt from the provisions of this chapter pursuant to subsection 2 of [NRS 116.12077](#) from providing for a representative form of government.

4. The provisions of [chapters 117](#) and [278A](#) of NRS do not apply to common-interest communities.

5. The Commission shall establish, by regulation:

(a) The criteria for determining whether an association, a limited-purpose association or a common-interest community satisfies the requirements for an exemption or limited exemption from any provision of this chapter; and

(b) The extent to which a limited-purpose association must comply with the provisions of [NRS 116.4101](#) to [116.412](#), inclusive.

6. As used in this section, "limited-purpose association" means an association that:

(a) Is created for the limited purpose of maintaining:

(1) The landscape of the common elements of a common-interest community;

(2) Facilities for flood control; or

(3) A rural agricultural residential common-interest community; and

(b) Is not authorized by its governing documents to enforce any restrictions concerning the use of units by units' owners, unless the limited-purpose association is created for a rural agricultural residential common-interest community.

(Added to NRS by [1991, 542](#); A [1999, 2998](#); [2001, 2488](#); [2003, 2223](#); [2005, 2587](#); [2009, 1609, 2211, 2863, 2908, 2910](#); [2011, 1143, 2418](#); [2019, 1378](#); [2021, 709, 1398](#))

#### **NRS 116.1203 Exception for small planned communities.**

1. Except as otherwise provided in subsections 2 and 3, if a planned community contains no more than 12 units and is not subject to any developmental rights, it is subject only to [NRS 116.1106](#) and [116.1107](#) unless the declaration provides that this entire chapter is applicable.

2. The provisions of [NRS 116.12065](#) and the definitions set forth in [NRS 116.005](#) to [116.095](#), inclusive, to the extent that the definitions are necessary to construe any of those provisions, apply to a residential planned community containing more than 6 units.

3. Except for [NRS 116.3104, 116.31043, 116.31046](#) and [116.31138](#), the provisions of [NRS 116.3101](#) to [116.350](#), inclusive, and the definitions set forth in [NRS 116.005](#) to [116.095](#), inclusive, to the extent that such definitions are necessary in construing any of those provisions, apply to a residential planned community containing more than 6 units.

(Added to NRS by [1991, 542](#); A [1993, 2357](#); [1999, 2999](#); [2001, 528](#); [2003, 2224, 2266](#); [2005, 1232, 2589](#); [2009, 1099, 2864](#); [2011, 2419](#); [2013, 1368, 2530](#); [2019, 2627](#); [2021, 939, 3746](#))

#### **NRS 116.1206 Provisions of governing documents in violation of chapter deemed to conform with chapter by operation of law; procedure for certain amendments to governing documents.**

1. Any provision contained in a declaration, bylaw or other governing document of a common-interest community that violates the provisions of this chapter:

(a) Shall be deemed to conform with those provisions by operation of law, and any such declaration, bylaw or other governing document is not required to be amended to conform to those provisions.

(b) Is superseded by the provisions of this chapter, regardless of whether the provision contained in the declaration, bylaw or other governing document became effective before the enactment of the provision of this chapter that is being violated.

2. In the case of amendments to the declaration, bylaws or plats of any common-interest community created before January 1, 1992:

(a) If the result accomplished by the amendment was permitted by law before January 1, 1992, the amendment may be made either in accordance with that law, in which case that law applies to that amendment, or it may be made under this chapter; and

(b) If the result accomplished by the amendment is permitted by this chapter, and was not permitted by law before January 1, 1992, the amendment may be made under this chapter.

3. An amendment to the declaration, bylaws or plats authorized by this section to be made under this chapter must be adopted in conformity with the applicable provisions of [chapter 117](#) or [278A](#) of NRS and, except as otherwise provided in subsection 8 of [NRS 116.2117](#), with the procedures and requirements specified by those instruments. If an amendment grants to a person a right, power or privilege permitted by this chapter, any correlative obligation, liability or restriction in this chapter also applies to the person.

(Added to NRS by [1991, 543](#); A [1999, 2999](#); [2003, 2224](#); [2009, 1610, 2877](#); [2011, 2420](#))

**NRS 116.12065 Notice of changes to governing documents.** If any change is made to the governing documents of an association, the secretary or other officer specified in the bylaws of the association shall, within 30 days after the change is made, prepare and cause to be delivered a copy of the change that was made.

(Added to NRS by [1999, 2997](#); A [2017, 1305](#))

**NRS 116.12075 Applicability to nonresidential condominiums.**

1. The provisions of this chapter do not apply to a nonresidential condominium except to the extent that the declaration for the nonresidential condominium provides that:

(a) This entire chapter applies to the condominium;

(b) Only the provisions of [NRS 116.001](#) to [116.2124](#), inclusive, and [116.3116](#) to [116.31168](#), inclusive, apply to the condominium; or

(c) Only the provisions of [NRS 116.3116](#) to [116.31168](#), inclusive, apply to the condominium.

2. If this entire chapter applies to a nonresidential condominium, the declaration may also require, subject to [NRS 116.1112](#), that:

(a) Notwithstanding [NRS 116.3105](#), any management, maintenance operations or employment contract, lease of recreational or parking areas or facilities and any other contract or lease between the association and a declarant or an affiliate of a declarant continues in force after the declarant turns over control of the association; and

(b) Notwithstanding [NRS 116.1104](#) and subsection 3 of [NRS 116.311](#), purchasers of units must execute proxies, powers of attorney or similar devices in favor of the declarant regarding particular matters enumerated in those instruments.

(Added to NRS by [2009, 1607](#); A [2011, 2420](#); [2021, 1399](#))

**NRS 116.12077 Applicability to planned communities with nonresidential units.**

1. The provisions of this chapter do not apply to a planned community in which all units are restricted exclusively to nonresidential use unless the declaration provides that this chapter or a part of this chapter does apply to that planned community pursuant to this section.

2. This chapter applies to a planned community containing both units that are restricted exclusively to nonresidential use and other units that are not so restricted only if the declaration so provides or if the real estate comprising the units that may be used for residential purposes would be a planned community in the absence of the units that may not be used for residential purposes.

3. The declaration for the nonresidential planned community may provide that:

(a) This entire chapter applies to the planned community;

(b) Only the provisions of [NRS 116.001](#) to [116.2124](#), inclusive, and [116.3116](#) to [116.31168](#), inclusive, apply to the planned community; or

(c) Only the provisions of [NRS 116.3116](#) to [116.31168](#), inclusive, apply to the planned community.

4. If this entire chapter applies to a nonresidential planned community pursuant to subsection 3, the declaration may also require, subject to [NRS 116.1112](#), that:

(a) Notwithstanding [NRS 116.3105](#), any management, maintenance operations or employment contract, lease of recreational or parking areas or facilities and any other contract or lease between the association and a declarant or an affiliate of a declarant continues in force after the declarant turns over control of the association; and

(b) Notwithstanding [NRS 116.1104](#) and subsection 3 of [NRS 116.311](#), purchasers of units must execute proxies, powers of attorney or similar devices in favor of the declarant regarding particular matters enumerated in those instruments.

(Added to NRS by [2019, 1377](#); A [2021, 1400](#))

**NRS 116.1209 Other exempt real estate arrangements; other exempt covenants.**

1. An agreement between the associations for two or more common-interest communities to share the costs of real estate taxes, insurance premiums, services, maintenance or improvements of real estate or other activities specified in the agreement or declarations does not create a separate common-interest community. If the declarants of the common-interest communities are affiliates, the agreement may not unreasonably allocate the costs among those common-interest communities.

2. An agreement between an association and the owner of real estate that is not part of a common-interest community to share the costs of real estate taxes, insurance premiums, services, maintenance or improvements of real estate, or other activities specified in the agreement, does not create a separate common-interest community. However, the assessments against the units in the common-interest community required by the agreement must be included in the periodic budget for the common-interest community, and the agreement must be disclosed in all public offering statements and resale certificates required by this chapter.

3. An agreement between the owners of separately owned parcels of real estate to share costs or other obligations associated with a party wall, road, driveway or well or other similar use does not create a common-interest community unless the owners otherwise agree.

4. As used in this section, “party wall” means any wall or fence constructed along the common boundary line between parcels. The term does not include any shared building structure systems, including, without limitation, foundations, walls and roof structures.

(Added to NRS by [2009, 1608](#))

## ARTICLE 2

### CREATION, ALTERATION AND TERMINATION OF COMMON-INTEREST COMMUNITIES

**NRS 116.2101 Creation of common-interest communities.** A common-interest community may be created pursuant to this chapter only by recording a declaration executed in the same manner as a deed and, in a cooperative, by conveying the real estate subject to that declaration to the association. The declaration must be recorded in every county in which any portion of the common-interest community is located and must be indexed in the grantee’s index in the name of the common-interest community and the association and in the grantor’s index in the name of each person executing the declaration.

(Added to NRS by [1991, 543](#))

**NRS 116.2102 Unit boundaries.** Except as otherwise provided by the declaration:

1. If walls, floors or ceilings are designated as boundaries of a unit, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof are a part of the unit, and all other portions of the walls, floors or ceilings are a part of the common elements.

2. If any chute, flue, duct, wire, conduit, bearing wall, bearing column or any other fixture lies partially within and partially outside the designated boundaries of a unit, any portion thereof serving only that unit is a limited common element allocated solely to that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements.

3. Subject to subsection 2, all spaces, interior partitions and other fixtures and improvements within the boundaries of a unit are a part of the unit.

4. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, pads and mounts for heating and air-conditioning systems, patios and all exterior doors and windows or other fixtures designed to serve a single unit, but located outside the unit’s boundaries, are limited common elements allocated exclusively to that unit.

(Added to NRS by [1991, 543](#))

**NRS 116.2103 Construction and validity of declaration and bylaws.**

1. The inclusion in a governing document of an association of a provision that violates any provision of this chapter does not render any other provisions of the governing document invalid or otherwise unenforceable if the other provisions can be given effect in accordance with their original intent and the provisions of this chapter.

2. The rule against perpetuities and [NRS 111.103](#) to [111.1039](#), inclusive, do not apply to defeat any provision of the declaration, bylaws, rules or regulations adopted pursuant to [NRS 116.3102](#).

3. If a conflict exists between the declaration and the bylaws, the declaration prevails except to the extent the declaration is inconsistent with this chapter.

4. Title to a unit and common elements is not rendered unmarketable or otherwise affected by reason of an insubstantial failure of the declaration to comply with this chapter. Whether a substantial failure impairs marketability is not affected by this chapter.

(Added to NRS by [1991, 544](#); A [2003, 2225](#); [2011, 2421](#))

**NRS 116.2104 Description of units.** A description of a unit which sets forth the name of the common-interest community, the file number and book or other information to show where the declaration is recorded, the county in which the common-interest community is located and the identifying number of the unit, is a legally sufficient description of that unit and all rights, obligations and interests appurtenant to that unit which were created by the declaration or bylaws.

(Added to NRS by [1991, 544](#); A [1993, 2357](#))

**NRS 116.2105 Contents of declaration.**

1. The declaration must contain:

(a) The names of the common-interest community and the association and a statement that the common-interest community is either a condominium, cooperative or planned community;

(b) The name of every county in which any part of the common-interest community is situated;

(c) A legally sufficient description of the real estate included in the common-interest community;

(d) A statement of the maximum number of units that the declarant reserves the right to create;

(e) In a condominium or planned community, a description of the boundaries of each unit created by the declaration, including the unit's identifying number or, in a cooperative, a description, which may be by plats, of each unit created by the declaration, including the unit's identifying number, its size or number of rooms, and its location within a building if it is within a building containing more than one unit;

(f) A description of any limited common elements, other than those specified in subsections 2 and 4 of [NRS 116.2102](#), as provided in paragraph (g) of subsection 2 of [NRS 116.2109](#) and, in a planned community, any real estate that is or must become common elements;

(g) A description of any real estate, except real estate subject to developmental rights, that may be allocated subsequently as limited common elements, other than limited common elements specified in subsections 2 and 4 of [NRS 116.2102](#), together with a statement that they may be so allocated;

(h) A description of any developmental rights and other special declarant's rights reserved by the declarant, together with a legally sufficient description of the real estate to which each of those rights applies, and a time limit within which each of those rights must be exercised;

(i) If any developmental right may be exercised with respect to different parcels of real estate at different times, a statement to that effect together with:

(1) Either a statement fixing the boundaries of those portions and regulating the order in which those portions may be subjected to the exercise of each developmental right or a statement that no assurances are made in those regards; and

(2) A statement whether, if any developmental right is exercised in any portion of the real estate subject to that developmental right, that developmental right must be exercised in all or in any other portion of the remainder of that real estate;

(j) Any other conditions or limitations under which the rights described in paragraph (h) may be exercised or will lapse;

(k) An allocation to each unit of the allocated interests in the manner described in [NRS 116.2107](#);

(l) Any restrictions:

(1) On use, occupancy and alienation of the units; and

(2) On the amount for which a unit may be sold or on the amount that may be received by a unit's owner on sale, condemnation or casualty to the unit or to the common-interest community, or on termination of the common-interest community;

(m) The file number and book or other information for recorded easements and licenses appurtenant to or included in the common-interest community or to which any portion of the common-interest community is or may become subject by virtue of a reservation in the declaration; and

(n) All matters required by [NRS 116.2106](#) to [116.2109](#), inclusive, [116.2115](#), [116.2116](#) and [116.31032](#).

2. The declaration may contain any other matters the declarant considers appropriate.

(Added to NRS by [1991, 544](#); A [1993, 2357](#); [2009, 1611](#); [2011, 2421](#))

#### **NRS 116.2106 Leasehold common-interest communities.**

1. Any lease the expiration or termination of which may terminate the common-interest community or reduce its size must be recorded. Every lessor of those leases in a condominium or planned community shall sign the declaration. The declaration must state:

(a) The recording data for the lease or a statement of where the recorded lease may be inspected;

(b) The date on which the lease is scheduled to expire;

(c) A legally sufficient description of the real estate subject to the lease;

(d) Any right of the units' owners to redeem the reversion and the manner whereby those rights may be exercised, or a statement that they do not have those rights;

(e) Any right of the units' owners to remove any improvements within a reasonable time after the expiration or termination of the lease, or a statement that they do not have those rights; and

(f) Any rights of the units' owners to renew the lease and the conditions of any renewal, or a statement that they do not have those rights.

2. After the declaration for a leasehold condominium or leasehold planned community is recorded, neither the lessor nor the lessor's successor in interest may terminate the leasehold interest of a unit's owner who makes timely payment of his or her share of the rent and otherwise complies with all covenants which, if violated, would entitle the lessor to terminate the lease. The leasehold interest of a unit's owner in a condominium or planned community is not affected by failure of any other person to pay rent or fulfill any other covenant.

3. Acquisition of the leasehold interest of any unit's owner by the owner of the reversion or remainder does not merge the leasehold and freehold interests unless the leasehold interests of all units' owners subject to that reversion or remainder are acquired.

4. If the expiration or termination of a lease decreases the number of units in a common-interest community, the allocated interests must be reallocated in accordance with subsection 1 of [NRS 116.1107](#) as if those units had been taken by eminent domain. Reallocations must be confirmed by an amendment to the declaration prepared, executed and recorded by the association.

(Added to NRS by [1991, 545](#); A [2011, 2422](#))

#### **NRS 116.2107 Allocation of allocated interests.**

1. The declaration must allocate to each unit:

(a) In a condominium, a fraction or percentage of undivided interests in the common elements and in the common expenses of the association, and a portion of the votes in the association;

(b) In a cooperative, a proportionate ownership in the association, a fraction or percentage of the common expenses of the association and a portion of the votes in the association; and

(c) In a planned community, a fraction or percentage of the common expenses of the association and a portion of the votes in the association.

2. The declaration must state the formulas used to establish allocations of interests. Those allocations may not discriminate in favor of units owned by the declarant or an affiliate of the declarant.

3. If units may be added to or withdrawn from the common-interest community, the declaration must state the formulas to be used to reallocate the allocated interests among all units included in the common-interest community after the addition or withdrawal.

4. The declaration may provide:

(a) That different allocations of votes are made to the units on particular matters specified in the declaration;

(b) For cumulative voting only for the purpose of electing members of the executive board; and

(c) For class voting on specified issues affecting the class if necessary to protect valid interests of the class.

↳ Except as otherwise provided in [NRS 116.31032](#), a declarant may not utilize cumulative or class voting for the purpose of evading any limitation imposed on declarants by this chapter nor may units constitute a class because they are owned by a declarant.

5. Except for minor variations because of rounding, the sum of the liabilities for common expenses and, in a condominium, the sum of the undivided interests in the common elements allocated at any time to all the units must



each equal one if stated as a fraction or 100 percent if stated as a percentage. In the event of discrepancy between an allocated interest and the result derived from application of the pertinent formula, the allocated interest prevails.

6. In a condominium, the common elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the common elements made without the unit to which that interest is allocated is void.

7. In a cooperative, any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an ownership interest in the association made without the possessory interest in the unit to which that interest is related is void.

(Added to NRS by [1991, 546](#); A [1993, 2359](#); [2011, 2423](#))

#### **NRS 116.2108 Limited common elements.**

1. Except for the limited common elements described in subsections 2 and 4 of [NRS 116.2102](#), the declaration must specify to which unit or units each limited common element is allocated. An allocation may not be altered without the consent of the units' owners whose units are affected.

2. Except as the declaration otherwise provides, a limited common element may be reallocated by an amendment to the declaration executed by the units' owners between or among whose units the reallocation is made. The persons executing the amendment shall provide a copy thereof to the association, which shall record it. The amendment must be recorded in the names of the parties and the common-interest community.

3. A common element not previously allocated as a limited common element may be so allocated only pursuant to provisions in the declaration made in accordance with paragraph (g) of subsection 1 of [NRS 116.2105](#). The allocations must be made by amendments to the declaration.

(Added to NRS by [1991, 547](#))

#### **NRS 116.2109 Plats.**

1. Plats are a part of the declaration, and are required for all common-interest communities except cooperatives. Each plat must be clear and legible and contain a certification that the plat contains all information required by this section.

2. Each plat must comply with the provisions of [chapter 278](#) of NRS and show:

(a) The name and a survey of the area which is the subject of the plat;

(b) A sufficient description of the real estate;

(c) The extent of any encroachments by or upon any portion of the property which is the subject of the plat;

(d) The location and dimensions of all easements having a specific location and dimension which serve or burden any portion of the common-interest community;

(e) The location and dimensions, with reference to an established datum, of any vertical unit boundaries and that unit's identifying number;

(f) The location with reference to an established datum of any horizontal unit boundaries not shown or projected on plats recorded pursuant to subsection 3 and that unit's identifying number; and

(g) The location and dimensions of limited common elements, including porches, balconies and patios, other than parking spaces and the other limited common elements described in subsections 2 and 4 of [NRS 116.2102](#).

3. The plats must show or project any units in which the declarant has reserved the right to create additional units or common elements (paragraph (h) of subsection 1 of [NRS 116.2105](#)), identified appropriately.

4. Unless the declaration provides otherwise, when the horizontal boundaries of part of a unit located outside a building have the same elevation as the horizontal boundaries of the inside part, the elevations need not be depicted on the plats.

5. Upon exercising any developmental right, the declarant shall record new or amended plats necessary to conform to the requirements of subsection 2.

6. Each plat must be certified by a professional land surveyor.

(Added to NRS by [1991, 547](#); A [1993, 2360](#); [2009, 1612](#))

#### **NRS 116.211 Exercise of developmental rights.**

1. To exercise any developmental right reserved under paragraph (h) of subsection 1 of [NRS 116.2105](#), the declarant shall prepare, execute and record an amendment to the declaration ([NRS 116.2117](#)) and in a condominium or planned community comply with [NRS 116.2109](#). The declarant is the owner of any units thereby created. The amendment to the declaration must assign an identifying number to each new unit created, and, except in the case of subdivision or conversion of units described in subsection 2, reallocate the allocated interests among all units. The



amendment must describe any common elements and any limited common elements thereby created and, in the case of limited common elements, designate the unit to which each is allocated to the extent required by [NRS 116.2108](#).

2. Developmental rights may be reserved within any real estate added to the common-interest community if the amendment adding that real estate includes all matters required by [NRS 116.2105](#) or [116.2106](#), as the case may be, and, in a condominium or planned community, the plats include all matters required by [NRS 116.2109](#). This provision does not extend the time limit on the exercise of developmental rights imposed by the declaration pursuant to paragraph (h) of subsection 1 of [NRS 116.2105](#).

3. Whenever a declarant exercises a developmental right to subdivide or convert a unit previously created into additional units, common elements, or both:

(a) If the declarant converts the unit entirely to common elements, the amendment to the declaration must convey it to the association or reallocate all the allocated interests of that unit among the other units as if that unit had been taken by eminent domain ([NRS 116.1107](#)); and

(b) If the declarant subdivides the unit into two or more units, whether or not any part of the unit is converted into common elements, the amendment to the declaration must reallocate all the allocated interests of the unit among the units created by the subdivision in any reasonable manner prescribed by the declarant.

4. If the declaration provides, pursuant to paragraph (h) of subsection 1 of [NRS 116.2105](#), that all or a portion of the real estate is subject to a right of withdrawal:

(a) If all the real estate is subject to withdrawal, and the declaration does not describe separate portions of real estate subject to that right, none of the real estate may be withdrawn after a unit has been conveyed to a purchaser; and

(b) If any portion is subject to withdrawal, it may not be withdrawn after a unit in that portion has been conveyed to a purchaser.

(Added to NRS by [1991, 548](#); A [2009, 1613](#))

#### **NRS 116.2111 Alterations of units; access to units.**

1. Except as otherwise provided in this section and subject to the provisions of the declaration and other provisions of law, a unit's owner:

(a) May make any improvements or alterations to his or her unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the common-interest community;

(b) May not change the appearance of the common elements, or the exterior appearance of a unit or any other portion of the common-interest community, without permission of the association; and

(c) After acquiring an adjoining unit or an adjoining part of an adjoining unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the common-interest community. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

2. An association may not:

(a) Unreasonably restrict, prohibit or otherwise impede the lawful rights of a unit's owner to have reasonable access to his or her unit.

(b) Charge any fee for a person to enter the common-interest community to provide services to a unit, a unit's owner or a tenant of a unit's owner or for any visitor to the common-interest community or invitee of a unit's owner or a tenant of a unit's owner to enter the common-interest community.

(c) Unreasonably restrict, prohibit or withhold approval for a unit's owner to add to a unit:

(1) Improvements such as ramps, railings or elevators that are necessary to improve access to the unit for any occupant of the unit who has a disability;

(2) Additional locks to improve the security of the unit;

(3) Shutters to improve the security of the unit or to reduce the costs of energy for the unit; or

(4) A system that uses wind energy to reduce the costs of energy for the unit if the boundaries of the unit encompass 2 acres or more within the common-interest community.

(d) With regard to approving or disapproving any improvement or alteration made to a unit, act in violation of any state or federal law.

3. Any improvement or alteration made pursuant to subsection 2 that is visible from any other portion of the common-interest community must be installed, constructed or added in accordance with the procedures set forth in the governing documents of the association and must be selected or designed to the maximum extent practicable to be compatible with the style of the common-interest community.

4. An association may not unreasonably restrict, prohibit or withhold approval for a unit's owner to add shutters to improve the security of the unit or to reduce the costs of energy for the unit, including, without limitation, rolling

shutters, that are attached to a portion of an interior or exterior window, interior or exterior door or interior or exterior wall which is not part of the unit and which is a common element or limited common element if:

- (a) The portion of the window, door or wall to which the shutters are attached is adjoining the unit; and
- (b) The shutters must necessarily be attached to that portion of the window, door or wall during installation to achieve the maximum benefit in improving the security of the unit or reducing the costs of energy for the unit.

5. If a unit's owner adds shutters pursuant to subsection 4, the unit's owner is responsible for the maintenance of the shutters.

6. For the purposes of subsection 4, a covenant, restriction or condition which does not unreasonably restrict the addition of shutters and which is contained in the governing documents of a common-interest community or a policy established by a common-interest community is enforceable so long as the covenant, restriction or condition was:

- (a) In existence on July 1, 2009; or
- (b) Contained in the governing documents in effect on the close of escrow of the first sale of a unit in the common-interest community.

7. A unit's owner may not add to the unit a system that uses wind energy as described in subparagraph (4) of paragraph (c) of subsection 2 unless the unit's owner first obtains the written consent of each owner of property within 300 feet of any boundary of the unit.

(Added to NRS by [1991, 549](#); A [2003, 2225](#); [2005, 1819](#); [2009, 246, 2878](#))

#### **NRS 116.2112 Relocation of boundaries between adjoining units.**

1. Subject to the provisions of the declaration and other provisions of law, the boundaries between adjoining units may be relocated by an amendment to the declaration upon application to the association by the owners of those units. If the owners of the adjoining units have specified a reallocation between their units of their allocated interests, the application must state the proposed reallocations. Unless the executive board determines, within 30 days, that the reallocations are unreasonable, the association shall prepare an amendment that identifies the units involved and states the reallocations. The amendment must be executed by those units' owners, contain words of conveyance between them, and, on recordation, be indexed in the name of the grantor and the grantee, and in the grantee's index in the name of the association.

2. The association:

- (a) In a condominium or planned community shall prepare and record plats necessary to show the altered boundaries between adjoining units, and their dimensions and identifying numbers; and
- (b) In a cooperative shall prepare and record amendments to the declaration necessary to show or describe the altered boundaries between adjoining units, and their dimensions and identifying numbers.

(Added to NRS by [1991, 550](#); A [2009, 1614](#))

#### **NRS 116.2113 Subdivision of units.**

1. If the declaration expressly so permits, a unit may be subdivided into two or more units. Subject to the declaration and law other than this chapter, upon application of the unit's owner to subdivide a unit, the association shall prepare, execute and record an amendment to the declaration, including, in a condominium or planned community, the plats, subdividing that unit.

2. The amendment to the declaration must be executed by the owner of the unit to be subdivided, assign an identifying number to each unit created, and reallocate the allocated interests formerly allocated to the subdivided unit to the new units in any reasonable manner prescribed by the owner of the subdivided unit or on any other basis the declaration requires.

(Added to NRS by [1991, 550](#); A [2009, 1614](#); [2011, 2424](#))

**NRS 116.2114 Monuments as boundaries.** The existing physical boundaries of a unit or the physical boundaries of a unit reconstructed in substantial accordance with the description contained in the original declaration are its legal boundaries, rather than the boundaries derived from the description contained in the original declaration, regardless of vertical or lateral movement of the building or minor variance between those boundaries and the boundaries derived from the description contained in the original declaration. This section does not relieve a unit's owner of liability in case of his or her willful misconduct or relieve a declarant or any other person of liability for failure to adhere to any plats or, in a cooperative, to any representation in the public offering statement.

(Added to NRS by [1991, 550](#); A [2009, 1614](#))

**NRS 116.2115 Use for purposes of sales.** A declarant may maintain offices for sales and management, and models in units or on common elements in the common-interest community only if the declaration so provides. Subject

to any limitations in the declaration, a declarant may maintain signs on the common elements advertising the common-interest community. This section is subject to the provisions of other state law and to local ordinances.

(Added to NRS by [1991, 550](#); A [1993, 2361](#))

**NRS 116.2116 Easement rights; validity of existing restrictions.**

1. Subject to the declaration, a declarant has an easement through the common elements as may be reasonably necessary to discharge the declarant's obligations or exercise special declarant's rights, whether arising under this chapter or reserved in the declaration.

2. Subject to paragraph (f) of subsection 1 of [NRS 116.3102](#) and [NRS 116.3112](#), the units' owners have an easement in the common elements for purposes of access to their units.

3. Subject to the declaration and any rules adopted by the association, the units' owners have a right to use the common elements that are not limited common elements and all real estate that must become common elements for the purposes for which they were intended.

4. Unless the terms of an easement in favor of an association prohibit a residential use of a servient estate, if the owner of the servient estate has obtained all necessary approvals required by law or any covenant, condition or restriction on the property, the owner may use such property in any manner authorized by law without obtaining any additional approval from the association. Nothing in this subsection authorizes an owner of a servient estate to impede the lawful and contractual use of the easement.

5. The provisions of subsection 4 do not abrogate any easement, restrictive covenant, decision of a court, agreement of a party or any contract, governing document or declaration of covenants, conditions and restrictions, or any other decision, rule or regulation that a local governing body or other entity that makes decisions concerning land use or planning is authorized to make or enact that exists before October 1, 1999, including, without limitation, a zoning ordinance, permit or approval process or any other requirement of a local government or other entity that makes decisions concerning land use or planning.

(Added to NRS by [1991, 551](#); A [1999, 3355](#); [2011, 2424](#))

**NRS 116.2117 Amendment of declaration.**

1. Except as otherwise provided in [NRS 116.21175](#), and except in cases of amendments that may be executed by a declarant under subsection 5 of [NRS 116.2109](#) or [NRS 116.211](#), or by the association under [NRS 116.1107](#), [116.2106](#), subsection 3 of [NRS 116.2108](#), subsection 1 of [NRS 116.2112](#) or [NRS 116.2113](#), or by certain units' owners under subsection 2 of [NRS 116.2108](#), subsection 1 of [NRS 116.2112](#), subsection 2 of [NRS 116.2113](#) or subsection 2 of [NRS 116.2118](#), and except as otherwise limited by subsections 4, 6, 7 and 8, the declaration, including any plats, may be amended only by vote or agreement of units' owners of units to which at least a majority of the votes in the association are allocated, unless the declaration specifies a different percentage for all amendments or for specified subjects of amendment. If the declaration requires the approval of another person as a condition of its effectiveness, the amendment is not valid without that approval.

2. No action to challenge the validity of an amendment adopted by the association pursuant to this section may be brought more than 1 year after the amendment is recorded.

3. Every amendment to the declaration must be recorded in every county in which any portion of the common-interest community is located and is effective only upon recordation. An amendment, except an amendment pursuant to [NRS 116.2112](#), must be indexed in the grantee's index in the name of the common-interest community and the association and in the grantor's index in the name of the parties executing the amendment.

4. Except to the extent expressly permitted or required by other provisions of this chapter, no amendment may change the boundaries of any unit or change the allocated interests of a unit in the absence of unanimous consent of only those units' owners whose units are affected and the consent of a majority of the owners of the remaining units.

5. Amendments to the declaration required by this chapter to be recorded by the association must be prepared, executed, recorded and certified on behalf of the association by any officer of the association designated for that purpose or, in the absence of designation, by the president of the association.

6. An amendment to the declaration which prohibits or materially restricts the permitted uses of a unit or the number or other qualifications of persons who may occupy units may not be enforced against a unit's owner who was the owner of the unit on the date of the recordation of the amendment as long as the unit's owner remains the owner of that unit.

7. A provision in the declaration creating special declarant's rights that have not expired may not be amended without the consent of the declarant.

8. If any provision of this chapter or of the declaration requires the consent of a holder of a security interest in a unit, or an insurer or guarantor of such interest, as a condition to the effectiveness of an amendment to the declaration, that consent is deemed granted if:

- (a) The holder, insurer or guarantor has not requested, in writing, notice of any proposed amendment; or
- (b) Notice of any proposed amendment is required or has been requested and a written refusal to consent is not received by the association within 60 days after the association delivers notice of the proposed amendment to the holder, insurer or guarantor, by certified mail, return receipt requested, to the address for notice provided by the holder, insurer or guarantor in a prior written request for notice.

(Added to NRS by [1991, 551](#); A [1993, 2362](#); [1999, 395, 396](#); [2005, 2589](#); [2009, 1615, 1733](#); [2011, 2424](#); [2019, 1379](#))

**NRS 116.21175 Procedure for seeking confirmation from district court of certain amendments to declaration.**

1. Except as otherwise limited by subsection 4 of [NRS 116.2117](#), if:
  - (a) To approve an amendment to the declaration pursuant to [NRS 116.2117](#), the declaration requires:
    - (1) In a single-class voting structure, more than a majority of the total number of votes allocated to the single class to be cast in favor of the amendment; or
    - (2) In a multiclass voting structure, more than a majority of the total number of votes allocated to one or more of the multiple classes to be cast in favor of the amendment; and
  - (b) An amendment fails to receive the number of votes required by the declaration to be approved but:
    - (1) In a single-class voting structure, receives a majority of the total number of votes allocated to the single class; or
    - (2) In a multiclass voting structure, receives in each of the multiple classes a majority of the total number of votes allocated to that class,

↳ the association or any unit's owner may file a petition with the district court in any county in which any portion of the common-interest community is located asking for an order waiving the supermajority requirements of the declaration and confirming the amendment as validly approved.
2. If the association or any unit's owner files a petition pursuant to subsection 1, the petition:
  - (a) Must contain sufficient information specifying:
    - (1) The actions that have been taken to obtain the number of votes required to approve the amendment under the declaration and whether those actions have conformed with the procedures set forth in the declaration;
    - (2) The amount of time that has been allowed for the units' owners to vote upon the amendment;
    - (3) The number and percentage of affirmative votes required in each voting class to approve the amendment under the declaration;
    - (4) The number and percentage of affirmative and negative votes actually received in each voting class with regard to the amendment; and
    - (5) Any other matters the petitioner considers relevant to the court's determination; and
  - (b) Must include, as exhibits to the petition, copies of:
    - (1) The governing documents;
    - (2) The complete text of the amendment and a statement explaining the need for the amendment and its purposes and objectives;
    - (3) All notices and materials used in the effort to persuade the units' owners to approve the amendment; and
    - (4) Any other documents the petitioner considers relevant to the court's determination.
3. Upon receiving the petition, the court shall:
  - (a) Set the matter for hearing; and
  - (b) Issue an ex parte order setting forth the manner in which the petitioner must give written notice of the hearing to all the units' owners in the association.
4. The court may grant the petition if it finds that the petitioner has presented evidence establishing that:
  - (a) The petitioner has given at least 15 days' written notice of the hearing to:
    - (1) All the units' owners in the association;
    - (2) Each city, if any, and each county in which any portion of the common-interest community is located;
  - (b) The voting process regarding the amendment was conducted in accordance with all applicable provisions of the governing documents and state law;

(c) A reasonably diligent effort was made to allow all eligible units' owners and, if required by the governing documents, all lenders to vote on the amendment;

(d) The amendment:

(1) In a single-class voting structure, received a majority of the total number of votes allocated to the single class; or

(2) In a multiclass voting structure, received in each of the multiple classes a majority of the total number of votes allocated to that class; and

(e) The amendment is reasonable.

5. If the court grants the petition, the court shall enter an order waiving the supermajority requirements of the declaration and confirming the amendment as validly approved.

6. An amendment confirmed by a final court order pursuant to this section is not effective until a certified copy of the amendment and the final court order have been recorded in each county in which any portion of the common-interest community is located. The amendment must be prepared, executed, recorded and certified on behalf of the association by any officer of the association designated for that purpose or, in the absence of designation, by the president of the association, and the final court order must be recorded along with the amendment.

7. After the amendment and the final court order have been recorded pursuant to this section, the declaration, as amended, has the same force and effect as if the amendment had been approved in compliance with every requirement imposed by the governing documents.

8. Not later than 30 days after the date on which the amendment and the final court order are recorded pursuant to this section, the association shall mail to all the units' owners in the association:

(a) A copy of the amendment and the final court order; and

(b) A statement explaining that the amendment and the final court order have been recorded and that the declaration has been amended pursuant to this section.

(Added to NRS by [2005, 2581](#))

#### **NRS 116.2118 Termination of common-interest community.**

1. Except in the case of a taking of all the units by eminent domain, in the case of foreclosure against an entire cooperative of a security interest that has priority over the declaration, or in the circumstances described in [NRS 116.2124](#), a common-interest community may be terminated only by agreement of units' owners to whom at least 80 percent of the votes in the association are allocated, or any larger percentage the declaration specifies, and with any other approvals required by the declaration. The declaration may specify a smaller percentage only if all of the units are restricted exclusively to nonresidential uses.

2. An agreement to terminate must be evidenced by the execution of an agreement to terminate, or ratifications thereof, in the same manner as a deed, by the requisite number of units' owners. The agreement must specify a date after which the agreement will be void unless it is recorded before that date. An agreement to terminate and all ratifications thereof must be recorded in every county in which a portion of the common-interest community is situated and is effective only upon recordation.

3. In the case of a condominium or planned community containing only units having horizontal boundaries described in the declaration, an agreement to terminate may provide that all of the common elements and units of the common-interest community must be sold following termination. If, pursuant to the agreement, any real estate in the common-interest community is to be sold following termination, the agreement must set forth the minimum terms of the sale.

4. In the case of a condominium or planned community containing any units not having horizontal boundaries described in the declaration, an agreement to terminate may provide for sale of the common elements, but it may not require that the units be sold following termination, unless the declaration as originally recorded provided otherwise or all the units' owners consent to the sale.

5. The association, on behalf of the units' owners, may contract for the sale of real estate in a common-interest community, but the contract is not binding on the units' owners until approved pursuant to subsections 1 and 2. If any real estate is to be sold following termination, title to that real estate, upon termination, vests in the association as trustee for the holders of all interests in the units. Thereafter, the association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the association continues in existence with all powers it had before termination. Proceeds of the sale must be distributed to units' owners and lienholders as their interests may appear, in accordance with [NRS 116.21183](#) and [116.21185](#). Unless otherwise specified in the agreement to terminate, as long as the association holds title to the real estate, each unit's owner and his or her successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly



constituted the unit. During the period of that occupancy, each unit's owner and his or her successors in interest remain liable for all assessments and other obligations imposed on units' owners by this chapter or the declaration.

6. In a condominium or planned community, if the real estate constituting the common-interest community is not to be sold following termination, title to the common elements and, in a common-interest community containing only units having horizontal boundaries described in the declaration, title to all the real estate in the common-interest community, vests in the units' owners upon termination as tenants in common in proportion to their respective interests as provided in [NRS 116.21185](#), and liens on the units shift accordingly. While the tenancy in common exists, each unit's owner and his or her successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit.

7. Following termination of the common-interest community, the proceeds of a sale of real estate, together with the assets of the association, are held by the association as trustee for units' owners and holders of liens on the units as their interests may appear.

(Added to NRS by [1991, 551](#); A [2011, 2426](#))

#### **NRS 116.21183 Rights of creditors following termination.**

1. Following termination of a condominium or planned community, creditors of the association holding liens on the units, which were recorded before termination, may enforce those liens in the same manner as any lienholder. All other creditors of the association are to be treated as if they had perfected liens on the units immediately before termination.

2. In a cooperative, the declaration may provide that all creditors of the association have priority over any interests of units' owners and creditors of units' owners. In that event, following termination, creditors of the association holding liens on the cooperative which were recorded before termination may enforce their liens in the same manner as any lienholder, and any other creditor of the association is to be treated as if the creditor had perfected a lien against the cooperative immediately before termination. Unless the declaration provides that all creditors of the association have that priority:

(a) The lien of each creditor of the association which was perfected against the association before termination becomes, upon termination, a lien against each unit's owner's interest in the unit as of the date the lien was perfected;

(b) Any other creditor of the association is to be treated upon termination as if the creditor had perfected a lien against each unit's owner's interest immediately before termination;

(c) The amount of the lien of an association's creditor described in paragraphs (a) and (b) against each of the units' owners' interest must be proportionate to the ratio which each unit's liability for common expenses bears to the liability for common expenses of all of the units;

(d) The lien of each creditor of each unit's owner which was perfected before termination continues as a lien against that owner's unit as of the date the lien was perfected; and

(e) The assets of the association must be distributed to all units' owners and all lienholders as their interests may appear in the order described in this section.

↳ Creditors of the association are not entitled to payment from any unit's owner in excess of the amount of the creditor's lien against that owner's interest.

(Added to NRS by [1991, 553](#))

**NRS 116.21185 Respective interests of units' owners following termination.** The respective interests of units' owners referred to in subsections 5, 6 and 7 of [NRS 116.2118](#) and in [NRS 116.21183](#) are as follows:

1. Except as otherwise provided in subsection 2, the respective interests of units' owners are the fair market values of their units, allocated interests, and any limited common elements immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers must be distributed to the units' owners and becomes final unless disapproved within 30 days after distribution by units' owners to whom 25 percent of the votes in the association are allocated. The proportion of interest of any unit's owner to that of all units' owners is determined by dividing the fair market value of that unit and its allocated interests by the total fair market values of all the units and their allocated interests.

2. If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereto before destruction cannot be made, the interests of all units' owners are:

(a) In a condominium, their respective interests in the common elements immediately before the termination;

(b) In a cooperative, their respective ownerships immediately before the termination; and

(c) In a planned community, their respective liabilities for common expenses immediately before the termination.

(Added to NRS by [1991, 553](#))



**NRS 116.21188 Effect of foreclosure or enforcement of lien or encumbrance.**

1. In a condominium or planned community, except as otherwise provided in subsection 2, foreclosure or enforcement of a lien or encumbrance against the entire common-interest community does not terminate, of itself, the common-interest community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common-interest community, other than withdrawable real estate, does not withdraw that portion from the common-interest community. Foreclosure or enforcement of a lien or encumbrance against withdrawable real estate does not withdraw, of itself, that real estate from the common-interest community, but the person taking title thereto may require from the association, upon request, an amendment excluding the real estate from the common-interest community.

2. In a condominium or planned community, if a lien or encumbrance against a portion of the real estate comprising the common-interest community has priority over the declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject to that lien or encumbrance from the common-interest community.

(Added to NRS by [1991, 554](#))

**NRS 116.2119 Rights of secured lenders.** The declaration may require that all or a specified number or percentage of the lenders who hold security interests encumbering the units approve specified actions of the units' owners or the association as a condition to the effectiveness of those actions, but no requirement for approval may operate to:

1. Deny or delegate control over the general administrative affairs of the association by the units' owners or the executive board;
2. Prevent the association or the executive board from commencing, intervening in or settling any litigation or proceeding; or
3. Prevent any trustee or the association from receiving and distributing any proceeds of insurance except pursuant to [NRS 116.31133](#) and [116.31135](#).

(Added to NRS by [1991, 554](#))

**NRS 116.212 Master associations.**

1. If the declaration provides that any of the powers described in [NRS 116.3102](#) are to be exercised by or may be delegated to a profit or nonprofit corporation that exercises those or other powers on behalf of one or more common-interest communities or for the benefit of the units' owners of one or more common-interest communities, or on behalf of a common-interest community and a time-share plan created pursuant to [chapter 119A](#) of NRS, all provisions of this chapter applicable to unit-owners' associations apply to any such corporation, except as modified by this section.

2. Unless it is acting in the capacity of an association described in [NRS 116.3101](#), a master association may exercise the powers set forth in paragraph (b) of subsection 1 of [NRS 116.3102](#) only to the extent expressly permitted in:

- (a) The declarations of common-interest communities which are part of the master association or expressly described in the delegations of power from those common-interest communities to the master association; or
- (b) The declaration of the common-interest community which is a part of the master association and the time-share instrument creating the time-share plan governed by the master association.

3. If the declaration of any common-interest community provides that the executive board may delegate certain powers to a master association, the members of the executive board have no liability for the acts or omissions of the master association with respect to those powers following delegation.

4. The rights and responsibilities of units' owners with respect to the unit-owners' association set forth in [NRS 116.3103](#), [116.31032](#), [116.31034](#), [116.31036](#), [116.3108](#), [116.31085](#), [116.3109](#), [116.311](#), [116.31105](#) and [116.3112](#) apply in the conduct of the affairs of a master association only to persons who elect the board of a master association, whether or not those persons are otherwise units' owners within the meaning of this chapter.

5. Even if a master association is also an association described in [NRS 116.3101](#), the certificate of incorporation or other instrument creating the master association and the declaration of each common-interest community, the powers of which are assigned by the declaration or delegated to the master association, may provide that the executive board of the master association must be elected after the period of the declarant's control in any of the following ways:

(a) All units' owners of all common-interest communities subject to the master association may elect all members of the master association's executive board.

(b) All members of the executive boards of all common-interest communities subject to the master association may elect all members of the master association's executive board.

(c) All units' owners of each common-interest community subject to the master association may elect specified members of the master association's executive board.

(d) All members of the executive board of each common-interest community subject to the master association may elect specified members of the master association's executive board.

(Added to NRS by [1991, 554](#); A [1993, 2362](#); [2001, 2489](#); [2003, 2226](#))

**NRS 116.21205 Reallocation of costs of administering common elements of certain master associations.**

The executive board of a master association of any common-interest community that was created before January 1, 1975, and is located in a county whose population is 700,000 or more may record an amendment to the declaration pursuant to which the master association reallocates the costs of administering the common elements of the master association among the units of the common-interest community uniformly and based upon the actual costs associated with each unit.

(Added to NRS by [2003, 2220](#); A [2011, 1144](#))

**NRS 116.2121 Merger or consolidation of common-interest communities.**

1. Any two or more common-interest communities of the same form of ownership, by agreement of the units' owners as provided in subsection 2, may be merged or consolidated into a single common-interest community. In the event of a merger or consolidation, unless the agreement otherwise provides, the resultant common-interest community is the legal successor, for all purposes, of all of the preexisting common-interest communities, and the operations and activities of all associations of the preexisting common-interest communities are merged or consolidated into a single association that holds all powers, rights, obligations, assets and liabilities of all preexisting associations.

2. An agreement of two or more common-interest communities to merge or consolidate pursuant to subsection 1 must be evidenced by an agreement prepared, executed, recorded and certified by the president of the association of each of the preexisting common-interest communities following approval by owners of units to which are allocated the percentage of votes in each common-interest community required to terminate that common-interest community. The agreement must be recorded in every county in which a portion of the common-interest community is located and is not effective until recorded.

3. Every agreement for merger or consolidation must provide for the reallocation of the allocated interests in the new association among the units of the resultant common-interest community either by stating the reallocations or the formulas upon which they are based or by stating the percentage of overall allocated interests of the new common-interest community which are allocated to all of the units comprising each of the preexisting common-interest communities, and providing that the portion of the percentages allocated to each unit formerly constituting a part of the preexisting common-interest community must be equal to the percentages of allocated interests allocated to that unit by the declaration of the preexisting common-interest community.

(Added to NRS by [1991, 555](#))

**NRS 116.2122 Addition of unspecified real estate.** In a planned community, if the right is originally reserved in the declaration, the declarant, in addition to any other developmental right, may amend the declaration at any time during as many years as are specified in the declaration for adding additional real estate to the planned community without describing the location of that real estate in the original declaration; but the amount of real estate added to the planned community pursuant to this section may not exceed 10 percent of the real estate described in paragraph (c) of subsection 1 of [NRS 116.2105](#) and the declarant may not in any event increase the number of units in the planned community beyond the number stated in the original declaration pursuant to paragraph (d) of that subsection.

(Added to NRS by [1991, 556](#); A [1993, 2363](#))

**NRS 116.2124 Termination following catastrophe.** If substantially all the units in a common-interest community have been destroyed or are uninhabitable and the available methods for giving notice under [NRS 116.3108](#) of a meeting of units' owners to consider termination under [NRS 116.2118](#) will not likely result in receipt of the notice, the executive board or any other person holding an interest in the common-interest community may commence an action in the district court of the county in which the common-interest community is located seeking to terminate the common-interest community. During the pendency of the action, the court may issue whatever orders it considers appropriate, including, without limitation, an order for the appointment of a receiver. After a hearing, the court may terminate the common-interest community or reduce its size and may issue any other order the court

considers to be in the best interest of the units' owners and persons holding an interest in the common-interest community.

(Added to NRS by [2011, 2414](#))

### ARTICLE 3

#### MANAGEMENT OF COMMON-INTEREST COMMUNITIES

##### General Provisions

###### **NRS 116.3101 Organization of unit-owners' association.**

1. A unit-owners' association must be organized no later than the date the first unit in the common-interest community is conveyed.

2. The membership of the association at all times consists exclusively of all units' owners or, following termination of the common-interest community, of all owners of former units entitled to distributions of proceeds under [NRS 116.2118](#), [116.21183](#) and [116.21185](#), or their heirs, successors or assigns.

3. Except for a residential planned community containing not more than 12 units, the association must have an executive board.

4. The association must:

(a) Be organized as a profit or nonprofit corporation, association, limited-liability company, trust, partnership or any other form of organization authorized by the law of this State;

(b) Include in its articles of incorporation, articles of association, articles of organization, certificate of registration, certificate of limited partnership, certificate of trust or other documents of organization, or any amendment thereof, that the purpose of the corporation, association, limited-liability company, trust or partnership is to operate as an association pursuant to this chapter;

(c) Contain in its name the words "common-interest community," "community association," "master association," "homeowners' association" or "unit-owners' association"; and

(d) Comply with the applicable provisions of [chapters 78, 81, 82, 86, 87, 87A, 88](#) and [88A](#) of NRS when filing with the Secretary of State its articles of incorporation, articles of association, articles of organization, certificate of registration, certificate of limited partnership, certificate of trust or other documents of organization, or any amendment thereof.

(Added to NRS by [1991, 556](#); A [2003, 20th Special Session, 130](#); [2005, 2590](#); [2007, 485](#); [2011, 2427](#))

###### **NRS 116.3102 Powers of unit-owners' association; limitations.**

1. Except as otherwise provided in this chapter, and subject to the provisions of the declaration, the association:

(a) Shall adopt and, except as otherwise provided in the bylaws, may amend bylaws and may adopt and amend rules and regulations.

(b) Shall adopt and may amend budgets in accordance with the requirements set forth in [NRS 116.31151](#), may collect assessments for common expenses from the units' owners and may invest funds of the association in accordance with the requirements set forth in [NRS 116.311395](#).

(c) May hire and discharge managing agents and other employees, agents and independent contractors.

(d) May institute, defend or intervene in litigation or in arbitration, mediation or administrative proceedings in its own name on behalf of itself or two or more units' owners on matters affecting the common-interest community. The association may not institute, defend or intervene in litigation or in arbitration, mediation or administrative proceedings in its own name on behalf of itself or units' owners with respect to an action for a constructional defect pursuant to [NRS 40.600](#) to [40.695](#), inclusive, unless the action pertains to:

(1) Common elements;

(2) Any portion of the common-interest community that the association owns; or

(3) Any portion of the common-interest community that the association does not own but has an obligation to maintain, repair, insure or replace because the governing documents of the association expressly make such an obligation the responsibility of the association.

(e) May make contracts and incur liabilities. Any contract between the association and a private entity for the furnishing of goods or services must not include a provision granting the private entity the right of first refusal with respect to extension or renewal of the contract.

(f) May regulate the use, maintenance, repair, replacement and modification of common elements.

(g) May cause additional improvements to be made as a part of the common elements.

(h) May acquire, hold, encumber and convey in its own name any right, title or interest to real estate or personal property, but:

(1) Common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to [NRS 116.3112](#); and

(2) Part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to [NRS 116.3112](#).

(i) May grant easements, leases, licenses and concessions through or over the common elements.

(j) May impose and receive any payments, fees or charges for the use, rental or operation of the common elements, other than limited common elements described in subsections 2 and 4 of [NRS 116.2102](#), and for services provided to the units' owners, including, without limitation, any services provided pursuant to [NRS 116.310312](#).

(k) May impose charges for late payment of assessments pursuant to [NRS 116.3115](#).

(l) May impose construction penalties when authorized pursuant to [NRS 116.310305](#).

(m) May impose reasonable fines for violations of the governing documents of the association only if the association complies with the requirements set forth in [NRS 116.31031](#).

(n) May impose reasonable charges for the preparation and recordation of any amendments to the declaration or any statements of unpaid assessments, and impose reasonable fees, not to exceed the amounts authorized by [NRS 116.4109](#), for preparing and furnishing the documents and certificate required by that section.

(o) May impose a reasonable fee for opening or closing any file for each unit. Such a fee:

(1) Must be based on the actual cost the association incurs to open or close any file.

(2) Must not exceed \$350. Beginning on January 1, 2022, the monetary amount in this subparagraph must be adjusted for each calendar year by adding to each amount the product of the amount multiplied by the percentage increase in the Consumer Price Index (All Items) published by the United States Department of Labor from December 2020 to the December preceding the calendar year for which the adjustment is calculated, but must not increase by more than 3 percent each year.

(3) Must not be charged to both the seller and the purchaser of a unit.

(4) Except as otherwise provided in this subparagraph and subject to the limitation set forth in subparagraph (2), may increase, on an annual basis, by a percentage equal to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year. The fee must not increase by more than 3 percent each year.

(p) May provide for the indemnification of its officers and executive board and maintain directors and officers liability insurance.

(q) May assign its right to future income, including the right to receive assessments for common expenses, but only to the extent the declaration expressly so provides.

(r) May exercise any other powers conferred by the declaration or bylaws.

(s) May exercise all other powers that may be exercised in this State by legal entities of the same type as the association.

(t) Except as otherwise provided in this paragraph, may direct the removal of vehicles improperly parked on property owned or leased by the association, as authorized pursuant to [NRS 487.038](#), or improperly parked on any road, street, alley or other thoroughfare within the common-interest community in violation of the governing documents. An association may not direct the removal of a vehicle parked on property owned or leased by the association solely because the registration of the vehicle is expired. In addition to complying with the requirements of [NRS 487.038](#) and any requirements in the governing documents, if a vehicle is improperly parked as described in this paragraph, the association must post written notice in a conspicuous place on the vehicle or provide oral or written notice to the owner or operator of the vehicle at least 48 hours before the association may direct the removal of the vehicle, unless the vehicle:

(1) Is blocking a fire hydrant, fire lane or parking space designated for the handicapped; or

(2) Poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community.

(u) May exercise any other powers necessary and proper for the governance and operation of the association.

2. The declaration may not limit the power of the association to deal with the declarant if the limit is more restrictive than the limit imposed on the power of the association to deal with other persons.

3. The executive board may determine whether to take enforcement action by exercising the association's power to impose sanctions or commence an action for a violation of the declaration, bylaws or rules, including whether to compromise any claim for unpaid assessments or other claim made by or against it. The executive board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:

(a) The association's legal position does not justify taking any or further enforcement action;

(b) The covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with current law;

(c) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the association's resources; or

(d) It is not in the association's best interests to pursue an enforcement action.

4. The executive board's decision under subsection 3 not to pursue enforcement under one set of circumstances does not prevent the executive board from taking enforcement action under another set of circumstances, but the executive board may not be arbitrary or capricious in taking enforcement action.

5. Notwithstanding any provision of this chapter or the governing documents to the contrary, an association may not impose any assessment pursuant to this chapter or the governing documents on the owner of any property in the common-interest community that is exempt from taxation pursuant to [NRS 361.125](#). For the purposes of this subsection, "assessment" does not include any charge for any utility services, including, without limitation, telecommunications, broadband communications, cable television, electricity, natural gas, sewer services, garbage collection, water or for any other service which is delivered to and used or consumed directly by the property in the common-interest community that is exempt from taxation pursuant to [NRS 361.125](#).

6. In providing any service or performing any act set forth in paragraph (n) or (o) of subsection 1, an association, or entity related to or acting on behalf of an association, shall not impose on a unit's owner, the authorized agent of a unit's owner, a purchaser or, pursuant to subsection 7 of [NRS 116.4109](#), the holder of a security interest on a unit, a fee:

(a) Not authorized in paragraph (n) or (o), as applicable, of subsection 1; or

(b) In an amount which exceeds any limitation provided or set forth in paragraph (n) or (o), as applicable, of subsection 1.

(Added to NRS by [1991, 556](#); A [1999, 3000](#); [2003, 2227, 2267](#); [2005, 2590](#); [2009, 1009, 2796, 2879, 2911](#); [2011, 2427](#); [2015, 18](#); [2019, 851, 2263](#); [2021, 1400, 1436](#))

**NRS 116.3103 Power of executive board to act on behalf of association; members and officers are fiduciaries; duty of care; application of business-judgment rule and conflict of interest rules; limitations on power.**

1. Except as otherwise provided in the declaration, the bylaws, this section or other provisions of this chapter, the executive board acts on behalf of the association. In the performance of their duties, the officers and members of the executive board are fiduciaries and shall act on an informed basis, in good faith and in the honest belief that their actions are in the best interest of the association. Officers and members of the executive board:

(a) Are required to exercise the ordinary and reasonable care of officers and directors of a nonprofit corporation, subject to the business-judgment rule; and

(b) Are subject to conflict of interest rules governing the officers and directors of a nonprofit corporation organized under the law of this State.

2. The executive board may not act to:

(a) Amend the declaration.

(b) Terminate the common-interest community.

(c) Elect members of the executive board, but notwithstanding any provision of the governing documents to the contrary, the executive board may fill vacancies in its membership for the unexpired portion of any term or until the next regularly scheduled election of executive board members, whichever is earlier. Any executive board member elected to a previously vacant position which was temporarily filled by board appointment may only be elected to fulfill the remainder of the unexpired portion of the term.

(d) Determine the qualifications, powers, duties or terms of office of members of the executive board.

3. The executive board shall adopt budgets as provided in [NRS 116.31151](#).

(Added to NRS by [1991, 557](#); A [1993, 2364](#); [2001, 3193](#); [2003, 225](#); [2005, 2592](#); [2009, 1734, 2797](#); [2011, 2430](#); [2017, 1083](#))

**NRS 116.310305 Power of executive board to impose construction penalties for failure of unit's owner to adhere to certain schedules relating to design, construction, occupancy or use of unit or improvement.**

1. A unit's owner shall adhere to a schedule required by the association for:

(a) The completion of the design of a unit or the design of an improvement to a unit;

(b) The commencement of the construction of a unit or the construction of an improvement to a unit;

(c) The completion of the construction of a unit or the construction of an improvement to the unit; or



(d) The issuance of a permit which is necessary for the occupancy of a unit or for the use of an improvement to a unit.

2. The association may impose and enforce a construction penalty against a unit's owner who fails to adhere to a schedule as required pursuant to subsection 1 if:

(a) The right to assess and collect a construction penalty is set forth in:

(1) The declaration;

(2) Another document related to the common-interest community that is recorded before the date on which the unit's owner acquired title to the unit; or

(3) A contract between the unit's owner and the association;

(b) The association has included notice of the maximum amount of the construction penalty and schedule as part of any public offering statement or resale package required by this chapter; and

(c) The unit's owner receives notice of the alleged violation which informs the unit's owner that he or she has a right to a hearing on the alleged violation.

3. For the purposes of this chapter, a construction penalty is not a fine.

(Added to NRS by [2003, 2221, 2266](#); A [2011, 2430](#))

**NRS 116.31031 Power of executive board to impose fines and other sanctions for violations of governing documents; regulations; limitations; procedural requirements; continuing violations; collection of past due fines; statement of balance owed.**

1. Except as otherwise provided in this section, if a unit's owner or a tenant or an invitee of a unit's owner or a tenant violates any provision of the governing documents of an association, the executive board may, if the governing documents so provide:

(a) Prohibit, for a reasonable time, the unit's owner or the tenant or the invitee of the unit's owner or the tenant from:

(1) Voting on matters related to the common-interest community.

(2) Using the common elements. The provisions of this subparagraph do not prohibit the unit's owner or the tenant or the invitee of the unit's owner or the tenant from using any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking.

(b) Impose a fine against the unit's owner or the tenant or the invitee of the unit's owner or the tenant for each violation, except that:

(1) A fine may not be imposed for a violation that is the subject of a construction penalty pursuant to [NRS 116.310305](#); and

(2) A fine may not be imposed against a unit's owner or a tenant or invitee of a unit's owner or a tenant for a violation of the governing documents which involves a vehicle and which is committed by a person who is delivering goods to, or performing services for, the unit's owner or tenant or invitee of the unit's owner or the tenant.

➤ If the violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community as provided in the regulations adopted by the Commission, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents. If the violation does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community as provided in the regulations adopted by the Commission, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents, but the amount of the fine must not exceed \$100 for each violation or a total amount of \$1,000 per hearing against each unit's owner or tenant or invitee of the unit's owner or tenant. The limitations on the amount of the fine do not apply to any charges or costs that may be collected by the association pursuant to this section if the fine becomes past due. The Commission shall adopt regulations establishing the criteria used in determining whether a violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the severity of such violations and limitations on the amounts of the fines.

(c) Send a written notice to cure an alleged violation, without the imposition of a fine, to the unit's owner and, if different, the person responsible for curing the alleged violation. Any such written notice must:

(1) Include an explanation of the applicable provisions of the governing documents that form the basis of the alleged violation;

(2) Specify in detail the alleged violation and the proposed action to cure the alleged violation;



(3) Provide a clear and detailed photograph of the alleged violation, if the alleged violation relates to the physical condition of the unit or the grounds of the unit or an act or a failure to act of which it is possible to obtain a photograph; and

(4) Provide the unit's owner or the tenant a reasonable opportunity to cure the alleged violation before the executive board may take additional actions, including, without limitation, other remedies available pursuant to this section.

2. Unless the violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community as provided in the regulations adopted by the Commission, the executive board may not impose a fine pursuant to subsection 1 against a unit's owner or tenant for a violation of any provision of the governing documents of an association committed by an invitee of the unit's owner or the tenant unless the unit's owner or tenant:

- (a) Participated in or authorized the violation;
- (b) Had prior notice of the violation pursuant to paragraph (c) of subsection 1; or
- (c) Had an opportunity to stop the violation and failed to do so.

3. If the association adopts a policy imposing fines for any violations of the governing documents of the association, the secretary or other officer specified in the bylaws shall prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit's owner, a schedule of the fines that may be imposed for those violations.

4. The executive board may not impose a fine pursuant to subsection 1 unless:

(a) Not less than 30 days before the alleged violation, the unit's owner and, if different, the person against whom the fine will be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the alleged violation; and

(b) Within a reasonable time after the discovery of the alleged violation, the unit's owner and, if different, the person against whom the fine will be imposed has been provided with:

(1) Written notice:

(I) Specifying in detail the alleged violation, the proposed action to cure the alleged violation, the amount of the fine, and the date, time and location for a hearing on the alleged violation; and

(II) Providing a clear and detailed photograph of the alleged violation, if the alleged violation relates to the physical condition of the unit or the grounds of the unit or an act or a failure to act of which it is possible to obtain a photograph; and

(2) A reasonable opportunity to cure the alleged violation or to contest the alleged violation at the hearing.

↳ For the purposes of this subsection, a unit's owner shall not be deemed to have received written notice unless written notice is mailed to the address of the unit and, if different, to a mailing address specified by the unit's owner.

5. The executive board must schedule the date, time and location for the hearing on the alleged violation so that the unit's owner and, if different, the person against whom the fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing.

6. The executive board must hold a hearing before it may impose the fine, unless the fine is paid before the hearing or unless the unit's owner and, if different, the person against whom the fine will be imposed:

- (a) Executes a written waiver of the right to the hearing; or
- (b) Fails to appear at the hearing after being provided with proper notice of the hearing.

7. If a fine is imposed pursuant to subsection 1 and the violation is not cured within 14 days, or within any longer period that may be established by the executive board, the violation shall be deemed a continuing violation. Thereafter, the executive board may impose an additional fine for the violation, in an amount that does not exceed the amount of the original fine, for each 7-day period or portion thereof that the violation is not cured. Any additional fine:

(a) May be imposed without providing the opportunity to cure the violation and without the notice and an opportunity to be heard required by paragraph (b) of subsection 4; and

(b) Is not subject to any limitation on the amount of fines set forth in subsection 1 or the regulations adopted pursuant thereto.

8. If the governing documents so provide, the executive board may appoint a committee, with not less than three members, to conduct hearings on alleged violations and to impose fines pursuant to this section. While acting on behalf of the executive board for those limited purposes, the committee and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the executive board and its members.

9. A member of the executive board shall not participate in any hearing or cast any vote relating to a fine imposed pursuant to subsection 1 if the member has not paid all assessments which are due to the association by the member. If a member of the executive board:

- (a) Participates in a hearing in violation of this subsection, any action taken at the hearing is void.

(b) Casts a vote in violation of this subsection, the vote is void.

10. The provisions of this section establish the minimum procedural requirements that the executive board must follow before it may impose a fine. The provisions of this section do not preempt any provisions of the governing documents that provide greater procedural protections.

11. Any past due fine must not bear interest, but may include any costs incurred by the association during a civil action to enforce the payment of the past due fine.

12. If requested by a person upon whom a fine was imposed, not later than 60 days after receiving any payment of a fine, an association shall provide to the person upon whom the fine was imposed a statement of the remaining balance owed.

(Added to NRS by [1997, 3112](#); A [1999, 3001](#); [2003, 2228, 2268](#); [2005, 2592](#); [2009, 2797, 2880, 2913](#); [2011, 2431](#); [2013, 267](#); [2017, 4036](#); [2021, 711](#))

**NRS 116.310312 Power of executive board to enter grounds of unit to conduct certain maintenance or remove or abate public nuisance or to enter grounds or interior of unit to abate water or sewage leak or take other action; holder of security interest in unit required to provide certain information to association; imposition of fines and costs; lien against unit; limitation on liability.**

1. A person who holds a security interest in a unit must provide the association with the person's contact information as soon as reasonably practicable, but not later than 30 days after the person:

(a) Files an action for recovery of a debt or enforcement of any right secured by the unit pursuant to [NRS 40.430](#);

or

(b) Records or has recorded on his or her behalf a notice of a breach of obligation secured by the unit and the election to sell or have the unit sold pursuant to [NRS 107.080](#).

2. If an action or notice described in subsection 1 has been filed or recorded regarding a unit and the association has provided the unit's owner with notice and an opportunity for a hearing in the manner provided in [NRS 116.31031](#), the association, including its employees, agents and community manager, may, but is not required to, enter the grounds of the unit, whether or not the unit is vacant, to take any of the following actions if the unit's owner refuses or fails to take any action or comply with any requirement imposed on the unit's owner within the time specified by the association as a result of the hearing:

(a) Maintain the exterior of the unit in accordance with the standards set forth in the governing documents, including, without limitation, any provisions governing maintenance, standing water or snow removal.

(b) Remove or abate a public nuisance on the exterior of the unit which:

- (1) Is visible from any common area of the community or public streets;
- (2) Threatens the health or safety of the residents of the common-interest community;
- (3) Results in blighting or deterioration of the unit or surrounding area; and
- (4) Adversely affects the use and enjoyment of nearby units.

3. If:

(a) A unit is vacant;

(b) The association has provided the unit's owner with notice and an opportunity for a hearing in the manner provided in [NRS 116.31031](#); and

(c) The association or its employee, agent or community manager mails a notice of the intent of the association, including its employees, agents and community manager, to maintain the exterior of the unit or abate a public nuisance, as described in subsection 2, by certified mail to each holder of a recorded security interest encumbering the interest of the unit's owner, at the address of the holder that is provided pursuant to [NRS 657.110](#) on the Internet website maintained by the Division of Financial Institutions of the Department of Business and Industry,

➤ the association, including its employees, agents and community manager, may enter the grounds of the unit to maintain the exterior of the unit or abate a public nuisance, as described in subsection 2, if the unit's owner refuses or fails to do so.

4. If a unit is in a building that contains units divided by horizontal boundaries described in the declaration, or vertical boundaries that comprise common walls between units, and the unit is vacant, the association, including its employees, agents and community manager, may enter the grounds and interior of the unit to:

(a) Abate a water or sewage leak in the unit and remove any water or sewage from the unit that is causing damage or, if not immediately abated, may cause damage to the common elements or another unit if the unit's owner refuses or fails to abate the water or sewage leak.

(b) After providing the unit's owner with notice but before a hearing in accordance with the provisions of [NRS 116.31031](#):

(1) Remove any furniture, fixtures, appliances and components of the unit, including, without limitation, flooring, baseboards and drywall, that were damaged as a result of water or mold damage resulting from a water or sewage leak to the extent such removal is reasonably necessary because water or mold damage threatens the health or safety of the residents of the common-interest community, results in blighting or deterioration of the unit or the surrounding area and adversely affects the use and enjoyment of nearby units, if the unit's owner refuses or fails to remediate or remove the water or mold damage.

(2) Remediate or remove any water or mold damage in the unit resulting from the water or sewage leak to the extent such remediation or removal is reasonably necessary because the water or mold damage threatens the health or safety of the residents of the common-interest community, results in blighting or deterioration of the unit or the surrounding area and adversely affects the use and enjoyment of nearby units, if the unit's owner refuses or fails to remediate or remove the water or mold damage.

5. After the association has provided the unit's owner with notice and an opportunity for a hearing in the manner provided in [NRS 116.31031](#), the association may order that the costs of any maintenance or abatement or the reasonable costs of remediation or removal conducted pursuant to subsection 2, 3 or 4, including, without limitation, reasonable inspection fees, notification and collection costs and interest, be charged against the unit. The association shall keep a record of such costs and interest charged against the unit and has a lien on the unit for any unpaid amount of the charges. The lien may be foreclosed under [NRS 116.31162](#) to [116.31168](#), inclusive.

6. A lien described in subsection 5 bears interest from the date that the charges become due at a rate determined pursuant to [NRS 17.130](#) until the charges, including all interest due, are paid.

7. Except as otherwise provided in this subsection, a lien described in subsection 5 is prior and superior to all liens, claims, encumbrances and titles other than the liens described in paragraphs (a) and (c) of subsection 2 of [NRS 116.3116](#). If the federal regulations of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association require a shorter period of priority for the lien, the period during which the lien is prior and superior to other security interests shall be determined in accordance with those federal regulations. Notwithstanding the federal regulations, the period of priority of the lien must not be less than the 6 months immediately preceding the institution of an action to enforce the lien.

8. A person who purchases or acquires a unit at a foreclosure sale pursuant to [NRS 40.430](#) or a trustee's sale pursuant to [NRS 107.080](#) is bound by the governing documents of the association and shall maintain the exterior of the unit in accordance with the governing documents of the association. Such a unit may only be removed from a common-interest community in accordance with the governing documents pursuant to this chapter.

9. Notwithstanding any other provision of law, an association, its directors or members of the executive board, employees, agents or community manager who enter the grounds or interior of a unit pursuant to this section are not liable for trespass.

10. Nothing in this section gives rise to any rights or standing for a claim for a constructional defect made pursuant to [NRS 40.600](#) to [40.695](#), inclusive.

11. As used in this section:

(a) "Exterior of the unit" includes, without limitation, all landscaping outside of a unit, the exterior of all property exclusively owned by the unit owner and the exterior of all property that the unit owner is obligated to maintain pursuant to the declaration.

(b) "Remediation" does not include restoration.

(c) "Vacant" means a unit:

(1) Which reasonably appears to be unoccupied;

(2) On which the owner has failed to maintain the exterior to the standards set forth in the governing documents of the association; and

(3) On which the owner has failed to pay assessments for more than 60 days.

(Added to NRS by [2009, 1007](#); A [2017, 1564](#); [2019, 2265](#))

### **NRS 116.310313 Collection of past due obligation; charge of reasonable fee to collect.**

1. An association may charge a unit's owner reasonable fees to cover the costs of collecting any past due obligation. The Commission shall adopt regulations establishing the amount of the fees that an association may charge pursuant to this section.

2. The provisions of this section apply to any costs of collecting a past due obligation charged to a unit's owner, regardless of whether the past due obligation is collected by the association itself or by any person acting on behalf of the association, including, without limitation, an officer or employee of the association, a community manager or a collection agency.

3. As used in this section:

(a) “Costs of collecting” includes any fee, charge or cost, by whatever name, including, without limitation, any collection fee, filing fee, recording fee, fee related to the preparation, recording or delivery of a lien or lien rescission, title search lien fee, bankruptcy search fee, referral fee, fee for postage or delivery and any other fee or cost that an association charges a unit’s owner for the investigation, enforcement or collection of a past due obligation. The term does not include any costs incurred by an association if a lawsuit is filed to enforce any past due obligation or any costs awarded by a court.

(b) “Obligation” means any assessment, fine, construction penalty, fee, charge or interest levied or imposed against a unit’s owner pursuant to any provision of this chapter or the governing documents.

(Added to NRS by [2009, 2795](#))

**NRS 116.310315 Accounting for fines imposed by association.** If an association has imposed a fine against a unit’s owner or a tenant or an invitee of a unit’s owner or a tenant pursuant to [NRS 116.31031](#) for violations of the governing documents of the association, the association shall establish a compliance account to account for the fine, which must be separate from any account established for assessments.

(Added to NRS by [1997, 3112](#); A [2005, 1715](#); [2009, 2882, 2915](#))—(Substituted in revision for NRS 116.31145)

**NRS 116.31032 Period of declarant’s control of association; representation of units’ owners on executive board.**

1. Except as otherwise provided in this section, the declaration may provide for a period of declarant’s control of the association, during which a declarant, or persons designated by a declarant, may appoint and remove the officers of the association and members of the executive board. A declarant may voluntarily surrender the right to appoint and remove officers and members of the executive board before termination of that period and, in that event, the declarant may require, for the duration of the period of declarant’s control, that specified actions of the association or executive board, as described in a recorded instrument executed by the declarant, be approved by the declarant before they become effective. Regardless of the period provided in the declaration, a period of declarant’s control terminates no later than the earliest of:

(a) For a common-interest community with less than 1,000 units, 60 days after conveyance of 75 percent of the units that may be created to units’ owners other than a declarant;

(b) For a common-interest community with 1,000 units or more, 60 days after conveyance of 90 percent of the units that may be created to units’ owners other than a declarant;

(c) If the association exercises powers over a common-interest community pursuant to this chapter and a time-share plan pursuant to [chapter 119A](#) of NRS, 120 days after conveyance of 80 percent of the units that may be created to units’ owners other than a declarant;

(d) Five years after all declarants have ceased to offer units for sale in the ordinary course of business;

(e) Five years after any right to add new units was last exercised; or

(f) The day the declarant, after giving notice to units’ owners, records an instrument voluntarily surrendering all rights to control activities of the association.

2. For a common-interest community with:

(a) Less than 1,000 units, not later than 60 days after conveyance of 25 percent of the units that may be created to units’ owners other than a declarant, at least one member and not less than 25 percent of the members of the executive board must be elected by units’ owners other than the declarant.

(b) One thousand units or more, not later than 60 days after conveyance of 15 percent of the units that may be created to units’ owners other than a declarant, at least one member and not less than 25 percent of the members of the executive board must be elected by units’ owners other than the declarant.

3. Not later than 60 days after conveyance of 50 percent of the units that may be created to units’ owners other than a declarant, not less than one-third of the members of the executive board must be elected by units’ owners other than the declarant.

(Added to NRS by [1993, 2353](#); A [2001, 2490](#); [2011, 2433](#); [2015, 800](#))

**NRS 116.31034 Election of members of executive board and officers of association; term of office of member of executive board; staggered terms; eligibility to be candidate for or member of executive board or officer of association; required disclosures; procedure for conducting elections; certification by member of executive board of understanding of governing documents and provisions of chapter.**

1. Except as otherwise provided in subsection 5 of [NRS 116.212](#), not later than the termination of any period of declarant’s control, the units’ owners shall elect an executive board of at least three members, all of whom must be units’ owners. The executive board shall elect the officers of the association. Unless the governing documents provide

otherwise, the officers of the association are not required to be units' owners. The members of the executive board and the officers of the association shall take office upon election.

2. The term of office of a member of the executive board may not exceed 3 years, except for members who are appointed by the declarant. Unless the governing documents provide otherwise, there is no limitation on the number of terms that a person may serve as a member of the executive board.

3. The governing documents of the association must provide for terms of office that are staggered in such a manner that, to the extent possible, an equal number of members of the executive board are elected at each election. The provisions of this subsection do not apply to:

- (a) Members of the executive board who are appointed by the declarant; and
- (b) Members of the executive board who serve a term of 1 year or less.

4. Not less than 30 days before the preparation of a ballot for the election of members of the executive board, the secretary or other officer specified in the bylaws of the association shall cause notice to be given to each unit's owner of the unit's owner's eligibility to serve as a member of the executive board. Each unit's owner who is qualified to serve as a member of the executive board may have his or her name placed on the ballot along with the names of the nominees selected by the members of the executive board or a nominating committee established by the association.

5. Before the secretary or other officer specified in the bylaws of the association causes notice to be given to each unit's owner of his or her eligibility to serve as a member of the executive board pursuant to subsection 4, the executive board may determine that if, at the closing of the prescribed period for nominations for membership on the executive board, the number of candidates nominated for membership on the executive board is equal to or less than the number of members to be elected to the executive board at the election, then:

- (a) The association will not prepare or mail any ballots to units' owners pursuant to this section; and
- (b) The nominated candidates shall be deemed to be duly elected to the executive board at the meeting of the units' owners at which the ballots would have been counted pursuant to paragraph (e) of subsection 15.

6. If the executive board makes the determination set forth in subsection 5, the secretary or other officer specified in the bylaws of the association shall disclose the determination and the provisions of subsection 5 with the notice given pursuant to subsection 4.

7. If, at the closing of the prescribed period for nominations for membership on the executive board, the number of candidates nominated for membership on the executive board is less than the number of members to be elected to the executive board at the election, the executive board may fill the remaining vacancies on the executive board by appointment of the executive board at a meeting of the executive board held after the candidates are elected pursuant to subsection 5. Any such person appointed to the executive board shall serve as a member of the executive board until the next regularly scheduled election of members of the executive board. An executive board member elected to a previously appointed position which was temporarily filled by board appointment pursuant to this subsection may only be elected to fulfill the remainder of that term.

8. If, at the closing of the prescribed period for nominations for membership on the executive board described in subsection 5, the number of candidates nominated for membership on the executive board is greater than the number of members to be elected to the executive board, then the association shall:

- (a) Prepare and mail ballots to the units' owners pursuant to this section; and
- (b) Conduct an election for membership on the executive board pursuant to this section.

9. Each person who is nominated as a candidate for membership on the executive board pursuant to subsection 4 must:

- (a) Make a good faith effort to disclose any financial, business, professional or personal relationship or interest that would result or would appear to a reasonable person to result in a potential conflict of interest for the candidate if the candidate were to be elected to serve as a member of the executive board; and

- (b) Disclose whether the candidate is a member in good standing. For the purposes of this paragraph, a candidate shall not be deemed to be in "good standing" if the candidate has any unpaid and past due assessments or construction penalties that are required to be paid to the association.

➤ The candidate must make all disclosures required pursuant to this subsection in writing to the association with his or her candidacy information. Except as otherwise provided in this subsection, the association shall distribute the disclosures, on behalf of the candidate, to each member of the association with the ballot or, in the event ballots are not prepared and mailed pursuant to subsection 5, in the next regular mailing of the association. The association is not obligated to distribute any disclosure pursuant to this subsection if the disclosure contains information that is believed to be defamatory, libelous or profane.

10. Except as otherwise provided in subsections 11 and 12, unless a person is appointed by the declarant:

- (a) A person may not be a candidate for or member of the executive board or an officer of the association if:

(1) The person resides in a unit with, is married to, is domestic partners with, or is related by blood, adoption or marriage within the third degree of consanguinity or affinity to another person who is also a member of the executive board or is an officer of the association;

(2) The person stands to gain any personal profit or compensation of any kind from a matter before the executive board of the association; or

(3) The person, the person's spouse or the person's parent or child, by blood, marriage or adoption, performs the duties of a community manager for that association.

(b) A person may not be a candidate for or member of the executive board of a master association or an officer of that master association if the person, the person's spouse or the person's parent or child, by blood, marriage or adoption, performs the duties of a community manager for:

(1) That master association; or

(2) Any association that is subject to the governing documents of that master association.

11. A person, other than a person appointed by the declarant, who owns 75 percent or more of the units in an association may:

(a) Be a candidate for or member of the executive board or an officer of the association; and

(b) Reside in a unit with, be married to, be domestic partners with, or be related by blood, adoption or marriage within the third degree of consanguinity or affinity to another person who is also a member of the executive board or is an officer of the association,

↳ unless the person owning 75 percent or more of the units in the association and the other person would constitute a majority of the total number of seats on the executive board.

12. A person, other than a person appointed by the declarant, may:

(a) Be a candidate for or member of the executive board; and

(b) Reside in a unit with, be married to, be domestic partners with, or be related by blood, adoption or marriage within the third degree of consanguinity or affinity to another person who is also a member of the executive board or is an officer of the association,

↳ if the number of candidates nominated for membership on the executive board is less than or equal to the number of members to be elected to the executive board.

13. If a person is not eligible to be a candidate for or member of the executive board or an officer of the association pursuant to any provision of this chapter, the association:

(a) Must not place his or her name on the ballot; and

(b) Must prohibit such a person from serving as a member of the executive board or an officer of the association.

14. An officer, employee, agent or director of a corporate owner of a unit, a trustee or designated beneficiary of a trust that owns a unit, a partner of a partnership that owns a unit, a member or manager of a limited-liability company that owns a unit, and a fiduciary of an estate that owns a unit may be an officer of the association or a member of the executive board. In all events where the person serving or offering to serve as an officer of the association or a member of the executive board is not the record owner, the person shall file proof in the records of the association that:

(a) The person is associated with the corporate owner, trust, partnership, limited-liability company or estate as required by this subsection; and

(b) Identifies the unit or units owned by the corporate owner, trust, partnership, limited-liability company or estate.

15. Except as otherwise provided in subsection 5 or [NRS 116.31105](#), the election of any member of the executive board must be conducted by secret written ballot in the following manner:

(a) The secretary or other officer specified in the bylaws of the association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner.

(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) A quorum is not required for the election of any member of the executive board.

(d) Only the secret written ballots that are returned to the association may be counted to determine the outcome of the election.

(e) The secret written ballots must be opened and counted at the meeting of the units' owners held pursuant to subsection 1 of [NRS 116.3108](#). A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(f) The incumbent members of the executive board and each person whose name is placed on the ballot as a candidate for membership on the executive board may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association before those secret written ballots have been opened and counted at a meeting of the association.



16. An association shall not adopt any rule or regulation that has the effect of prohibiting or unreasonably interfering with a candidate in the candidate's campaign for election as a member of the executive board, except that the candidate's campaign may be limited to 90 days before the date that ballots are required to be returned to the association.

17. A candidate who has submitted a nomination form for election as a member of the executive board may request that the association or its agent either:

(a) Send before the date of the election and at the association's expense, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner a candidate informational statement. The candidate informational statement:

- (1) Must be no longer than a single, typed page;
- (2) Must not contain any defamatory, libelous or profane information; and
- (3) May be sent with the secret ballot mailed pursuant to subsection 15 or in a separate mailing; or

(b) To allow the candidate to communicate campaign material directly to the units' owners, provide to the candidate, in paper format at a cost not to exceed 25 cents per page for the first 10 pages and 10 cents per page thereafter, in the format of a compact disc at a cost of not more than \$5 or by electronic mail at no cost:

(1) A list of the mailing address of each unit, which must not include the names of the units' owners or the name of any tenant of a unit's owner; or

(2) If the members of the association are owners of time shares within a time share plan created pursuant to [chapter 119A](#) of NRS and:

(I) The voting rights of those owners are exercised by delegates or representatives pursuant to [NRS 116.31105](#), the mailing address of the delegates or representatives.

(II) The voting rights of those owners are not exercised by delegates or representatives, the mailing address of the association established pursuant to [NRS 119A.520](#). If the mailing address of the association is provided to the candidate pursuant to this sub-subparagraph, the association must send to each owner of a time share within the time share plan the campaign material provided by the candidate. If the campaign material will be sent by mail, the candidate who provides the campaign material must provide to the association a separate copy of the campaign material for each owner and must pay the actual costs of mailing before the campaign material is mailed. If the campaign material will be sent by electronic transmission, the candidate must provide to the association one copy of the campaign material in an electronic format.

➤ The information provided pursuant to this paragraph must not include the name of any unit's owner or any tenant of a unit's owner. If a candidate who makes a request for the information described in this paragraph fails or refuses to provide a written statement signed by the candidate which states that the candidate is making the request to allow the candidate to communicate campaign material directly to units' owners and that the candidate will not use the information for any other purpose, the association or its agent may refuse the request.

18. An association and its directors, officers, employees and agents are immune from criminal or civil liability for any act or omission which arises out of the publication or disclosure of any information related to any person and which occurs in the course of carrying out any duties required pursuant to subsection 17.

19. Each member of the executive board shall, within 90 days after his or her appointment or election, certify in writing to the association, on a form prescribed by the Administrator, that the member has read and understands the governing documents of the association and the provisions of this chapter to the best of his or her ability. The Administrator may require the association to submit a copy of the certification of each member of the executive board of that association at the time the association registers with the Ombudsman pursuant to [NRS 116.31158](#).

(Added to NRS by [1993, 2353](#); A [1997, 3117](#); [1999, 3001](#); [2003, 2229](#); [2005, 2594](#); [2009, 1250, 2883, 2915](#); [2011, 660](#); [2015, 1925](#); [2017, 1083](#))

**NRS 116.31035 Publications containing mention of candidate or ballot question: Requirements; limitations.**

1. If an official publication contains any mention of a candidate or ballot question, the official publication must, upon request and under the same terms and conditions, provide equal space to all candidates or to a representative of an organization which supports the passage or defeat of the ballot question.

2. If an official publication contains the views or opinions of the association, the executive board, a community manager or an officer, employee or agent of an association concerning an issue of official interest, the official publication must, upon request and under the same terms and conditions, provide equal space to opposing views and opinions of a unit's owner of the common-interest community.

3. If an association has a closed-circuit television station and that station interviews, or provides time to, a candidate or a representative of an organization which supports the passage or defeat of a ballot question, the closed-

circuit television station must, under the same terms and conditions, allow equal time for all candidates or a representative of an opposing view to the ballot question.

4. The association and its officers, employees and agents are immune from criminal or civil liability for any act or omission which arises out of the publication or disclosure of any information related to any person and which occurs in the course of carrying out any duties required pursuant to subsection 1, 2 or 3.

5. As used in this section:

(a) "Issue of official interest" means:

(1) Any issue on which the executive board or the units' owners will be voting, including, without limitation, elections; and

(2) The enactment or adoption of rules or regulations that will affect the common-interest community.

(b) "Official publication" means:

(1) An official website;

(2) An official newsletter or other similar publication that is circulated to each unit's owner; or

(3) An official bulletin board that is available to each unit's owner.

(Added to NRS by [2011, 2414](#))

### **NRS 116.31036 Removal of member of executive board.**

1. Notwithstanding any provision of the declaration or bylaws to the contrary, any member of the executive board, other than a member appointed by the declarant, may be removed from the executive board, with or without cause, if at a removal election held pursuant to this section, the number of votes cast in favor of removal constitutes:

(a) At least 35 percent of the total number of voting members of the association; and

(b) At least a majority of all votes cast in that removal election.

2. A removal election may be called by units' owners constituting at least 10 percent, or any lower percentage specified in the bylaws, of the total number of voting members of the association. To call a removal election, the units' owners must submit a written petition which is signed by the required percentage of the total number of voting members of the association pursuant to this subsection and which is mailed, return receipt requested, or served by a process server to the executive board or the community manager for the association. If a removal election is called pursuant to this subsection and:

(a) The voting rights of the units' owners will be exercised through the use of secret written ballots pursuant to this section:

(1) The secret written ballots for the removal election must be sent in the manner required by this section not less than 15 days or more than 60 days after the date on which the petition is received; and

(2) The executive board shall set the date for the meeting to open and count the secret written ballots so that the meeting is held not more than 15 days after the deadline for returning the secret written ballots and not later than 90 days after the date on which the petition was received.

(b) The voting rights of the owners of time shares will be exercised by delegates or representatives as set forth in [NRS 116.31105](#), the executive board shall set the date for the removal election so that the removal election is held not less than 15 days or more than 90 days after the date on which the petition is received.

➤ The association shall not adopt any rule or regulation which prevents or unreasonably interferes with the collection of the required percentage of signatures for a petition pursuant to this subsection.

3. Except as otherwise provided in [NRS 116.31105](#), the removal of any member of the executive board must be conducted by secret written ballot in the following manner:

(a) The secretary or other officer specified in the bylaws of the association shall cause a secret ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner.

(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) Only the secret written ballots that are returned to the association may be counted to determine the outcome.

(d) The secret written ballots must be opened and counted at a meeting of the association. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(e) The incumbent members of the executive board, including, without limitation, the member who is subject to the removal, may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association before those secret written ballots have been opened and counted at a meeting of the association.

(Added to NRS by [1993, 2354](#); A [2003, 2231](#); [2005, 2596](#); [2009, 2799](#), [2885](#), [2917](#); [2011, 2434](#))

**NRS 116.31037 Indemnification and defense of member of executive board.** If a member of an executive board is named as a respondent or sued for liability for actions undertaken in his or her role as a member of the board, the association shall indemnify the member for his or her losses or claims, and undertake all costs of defense, unless it is proven that the member acted with willful or wanton misfeasance or with gross negligence. After such proof, the association is no longer liable for the cost of defense, and may recover costs already expended from the member of the executive board who so acted.

(Added to NRS by [2011, 2414](#))

**NRS 116.31038 Delivery to association of property held or controlled by declarant.** In addition to any applicable requirement set forth in [NRS 116.310395](#), within 30 days after units' owners other than the declarant may elect a majority of the members of the executive board, the declarant shall deliver to the association all property of the units' owners and of the association held by or controlled by the declarant, including:

1. The original or a certified copy of the recorded declaration as amended, the articles of incorporation, articles of association, articles of organization, certificate of registration, certificate of limited partnership, certificate of trust or other documents of organization for the association, the bylaws, minute books and other books and records of the association and any rules or regulations which may have been adopted.

2. An accounting for money of the association and audited financial statements for each fiscal year and any ancillary period from the date of the last audit of the association to the date the period of the declarant's control ends. The financial statements must fairly and accurately report the association's financial position. The declarant shall pay the costs of the ancillary audit. The ancillary audit must be delivered within 210 days after the date the period of the declarant's control ends.

3. A complete study of the reserves of the association, conducted by a person who is registered as a reserve study specialist pursuant to [chapter 116A](#) of NRS. At the time the control of the declarant ends, the declarant shall:

(a) Except as otherwise provided in this paragraph, deliver to the association a reserve account that contains the declarant's share of the amounts then due, and control of the account. If the declaration was recorded before October 1, 1999, and, at the time the control of the declarant ends, the declarant has failed to pay his or her share of the amounts due, the executive board shall authorize the declarant to pay the deficiency in installments for a period of 3 years, unless the declarant and the executive board agree to a shorter period.

(b) Disclose, in writing, the amount by which the declarant has subsidized the association's dues on a per unit or per lot basis.

4. The association's money or control thereof.

5. All of the declarant's tangible personal property that has been represented by the declarant as property of the association or, unless the declarant has disclosed in the public offering statement that all such personal property used in the common-interest community will remain the declarant's property, all of the declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the common elements, and inventories of these properties.

6. A copy of any plans and specifications used in the construction of the improvements in the common-interest community which were completed within 2 years before the declaration was recorded.

7. All insurance policies then in force, in which the units' owners, the association, or its directors and officers are named as insured persons.

8. Copies of any certificates of occupancy that may have been issued with respect to any improvements comprising the common-interest community other than units in a planned community.

9. Any renewable permits and approvals issued by governmental bodies applicable to the common-interest community which are in force and any other permits and approvals so issued and applicable which are required by law to be kept on the premises of the community.

10. Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective.

11. A roster of owners and mortgagees of units and their addresses and telephone numbers, if known, as shown on the declarant's records.

12. Contracts of employment in which the association is a contracting party.

13. Any contract for service in which the association is a contracting party or in which the association or the units' owners have any obligation to pay a fee to the persons performing the services.

(Added to NRS by [1993, 2354](#); A [1999, 3002](#); [2001, 2490](#); [2005, 2597](#); [2009, 2918](#))

**NRS 116.31039 Delivery to association of additional common elements constructed by declarant or successor declarant.**

1. If a common-interest community is developed in separate phases and any declarant or successor declarant is constructing any common elements that will be added to the association's common elements after the date on which the units' owners other than the declarant may elect a majority of the members of the executive board, the declarant or successor declarant who is constructing such additional common elements is responsible for:

(a) Paying all expenses related to the additional common elements which are incurred before the conveyance of the additional common elements to the association; and

(b) Except as otherwise provided in [NRS 116.31038](#), delivering to the association that declarant's share of the amount specified in the study of the reserves completed pursuant to subsection 2.

2. Before conveying the additional common elements to the association, the declarant or successor declarant who constructed the additional common elements shall deliver to the association a study of the reserves for the additional common elements which satisfies the requirements of [NRS 116.31152](#).

3. As used in this section, "successor declarant" includes, without limitation, any successor declarant who does not control the association established by the initial declarant.

(Added to NRS by [2003, 2219](#))

**NRS 116.310395 Delivery to association of converted building reserve deficit.**

1. At the time of each close of escrow of a unit in a converted building, the declarant shall deliver to the association the amount of the converted building reserve deficit allocated to that unit.

2. The allocation to a unit of the amount of any converted building reserve deficit must be made in the same manner as assessments are allocated to that unit.

3. As used in this section, "converted building reserve deficit" means the amount necessary to replace the major components of the common elements needing replacement within 10 years after the date of the first close of escrow of a unit.

(Added to NRS by [2005, 2581](#); A [2009, 2920](#))

**NRS 116.3104 Transfer of special declarant's right.**

1. A special declarant's right created or reserved under this chapter may be transferred only by an instrument evidencing the transfer recorded in every county in which any portion of the common-interest community is located. Except as otherwise provided in subsection 3, the instrument is not effective unless executed by the transferee.

2. Upon transfer of any special declarant's right, the liability of a transferor declarant is as follows:

(a) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranties imposed upon the transferor by this chapter. Lack of privity does not deprive any unit's owner of standing to maintain an action to enforce any obligation of the transferor.

(b) If a successor to any special declarant's right is an affiliate of a declarant, the transferor is jointly and severally liable with the successor for any obligations or liabilities of the successor relating to the common-interest community.

(c) If a transferor retains any special declarant's rights, but transfers other special declarant's rights to a successor who is not an affiliate of the declarant, the transferor is liable for any obligations or liabilities imposed on a declarant by this chapter or by the declaration relating to the retained special declarant's rights and arising after the transfer.

(d) A transferor has no liability for any act or omission or any breach of a contractual obligation or warranty arising from the exercise of a special declarant's right by a successor declarant who is not an affiliate of the transferor.

3. Unless otherwise provided in a mortgage, deed of trust or other agreement creating a security interest, in case of foreclosure of a security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale or sale under the Bankruptcy Code or a receivership, of any units owned by a declarant or real estate in a common-interest community subject to developmental rights, a person acquiring title to all the property being foreclosed or sold succeeds to all special declarant's rights related to that property held by that declarant and the instrument conveying title need not be executed by the transferee to be effective. If the person acquiring title to the property being foreclosed or sold pursuant to this section desires to succeed to some but not all of the special declarant's rights or none of the special declarant's rights, then the judgment or instrument conveying title may provide for transfer of only the special declarant's rights requested, in which case the transferee shall succeed only to any special declarant's rights requested and such judgment or instrument must be executed by the transferee to be effective.

4. Upon foreclosure of a security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale or sale under the Bankruptcy Code or a receivership of all interests in a common-interest community owned by a declarant:

(a) The declarant ceases to have any special declarant's rights; and

(b) The period of declarant's control ([NRS 116.31032](#)) terminates unless the judgment or instrument conveying title provides for transfer of all special declarant's rights held by that declarant to a successor declarant.

(Added to NRS by [1991, 560](#); A [1993, 2366](#); [2017, 1088](#))

**NRS 116.31043 Liabilities and obligations of person who succeeds to special declarant's rights.** The liabilities and obligations of a person who succeeds to special declarant's rights are as follows:

1. A successor to any special declarant's right who is an affiliate of a declarant is subject to all obligations and liabilities imposed on the transferor by this chapter or by the declaration.
2. A successor to any special declarant's right, other than a successor described in subsection 3 or 4 or a successor who is an affiliate of a declarant, is subject to the obligations and liabilities imposed by this chapter or the declaration:
  - (a) On a declarant which relate to the successor's exercise or nonexercise of special declarant's rights; or
  - (b) On his or her transferor, other than:
    - (1) Misrepresentations by any previous declarant;
    - (2) Warranties on improvements made by any previous declarant, or made before the common-interest community was created;
    - (3) Breach of any fiduciary obligation by any previous declarant or previous declarant's appointees to the executive board; or
    - (4) Any liability or obligation imposed on the transferor as a result of the transferor's acts or omissions after the transfer.
3. A successor to only a right reserved in the declaration to maintain models, offices for sales and signs ([NRS 116.2115](#)), may not exercise any other special declarant's right, and is not subject to any liability or obligation as a declarant, except the obligation to provide a public offering statement and any liability arising as a result thereof.
4. A successor to all special declarant's rights held by a transferor who succeeded to those rights pursuant to a deed or other instrument of conveyance in lieu of foreclosure or a judgment or instrument conveying title under subsection 3 of [NRS 116.3104](#), may declare in a recorded instrument the intention to hold those rights solely for transfer to another person. Thereafter, until transferring all special declarant's rights to any person acquiring title to any unit or real estate subject to developmental rights owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than any right held by his or her transferor to control the executive board in accordance with [NRS 116.31032](#) for the duration of any period of declarant's control, and any attempted exercise of those rights is void. So long as a successor declarant may not exercise special declarant's rights under this subsection, the successor declarant is not subject to any liability or obligation as a declarant other than liability for his or her acts and omissions under [NRS 116.31032](#).

(Added to NRS by [1991, 561](#); A [1993, 2367](#))

**NRS 116.31046 Successor not subject to certain claims against or other obligations of transferor of special declarant's right.** [NRS 116.3104](#) and [116.31043](#) do not subject any successor to a special declarant's right to any claims against or other obligations of a transferor declarant, other than claims and obligations arising under this chapter or the declaration.

(Added to NRS by [1991, 561](#))

**NRS 116.3105 Termination of contracts and leases of declarant.**

1. Within 2 years after the executive board elected by the units' owners pursuant to [NRS 116.31034](#) takes office, the association may terminate without penalty, upon not less than 90 days' notice to the other party, any of the following if it was entered into before that executive board was elected:
  - (a) Any management, maintenance, operations or employment contract, or lease of recreational or parking areas or facilities; or
  - (b) Any other contract or lease between the association and a declarant or an affiliate of a declarant.
2. The association may terminate without penalty, at any time after the executive board elected by the units' owners pursuant to [NRS 116.31034](#) takes office upon not less than 90 days' notice to the other party, any contract or lease that is not in good faith or was unconscionable to the units' owners at the time entered into.
3. This section does not apply to:
  - (a) Any lease the termination of which would terminate the common-interest community or reduce its size, unless the real estate subject to that lease was included in the common-interest community for the purpose of avoiding the right of the association to terminate a lease under this section; or
  - (b) A proprietary lease.

(Added to NRS by [1991, 561](#); A [1993, 2368](#); [2011, 2435](#))

**NRS 116.3106 Bylaws.**



1. The bylaws of the association must:
  - (a) Provide the number of members of the executive board and the titles of the officers of the association;
  - (b) Provide for election by the executive board of a president, treasurer, secretary and any other officers of the association the bylaws specify;
  - (c) Specify the qualifications, powers and duties, terms of office and manner of electing and removing officers of the association and members of the executive board and filling vacancies;
  - (d) Specify the powers the executive board or the officers of the association may delegate to other persons or to a community manager;
  - (e) Specify the officers who may prepare, execute, certify and record amendments to the declaration on behalf of the association;
  - (f) Provide procedural rules for conducting meetings of the association;
  - (g) Specify a method for the units' owners to amend the bylaws;
  - (h) Provide procedural rules for conducting elections;
  - (i) Contain any provision necessary to satisfy requirements in this chapter or the declaration concerning meetings, voting, quorums and other activities of the association; and
  - (j) Provide for any matter required by law of this State other than this chapter to appear in the bylaws of organizations of the same type as the association.
2. Except as otherwise provided in this chapter or the declaration, the bylaws may provide for any other necessary or appropriate matters, including, without limitation, matters that could be adopted as rules.
3. The bylaws must be written in plain English.  
(Added to NRS by [1991, 562](#); A [1993, 2368](#); [1997, 3117](#); [2003, 2232](#); [2011, 2436](#))

**NRS 116.31065 Rules.** The rules adopted by an association:

1. Must be reasonably related to the purpose for which they are adopted.
2. Must be sufficiently explicit in their prohibition, direction or limitation to inform a person of any action or omission required for compliance.
3. Must not be adopted to evade any obligation of the association.
4. Must be consistent with the governing documents of the association and must not arbitrarily restrict conduct or require the construction of any capital improvement by a unit's owner that is not required by the governing documents of the association.
5. Must be uniformly enforced under the same or similar circumstances against all units' owners. Any rule that is not so uniformly enforced may not be enforced against any unit's owner.
6. May be enforced by the association through the imposition of a fine only if the association complies with the requirements set forth in [NRS 116.31031](#).  
(Added to NRS by [1997, 3111](#); A [1999, 3004](#); [2003, 2269](#))

**NRS 116.31068 Notice to units' owners.**

1. Except as otherwise provided in subsection 3 and unless a unit's owner opts out of receiving electronic communications or has not designated an electronic mail address, an association shall deliver any notice required to be given by the association under this chapter and any communication from or other information provided by the association to the mailing or electronic mail addresses a unit's owner designates. Except as otherwise provided in subsection 3, if a unit's owner has opted out of receiving electronic communications or has not designated an electronic mail address to which a notice, communication or other information can be delivered, the association may deliver notices, communications and other information by:
  - (a) Hand delivery to each unit's owner;
  - (b) Hand delivery, United States mail, postage paid, or commercially reasonable delivery service to the mailing address of each unit; or
  - (c) Any other method reasonably calculated to provide notice to the unit's owner.
2. The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.
3. The provisions of this section do not apply:
  - (a) To a notice required to be given pursuant to [NRS 116.3116](#) to [116.31168](#), inclusive; or
  - (b) If any other provision of this chapter specifies the manner in which a notice, communication or other information must be given by an association.  
(Added to NRS by [2011, 2413](#); A [2021, 3747](#))



**NRS 116.31069 Establishment and maintenance of Internet website or electronic portal. [Effective through December 31, 2022.]**

1. Each association of a common-interest community that contains 150 or more units shall establish and maintain a secure Internet website or electronic portal that may be accessed by any unit's owner. The association shall make available on the website or within the electronic portal any documents relating to the common-interest community or the association, including, without limitation:

- (a) The governing documents;
- (b) The most recent copy of the declaration of covenants, conditions and restrictions;
- (c) The annual budget of the association and any proposed budgets;
- (d) The notices and agendas for any upcoming meetings of the association; and
- (e) Any other documents required to be posted by law or regulation.

2. Each association of a common-interest community that contains fewer than 150 units may, and is encouraged to, establish and maintain a secure Internet website or electronic portal pursuant to subsection 1.

(Added to NRS by [2021, 3746](#))

**NRS 116.31069 Establishment and maintenance of Internet website or electronic portal; payment of assessments electronically. [Effective January 1, 2023.]**

1. Each association of a common-interest community that contains 150 or more units shall establish and maintain a secure Internet website or electronic portal that may be accessed by any unit's owner. The association shall make available on the website or within the electronic portal any documents relating to the common-interest community or the association, including, without limitation:

- (a) The governing documents;
- (b) The most recent copy of the declaration of covenants, conditions and restrictions;
- (c) The annual budget of the association and any proposed budgets;
- (d) The notices and agendas for any upcoming meetings of the association; and
- (e) Any other documents required to be posted by law or regulation.

2. The Internet website or electronic portal established and maintained pursuant to subsection 1 must provide units' owners with the ability to pay assessments electronically.

3. Each association of a common-interest community that contains fewer than 150 units may, and is encouraged to, establish and maintain a secure Internet website or electronic portal pursuant to subsection 1.

(Added to NRS by [2021, 3746](#), [3751](#), effective January 1, 2023)

**NRS 116.3107 Upkeep of common-interest community.**

1. Except to the extent provided by the declaration, subsection 2 and [NRS 116.31135](#), the association has the duty to provide for the maintenance, repair and replacement of the common elements, and each unit's owner has the duty to provide for the maintenance, repair and replacement of his or her unit. Each unit's owner shall afford to the association and the other units' owners, and to their agents or employees, access through his or her unit reasonably necessary for those purposes. If damage is inflicted on the common elements or on any unit through which access is taken, the unit's owner responsible for the damage, or the association if it is responsible, is liable for the prompt repair thereof.

2. In addition to the liability that a declarant as a unit's owner has under this chapter, the declarant alone is liable for all expenses in connection with real estate subject to developmental rights. No other unit's owner and no other portion of the common-interest community is subject to a claim for payment of those expenses. Unless the declaration provides otherwise, any income or proceeds from real estate subject to developmental rights inures to the declarant.

3. In a planned community, if all developmental rights have expired with respect to any real estate, the declarant remains liable for all expenses of that real estate unless, upon expiration, the declaration provides that the real estate becomes common elements or units.

(Added to NRS by [1991, 562](#); A [1993, 2368](#); [2009, 2886](#))

**NRS 116.31073 Maintenance, repair, restoration and replacement of security walls.**

1. Except as otherwise provided in subsection 2 and [NRS 116.31135](#), the association is responsible for the maintenance, repair, restoration and replacement of any security wall which is located within the common-interest community.

2. The provisions of this section do not apply if the governing documents provide that a unit's owner or an entity other than the association is responsible for the maintenance, repair, restoration and replacement of the security wall.

3. For the purpose of carrying out the maintenance, repair, restoration and replacement of a security wall pursuant to this section:

(a) The association, the members of its executive board and its officers, employees, agents and community manager may enter the grounds of a unit after providing written notice and, notwithstanding any other provision of law, are not liable for trespass.

(b) Any such maintenance, repair, restoration and replacement of a security wall must be performed:

(1) During normal business hours;

(2) Within a reasonable length of time; and

(3) In a manner that does not adversely affect access to a unit or the legal rights of a unit's owner to enjoy the use of his or her unit.

(c) Notwithstanding any other provision of law, the executive board is prohibited from imposing an assessment without obtaining prior approval of the units' owners unless the total amount of the assessment is less than 5 percent of the annual budget of the association.

4. As used in this section, "security wall" means any wall composed of stone, brick, concrete, concrete blocks, masonry or similar building material, including, without limitation, ornamental iron or other fencing material, together with footings, pilasters, outriggers, grillwork, gates and other appurtenances, constructed around the perimeter of a residential subdivision with respect to which a final map has been recorded pursuant to [NRS 278.360](#) to [278.460](#), inclusive, to protect the several tracts in the subdivision and their occupants from vandalism.

(Added to NRS by [2009, 2862](#))

### Meetings and Voting

**NRS 116.31075 Meetings of rural agricultural residential common-interest communities: Compliance with Open Meeting Law.** In conducting any meetings, a rural agricultural residential common-interest community must comply with the provisions set forth in [chapter 241](#) of NRS concerning open meetings which are generally applicable to public bodies.

(Added to NRS by [2003, 2221](#))

**NRS 116.3108 Meetings of units' owners of association; opening and counting of ballots for election of members of executive board required; frequency of meetings; calling special meetings; requirements concerning notice and agendas; requirements concerning minutes of meetings; right of units' owners to make audio recordings of meetings.**

1. A meeting of the units' owners must be held at least once each year at a time and place stated in or fixed in accordance with the bylaws. If the governing documents do not designate an annual meeting date of the units' owners, a meeting of the units' owners must be held 1 year after the date of the last meeting of the units' owners. If the units' owners have not held a meeting for 1 year, a meeting of the units' owners must be held on the following March 1. At the annual meeting of the units' owners held pursuant to this subsection, the ballots for the election of members of the executive board must be opened and counted.

2. An association shall hold a special meeting of the units' owners to address any matter affecting the common-interest community or the association if its president, a majority of the executive board or units' owners constituting at least 10 percent, or any lower percentage specified in the bylaws, of the total number of votes in the association request that the secretary call such a meeting. To call a special meeting, the units' owners must submit a written petition which is signed by the required percentage of the total number of voting members of the association pursuant to this subsection and which is mailed, return receipt requested, or served by a process server to the executive board or the community manager for the association. If the petition calls for a special meeting, the executive board shall set the date for the special meeting so that the special meeting is held not less than 15 days or more than 60 days after the date on which the petition is received. The association shall not adopt any rule or regulation which prevents or unreasonably interferes with the collection of the required percentage of signatures for a petition pursuant to this subsection.

3. Not less than 15 days or more than 60 days in advance of any meeting of the units' owners, the secretary or other officer specified in the bylaws shall cause notice of the meeting to be given to the units' owners in the manner set forth in [NRS 116.31068](#). The notice of the meeting must state the time and place of the meeting and include a copy of the agenda for the meeting. The notice must include notification of the right of a unit's owner to:

(a) Have a copy of the minutes or a summary of the minutes of the meeting provided to the unit's owner upon request, in electronic format at no charge to the unit's owner or, if the association is unable to provide the copy or

summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.

(b) Speak to the association or executive board, unless the executive board is meeting in executive session.

4. The agenda for a meeting of the units' owners must consist of:

(a) A clear and complete statement of the topics scheduled to be considered during the meeting, including, without limitation, any proposed amendment to the declaration or bylaws, any fees or assessments to be imposed or increased by the association, any budgetary changes and any proposal to remove an officer of the association or member of the executive board.

(b) A list describing the items on which action may be taken and clearly denoting that action may be taken on those items. In an emergency, the units' owners may take action on an item which is not listed on the agenda as an item on which action may be taken.

(c) A period devoted to comments by units' owners regarding any matter affecting the common-interest community or the association and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to paragraph (b).

5. The secretary or other officer specified in the bylaws shall cause minutes to be recorded or otherwise taken at each meeting of the units' owners. Not more than 30 days after each such meeting, the secretary or other officer specified in the bylaws shall cause the minutes or a summary of the minutes of the meeting to be made available to the units' owners. Except as otherwise provided in this subsection, a copy of the minutes or a summary of the minutes must be provided to any unit's owner upon request, in electronic format at no charge to the unit's owner or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.

6. Except as otherwise provided in subsection 7, the minutes of each meeting of the units' owners must include:

(a) The date, time and place of the meeting;

(b) The substance of all matters proposed, discussed or decided at the meeting; and

(c) The substance of remarks made by any unit's owner at the meeting if the unit's owner requests that the minutes reflect his or her remarks or, if the unit's owner has prepared written remarks, a copy of his or her prepared remarks if the unit's owner submits a copy for inclusion.

7. The executive board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of a meeting of the units' owners.

8. The association shall maintain the minutes of each meeting of the units' owners until the common-interest community is terminated.

9. A unit's owner may record on audiotape or any other means of sound reproduction a meeting of the units' owners if the unit's owner, before recording the meeting, provides notice of his or her intent to record the meeting to the other units' owners who are in attendance at the meeting.

10. The units' owners may approve, at the annual meeting of the units' owners, the minutes of the prior annual meeting of the units' owners and the minutes of any prior special meetings of the units' owners. A quorum is not required to be present when the units' owners approve the minutes.

11. As used in this section, "emergency" means any occurrence or combination of occurrences that:

(a) Could not have been reasonably foreseen;

(b) Affects the health, welfare and safety of the units' owners or residents of the common-interest community;

(c) Requires the immediate attention of, and possible action by, the executive board; and

(d) Makes it impracticable to comply with the provisions of subsection 3 or 4.

(Added to NRS by [1991, 562](#); A [1995, 2230](#); [1997, 3118](#); [1999, 3004](#); [2001, 470](#); [2003, 2232, 2270](#); [2005, 2598](#); [2009, 2800, 2886, 2920](#); [2011, 2436](#); [2017, 1089](#))

**NRS 116.31083 Meetings of executive board; frequency of meetings; notice of meetings; periodic review of certain financial and legal matters at meetings; requirements concerning minutes of meetings; right of units' owners to make audio recordings of certain meetings.**

1. A meeting of the executive board must be held at least once every quarter, and not less than once every 100 days and must be held at a time other than during standard business hours at least twice annually.

2. Except as otherwise provided in subsection 3 or in an emergency or unless the bylaws of an association require a longer period of notice, the secretary or other officer specified in the bylaws of the association shall, not less than 10 days before the date of a meeting of the executive board, cause notice of the meeting to be given to the units' owners. Such notice must be:

(a) Given to the units' owners in the manner set forth in [NRS 116.31068](#); or

(b) Published in a newsletter or other similar publication that is circulated to each unit's owner.

3. Notwithstanding any other provision of law or the governing documents of the association to the contrary, if the executive board holds a meeting limited exclusively to items for which the executive board may meet in executive session:

(a) Pursuant to paragraph (c) or (d) of subsection 3 of [NRS 116.31085](#), the secretary or other officer specified in the bylaws of the association is required to give notice of the meeting only to a person who may be subject to a hearing scheduled for that meeting.

(b) Pursuant to any provision of law other than paragraph (c) or (d) of subsection 3 of [NRS 116.31085](#), the secretary or other officer specified in the bylaws of the association is required to:

(1) Post notice of the executive session in one or more prominent places within the common elements of the association; and

(2) Provide electronic notice of the executive session to all units' owners who have provided the association with an electronic mail address.

4. In an emergency, the secretary or other officer specified in the bylaws of the association shall, if practicable, cause notice of the meeting to be sent prepaid by United States mail to the mailing address of each unit within the common-interest community. If delivery of the notice in this manner is impracticable, the notice must be hand-delivered to each unit within the common-interest community or posted in a prominent place or places within the common elements of the association.

5. The notice of a meeting of the executive board must state the time and place of the meeting and include a copy of the agenda for the meeting or the date on which and the locations where copies of the agenda may be conveniently obtained by the units' owners. The notice must include notification of the right of a unit's owner to:

(a) Have a copy of the audio recording, the minutes or a summary of the minutes of the meeting provided to the unit's owner upon request, in electronic format at no charge to the unit's owner or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.

(b) Speak to the association or executive board, unless the executive board is meeting in executive session.

6. The agenda of the meeting of the executive board must comply with the provisions of subsection 4 of [NRS 116.3108](#). A period required to be devoted to comments by the units' owners and discussion of those comments must be scheduled for both the beginning and the end of each meeting. During the period devoted to comments by the units' owners and discussion of those comments at the beginning of each meeting, comments by the units' owners and discussion of those comments must be limited to items listed on the agenda. In an emergency, the executive board may take action on an item which is not listed on the agenda as an item on which action may be taken.

7. At least once every quarter, and not less than once every 100 days, unless the declaration or bylaws of the association impose more stringent standards, the executive board shall review, at a minimum, the following financial information at one of its meetings:

(a) A current year-to-date financial statement of the association;

(b) A current year-to-date schedule of revenues and expenses for the operating account and the reserve account, compared to the budget for those accounts;

(c) A current reconciliation of the operating account of the association;

(d) A current reconciliation of the reserve account of the association;

(e) The latest account statements prepared by the financial institutions in which the accounts of the association are maintained; and

(f) The current status of any civil action or claim submitted to arbitration or mediation in which the association is a party.

8. The secretary or other officer specified in the bylaws shall cause each meeting of the executive board to be audio recorded and the minutes to be recorded or otherwise taken at each meeting of the executive board, but if the executive board is meeting in executive session, the meeting must not be audio recorded. Not more than 30 days after each such meeting, the secretary or other officer specified in the bylaws shall cause the audio recording of the meeting, the minutes of the meeting and a summary of the minutes of the meeting to be made available to the units' owners. Except as otherwise provided in this subsection, a copy of the audio recording, the minutes or a summary of the minutes must be provided to any unit's owner upon request, in electronic format at no charge to the unit's owner or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.

9. Except as otherwise provided in subsection 10 and [NRS 116.31085](#), the minutes of each meeting of the executive board must include:

(a) The date, time and place of the meeting;

- (b) Those members of the executive board who were present and those members who were absent at the meeting;
- (c) The substance of all matters proposed, discussed or decided at the meeting;
- (d) A record of each member's vote on any matter decided by vote at the meeting; and
- (e) The substance of remarks made by any unit's owner who addresses the executive board at the meeting if the unit's owner requests that the minutes reflect his or her remarks or, if the unit's owner has prepared written remarks, a copy of his or her prepared remarks if the unit's owner submits a copy for inclusion.

10. The executive board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings.

11. The association shall maintain the minutes of each meeting of the executive board until the common-interest community is terminated.

12. A unit's owner may record on audiotape or any other means of sound reproduction a meeting of the executive board, unless the executive board is meeting in executive session, if the unit's owner, before recording the meeting, provides notice of his or her intent to record the meeting to the members of the executive board and the other units' owners who are in attendance at the meeting.

13. As used in this section, "emergency" means any occurrence or combination of occurrences that:

- (a) Could not have been reasonably foreseen;
- (b) Affects the health, welfare and safety of the units' owners or residents of the common-interest community;
- (c) Requires the immediate attention of, and possible action by, the executive board; and
- (d) Makes it impracticable to comply with the provisions of subsection 2, 3 or 6.

(Added to NRS by [1999, 2995](#); A [2001, 472](#); [2003, 2234](#); [2005, 2600](#); [2009, 2803, 2889, 2922](#); [2011, 2439](#); [2017, 1091](#))

**NRS 116.31084 Voting by member of executive board; disclosures; abstention from voting on certain matters.**

1. A member of an executive board who stands to gain any personal profit or compensation of any kind from a matter before the executive board shall:

- (a) Disclose the matter to the executive board; and
- (b) Abstain from voting on any such matter.

2. A member of an executive board who has a member of his or her household or any person related to the member by blood, adoption or marriage within the third degree of consanguinity or affinity who stands to gain any personal profit or compensation of any kind from a matter before the executive board shall disclose the matter to the executive board before voting on any such matter.

3. For the purposes of this section:

(a) An employee of a declarant or an affiliate of a declarant who is a member of the executive board shall not, solely by reason of such employment or affiliation, be deemed to gain any personal profit or compensation.

(b) A member of an executive board shall not be deemed to gain any personal profit or compensation solely because the member of the executive board is the owner of a unit in the common-interest community.

(Added to NRS by [2009, 1099, 2908](#))

**NRS 116.31085 Right of units' owners to speak at certain meetings; limitations on right; limitations on power of executive board to meet in executive session; procedure governing hearings on alleged violations; requirements concerning minutes of certain meetings.**

1. Except as otherwise provided in this section, a unit's owner may attend any meeting of the units' owners or of the executive board and speak at any such meeting. The executive board may establish reasonable limitations on the time a unit's owner may speak at such a meeting.

2. An executive board may not meet in executive session to open or consider bids for an association project as defined in [NRS 116.31086](#), or to enter into, renew, modify, terminate or take any other action regarding a contract.

3. An executive board may meet in executive session only to:

(a) Consult with the attorney for the association if the contents of the discussion would otherwise be governed by the privilege set forth in [NRS 49.035](#) to [49.115](#), inclusive.

(b) Discuss the character, alleged misconduct, professional competence, or physical or mental health of a community manager or an employee of the association.

(c) Except as otherwise provided in subsection 4, discuss a violation of the governing documents, including, without limitation, the failure to pay an assessment.

(d) Discuss the alleged failure of a unit's owner to adhere to a schedule required pursuant to [NRS 116.310305](#) if the alleged failure may subject the unit's owner to a construction penalty.



4. An executive board shall meet in executive session to hold a hearing on an alleged violation of the governing documents unless the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted by the executive board, in which case the hearing must be held in a meeting of the executive board pursuant to [NRS 116.31083](#). The person who may be sanctioned for the alleged violation:

(a) Is entitled to attend all portions of the hearing related to the alleged violation, including, without limitation, the presentation of evidence and the testimony of witnesses;

(b) Is entitled to due process, as set forth in the standards adopted by regulation by the Commission, which must include, without limitation, the right to counsel, the right to present witnesses and the right to present information relating to any conflict of interest of any member of the hearing panel;

(c) Is not entitled to attend the deliberations of the executive board; and

(d) Is entitled to receive written notice of the decision of the executive board regarding the alleged violation within a reasonable time after the decision is made. The period to cure a violation before it becomes a continuing violation as provided in subsection 7 of [NRS 116.31031](#) shall be deemed not to commence until the date on which the notice of the decision of the executive board is provided to the person sanctioned for the violation.

5. The provisions of subsection 4 establish the minimum protections that the executive board must provide before it may make a decision. The provisions of subsection 4 do not preempt any provisions of the governing documents that provide greater protections.

6. Except as otherwise provided in this subsection, any matter discussed by the executive board when it meets in executive session must be generally noted in the minutes of the meeting of the executive board. If the executive board holds a meeting limited exclusively to an executive session pursuant to paragraph (c) or (d) of subsection 3, at the next regularly scheduled meeting of the executive board, the executive board shall acknowledge that the executive board met in accordance with paragraph (c) or (d) of subsection 3, as applicable, and include such an acknowledgment in the minutes of the meeting at which the acknowledgment was made. The executive board shall maintain minutes of any decision made pursuant to subsection 4 concerning an alleged violation.

7. Except as otherwise provided in subsection 4, a unit's owner is not entitled to attend or speak at a meeting of the executive board held in executive session.

(Added to NRS by [1997, 3111](#); A [1999, 3005](#); [2003, 2236, 2271](#); [2005, 2602](#); [2009, 1100, 2891](#); [2017, 1094](#); [2021, 714](#))

**NRS 116.31086 Solicitation of bids for association project; bids to be opened and read aloud at meeting of executive board.**

1. If an association solicits bids for an association project:

(a) The association must, whenever reasonably possible, solicit at least three bids if the association project is expected to cost:

(1) In a common-interest community that consists of less than 1,000 units, 3 percent or more of the annual budget of the association; or

(2) In a common-interest community that consists of 1,000 or more units, 1 percent or more of the annual budget of the association; and

(b) The bids must be opened and read aloud during a meeting of the executive board.

2. As used in this section, "association project" includes, without limitation, a project that involves the maintenance, repair, replacement or restoration of any part of the common elements or which involves the provision of professional services to the association, including, without limitation, accounting, engineering and legal services.

(Added to NRS by [2009, 1099](#); A [2015, 2182](#))

**NRS 116.31087 Right of units' owners to have certain complaints placed on agenda of meeting of executive board.**

1. If an executive board receives a written complaint from a unit's owner alleging that the executive board has violated any provision of this chapter or any provision of the governing documents of the association, the executive board shall, upon the written request of the unit's owner, place the subject of the complaint on the agenda of the next regularly scheduled meeting of the executive board.

2. Not later than 10 business days after the date that the association receives such a complaint, the executive board or an authorized representative of the association shall acknowledge the receipt of the complaint and notify the unit's owner that, if the unit's owner submits a written request that the subject of the complaint be placed on the agenda of the next regularly scheduled meeting of the executive board, the subject of the complaint will be placed on the agenda of the next regularly scheduled meeting of the executive board.

(Added to NRS by [2003, 2218](#); A [2009, 2892](#))



**NRS 116.31088 Meetings regarding civil actions; requirements for commencing or ratifying certain civil actions; right of units' owners to request dismissal of certain civil actions; disclosure of terms and conditions of settlements.**

1. The association shall provide written notice to each unit's owner of a meeting at which the commencement of a civil action is to be considered at least 21 calendar days before the date of the meeting. Except as otherwise provided in this subsection, the association may commence a civil action only upon a vote or written agreement of the owners of units to which at least a majority of the votes of the members of the association are allocated. The provisions of this subsection do not apply to a civil action that is commenced:

- (a) To enforce the payment of an assessment;
- (b) To enforce the declaration, bylaws or rules of the association;
- (c) To enforce a contract with a vendor;
- (d) To proceed with a counterclaim; or

(e) To protect the health, safety and welfare of the members of the association. If a civil action is commenced pursuant to this paragraph without the required vote or agreement, the action must be ratified within 90 days after the commencement of the action by a vote or written agreement of the owners of the units to which at least a majority of votes of the members of the association are allocated. If the association, after making a good faith effort, cannot obtain the required vote or agreement to commence or ratify such a civil action, the association may thereafter seek to dismiss the action without prejudice for that reason only if a vote or written agreement of the owners of the units to which at least a majority of votes of the members of the association are allocated was obtained at the time the approval to commence or ratify the action was sought.

2. At least 10 days before an association commences or seeks to ratify the commencement of a civil action on which the owners of units are entitled to vote pursuant to subsection 1, the association shall provide a written statement to all the units' owners that includes:

- (a) A reasonable estimate of the costs of the civil action, including reasonable attorney's fees;
- (b) An explanation of the potential benefits of the civil action and the potential adverse consequences if the association does not commence the action or if the outcome of the action is not favorable to the association; and
- (c) All disclosures that are required to be made upon the sale of the property.

3. No person other than a unit's owner may request the dismissal of a civil action commenced by the association on the ground that the association failed to comply with any provision of this section.

4. If any civil action in which the association is a party is settled, the executive board shall disclose the terms and conditions of the settlement at the next regularly scheduled meeting of the executive board after the settlement has been reached. The executive board may not approve a settlement which contains any terms and conditions that would prevent the executive board from complying with the provisions of this subsection.

(Added to NRS by [2005, 2585](#); A [2019, 1381](#))

**NRS 116.3109 Quorum.**

1. Except as otherwise provided in this section and [NRS 116.31034](#), and except when the governing documents provide otherwise, a quorum is present throughout any meeting of the units' owners if persons entitled to cast 20 percent of the votes in the association:

- (a) Are present in person;
- (b) Are present by proxy;
- (c) Have cast absentee ballots in accordance with paragraph (d) of subsection 2 of [NRS 116.311](#); or
- (d) Are present by any combination of paragraphs (a), (b) and (c).

2. If the governing documents of an association contain a quorum requirement for a meeting of the association that is greater than the 20 percent required by subsection 1 and, after proper notice has been given for a meeting, the members of the association who are present in person or by proxy at the meeting are unable to hold the meeting because a quorum is not present at the beginning of the meeting, the members who are present in person at the meeting may adjourn the meeting to a time that is not less than 48 hours or more than 30 days from the date of the meeting. At the subsequent meeting:

(a) A quorum shall be deemed to be present if the number of members of the association who are present in person or by proxy at the beginning of the subsequent meeting equals or exceeds 20 percent of the total number of voting members of the association; and

(b) If such a quorum is deemed to be present but the actual number of members who are present in person or by proxy at the beginning of the subsequent meeting is less than the number of members who are required for a quorum under the governing documents, the members who are present in person or by proxy at the subsequent meeting may take action only on those matters that were included as items on the agenda of the original meeting.

↳ The provisions of this subsection do not change the actual number of votes that are required under the governing documents for taking action on any particular matter.

3. Unless the governing documents specify a larger number, a quorum of the executive board is present for purposes of determining the validity of any action taken at a meeting of the executive board only if individuals entitled to cast a majority of the votes on that board are present at the time a vote regarding that action is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of the members present is the act of the executive board unless a greater vote is required by the declaration or bylaws.

4. Meetings of the association must be conducted in accordance with the most recent edition of *Robert's Rules of Order Newly Revised*, unless the bylaws or a resolution of the executive board adopted before the meeting provide otherwise.

(Added to NRS by [1991, 563](#); A [1999, 3006](#); [2003, 2237](#); [2011, 2441](#))

**NRS 116.311 Voting by units' owners; use of absentee ballots and proxies; voting by lessees of leased units; association prohibited from voting as owner of unit; voting without a meeting.**

1. Unless prohibited or limited by the declaration or bylaws and except as otherwise provided in this section, units' owners may vote at a meeting in person, by absentee ballot pursuant to paragraph (d) of subsection 2, by a proxy pursuant to subsections 3 to 8, inclusive, or, when a vote is conducted without a meeting, by electronic or paper ballot pursuant to subsection 9.

2. At a meeting of units' owners, the following requirements apply:

(a) Units' owners who are present in person may vote by voice vote, show of hands, standing or any other method for determining the votes of units' owners, as designated by the person presiding at the meeting.

(b) If only one of several owners of a unit is present, that owner is entitled to cast all the votes allocated to that unit. If more than one of the owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the owners, unless the declaration expressly provides otherwise. There is majority agreement if any one of the owners cast the votes allocated to the unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit.

(c) Unless a greater number or fraction of the votes in the association is required by this chapter or the declaration, a majority of the votes cast determines the outcome of any action of the association.

(d) Subject to subsection 1, a unit's owner may vote by absentee ballot without being present at the meeting. The association promptly shall deliver an absentee ballot to an owner who requests it if the request is made at least 3 days before the scheduled meeting. Votes cast by absentee ballot must be included in the tally of a vote taken at that meeting.

(e) When a unit's owner votes by absentee ballot, the association must be able to verify that the ballot is cast by the unit's owner having the right to do so.

3. Except as otherwise provided in this section, votes allocated to a unit may be cast pursuant to a proxy executed by a unit's owner. A unit's owner may give a proxy only to a member of his or her immediate family, a tenant of the unit's owner who resides in the common-interest community, another unit's owner who resides in the common-interest community, or a delegate or representative when authorized pursuant to [NRS 116.31105](#). If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through an executed proxy. A unit's owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the person presiding over a meeting of the association.

4. Before a vote may be cast pursuant to a proxy:

(a) The proxy must be dated.

(b) The proxy must not purport to be revocable without notice.

(c) The proxy must designate the meeting for which it is executed, and such a designation includes any recessed session of that meeting.

(d) The proxy must designate each specific item on the agenda of the meeting for which the unit's owner has executed the proxy, except that the unit's owner may execute the proxy without designating any specific items on the agenda of the meeting if the proxy is to be used solely for determining whether a quorum is present for the meeting. If the proxy designates one or more specific items on the agenda of the meeting for which the unit's owner has executed the proxy, the proxy must indicate, for each specific item designated in the proxy, whether the holder of the proxy must cast a vote in the affirmative or the negative on behalf of the unit's owner. If the proxy does not indicate whether the holder of the proxy must cast a vote in the affirmative or the negative for a particular item on the agenda of the meeting, the proxy must be treated, with regard to that particular item, as if the unit's owner were present but not voting on that particular item.

(e) The holder of the proxy must disclose at the beginning of the meeting for which the proxy is executed and any recessed session of that meeting the number of proxies pursuant to which the holder will be casting votes.

5. A proxy terminates immediately after the conclusion of the meeting, and any recessed sessions of the meeting, for which it is executed.

6. Except as otherwise provided in this subsection, a vote may not be cast pursuant to a proxy for the election or removal of a member of the executive board of an association. A vote may be cast pursuant to a proxy for the election or removal of a member of the executive board of a master association which governs a time-share plan created pursuant to [chapter 119A](#) of NRS if the proxy is exercised through a delegate or representative authorized pursuant to [NRS 116.31105](#).

7. The holder of a proxy may not cast a vote on behalf of the unit's owner who executed the proxy in a manner that is contrary to the proxy.

8. A proxy is void if the proxy or the holder of the proxy violates any provision of subsections 3 to 7, inclusive.

9. Unless prohibited or limited by the declaration or bylaws, an association may conduct a vote without a meeting. Except as otherwise provided in [NRS 116.31034](#) and [116.31036](#), if an association conducts a vote without a meeting, the following requirements apply:

(a) The association shall notify the units' owners that the vote will be taken by ballot.

(b) The association shall deliver a paper or electronic ballot to every unit's owner entitled to vote on the matter.

(c) The ballot must set forth each proposed action and provide an opportunity to vote for or against the action.

(d) When the association delivers the ballots, it shall also:

(1) Indicate the number of responses needed to meet the quorum requirements;

(2) State the percentage of votes necessary to approve each matter other than election of directors;

(3) Specify the time and date by which a ballot must be delivered to the association to be counted, which time and date may not be fewer than 3 days after the date the association delivers the ballot; and

(4) Describe the time, date and manner by which units' owners wishing to deliver information to all units' owners regarding the subject of the vote may do so.

(e) Except as otherwise provided in the declaration or bylaws, a ballot is not revoked after delivery to the association by death or disability of or attempted revocation by the person who cast that vote.

(f) Approval by ballot pursuant to this subsection is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action.

10. If the declaration requires that votes on specified matters affecting the common-interest community must be cast by the lessees of leased units rather than the units' owners who have leased the units:

(a) This section applies to the lessees as if they were the units' owners;

(b) The units' owners who have leased their units to the lessees may not cast votes on those specified matters;

(c) The lessees are entitled to notice of meetings, access to records and other rights respecting those matters as if they were the units' owners; and

(d) The units' owners must be given notice, in the manner provided in [NRS 116.3108](#), of all meetings at which the lessees are entitled to vote.

11. If any votes are allocated to a unit that is owned by the association, those votes may not be cast, by proxy or otherwise, for any purpose.

(Added to NRS by [1991, 563](#); A [1999, 3006](#); [2003, 2238](#); [2009, 2924](#); [2011, 2442](#))

#### **NRS 116.31105 Voting by delegates or representatives; limitations; procedure for electing delegates or representatives.**

1. Except as otherwise provided in subsection 8, if the declaration so provides, in a common-interest community that consists of at least 1,000 units, the voting rights of the units' owners in the association for that common-interest community may be exercised by delegates or representatives except that, in the election or removal of a member of the executive board, the voting rights of the units' owners may not be exercised by delegates or representatives.

2. Except as otherwise provided in subsection 8, in addition to a common-interest community identified in subsection 1, if the declaration so provides, in a common-interest community created before October 1, 1999, the voting rights of the units' owners in the association for that common-interest community may be exercised by delegates or representatives except that, in the election or removal of a member of the executive board, the voting rights of the units' owners may not be exercised by delegates or representatives.

3. In addition to a common-interest community identified in subsections 1 and 2, if the declaration so provides, the voting rights of the owners of time shares within a time-share plan created pursuant to [chapter 119A](#) of NRS which is governed by a master association may be exercised by delegates or representatives.

4. For the purposes of subsection 1, each unit that a declarant has reserved the right to create pursuant to [NRS 116.2105](#) and for which developmental rights exist must be counted in determining the number of units in a common-interest community.

5. For the purposes of subsection 3, each time share that a developer has reserved the right to create pursuant to paragraph (g) of subsection 2 of [NRS 119A.380](#) must be counted in determining the number of time shares in a time-share plan.

6. Notwithstanding any provision in the declaration, the election of any delegate or representative must be conducted by secret written ballot.

7. When an election of a delegate or representative is conducted by secret written ballot:

(a) The secretary or other officer of the association specified in the bylaws of the association shall cause a secret written ballot and a return envelope to be sent, prepaid by United States mail, to the mailing address of each unit within the common-interest community or to any other mailing address designated in writing by the unit's owner.

(b) Each unit's owner must be provided with at least 15 days after the date the secret written ballot is mailed to the unit's owner to return the secret written ballot to the association.

(c) Only the secret written ballots that are returned to the association in the manner prescribed on the ballot may be counted to determine the outcome of the election.

(d) The secret written ballots must be opened and counted at a meeting called for the purpose of electing delegates or representatives. A quorum is not required to be present when the secret written ballots are opened and counted at the meeting.

(e) A candidate for delegate or representative may not possess, be given access to or participate in the opening or counting of the secret written ballots that are returned to the association in the manner prescribed on the ballot before those secret written ballots have been opened and counted at a meeting called for that purpose.

8. Except as otherwise provided in subsection 9, the voting rights of the units' owners in the association for a common-interest community may be exercised by delegates or representatives only during the period that the declarant is in control of the association and during the 2-year period after the declarant's control of the association is terminated pursuant to [NRS 116.31032](#).

9. The provisions of subsection 8 do not apply to:

(a) A time-share plan created pursuant to [chapter 119A](#) of NRS which is governed by a master association; or

(b) A condominium or cooperative containing both units that are restricted exclusively to nonresidential use and other units that are not so restricted.

(Added to NRS by [2003, 2220](#); A [2009, 2925, 2926](#))

#### **NRS 116.31107 Voting by units' owners: Prohibited acts; penalty.**

1. A person shall not knowingly, willfully and with the intent to fraudulently alter the true outcome of an election of a member of the executive board or any other vote of the units' owners engage in, attempt to engage in, or conspire with another person to engage in, any of the following acts:

(a) Changing or falsifying a voter's ballot so that the ballot does not reflect the voter's true ballot.

(b) Forging or falsely signing a voter's ballot.

(c) Fraudulently casting a vote for himself or herself or for another person that the person is not authorized to cast.

(d) Rejecting, failing to count, destroying, defacing or otherwise invalidating the valid ballot of another voter.

(e) Submitting a counterfeit ballot.

2. A person who violates this section is guilty of a category D felony and shall be punished as provided in [NRS 193.130](#).

(Added to NRS by [2009, 2875](#))

### **Liabilities, Insurance and Fiscal Affairs**

#### **NRS 116.3111 Tort and contract liability.**

1. A unit's owner is not liable, solely by reason of being a unit's owner, for an injury or damage arising out of the condition or use of the common elements. Neither the association nor any unit's owner except the declarant is liable for that declarant's torts in connection with any part of the common-interest community which that declarant has the responsibility to maintain.

2. An action alleging a wrong done by the association, including, without limitation, an action arising out of the condition or use of the common elements, may be maintained only against the association and not against any unit's owner. If the wrong occurred during any period of declarant's control and the association gives the declarant reasonable notice of and an opportunity to defend against the action, the declarant who then controlled the association is liable to the association or to any unit's owner for all tort losses not covered by insurance suffered by the association or that unit's owner, and all costs that the association would not have incurred but for a breach of contract or other

wrongful act or omission. Whenever the declarant is liable to the association under this section, the declarant is also liable for all expenses of litigation, including reasonable attorney's fees, incurred by the association.

3. Except as otherwise provided in subsection 4 of [NRS 116.4116](#) with respect to warranty claims, any statute of limitation affecting the association's right of action against a declarant under this section is tolled until the period of declarant's control terminates. A unit's owner is not precluded from maintaining an action contemplated by this section because he or she is a unit's owner or a member or officer of the association. Liens resulting from judgments against the association are governed by [NRS 116.3117](#).

(Added to NRS by [1991, 563](#); A [2011, 2444](#))

#### **NRS 116.3112 Conveyance or encumbrance of common elements.**

1. In a condominium or planned community, portions of the common elements may be conveyed or subjected to a security interest by the association if persons entitled to cast at least a majority of the votes in the association, including a majority of the votes allocated to units not owned by a declarant, or any larger percentage the declaration specifies, agree to that action; but all owners of units to which any limited common element is allocated must agree in order to convey that limited common element or subject it to a security interest. The declaration may specify a smaller percentage only if all of the units are restricted exclusively to nonresidential uses. Proceeds of the sale are an asset of the association.

2. Part of a cooperative may be conveyed and all or part of a cooperative may be subjected to a security interest by the association if persons entitled to cast at least a majority of the votes in the association, including a majority of the votes allocated to units not owned by a declarant, or any larger percentage the declaration specifies, agree to that action; but, if fewer than all of the units or limited common elements are to be conveyed or subjected to a security interest, then all units' owners of those units, or the units to which those limited common elements are allocated, must agree in order to convey those units or limited common elements or subject them to a security interest. The declaration may specify a smaller percentage only if all of the units are restricted exclusively to nonresidential uses. Proceeds of the sale are an asset of the association. Any purported conveyance or other voluntary transfer of an entire cooperative, unless made pursuant to [NRS 116.2118](#), is void.

3. An agreement to convey common elements in a condominium or planned community, or to subject them to a security interest, or in a cooperative, an agreement to convey any part of a cooperative or subject it to a security interest, must be evidenced by the execution of an agreement, or ratifications thereof, in the same manner as a deed, by the requisite number of units' owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratifications thereof must be recorded in every county in which a portion of the common-interest community is situated, and is effective only upon recordation.

4. The association, on behalf of the units' owners, may contract to convey an interest in a common-interest community pursuant to subsection 1, but the contract is not enforceable against the association until approved pursuant to subsections 1, 2 and 3. Thereafter, the association has all powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments.

5. Unless made pursuant to this section, any purported conveyance, encumbrance, judicial sale or other voluntary transfer of common elements or of any other part of a cooperative is void.

6. A conveyance or encumbrance of common elements or of a cooperative pursuant to this section does not deprive any unit of its rights of access and support.

7. Unless the declaration otherwise provides, a conveyance or encumbrance of common elements pursuant to this section does not affect the priority or validity of preexisting encumbrances.

8. In a cooperative, the association may acquire, hold, encumber or convey a proprietary lease without complying with this section.

(Added to NRS by [1991, 564](#); A [1993, 2369](#))

#### **NRS 116.3113 Insurance: General requirements.**

1. Commencing not later than the time of the first conveyance of a unit to a person other than a declarant, the association shall maintain, to the extent reasonably available and subject to reasonable deductibles, all of the following:

(a) Property insurance on the common elements and, in a planned community, also on property that must become common elements, insuring against risks of direct physical loss commonly insured against, which insurance, after application of any deductibles, must be not less than 80 percent of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies.



(b) Commercial general liability insurance, including insurance for medical payments, in an amount determined by the executive board but not less than any amount specified in the declaration, covering all occurrences commonly insured against for bodily injury and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements and, in cooperatives, also of all units.

(c) Crime insurance which includes coverage for dishonest acts by members of the executive board and the officers, employees, agents, directors and volunteers of the association and which extends coverage to any business entity that acts as the community manager of the association and the employees of that entity. Such insurance may not contain a conviction requirement, and the minimum amount of the policy must be not less than an amount equal to 3 months of aggregate assessments on all units plus reserve funds or \$5,000,000, whichever is less.

(d) Directors and officers insurance that is a nonprofit organization errors and omissions policy in a minimum aggregate amount of not less than \$1,000,000 naming the association as the owner and the named insured. The coverage must extend to the members of the executive board and the officers, employees, agents, directors and volunteers of the association and to the community manager of the association and any employees thereof while acting as agents as insured persons under the policy terms. Coverage must be subject to the terms listed in the declaration.

2. In the case of a building that contains units divided by horizontal boundaries described in the declaration, or vertical boundaries that comprise common walls between units, the insurance maintained under paragraph (a) of subsection 1, to the extent reasonably available, must include the units, but need not include improvements and betterments installed by units' owners.

3. If the insurance described in subsections 1 and 2 is not reasonably available, the association promptly shall cause notice of that fact to be given to all units' owners. The declaration may require the association to carry any other insurance, and the association may carry any other insurance it considers appropriate to protect the association or the units' owners.

4. An insurance policy issued to the association does not prevent a unit's owner from obtaining insurance for the unit's owner's own benefit.

(Added to NRS by [1991, 565](#); A [2011, 2445](#); [2017, 1095](#))

**NRS 116.3113 Insurance: Policies; use of proceeds; certificates or memoranda of insurance.**

1. Insurance policies carried pursuant to [NRS 116.3113](#) must provide that:

(a) Each unit's owner is an insured person under the policy with respect to liability arising out of the unit's owner's interest in the common elements or membership in the association;

(b) The insurer waives its right to subrogation under the policy against any unit's owner or member of his or her household;

(c) No act or omission by any unit's owner, unless acting within the scope of his or her authority on behalf of the association, voids the policy or is a condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name of a unit's owner covering the same risk covered by the policy, the association's policy provides primary insurance.

2. Any loss covered by the property policy under subsections 1 and 2 of [NRS 116.3113](#) must be adjusted with the association, but the proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the association, and not to any holder of a security interest. The insurance trustee or the association shall hold any insurance proceeds in trust for the association, units' owners and lienholders as their interests may appear. Subject to [NRS 116.31135](#), the proceeds must be disbursed first for the repair or restoration of the damaged property, and the association, units' owners, and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the common-interest community is terminated.

3. An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the association and, upon written request, to any unit's owner or holder of a security interest. The insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the association, each unit's owner and each holder of a security interest to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

(Added to NRS by [1991, 565](#); A [2003, 1210](#); [2011, 2445](#))

**NRS 116.31135 Insurance: Repair or replacement of damaged or destroyed portion of community.**

1. Any portion of the common-interest community for which insurance is required under [NRS 116.3113](#) which is damaged or destroyed must be repaired or replaced promptly by the association unless:

(a) The common-interest community is terminated, in which case [NRS 116.2118](#), [116.21183](#) and [116.21185](#) apply;



(b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;  
or

(c) Eighty percent of the units' owners, including every owner of a unit or assigned limited common element that will not be rebuilt, vote not to rebuild.

2. The cost of repair or replacement in excess of insurance proceeds, deductibles and reserves is a common expense. If the entire common-interest community is not repaired or replaced:

(a) The insurance proceeds attributable to the damaged common elements must be used to restore the damaged area to a condition compatible with the remainder of the common-interest community; and

(b) Except to the extent that other persons will be distributees:

(1) The insurance proceeds attributable to units and limited common elements that are not rebuilt must be distributed to the owners of those units and the owners of the units to which those limited common elements were allocated, or to lienholders, as their interests may appear; and

(2) The remainder of the proceeds must be distributed to all the units' owners or lienholders, as their interests may appear, as follows:

(I) In a condominium, in proportion to the interests of all the units in the common elements; and

(II) In a cooperative or planned community, in proportion to the liabilities of all the units for common expenses.

3. If the units' owners vote not to rebuild any unit, that unit's allocated interests are automatically reallocated upon the vote as if the unit had been condemned under subsection 1 of [NRS 116.1107](#), and the association promptly shall prepare, execute and record an amendment to the declaration reflecting the reallocations.

(Added to NRS by [1991, 566](#); A [1993, 2370](#); [2011, 2446](#))

**NRS 116.31138 Insurance: Variance or waiver of provisions in community restricted to nonresidential use.** The provisions of [NRS 116.3113](#), [116.31133](#) and [116.31135](#) may be varied or waived in the case of a common-interest community all of whose units are restricted to nonresidential use.

(Added to NRS by [1991, 567](#))

**NRS 116.311395 Funds of association to be deposited or invested at certain financial institutions.**

1. Except as otherwise provided in subsection 2, an association, a member of the executive board, or a community manager shall deposit or invest all funds of the association at a financial institution which:

(a) Is located in this State;

(b) Is qualified to conduct business in this State; or

(c) Has consented to be subject to the jurisdiction, including the power to subpoena, of the courts of this State and the Division.

2. Except as otherwise provided by the governing documents, in addition to the requirements of subsection 1, an association shall deposit, maintain and invest all funds of the association:

(a) In a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund or the Securities Investor Protection Corporation;

(b) With a private insurer approved pursuant to [NRS 672.755](#); or

(c) In a government security backed by the full faith and credit of the Government of the United States.

3. The Commission shall adopt regulations prescribing the contents of the declaration to be executed and signed by a financial institution located outside of this State to submit to consent to the jurisdiction of the courts of this State and the Division.

(Added to NRS by [2009, 1733](#))

**NRS 116.3114 Surplus funds.** Unless otherwise provided in the declaration, any surplus funds of the association remaining after payment of or provision for common expenses and any prepayment of reserves must be paid to the units' owners in proportion to their liabilities for common expenses or credited to them to reduce their future assessments for common expenses.

(Added to NRS by [1991, 567](#))

**NRS 116.31142 Preparation and presentation of financial statements.**

1. The Commission shall adopt regulations prescribing the requirements for the preparation and presentation of financial statements of an association pursuant to this chapter.

2. The regulations adopted by the Commission must include, without limitation:

(a) The qualifications necessary for a person to prepare and present financial statements of an association; and

- (b) The standards and format to be followed in preparing and presenting financial statements of an association.  
(Added to NRS by [2005, 2584](#))

**NRS 116.31144 Audit and review of financial statements.**

1. Except as otherwise provided in subsection 2, the executive board shall:
  - (a) If the annual budget of the association is \$45,000 or more but less than \$75,000, cause the financial statement of the association to be reviewed by an independent certified public accountant during the year immediately preceding the year in which a study of the reserves of the association is to be conducted pursuant to [NRS 116.31152](#).
  - (b) If the annual budget of the association is \$75,000 or more but less than \$150,000, cause the financial statement of the association to be reviewed by an independent certified public accountant every fiscal year.
  - (c) If the annual budget of the association is \$150,000 or more, cause the financial statement of the association to be audited by an independent certified public accountant every fiscal year.
2. Except as otherwise provided in this subsection, for any fiscal year, the executive board of an association shall cause the financial statement for that fiscal year to be audited by an independent certified public accountant if, within 180 days before the end of the fiscal year, 15 percent of the total number of voting members of the association submit a written request for such an audit. The provisions of this subsection do not apply to an association described in paragraph (c) of subsection 1.
3. The Commission shall adopt regulations prescribing the requirements for the auditing or reviewing of financial statements of an association pursuant to this section. Such regulations must include, without limitation:
  - (a) The qualifications necessary for a person to audit or review financial statements of an association; and
  - (b) The standards and format to be followed in auditing or reviewing financial statements of an association.(Added to NRS by [2005, 2584](#); A [2009, 462](#); [2011, 988](#))

**NRS 116.3115 Assessments for common expenses; funding of adequate reserves; collection of interest on past due assessments; calculation of assessments for particular types of common expenses; notice of meetings regarding assessments for capital improvements.**

1. Until the association makes an assessment for common expenses, the declarant shall pay all common expenses. After an assessment has been made by the association, assessments must be made at least annually, based on a budget adopted at least annually by the association in accordance with the requirements set forth in [NRS 116.31151](#). Unless the declaration imposes more stringent standards, the budget must include a budget for the daily operation of the association and a budget for the reserves required by paragraph (b) of subsection 2.
2. Except for assessments under subsections 4 to 7, inclusive, or as otherwise provided in this chapter:
  - (a) All common expenses, including the reserves, must be assessed against all the units in accordance with the allocations set forth in the declaration pursuant to subsections 1 and 2 of [NRS 116.2107](#).
  - (b) The association shall establish adequate reserves, funded on a reasonable basis, for the repair, replacement and restoration of the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore. The reserves may be used only for those purposes, including, without limitation, repairing, replacing and restoring roofs, roads and sidewalks, and must not be used for daily maintenance. The association may comply with the provisions of this paragraph through a funding plan that is designed to allocate the costs for the repair, replacement and restoration of the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore over a period of years if the funding plan is designed in an actuarially sound manner which will ensure that sufficient money is available when the repair, replacement and restoration of the major components of the common elements or any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore are necessary. Notwithstanding any provision of the governing documents to the contrary, to establish adequate reserves pursuant to this paragraph, including, without limitation, to establish or carry out a funding plan, the executive board may, without seeking or obtaining the approval of the units' owners, impose any necessary and reasonable assessments against the units in the common-interest community. Any such assessments imposed by the executive board must be based on the study of the reserves of the association conducted pursuant to [NRS 116.31152](#).
3. Any assessment for common expenses or installment thereof that is 60 days or more past due bears interest at a rate equal to the prime rate at the largest bank in Nevada as ascertained by the Commissioner of Financial Institutions on January 1 or July 1, as the case may be, immediately preceding the date the assessment becomes past due, plus 2 percent. The rate must be adjusted accordingly on each January 1 and July 1 thereafter until the balance is satisfied.
4. Except as otherwise provided in the governing documents:

(a) Any common expense associated with the maintenance, repair, restoration or replacement of a limited common element must be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(b) Any common expense benefiting fewer than all of the units or their owners, including, without limitation, common expenses consisting of the payment, on behalf of a unit's owner, of delinquent property taxes or utility charges owed by the unit's owner, may be assessed exclusively against the units or units' owners benefited; and

(c) The costs of insurance must be assessed in proportion to risk and the costs of utilities must be assessed in proportion to usage.

5. Assessments to pay a judgment against the association may be made only against the units in the common-interest community at the time the judgment was entered, in proportion to their liabilities for common expenses.

6. If damage to a unit or other part of the common-interest community, or if any other common expense is caused by the willful misconduct or gross negligence of any unit's owner, tenant or invitee of a unit's owner or tenant, the association may assess that expense exclusively against his or her unit, even if the association maintains insurance with respect to that damage or common expense, unless the damage or other common expense is caused by a vehicle and is committed by a person who is delivering goods to, or performing services for, the unit's owner, tenant or invitee of the unit's owner or tenant.

7. The association of a common-interest community created before January 1, 1992, is not required to make an assessment against a vacant lot located within the community that is owned by the declarant.

8. If liabilities for common expenses are reallocated, assessments for common expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated liabilities.

9. The association shall provide written notice to each unit's owner of a meeting at which an assessment for a capital improvement is to be considered or action is to be taken on such an assessment at least 21 calendar days before the date of the meeting.

(Added to NRS by [1991, 567](#); A [1993, 2371](#); [1995, 2230](#); [1997, 3119, 3120](#); [1999, 3008](#); [2001, 2491](#); [2005, 2603](#); [2009, 1734, 2805, 2892](#); [2011, 2447](#); [2017, 1993](#))

**NRS 116.31151 Annual distribution to units' owners of operating and reserve budgets or summaries of such budgets and policy for collection of fees, fines, assessments or costs; ratification of budget.**

1. Except as otherwise provided in subsection 2 and unless the declaration of a common-interest community imposes more stringent standards, the executive board shall, not less than 30 days or more than 60 days before the beginning of the fiscal year of the association, prepare and distribute to each unit's owner a copy of:

(a) The budget for the daily operation of the association. The budget must include, without limitation, the estimated annual revenue and expenditures of the association and any contributions to be made to the reserve account of the association.

(b) The budget to provide adequate funding for the reserves required by paragraph (b) of subsection 2 of [NRS 116.3115](#). The budget must include, without limitation:

(1) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore;

(2) As of the end of the fiscal year for which the budget is prepared, the current estimate of the amount of cash reserves that are necessary, and the current amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore;

(3) A statement as to whether the executive board has determined or anticipates that the levy of one or more special assessments will be necessary to repair, replace or restore any major component of the common elements or any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore or to provide adequate funding for the reserves designated for that purpose; and

(4) A general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to subparagraph (2), including, without limitation, the qualifications of the person responsible for the preparation of the study of the reserves required by [NRS 116.31152](#).

2. In lieu of distributing copies of the budgets of the association required by subsection 1, the executive board may distribute to each unit's owner a summary of those budgets, accompanied by a written notice that:

(a) The budgets are available for review at the business office of the association or some other suitable location within the county where the common-interest community is situated or, if it is situated in more than one county, within one of those counties but not to exceed 60 miles from the physical location of the common-interest community; and

(b) Copies of the budgets will be provided upon request.

3. Within 60 days after adoption of any proposed budget for the common-interest community, the executive board shall provide a summary of the proposed budget to each unit's owner and shall set a date for a meeting of the units' owners to consider ratification of the proposed budget not less than 14 days or more than 30 days after the mailing of the summaries. Unless at that meeting a majority of all units' owners, or any larger vote specified in the declaration, reject the proposed budget, the proposed budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the units' owners must be continued until such time as the units' owners ratify a subsequent budget proposed by the executive board.

4. The executive board shall, at the same time and in the same manner that the executive board makes the budget available to a unit's owner pursuant to this section, make available to each unit's owner the policy established for the association concerning the collection of any fees, fines, assessments or costs imposed against a unit's owner pursuant to this chapter. The policy must include, without limitation:

(a) The responsibility of the unit's owner to pay any such fees, fines, assessments or costs in a timely manner; and

(b) The association's rights concerning the collection of such fees, fines, assessments or costs if the unit's owner fails to pay the fees, fines, assessments or costs in a timely manner.

(Added to NRS by [1999, 2993](#); A [2003, 2241](#); [2005, 2605](#); [2009, 1205, 1735, 2806](#))

**NRS 116.31152 Study of reserves; duties of executive board regarding study; qualifications of person who conducts study; contents of study; submission of summary of study to Division; use of money credited against residential construction tax for upkeep of park facilities and related improvements identified in study.**

1. The executive board shall:

(a) At least once every 5 years, cause to be conducted a study of the reserves required to repair, replace and restore the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore;

(b) At least annually, review the results of that study to determine whether those reserves are sufficient; and

(c) At least annually, make any adjustments to the association's funding plan which the executive board deems necessary to provide adequate funding for the required reserves.

2. Except as otherwise provided in this subsection, the study of the reserves required by subsection 1 must be conducted by a person who holds a permit issued pursuant to [chapter 116A](#) of NRS. If the common-interest community contains 20 or fewer units and is located in a county whose population is less than 55,000, the study of the reserves required by subsection 1 may be conducted by any person whom the executive board deems qualified to conduct the study.

3. The study of the reserves must include, without limitation:

(a) A summary of an inspection of the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore;

(b) An identification of the major components of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore which have a remaining useful life of less than 30 years;

(c) An estimate of the remaining useful life of each major component of the common elements and any other portion of the common-interest community that the association is obligated to maintain, repair, replace or restore identified pursuant to paragraph (b);

(d) An estimate of the cost of maintenance, repair, replacement or restoration of each major component of the common elements and any other portion of the common-interest community identified pursuant to paragraph (b) during and at the end of its useful life; and

(e) An estimate of the total annual assessment that may be necessary to cover the cost of maintaining, repairing, replacement or restoration of the major components of the common elements and any other portion of the common-interest community identified pursuant to paragraph (b), after subtracting the reserves of the association as of the date of the study, and an estimate of the funding plan that may be necessary to provide adequate funding for the required reserves.

4. A summary of the study of the reserves required by subsection 1 must be submitted to the Division not later than 45 days after the date that the executive board adopts the results of the study.

5. If a common-interest community was developed as part of a planned unit development pursuant to [chapter 278A](#) of NRS and is subject to an agreement with a city or county to receive credit against the amount of the residential construction tax that is imposed pursuant to [NRS 278.4983](#) and [278.4985](#), the association that is organized for the common-interest community may use the money from that credit for the repair, replacement or restoration of park facilities and related improvements if:

(a) The park facilities and related improvements are identified as major components of the common elements of the association; and

(b) The association is obligated to repair, replace or restore the park facilities and related improvements in accordance with the study of the reserves required by subsection 1.

(Added to NRS by [1999, 2994](#); A [2003, 2241](#); [2005, 2606](#); [2009, 1736, 2213](#); [2011, 1144](#))

**NRS 116.31153 Signatures required for withdrawals of certain association funds; exceptions.**

1. Money in the reserve account of an association required by paragraph (b) of subsection 2 of [NRS 116.3115](#) may not be withdrawn without the signatures of at least two members of the executive board or the signatures of at least one member of the executive board and one officer of the association who is not a member of the executive board.

2. Except as otherwise provided in subsection 3, money in the operating account of an association may not be withdrawn without the signatures of at least one member of the executive board or one officer of the association and a member of the executive board, an officer of the association or the community manager.

3. Money in the operating account of an association may be withdrawn without the signatures required pursuant to subsection 2 to:

(a) Transfer money to the reserve account of the association at regular intervals;

(b) Make automatic payments for utilities;

(c) Make an electronic transfer of money to a state agency pursuant to [NRS 353.1467](#); or

(d) Make an electronic transfer of money to the United States Government, or any agency thereof, pursuant to any federal law requiring transfers of money to be made by an electronic means authorized by the United States Government or the agency thereof.

4. An association may use electronic signatures to withdraw money in the operating account of the association if:

(a) The electronic transfer of money is made pursuant to a written agreement entered into between the association and the financial institution where the operating account of the association is maintained;

(b) The executive board has expressly authorized the electronic transfer of money; and

(c) The association has established internal accounting controls which comply with generally accepted accounting principles to safeguard the assets of the association.

5. As used in this section, “electronic transfer of money” has the meaning ascribed to it in [NRS 353.1467](#).

(Added to NRS by [1999, 2995](#); A [2009, 2927](#); [2011, 1879](#))

**NRS 116.31155 Fees imposed on associations or master associations to pay for costs of administering Office of Ombudsman and Commission; administrative penalties for failure to pay; interest on unpaid fees; limitations on amount of fees and penalties; procedure to recover fees, penalties or interest imposed in error.**

1. Except as otherwise provided in subsection 2, an association shall:

(a) If the association is required to pay the fee imposed by [NRS 78.150, 82.193, 86.263, 87.541, 87A.560](#) or [88.591](#), pay to the Administrator a fee established by regulation of the Administrator for every unit in the association used for residential use.

(b) If the association is organized as a trust or partnership, or as any other authorized business entity, pay to the Administrator a fee established by regulation of the Administrator for each unit in the association.

2. If an association is subject to the governing documents of a master association, the master association shall pay the fees required pursuant to this section for each unit in the association that is subject to the governing documents of the master association, unless the governing documents of the master association provide otherwise. The provisions of this subsection do not relieve any association that is subject to the governing documents of a master association from its ultimate responsibility to pay the fees required pursuant to this section to the Administrator if they are not paid by the master association.

3. The fees required to be paid pursuant to this section must be:

(a) Paid at such times as are established by the Division.

(b) Deposited with the State Treasurer for credit to the Account for Common-Interest Communities and Condominium Hotels created by [NRS 116.630](#).

(c) Established on the basis of the actual costs of administering the Office of the Ombudsman and the Commission and not on a basis which includes any subsidy beyond those actual costs. In no event may the fees required to be paid pursuant to this section exceed \$5 per unit.

4. The Division shall impose an administrative penalty against an association or master association that violates the provisions of this section by failing to pay the fees owed by the association or master association within the times



established by the Division. The administrative penalty that is imposed for each violation must equal 10 percent of the amount of the fees owed by the association or master association or \$500, whichever amount is less. The amount of the unpaid fees owed by the association or master association bears interest at the rate set forth in [NRS 99.040](#) from the date the fees are due until the date the fees are paid in full.

5. A unit's owner may not be required to pay any portion of the fees or any administrative penalties or interest required to be paid pursuant to this section to both an association and a master association.

6. An association that is subject to the governing documents of a master association may not be required to pay any portion of the fees or any administrative penalties or interest required to be paid pursuant to this section to the extent they have already been paid by the master association.

7. A master association may not be required to pay any portion of the fees or any administrative penalties or interest required to be paid pursuant to this section to the extent they have already been paid by an association that is subject to the governing documents of the master association.

8. Upon the payment of the fees and any administrative penalties and interest required by this section, the Administrator shall provide to the association or master association evidence that it paid the fees and the administrative penalties and interest in compliance with this section.

9. Any person, association or master association which has been requested or required to pay any fees, administrative penalties or interest pursuant to this section and which believes that such fees, administrative penalties or interest has been imposed in error may, without exhausting any available administrative remedies, bring an action in a court of competent jurisdiction to recover:

(a) Any amount paid in error for any fees, administrative penalties or interest during the immediately preceding 3 years;

(b) Interest on the amount paid in error at the rate set forth in [NRS 99.040](#); and

(c) Reasonable costs and attorney's fees.

(Added to NRS by [1997, 3112](#); A [1999, 8, 639, 3010, 3011](#); [2003, 2242](#); [2005, 2607](#); [2007, 485, 2268](#); [2009, 2893](#); [2015, 2592](#))

#### **NRS 116.31158 Registration of associations with Ombudsman; contents of form for registration.**

1. Each association shall, at the time it pays the fee required by [NRS 116.31155](#), register with the Ombudsman on a form prescribed by the Ombudsman.

2. The form for registration must include, without limitation, the information required to be maintained pursuant to paragraph (e) of subsection 4 of [NRS 116.625](#).

(Added to NRS by [1999, 2996](#); A [2003, 2243](#))

### **Liens**

#### **NRS 116.3116 Liens against units for assessments.**

1. The association has a lien on a unit for any construction penalty that is imposed against the unit's owner pursuant to [NRS 116.310305](#), any assessment levied against that unit or any fines imposed against the unit's owner from the time the construction penalty, assessment or fine becomes due. Unless the declaration otherwise provides, any penalties, fees, charges, late charges, fines and interest charged pursuant to paragraphs (j) to (o), inclusive, of subsection 1 of [NRS 116.3102](#) and any costs of collecting a past due obligation charged pursuant to [NRS 116.310313](#) are enforceable as assessments under this section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

2. A lien under this section is prior to all other liens and encumbrances on a unit except:

(a) Liens and encumbrances recorded before the recordation of the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes or takes subject to;

(b) A first security interest on the unit recorded before the date on which the assessment sought to be enforced became delinquent or, in a cooperative, the first security interest encumbering only the unit's owner's interest and perfected before the date on which the assessment sought to be enforced became delinquent, except that a lien under this section is prior to a security interest described in this paragraph to the extent set forth in subsection 3;

(c) Liens for real estate taxes and other governmental assessments or charges against the unit or cooperative; and

(d) Liens for any fee or charge levied pursuant to subsection 1 of [NRS 444.520](#).

3. A lien under this section is prior to all security interests described in paragraph (b) of subsection 2 to the extent of:

(a) Any charges incurred by the association on a unit pursuant to [NRS 116.310312](#);



(b) The unpaid amount of assessments, not to exceed an amount equal to assessments for common expenses based on the periodic budget adopted by the association pursuant to [NRS 116.3115](#) which would have become due in the absence of acceleration during the 9 months immediately preceding the date on which the notice of default and election to sell is recorded pursuant to paragraph (b) of subsection 1 of [NRS 116.31162](#); and

(c) The costs incurred by the association to enforce the lien in an amount not to exceed the amounts set forth in subsection 5,

↳ unless federal regulations adopted by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association require a shorter period of priority for the lien. If federal regulations adopted by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association require a shorter period of priority for the lien, the period during which the lien is prior to all security interests described in paragraph (b) of subsection 2 must be determined in accordance with those federal regulations, except that notwithstanding the provisions of the federal regulations, the period of priority for the lien must not be less than the 6 months immediately preceding the recording of a notice of default and election to sell pursuant to paragraph (b) of subsection 1 of [NRS 116.31162](#) or the institution of a judicial action to enforce the lien.

4. 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.

5. The amount of the costs of enforcing the association's lien that are prior to the security interest described in paragraph (b) of subsection 2 must not exceed the actual costs incurred by the association, must not include more than one trustee's sale guaranty and must not exceed:

- (a) For a demand or intent to lien letter, \$165.
- (b) For a notice of delinquent assessment, \$325.
- (c) For an intent to record a notice of default letter, \$90.
- (d) For a notice of default, \$400.
- (e) For a trustee's sale guaranty, \$400.

↳ No costs of enforcing the association's lien, other than the costs described in this subsection, and no amount of attorney's fees may be included in the amount of the association's lien that is prior to the security interest described in paragraph (b) of subsection 2.

6. Notwithstanding any other provision of law, an association, or member of the executive board, officer, employee or unit's owner of the association, acting under the authority of this chapter or the governing documents of the association, or the community manager of the association, or any employee, agent or affiliate of the community manager, while engaged in the management of the common-interest community governed by the association, is not required to be licensed as a collection agency pursuant to [chapter 649](#) of NRS or hire or contract with a collection agency licensed pursuant to [chapter 649](#) of NRS to collect amounts due to the association in accordance with subsection 1 before the recording of a notice of default and election to sell pursuant to paragraph (b) of subsection 1 of [NRS 116.31162](#).

7. The holder of the security interest described in paragraph (b) of subsection 2 or the holder's authorized agent may establish an escrow account, loan trust account or other impound account for advance contributions for the payment of assessments for common expenses based on the periodic budget adopted by the association pursuant to [NRS 116.3115](#) if the unit's owner and the holder of that security interest consent to the establishment of such an account. If such an account is established, payments from the account for assessments for common expenses must be made in accordance with the same due dates as apply to payments of such assessments by a unit's owner.

8. Unless the declaration otherwise provides, if two or more associations have liens for assessments created at any time on the same property, those liens have equal priority.

9. Recording of the declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this section is required.

10. A lien for unpaid assessments is extinguished unless a notice of default and election to sell is recorded as required by paragraph (b) of subsection 1 of [NRS 116.31162](#), or judicial proceedings to enforce the lien are instituted, within 3 years after the full amount of the assessments becomes due.

11. This section does not prohibit actions to recover sums for which subsection 1 creates a lien or prohibit an association from taking a deed in lieu of foreclosure.

12. A judgment or decree in any action brought under this section must include costs and reasonable attorney's fees for the prevailing party.

13. The association, upon written request, shall furnish to a unit's owner a statement setting forth the amount of unpaid assessments against the unit. If the interest of the unit's owner is real estate or if a lien for the unpaid assessments may be foreclosed under [NRS 116.31162](#) to [116.31168](#), inclusive, the statement must be in recordable

form. The statement must be furnished within 10 business days after receipt of the request and is binding on the association, the executive board and every unit's owner.

14. In a cooperative, upon nonpayment of an assessment on a unit, the unit's owner may be evicted in the same manner as provided by law in the case of an unlawful holdover by a commercial tenant, and:

(a) In a cooperative where the owner's interest in a unit is real estate under [NRS 116.1105](#), the association's lien may be foreclosed under [NRS 116.31162](#) to [116.31168](#), inclusive.

(b) In a cooperative where the owner's interest in a unit is personal property under [NRS 116.1105](#), the association's lien:

(1) May be foreclosed as a security interest under [NRS 104.9101](#) to [104.9709](#), inclusive; or

(2) If the declaration so provides, may be foreclosed under [NRS 116.31162](#) to [116.31168](#), inclusive.

15. In an action by an association to collect assessments or to foreclose a lien created under this section, the court may appoint a receiver to collect all rents or other income from the unit alleged to be due and owing to a unit's owner before commencement or during pendency of the action. The receivership is governed by [chapter 32](#) of NRS. The court may order the receiver to pay any sums held by the receiver to the association during pendency of the action to the extent of the association's common expense assessments based on a periodic budget adopted by the association pursuant to [NRS 116.3115](#).

16. Notwithstanding any other provision of law, any payment of an amount due to an association in accordance with subsection 1 by the holder of any lien or encumbrance on a unit that is subordinate to the association's lien under this section becomes a debt due from the unit's owner to the holder of the lien or encumbrance.

(Added to NRS by [1991, 567](#); A [1999, 390](#); [2003, 2243, 2272](#); [2009, 1010, 1207](#); [2011, 2448](#); [2013, 3787](#); [2015, 1333](#); [2019, 854](#); [2021, 1403](#))

**NRS 116.31162 Foreclosure of liens: Mailing or delivery of notice of delinquent assessment; recording of notice of default and election to sell; period during which unit's owner may pay lien to avoid foreclosure; limitations on type of lien that may be foreclosed.**

1. Except as otherwise provided in subsection 5, 6 or 7, in a condominium, in a planned community, in a cooperative where the owner's interest in a unit is real estate under [NRS 116.1105](#), or in a cooperative where the owner's interest in a unit is personal property under [NRS 116.1105](#) and the declaration provides that a lien may be foreclosed under [NRS 116.31162](#) to [116.31168](#), inclusive, the association may foreclose its lien by sale after all of the following occur:

(a) The association has mailed by certified or registered mail, return receipt requested, to the unit's owner or his or her successor in interest, at his or her address, if known, and at the address of the unit or, if authorized by the parties, delivered by electronic transmission, a notice of delinquent assessment which states the amount of the assessments and other sums which are due in accordance with subsection 1 of [NRS 116.3116](#), a description of the unit against which the lien is imposed and the name of the record owner of the unit.

(b) Not less than 30 days after mailing or delivering by electronic transmission the notice of delinquent assessment pursuant to paragraph (a), the association or other person conducting the sale has executed and caused to be recorded, with the county recorder of the county in which the common-interest community or any part of it is situated, a notice of default and election to sell the unit to satisfy the lien which must contain the same information as the notice of delinquent assessment and which must also comply with the following:

(1) Describe the deficiency in payment.

(2) State the total amount of the deficiency in payment, with a separate statement of:

(I) The amount of the association's lien that is prior to the first security interest on the unit pursuant to subsection 3 of [NRS 116.3116](#) as of the date of the notice;

(II) The amount of the lien described in sub-subparagraph (I) that is attributable to assessments based on the periodic budget adopted by the association pursuant to [NRS 116.3115](#) as of the date of the notice;

(III) The amount of the lien described in sub-subparagraph (I) that is attributable to amounts described in [NRS 116.310312](#) as of the date of the notice; and

(IV) The amount of the lien described in sub-subparagraph (I) that is attributable to the costs of enforcing the association's lien as of the date of the notice.

(3) State that:

(I) If the holder of the first security interest on the unit does not satisfy the amount of the association's lien that is prior to that first security interest pursuant to subsection 3 of [NRS 116.3116](#), the association may foreclose its lien by sale and that the sale may extinguish the first security interest as to the unit; and

(II) If, not later than 5 days before the date of the sale, the holder of the first security interest on the unit satisfies the amount of the association's lien that is prior to that first security interest pursuant to subsection 3 of [NRS](#)

[116.3116](#) and, not later than 2 days before the date of the sale, a record of such satisfaction is recorded in the office of the recorder of the county in which the unit is located, the association may foreclose its lien by sale but the sale may not extinguish the first security interest as to the unit.

- (4) State the name and address of the person authorized by the association to enforce the lien by sale.
- (5) Contain, in 14-point bold type, the following warning:

**WARNING! IF YOU FAIL TO PAY THE AMOUNT SPECIFIED IN THIS NOTICE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE!**

(c) The unit's owner or his or her successor in interest has failed to pay the amount of the lien, including costs, fees and expenses incident to its enforcement, for 90 days following the recording of the notice of default and election to sell.

(d) The unit's owner or his or her successor in interest, or the holder of a recorded security interest on the unit, has, for a period which commences in the manner and subject to the requirements described in subsection 3 and which expires 5 days before the date of sale, failed to pay the assessments and other sums that are due to the association in accordance with subsection 1 of [NRS 116.3116](#).

(e) The association or other person conducting the sale has executed and caused to be recorded, with the county recorder of the county in which the common-interest community or any part of it is situated, an affidavit which states, based on the direct, personal knowledge of the affiant, the personal knowledge which the affiant acquired by a review of a trustee sale guarantee or a similar product or the personal knowledge which the affiant acquired by a review of the business records of the association or other person conducting the sale, which business records must meet the standards set forth in [NRS 51.135](#), the following:

(1) The name of each holder of a security interest on the unit to which the notice of default and election to sell and the notice of sale was mailed, as required by subsection 2 of [NRS 116.31163](#) and paragraph (d) of subsection 1 of [NRS 116.311635](#); and

(2) The address at which the notices were mailed to each such holder of a security interest.

2. The notice of default and election to sell must be signed by the person designated in the declaration or by the association for that purpose or, if no one is designated, by the president of the association.

3. The period of 90 days described in paragraph (c) of subsection 1 begins on the first day following:

(a) The date on which the notice of default and election to sell is recorded; or

(b) The date on which a copy of the notice of default and election to sell is mailed by certified or registered mail, return receipt requested or delivered by electronic transmission, as applicable, to the unit's owner or his or her successor in interest at his or her address, if known, and at the address of the unit,

↳ whichever date occurs later.

4. An association may not mail or deliver by electronic transmission to a unit's owner or his or her successor in interest a letter of its intent to mail or deliver by electronic transmission a notice of delinquent assessment pursuant to paragraph (a) of subsection 1, mail or deliver by electronic transmission the notice of delinquent assessment or take any other action to collect a past due obligation from a unit's owner or his or her successor in interest unless the association has complied with the provisions of subsections 4 and 5 of [NRS 116.311625](#) and subsections 4 and 5 of [NRS 116.311627](#) and:

(a) Not earlier than 60 days after the obligation becomes past due, the association mails to the address on file for the unit's owner or, if authorized by the parties, delivers by electronic transmission:

(1) A schedule of the fees that may be charged if the unit's owner fails to pay the past due obligation;

(2) A proposed repayment plan; and

(3) A notice of the right to contest the past due obligation at a hearing before the executive board and the procedures for requesting such a hearing; and

(b) Within 30 days after the date on which the information described in paragraph (a) is mailed or delivered by electronic transmission, as applicable, the past due obligation has not been paid in full or the unit's owner or his or her successor in interest has not entered into a repayment plan or requested a hearing before the executive board. If the unit's owner or his or her successor in interest requests a hearing or enters into a repayment plan within 30 days after the date on which the information described in paragraph (a) is mailed or delivered by electronic transmission, as applicable, and is unsuccessful at the hearing or fails to make a payment under the repayment plan within 10 days after the due date, the association may take any lawful action pursuant to subsection 1 to enforce its lien.

5. The association may not foreclose a lien by sale if the association has not mailed a copy of the notice of default and election to sell and a copy of the notice of sale to each holder of a security interest on the unit in the manner and

subject to the requirements set forth in subsection 2 of [NRS 116.31163](#) and paragraph (d) of subsection 1 of [NRS 116.311635](#).

6. The association may not foreclose a lien by sale based on a fine or penalty for a violation of the governing documents of the association unless:

(a) The violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community; or

(b) The penalty is imposed for failure to adhere to a schedule required pursuant to [NRS 116.310305](#).

7. The association may not foreclose a lien by sale if the association has received notice pursuant to [NRS 107.086](#) that the unit is subject to foreclosure mediation pursuant to that section, unless:

(a) The trustee of record has recorded the certificate provided to the trustee pursuant to subparagraph (1) or (2) of paragraph (e) of subsection 2 of [NRS 107.086](#); or

(b) The unit's owner has failed to pay to the association any amounts enforceable as assessments pursuant to subsection 1 of [NRS 116.3116](#) that become due during the pendency of foreclosure mediation pursuant to [NRS 107.086](#), other than past due obligations as described in subsection 11 of [NRS 107.086](#).

(Added to NRS by [1991, 569](#); A [1993, 2371](#); [1997, 3121](#); [1999, 3011](#); [2003, 2244](#), [2273](#); [2005, 2608](#); [2013, 3483, 3789](#); [2015, 1336, 3330](#); [2017, 1120, 4102, 4105, 4106](#); [2019, 3185](#))

**NRS 116.311625 Foreclosure of liens: Limitations, requirements and procedures applicable to servicemembers and their dependents; penalty; liability; tolling.**

1. Notwithstanding any other provision of law and except as otherwise provided in subsection 2 or ordered by a court of competent jurisdiction, if a unit's owner or his or her successor in interest is a servicemember or, in accordance with subsection 3, a dependent of a servicemember, an association shall not initiate the foreclosure of a lien by sale during any period that the servicemember is on active duty or deployment or for a period of 1 year immediately following the end of such active duty or deployment.

2. The provisions of subsection 1 do not apply if a court determines that the ability of the servicemember or dependent of the servicemember to comply with the terms of the obligation secured by the lien of a unit-owners' association is not materially affected by the servicemember's active duty or deployment.

3. Upon application to the court, a dependent of a servicemember is entitled to the protections provided to a servicemember pursuant to this section if the ability of the dependent to make payments required by a lien of a unit-owners' association is materially affected by the servicemember's active duty or deployment.

4. An association shall:

(a) Inform each unit's owner or his or her successor in interest that if the person is a servicemember or a dependent of a servicemember, he or she may be entitled to certain protections pursuant to this section; and

(b) Give the person the opportunity to provide any information required to enable the association to verify whether he or she is entitled to the protections set forth in this section, including, without limitation, the social security number and date of birth of the person.

5. Before an association takes any action pursuant to paragraph (a) of subsection 4 of [NRS 116.31162](#), if information required to verify whether a unit's owner or his or her successor in interest is entitled to the protections set forth in this section:

(a) Has been provided to the association pursuant to subsection 4, the association must verify whether the person is entitled to the protections set forth in this section.

(b) Has not been provided to the association pursuant to subsection 4, the association must make a good faith effort to verify whether the person is entitled to the protections set forth in this section.

6. Any person who knowingly initiates the foreclosure of a lien by sale in violation of this section:

(a) Is guilty of a misdemeanor; and

(b) May be liable for actual damages, reasonable attorney's fees and costs incurred by the injured party.

7. In imposing liability pursuant to paragraph (b) of subsection 6, a court shall, when determining whether to reduce such liability, take into consideration any due diligence used by the person before he or she initiated the foreclosure of the lien by sale.

8. Notwithstanding any other provision of law, any applicable statute of limitations or period within which a servicemember is required to submit proof of service that is prescribed by state law is tolled during the period of protection provided to a servicemember or dependent of a servicemember pursuant to this section.

9. As used in this section:

(a) "Active duty" means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. §§ 1209 and 1211.

(b) "Dependent" has the meaning ascribed to it in 50 U.S.C. § 3911.

(c) “Deployment” means the movement or mobilization of a servicemember from his or her home station to another location for more than 90 days pursuant to military orders.

(d) “Good faith effort” means that an association acts honestly and fairly when trying to verify whether a unit’s owner or his or her successor in interest is entitled to the protections set forth in this section, as evidenced by the following actions:

(1) The association informs the unit’s owner or his or her successor in interest of the information required pursuant to paragraph (a) of subsection 4;

(2) The association makes reasonable efforts to give the unit’s owner or his or her successor in interest the opportunity to provide any information required to enable the association to verify whether the person is entitled to the protections set forth in this section pursuant to paragraph (b) of subsection 4; and

(3) The association makes reasonable efforts to utilize all resources available to the association to verify whether the unit’s owner or his or her successor in interest is a servicemember, including, without limitation, the Internet website maintained by the United States Department of Defense.

(e) “Initiate the foreclosure of a lien by sale” means to take any action in furtherance of foreclosure of a lien by sale after taking the actions set forth in paragraph (a) of subsection 4 of [NRS 116.31162](#).

(f) “Military” means the Armed Forces of the United States, a reserve component thereof or the National Guard.

(g) “Servicemember” means a member of the military.

(Added to NRS by [2017, 1118](#))

**NRS 116.311627 Foreclosure of liens: Limitations, requirements and procedures applicable to federal workers, tribal workers and state workers and household members and landlords of such workers in connection with shutdown; penalty; liability.**

1. Notwithstanding any other provision of law and except as otherwise provided in subsection 2 or ordered by a court of competent jurisdiction, if a unit’s owner or his or her successor in interest is a federal worker, tribal worker or state worker or, in accordance with subsection 3, a household member or landlord of a federal worker, tribal worker or state worker, an association shall not initiate the foreclosure of a lien by sale during the period commencing on the date on which a shutdown begins and ending on the date that is 90 days after the date on which the shutdown ends.

2. The provisions of subsection 1 do not apply if a court determines that the ability of the federal worker, tribal worker, state worker, household member or landlord to comply with the terms of the obligation secured by the residential mortgage loan is not materially affected by the shutdown.

3. Upon application to the court, a household member or landlord of a federal worker, tribal worker or state worker is entitled to the protections provided to a federal worker, tribal worker or state worker pursuant to this section if the ability of the household member or landlord to make payments required by a lien of a unit-owners’ association is materially affected by the shutdown.

4. An association shall:

(a) Inform each unit’s owner or his or her successor in interest that if the person is a federal worker, tribal worker, state worker, household member or landlord of such a worker, he or she may be entitled to certain protections pursuant to this section; and

(b) Give the person the opportunity to provide any information required to enable the association to verify whether he or she is entitled to the protections set forth in this section.

5. Before an association takes any action pursuant to paragraph (a) of subsection 4 of [NRS 116.31162](#), if information required to verify whether a unit’s owner or his or her successor in interest is entitled to the protections set forth in this section:

(a) Has been provided to the association pursuant to subsection 4, the association must verify whether the person is entitled to the protections set forth in this section.

(b) Has not been provided to the association pursuant to subsection 4, the association must make a good faith effort to verify whether the person is entitled to the protections set forth in this section.

6. Any person who knowingly initiates the foreclosure of a lien by sale in violation of this section:

(a) Is guilty of a misdemeanor; and

(b) May be liable for actual damages, reasonable attorney’s fees and costs incurred by the injured party.

7. In imposing liability pursuant to paragraph (b) of subsection 6, a court shall, when determining whether to reduce such liability, take into consideration any due diligence used by the person before he or she initiated the foreclosure of the lien by sale.

8. As used in this section:

(a) “Federal worker” has the meaning ascribed to it in [NRS 40.002](#).



(b) “Good faith effort” means that an association acts honestly and fairly when trying to verify whether a unit’s owner or his or her successor in interest is entitled to the protections set forth in this section, as evidenced by the following actions:

(1) The association informs the unit’s owner or his or her successor in interest of the information required pursuant to paragraph (a) of subsection 4;

(2) The association makes reasonable efforts to give the unit’s owner or his or her successor in interest the opportunity to provide any information required to enable the association to verify whether the person is entitled to the protections set forth in this section pursuant to paragraph (b) of subsection 4; and

(3) The association makes reasonable efforts to utilize all resources available to the association to verify whether the unit’s owner or his or her successor in interest is a federal worker, tribal worker, state worker or household member or landlord of such a worker.

(c) “Household member” has the meaning ascribed to it in [NRS 40.0025](#).

(d) “Initiate the foreclosure of a lien by sale” means to take any action in furtherance of foreclosure of a lien by sale after taking the actions set forth in paragraph (a) of subsection 4 of [NRS 116.31162](#).

(e) “Shutdown” has the meaning ascribed to it in [NRS 40.0035](#).

(f) “State worker” has the meaning ascribed to it in [NRS 40.004](#).

(g) “Tribal worker” has the meaning ascribed to it in [NRS 40.0045](#).

(Added to NRS by [2019, 3183](#))

**NRS 116.31163 Foreclosure of liens: Mailing of notice of default and election to sell to certain interested persons.** The association or other person conducting the sale shall also mail, within 10 days after the notice of default and election to sell is recorded, a copy of the notice by certified mail to:

1. Each person who has requested notice pursuant to [NRS 116.31168](#); and

2. Each holder of a recorded security interest encumbering the unit’s owner’s interest which was recorded before the recordation of the notice of default, at the address of the holder that is provided pursuant to [NRS 657.110](#) on the Internet website maintained by the Division of Financial Institutions of the Department of Business and Industry.

(Added to NRS by [1993, 2355](#); A [2005, 2609](#); [2015, 1339](#), [1541](#))

**NRS 116.311635 Foreclosure of liens: Providing notice of time and place of sale; service of notice of sale; contents of notice of sale; proof of service.**

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

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

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

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

(1) A copy of the notice of sale must be mailed, on or before the date of first publication or posting, by certified or registered mail, return receipt requested, to the unit’s owner or his or her successor in interest at his or her address, if known, and to the address of the unit; and

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

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

(1) Each person entitled to receive a copy of the notice of default and election to sell notice under subsection 1 of [NRS 116.31163](#);

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

(3) The Ombudsman.

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

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

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

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

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



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

**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:

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

or

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

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

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

(Added to NRS by [1993, 2355](#); A [2003, 2245](#); [2005, 2609](#); [2013, 3790](#); [2015, 1339](#))

**NRS 116.31164 Foreclosure of liens: Procedure for conducting sale; satisfaction of lien before sale; persons prohibited from purchasing unit; execution and delivery of deed; use of proceeds of sale.**

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

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

3. The sale must be made between the hours of 9 a.m. and 5 p.m. and:

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

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

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

5. The association or other person conducting the sale may from time to time postpone the sale by such advertisement and notice as it considers reasonable or, without further advertisement or notice, by proclamation made to the persons assembled at the time and place previously set and advertised for the sale, except that:

(a) If the sale is postponed by oral proclamation, the sale must be postponed to a later date at the same time and location; and

(b) If such a date has been postponed by oral proclamation three times, any new sale information must be provided by notice as provided in [NRS 116.311635](#).

6. On the day of sale, at the time and place specified in the notice, the person conducting the sale:

(a) Shall state to the persons assembled for the sale whether or not the holder of the security interest described in paragraph (b) of subsection 2 of [NRS 116.3116](#) has satisfied the amount of the association's lien that is prior to that first security interest pursuant to subsection 3 of [NRS 116.3116](#).

(b) Except as otherwise provided in subsection 7, may sell the unit at public auction to the highest cash bidder.

7. The following persons may not purchase the unit:

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

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

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

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

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

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

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

(c) The person conducting the sale or any entity in which that person holds an interest.

8. After the sale, the person conducting the sale shall:

(a) Comply with the provisions of subsection 2 of [NRS 116.31166](#); and

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

(1) The reasonable expenses of sale;

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

(3) Satisfaction of the association's lien;

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

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

(Added to NRS by [1991, 569](#); A [1993, 2372](#); [2005, 2610](#); [2015, 1340](#); [2021, 3747](#))

**NRS 116.31166 Foreclosure of liens: Title vested in purchaser subject to right of redemption; sale does not extinguish first security interest if superior amount of lien is satisfied; certificate of sale; exercise of right of redemption; deed without warranty; effect of recitals in deed; bona fide purchasers and bona fide encumbrancers for value.**

1. Every sale of a unit pursuant to [NRS 116.31162](#) to [116.31168](#), inclusive, vests in the purchaser the title of the unit's owner subject to the right of redemption provided by this section. If the holder of the security interest described in paragraph (b) of subsection 2 of [NRS 116.3116](#) satisfies the amount of the association's lien that is prior to its security interest not later than 5 days before the date of sale, the sale of the unit does not extinguish that security interest to any extent.

2. After the sale conducted pursuant to [NRS 116.31164](#), the person conducting the sale shall:

(a) Give to the purchaser a certificate of the sale containing:

(1) A particular description of the unit sold;

(2) The price bid for the unit;

(3) The whole price paid; and

(4) A statement that the unit is subject to redemption; and

(b) Record a copy of the certificate in the office of the county recorder of the county in which the unit or part of it is located.

3. A unit sold pursuant to [NRS 116.31162](#) to [116.31168](#), inclusive, may be redeemed by the unit's owner whose interest in the unit was extinguished by the sale, or his or her successor in interest, or any holder of a recorded security interest that is subordinate to the lien on which the unit was sold, or that holder's successor in interest. The unit's owner whose interest in the unit was extinguished, the holder of the recorded security interest on the unit or a successor in interest of those persons may redeem the property at any time within 60 days after the sale by paying:

(a) The purchaser the amount of his or her purchase price, with interest at the rate of 1 percent per month thereon in addition, to the time of redemption, plus:

(1) The amount of any assessment, taxes or payments toward liens which were created before the purchase and which the purchaser may have paid thereon after the purchase, and interest on such amount;

(2) If the purchaser is also a creditor having a prior lien to that of the redemptioner, other than the association's lien under which the purchase was made, the amount of such lien, and interest on such amount; and

(3) Any reasonable amount expended by the purchaser which is reasonably necessary to maintain and repair the unit in accordance with the standards set forth in the governing documents, including, without limitation, any provisions governing maintenance, standing water or snow removal; and

(b) If the redemptioner is the holder of a recorded security interest on the unit or the holder's successor in interest, the amount of any lien before his or her own lien, with interest, but the association's lien under which the unit was sold is not required to be so paid as a lien.

4. Notice of redemption must be served by the person redeeming the unit on the person who conducted the sale and on the person from whom the unit is redeemed, together with:

(a) If the person redeeming the unit is the unit's owner whose interest in the unit was extinguished by the sale or his or her successor in interest, a certified copy of the deed to the unit and, if the person redeeming the unit is the successor of that unit's owner, a copy of any document necessary to establish that the person is the successor of the unit's owner.

(b) If the person redeeming the unit is the holder of a recorded security interest on the unit or the holder's successor in interest:

(1) An original or certified copy of the deed of trust securing the unit or a certified copy of any other recorded security interest of the holder.

(2) A copy of any assignment necessary to establish the claim of the person redeeming the unit, verified by the affidavit of that person, or that person's agent, or of a subscribing witness thereto.

(3) An affidavit by the person redeeming the unit, or that person's agent, showing the amount then actually due on the lien.

5. If the unit's owner whose interest in the unit was extinguished by the sale redeems the property as provided in this section:

(a) The effect of the sale is terminated, and the unit's owner is restored to his or her interest in the unit, subject to any security interest on the unit that existed at the time of sale; and

(b) The person to whom the redemption amount was paid must execute and deliver to the unit's owner a certificate of redemption, acknowledged or approved before a person authorized to take acknowledgments of conveyances of real property, and the certificate must be recorded in the office of the recorder of the county in which the unit or part of the unit is situated.

6. If the holder of a recorded security interest redeems the unit as provided in this section and the period for a redemption set forth in subsection 3 has expired, the person conducting the sale shall:

(a) Make, execute and, if the amount required to redeem the unit is paid to the person from whom the unit is redeemed, deliver to the person who redeemed the unit or his or her successor or assign, a deed without warranty which conveys to the person who redeemed the unit all title of the unit's owner to the unit; and

(b) Deliver a copy of the deed to the Ombudsman within 30 days after the deed is delivered to the person who redeemed the unit, or his or her successor or assign.

7. If no redemption is made within 60 days after the date of sale, the person conducting the sale shall:

(a) Make, execute and, if payment is made, deliver to the purchaser, or his or her successor or assign, a deed without warranty which conveys to the purchaser all title of the unit's owner to the unit; and

(b) Deliver a copy of the deed to the Ombudsman within 30 days after the deed is delivered to the purchaser, or his or her successor or assign.

8. The recitals in a deed made pursuant to subsection 6 or 7 of:

(a) Default, the mailing of the notice of delinquent assessment, and the mailing and recording of the notice of default and election to sell;

(b) The elapsing of the 90-day period set forth in paragraph (c) of subsection 1 of [NRS 116.31162](#);

(c) The recording, mailing, publishing and posting of the notice of sale;

(d) The failure to pay the assessments and other sums which are due in accordance with subsection 1 of [NRS 116.3116](#) before the expiration of the period described in paragraph (d) of subsection 1 of [NRS 116.31162](#); and

(e) The recording of the affidavit required to be recorded pursuant to paragraph (e) of subsection 1 of [NRS 116.31162](#),

are conclusive proof of the matters recited.

9. A deed containing the recitals set forth in subsection 8 is conclusive against the unit's former owner, his or her heirs and assigns, and all other persons. The receipt for the purchase money contained in such a deed is sufficient to discharge the purchaser from obligation to see to the proper application of the purchase money.

10. Upon the expiration of the redemption period set forth in subsection 3, any failure to comply with the provisions of [NRS 116.3116](#) to [116.31168](#), inclusive, does not affect the rights of a bona fide purchaser or bona fide encumbrancer for value.

(Added to NRS by [1991, 570](#); A [1993, 2373](#); [2015, 1342](#))

**NRS 116.31168 Foreclosure of liens: Requests by interested persons for notice of default and election to sell or notice of sale.**

1. A person with an interest or any other person who is or may be held liable for any amounts which are the subject of the association's lien pursuant to [NRS 116.3116](#) or the servicer of a loan secured by a deed of trust or mortgage on real property which is subject to such lien desiring a copy of a notice of default and election to sell or notice of sale under the association's lien may record in the office of the county recorder of the county in which any part of the real property is situated an acknowledged request for a copy of the notice of default and election to sell or the notice of sale. The request must state:

(a) The name and address of the person requesting copies of the notices;

(b) A legal description of the unit in which the person has an interest or the assessor's parcel number of that unit; and

(c) The names of the unit's owner and the common-interest community.

2. The association or other person authorized to record the notice of default and election to sell shall, within 10 days after the notice is recorded and mailed pursuant to [NRS 116.31162](#), cause to be deposited in the United States mail an envelope, registered or certified, return receipt requested and with postage prepaid, containing a copy of the notice, addressed to each person who has recorded a request for a copy of the notice.

3. The association or other person authorized to make the sale shall, at least 20 days before the date of sale, cause to be deposited in the United States mail an envelope, registered or certified, return receipt requested and with postage prepaid, containing a copy of the notice of time and place of sale, addressed to each person described in subsection 2.

4. As used in this section, "person with an interest" means any person who has or claims any right, title or interest in, or lien or charge upon, a unit being foreclosed pursuant to [NRS 116.31162](#) to [116.31168](#), inclusive.

(Added to NRS by [1991, 570](#); A [1993, 2373](#); [2015, 1344](#); [2019, 1381](#))

#### **NRS 116.3117 Liens against association.**

1. In a condominium or planned community:

(a) Except as otherwise provided in paragraph (b), a judgment for money against the association, if a copy of the docket or an abstract or copy of the judgment is recorded, is not a lien on the common elements, but is a lien in favor of the judgment lienholder against all of the other real property of the association and all of the units in the common-interest community at the time the judgment was entered. No other property of a unit's owner is subject to the claims of creditors of the association.

(b) If the association has granted a security interest in the common elements to a creditor of the association pursuant to [NRS 116.3112](#), the holder of that security interest shall exercise its right against the common elements before its judgment lien on any unit may be enforced.

(c) Whether perfected before or after the creation of the common-interest community, if a lien, other than a deed of trust or mortgage, including a judgment lien or lien attributable to work performed or materials supplied before creation of the common-interest community, becomes effective against two or more units, the owner of an affected unit may pay to the lienholder the amount of the lien attributable to his or her unit, and the lienholder, upon receipt of payment, promptly shall deliver a release of the lien covering that unit. The amount of the payment must be proportionate to the ratio which that owner's liability for common expenses bears to the liabilities for common expenses of all owners whose units are subject to the lien. After payment, the association may not assess or have a lien against that owner's unit for any portion of the common expenses incurred in connection with that lien.

(d) A judgment against the association must be indexed in the name of the common-interest community and the association and, when so indexed, is notice of the lien against the units.

2. In a cooperative:

(a) If the association receives notice of an impending foreclosure on all or any portion of the association's real estate, the association shall promptly transmit a copy of that notice to each owner of a unit located within the real estate to be foreclosed. Failure of the association to transmit the notice does not affect the validity of the foreclosure.

(b) Whether an owner's unit is subject to the claims of the association's creditors, no other property of an owner is subject to those claims.

(Added to NRS by [1993, 2355](#); A [2011, 2450](#))

### **Books, Records and Other Documents**

#### **NRS 116.31175 Maintenance and availability of books, records and other papers of association: General requirements; exceptions; general records concerning certain violations; enforcement by Ombudsman; limitations on amount that may be charged to conduct review.**

1. Except as otherwise provided in subsection 4, the executive board of an association shall, upon the written request of a unit's owner, make available the books, records and other papers of the association for review at the business office of the association or a designated business location not to exceed 60 miles from the physical location of the common-interest community and during the regular working hours of the association, including, without limitation:

(a) The financial statement of the association;

(b) The budgets of the association required to be prepared pursuant to [NRS 116.31151](#);

(c) The study of the reserves of the association required to be conducted pursuant to [NRS 116.31152](#); and

(d) All contracts to which the association is a party and all records filed with a court relating to a civil or criminal action to which the association is a party.

2. The executive board shall provide a copy of any of the records described in paragraphs (a), (b) and (c) of subsection 1 to a unit's owner or the Ombudsman within 21 days after receiving a written request therefor. Such records must be provided in electronic format at no charge to the unit's owner or, if the association is unable to provide the records in electronic format, the executive board may charge a fee to cover the actual costs of preparing a copy, but the fee may not exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.

3. If the executive board fails to provide a copy of any of the records pursuant to subsection 2 within 21 days, the executive board must pay a penalty of \$25 for each day the executive board fails to provide the records.

4. The provisions of subsection 1 do not apply to:

(a) The personnel records of the employees of the association, except for those records relating to the number of hours worked and the salaries and benefits of those employees;

(b) The records of the association relating to another unit's owner, including, without limitation, any architectural plan or specification submitted by a unit's owner to the association during an approval process required by the governing documents, except for those records described in subsection 5; and

(c) Any document, including, without limitation, minutes of an executive board meeting, a reserve study and a budget, if the document:

(1) Is in the process of being developed for final consideration by the executive board; and

(2) Has not been placed on an agenda for final approval by the executive board.

5. The executive board of an association shall maintain a general record concerning each violation of the governing documents, other than a violation involving a failure to pay an assessment, for which the executive board has imposed a fine, a construction penalty or any other sanction. The general record:

(a) Must contain a general description of the nature of the violation and the type of the sanction imposed. If the sanction imposed was a fine or construction penalty, the general record must specify the amount of the fine or construction penalty.

(b) Must not contain the name or address of the person against whom the sanction was imposed or any other personal information which may be used to identify the person or the location of the unit, if any, that is associated with the violation.

(c) Must be maintained in an organized and convenient filing system or data system that allows a unit's owner to search and review the general records concerning violations of the governing documents.

6. If the executive board refuses to allow a unit's owner to review the books, records or other papers of the association, the Ombudsman may:

(a) On behalf of the unit's owner and upon written request, review the books, records or other papers of the association during the regular working hours of the association; and

(b) If the Ombudsman is denied access to the books, records or other papers, request the Commission, or any member thereof acting on behalf of the Commission, to issue a subpoena for their production.

7. The books, records and other papers of an association must be maintained for at least 10 years. The provisions of this subsection do not apply to:

(a) The minutes of a meeting of the units' owners which must be maintained in accordance with [NRS 116.3108](#); or

(b) The minutes of a meeting of the executive board which must be maintained in accordance with [NRS 116.31083](#).

8. The executive board shall not require a unit's owner to pay an amount in excess of \$10 per hour to review any books, records, contracts or other papers of the association pursuant to the provisions of subsection 1.

(Added to NRS by [1999, 2996](#); A [2003, 2245](#); [2009, 1737](#), [2807](#), [2894](#), [2928](#); [2011, 1879](#), [2451](#))

**NRS 116.3118 Maintenance and availability of certain financial records necessary to provide information required for resale of units; right of units' owners to inspect, examine, photocopy and audit records of association.**

1. The association shall keep financial records sufficiently detailed to enable the association to comply with [NRS 116.4109](#).

2. All financial and other records of the association must be:

(a) Maintained and made available for review at the business office of the association or some other suitable location within the county where the common-interest community is situated or, if it is situated in more than one county, within one of those counties; and



(b) Made reasonably available for any unit's owner and his or her authorized agents to inspect, examine, photocopy and audit.

(Added to NRS by [1991, 571](#); A [1995, 2231](#); [2003, 2247](#))

### **Miscellaneous Rights, Duties and Restrictions**

#### **NRS 116.31183 Retaliatory action prohibited; separate action by unit's owner.**

1. An executive board, a member of an executive board, a community manager or an officer, employee or agent of an association shall not take, or direct or encourage another person to take, any retaliatory action against a unit's owner because the unit's owner has:

(a) Complained in good faith about any alleged violation of any provision of this chapter or the governing documents of the association;

(b) Recommended the selection or replacement of an attorney, community manager or vendor; or

(c) Requested in good faith to review the books, records or other papers of the association.

2. In addition to any other remedy provided by law, upon a violation of this section, a unit's owner may bring a separate action to recover:

(a) Compensatory damages; and

(b) Attorney's fees and costs of bringing the separate action.

(Added to NRS by [2003, 2218](#); A [2009, 2808, 2895](#))

#### **NRS 116.31184 Threats, harassment and other conduct prohibited; penalty.**

1. A community manager, an agent or employee of the community manager, a member of the executive board, an officer, employee or agent of an association, a unit's owner or a guest or tenant of a unit's owner shall not willfully and without legal authority threaten, harass or otherwise engage in a course of conduct against any other person who is the community manager of his or her common-interest community or an agent or employee of that community manager, a member of the executive board of his or her association, an officer, employee or agent of his or her association, another unit's owner in his or her common-interest community or a guest or tenant of a unit's owner in his or her common-interest community which:

(a) Causes harm or serious emotional distress, or the reasonable apprehension thereof, to that person; or

(b) Creates a hostile environment for that person.

2. A person who violates the provisions of subsection 1 is guilty of a misdemeanor.

(Added to NRS by [2013, 2529](#))

#### **NRS 116.31185 Prohibition against certain personnel soliciting or accepting compensation, gratuity or remuneration under certain circumstances.**

1. Except as otherwise provided in subsection 2, a member of an executive board, an officer of an association or a community manager shall not solicit or accept any form of compensation, gratuity or other remuneration that:

(a) Would improperly influence or would appear to a reasonable person to improperly influence the decisions made by those persons; or

(b) Would result or would appear to a reasonable person to result in a conflict of interest for those persons.

2. Notwithstanding the provisions of subsection 1, a member of an executive board, an officer of an association, a community manager or any person working for a community manager shall not accept, directly or indirectly, any gifts, incentives, gratuities, rewards or other items of value from:

(a) An attorney, law firm or vendor, or any person working directly or indirectly for the attorney, law firm or vendor, which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such attorney, law firm or vendor; or

(b) A declarant, an affiliate of a declarant or any person responsible for the construction of the applicable community or association which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such declarant, affiliate or person.

3. An attorney, law firm or vendor, or any person working directly or indirectly for the attorney, law firm or vendor, shall not provide, directly or indirectly, any gifts, incentives, gratuities, rewards or other items of value to a member of the executive board, an officer of the association, the community manager or any person working for the community manager which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such member, officer, community manager or person.

4. A declarant, an affiliate of a declarant or any person responsible for the construction of a community or association, shall not provide, directly or indirectly, any gifts, incentives, gratuities, rewards or other items of value to



a member of the executive board, an officer of the association, the community manager or any person working for the community manager which total more than the amount established by the Commission by regulation, not to exceed \$100 per year per such member, officer, community manager or person.

5. In addition to the limitations set forth in subsection 1, a community manager shall not solicit or accept any form of compensation, fee or other remuneration that is based, in whole or in part, on:

(a) The number or amount of fines imposed against or collected from units' owners or tenants or guests of units' owners pursuant to [NRS 116.31031](#) for violations of the governing documents of the association; or

(b) Any percentage or proportion of those fines.

6. The provisions of this section do not prohibit a community manager from being paid compensation, a fee or other remuneration under the terms of a contract between the community manager and an association if:

(a) The scope of the respective rights, duties and obligations of the parties under the contract comply with the standards of practice for community managers set forth as [NRS 116A.630](#) and [116A.640](#) and any additional standards of practice adopted by the Commission by regulation pursuant to [NRS 116A.400](#);

(b) The compensation, fee or other remuneration is being paid to the community manager for providing management of the common-interest community; and

(c) The compensation, fee or other remuneration is not structured in a way that would violate the provisions of subsection 1 or 5.

(Added to NRS by [2003, 2218](#); A [2005, 1716, 2611](#); [2009, 2808](#))

**NRS 116.31187 Prohibition against certain personnel contracting with association or accepting commission, personal profit or compensation from association; exceptions.**

1. Except as otherwise provided in this section, a member of an executive board or an officer of an association shall not:

(a) On or after October 1, 2003, enter into a contract or renew a contract with the association to provide financing, goods or services to the association; or

(b) Otherwise accept any commission, personal profit or compensation of any kind from the association for providing financing, goods or services to the association.

2. The provisions of this section do not prohibit a declarant, an affiliate of a declarant or an officer, employee or agent of a declarant or an affiliate of a declarant from:

(a) Receiving any commission, personal profit or compensation from the association, the declarant or an affiliate of the declarant for any financing, goods or services furnished to the association;

(b) Entering into contracts with the association, the declarant or affiliate of the declarant; or

(c) Serving as a member of the executive board or as an officer of the association.

(Added to NRS by [2003, 2218](#); A [2009, 2896, 2929](#))

**NRS 116.31189 Bribery of community manager or member of executive board; penalties; exceptions.**

1. Except as otherwise provided in subsection 3, a community manager or member of the executive board who asks for or receives, directly or indirectly, any compensation, gratuity or reward, or any promise thereof, upon an agreement or understanding that his or her vote, opinion or action upon any matter then pending or which may be brought before him or her in his or her capacity as a community manager or member of the executive board, will be influenced thereby, is guilty of a category D felony and shall be punished as provided in [NRS 193.130](#).

2. Except as otherwise provided in subsection 3, a person who offers or gives, directly or indirectly, any compensation, gratuity or reward, or any promise thereof, upon an agreement or understanding that the vote, opinion or action of a community manager or member of the executive board upon any matter then pending or which may be brought before the community manager or member of the executive board in his or her capacity as a community manager or member of the executive board will be influenced thereby, is guilty of a category D felony and shall be punished as provided in [NRS 193.130](#).

3. The provisions of this section do not prohibit:

(a) An employee of a declarant or an affiliate of a declarant who is a member of an executive board from asking for or receiving, directly or indirectly, any compensation, gratuity or reward, or any promise thereof, from the declarant or affiliate.

(b) A declarant or an affiliate of a declarant whose employee is a member of an executive board from offering or giving, directly or indirectly, any compensation, gratuity or reward, or any promise thereof, to the employee who is a member of the executive board.

(c) A community manager from asking for or receiving, directly or indirectly, or an employer of a community manager from offering or giving, directly or indirectly, any compensation for work performed by the community manager pursuant to the laws of this State.

(Added to NRS by [2009, 2876](#))

**NRS 116.3119 Association as trustee.** With respect to a third person dealing with the association in the association's capacity as a trustee, the existence of trust powers and their proper exercise by the association may be assumed without inquiry. A third person is not bound to inquire whether the association has power to act as trustee or is properly exercising trust powers. A third person, without actual knowledge that the association is exceeding or improperly exercising its powers, is fully protected in dealing with the association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the association in its capacity as trustee.

(Added to NRS by [1991, 571](#))

**NRS 116.318 Right of units' owners to keep pet.**

1. Except as otherwise provided in subsections 2, 3 and 4, the executive board of an association shall not and the governing documents of that association must not prohibit a unit's owner from keeping at least one pet within such physical portion of the common-interest community as that owner has a right to occupy and use exclusively.

2. This section does not preclude an association from adopting, and does not preclude the governing documents of the association from setting forth, reasonable restrictions on the ownership of pets by a unit's owner. For the purpose of this subsection, it is presumed that a restriction on the ownership of a dangerous or vicious dog as defined in [NRS 202.500](#) is a reasonable restriction on pet ownership.

3. If an association adopts a new provision or amends an existing provision of a governing document to restrict the number of pets kept by a unit's owner, the provision must not prohibit a unit's owner from continuing to keep his or her pet within such physical portion of the common-interest community as that owner has a right to occupy and use exclusively, if the pet otherwise conformed to the previous provisions of the governing documents.

4. The original declaration may prohibit a unit's owner from keeping at least one pet within such physical portion of the common-interest community as that owner has a right to occupy and use exclusively. A declaration may not be amended to include such a prohibition.

5. Nothing in this section shall be construed to affect:

(a) The validity and enforceability of a provision in a governing document prohibiting a unit's owner from keeping at least one pet within such physical portion of the common-interest community as that owner has a right to occupy and use exclusively, if such a prohibition was effective on or before October 1, 2019.

(b) Any other right provided by law to a unit's owner concerning his or her right to keep a pet within such physical portion of the common-interest community as that owner has a right to occupy and use exclusively.

6. For purposes of this section:

(a) "Governing documents" means:

(1) The articles of incorporation, articles of association, articles of organization, certificate of registration, certificate of limited partnership, certificate of trust or other documents that are used to organize the association for the common-interest community;

(2) The bylaws and rules of the association; and

(3) Any other documents that govern the operation of the common-interest community or the association.

(b) "Pet" means any domesticated bird, cat, dog or aquatic animal kept within an aquarium or other animal as agreed upon by the association and the unit's owner.

(Added to NRS by [2019, 2626](#))

**NRS 116.320 Right of units' owners to display flag of the United States or of the State of Nevada in certain areas; conditions and limitations on exercise of right.**

1. Except as otherwise provided in subsection 2, the executive board of an association shall not and the governing documents of that association must not prohibit a unit's owner from engaging in the display of the flag of the United States or of the State of Nevada within such physical portion of the common-interest community as that owner has a right to occupy and use exclusively.

2. The provisions of this section do not:

(a) Apply to the display of the flag of the United States or of the State of Nevada for commercial advertising purposes.

(b) Preclude an association from adopting, and do not preclude the governing documents of an association from setting forth, rules that reasonably restrict the placement and manner of the display of the flag of the United States or of the State of Nevada by a unit's owner.

3. In any action commenced to enforce the provisions of this section, the prevailing party is entitled to recover reasonable attorney's fees and costs.

4. As used in this section, "display of the flag of the United States or of the State of Nevada" means a flag of the United States or of the State of Nevada that is:

(a) Made of cloth, fabric or paper;

(b) Displayed from a pole or staff or in a window;

(c) With regard to a flag of the United States, displayed in a manner that is consistent with 4 U.S.C. Chapter 1; and

(d) With regard to a flag of the State of Nevada, not larger than the size of a flag of the United States that is displayed, if at all, by a unit's owner.

➤ The term does not include a depiction or emblem of the flag of the United States or of the State of Nevada that is made of balloons, flora, lights, paint, paving materials, roofing, siding or any other similar building, decorative or landscaping component.

(Added to NRS by [2003, 2966](#); A [2015, 851](#))—(Substituted in revision for NRS 116.31067)

**NRS 116.325 Right of units' owners to exhibit political signs in certain areas; conditions and limitations on exercise of right.**

1. The executive board shall not and the governing documents must not prohibit a unit's owner or an occupant of a unit from exhibiting one or more political signs within such physical portion of the common-interest community as that owner or occupant has a right to occupy and use exclusively, subject to the following conditions:

(a) All political signs exhibited must not be larger than 24 inches by 36 inches.

(b) If the unit is occupied by a tenant, the unit's owner may not exhibit any political sign unless the tenant consents, in writing, to the exhibition of the political sign.

(c) All political signs exhibited are subject to any applicable provisions of law governing the posting of political signs.

(d) A unit's owner or an occupant of a unit may exhibit as many political signs as desired, but may not exhibit more than one political sign for each candidate, political party or ballot question.

2. The provisions of this section establish the minimum rights of a unit's owner or an occupant of a unit to exhibit political signs. The provisions of this section do not preempt any provisions of the governing documents that provide greater rights and do not require the governing documents or the executive board to impose any restrictions on the exhibition of political signs other than those established by other provisions of law.

3. As used in this section, "political sign" means a sign that expresses support for or opposition to a candidate, political party or ballot question in any federal, state or local election or any election of an association.

(Added to NRS by [2005, 2585](#); A [2009, 2896](#))

**NRS 116.330 Right of units' owners to install or maintain drought tolerant landscaping; conditions and limitations on exercise of right; installation of drought tolerant landscaping within common elements.**

1. The executive board shall not and the governing documents must not prohibit a unit's owner from installing or maintaining drought tolerant landscaping within such physical portion of the common-interest community as that owner has a right to occupy and use exclusively, including, without limitation, the front yard or back yard of the unit's owner, except that:

(a) Before installing drought tolerant landscaping, the unit's owner must submit a detailed description or plans for the drought tolerant landscaping for architectural review and approval in accordance with the procedures, if any, set forth in the governing documents of the association; and

(b) The drought tolerant landscaping must be selected or designed to the maximum extent practicable to be compatible with the style of the common-interest community.

➤ The provisions of this subsection must be construed liberally in favor of effectuating the purpose of encouraging the use of drought tolerant landscaping, and the executive board shall not and the governing documents must not unreasonably deny or withhold approval for the installation of drought tolerant landscaping or unreasonably determine that the drought tolerant landscaping is not compatible with the style of the common-interest community.

2. Installation of drought tolerant landscaping within any common element or conversion of traditional landscaping or cultivated vegetation, such as turf grass, to drought tolerant landscaping within any common element shall not be deemed to be a change of use of the common element unless:

(a) The common element has been designated as a park, open play space or golf course on a recorded plat map; or

(b) The traditional landscaping or cultivated vegetation is required by a governing body under the terms of any applicable zoning ordinance, permit or approval or as a condition of approval of any final subdivision map.

3. As used in this section, “drought tolerant landscaping” means landscaping which conserves water, protects the environment and is adaptable to local conditions. The term includes, without limitation, the use of mulches such as decorative rock and artificial turf.

(Added to NRS by [2005, 2583](#); A [2009, 2896](#))

**NRS 116.332 Right of units’ owners to store containers for collection of solid waste or recyclable materials; adoption of rules by association.**

1. Except as otherwise provided in this section, an association of a planned community may not regulate or restrict the manner in which containers for the collection of solid waste or recyclable materials are stored on the premises of a residential unit with curbside service.

2. An association of a planned community may adopt rules, in accordance with the procedures set forth in the governing documents, as defined in subsections 1 and 2 of [NRS 116.049](#), or the bylaws of the association, that reasonably restrict the manner in which containers for the collection of solid waste or recyclable materials are stored on the premises of a residential unit with curbside service during the time the containers are not within the collection area, including, without limitation, rules prescribing the location at which the containers are stored during that time. The rules adopted by the association:

(a) Must:

(1) Comply with all applicable codes and regulations; and

(2) Allow the unit’s owner, or a tenant of the unit’s owner, to store containers for the collection of solid waste or recyclable materials outside any building or garage on the premises of the unit during the time the containers are not within the collection area.

(b) May:

(1) Provide that the containers for the collection of solid waste or recyclable materials must be stored in the rear or side yard of the unit, if such locations exist, and in such a manner that the containers are screened from view from the street, a sidewalk or any adjacent property; and

(2) Include, without limitation, rules prescribing the size, location, color and material of any device, structure or item used to screen containers for the collection of solid waste or recyclable materials from view from the street, a sidewalk or any adjacent property and the manner of attachment of the device, structure or item to the structure on the premises where the containers are stored.

3. An association of a planned community may adopt rules that reasonably restrict the conditions under which containers for the collection of solid waste or recyclable materials are placed in the collection area, including, without limitation:

(a) The boundaries of the collection area;

(b) The time at which the containers may be placed in the collection area; and

(c) The length of time for which the containers may be kept in the collection area.

4. As used in this section:

(a) “Collection area” means the area designated for the collection of the contents of containers for the collection of solid waste or recyclable materials.

(b) “Curbside service” means the collection of solid waste or recyclable materials on an individual basis for each residential unit by an entity that is authorized to collect solid waste or recyclable materials.

(c) “Recyclable material” has the meaning ascribed to it in [NRS 444A.013](#).

(d) “Residential unit” means an attached or detached unit intended or designed to be occupied by one family.

(e) “Solid waste” has the meaning ascribed to it in [NRS 444.490](#).

(Added to NRS by [2013, 1367](#))

**NRS 116.335 Association prohibited from requiring unit’s owner to obtain approval to rent or lease unit; exceptions.**

1. Unless, at the time a unit’s owner purchased his or her unit, the declaration prohibited the unit’s owner from renting or leasing his or her unit, the association may not prohibit the unit’s owner from renting or leasing his or her unit.

2. Unless, at the time a unit's owner purchased his or her unit, the declaration required the unit's owner to secure or obtain any approval from the association in order to rent or lease his or her unit, an association may not require the unit's owner to secure or obtain any approval from the association in order to rent or lease his or her unit.

3. If a declaration contains a provision establishing a maximum number or percentage of units in the common-interest community which may be rented or leased, that provision of the declaration may not be amended to decrease that maximum number or percentage of units in the common-interest community which may be rented or leased.

4. If the governing documents of an association require a unit's owner who leases or rents his or her unit, or the tenant of a unit's owner, to register with the association or its agent or otherwise submit to the association or its agent information concerning the lease or rental agreement or the tenant, the association or its agent:

(a) Must conduct such activities in accordance with the governing documents;

(b) May not require the unit's owner or tenant of the unit's owner to provide information which the association or its agent does not require to be provided to the association or its agent by a unit's owner who occupies his or her unit, except that the association or its agent may require the unit's owner to provide a copy of the lease or rental agreement; and

(c) May not charge a fee to the unit's owner for the registration or submission of information.

5. The provisions of this section do not prohibit an association from enforcing any provisions which govern the renting or leasing of units and which are contained in this chapter or in any other applicable federal, state or local laws or regulations.

6. Notwithstanding any other provision of law or the declaration to the contrary:

(a) If a unit's owner is prohibited from renting or leasing a unit because the maximum number or percentage of units which may be rented or leased in the common-interest community have already been rented or leased, the unit's owner may seek a waiver of the prohibition from the executive board based upon a showing of economic hardship, and the executive board may grant such a waiver and approve the renting or leasing of the unit.

(b) If the declaration contains a provision establishing a maximum number or percentage of units in the common-interest community which may be rented or leased, in determining the maximum number or percentage of units in the common-interest community which may be rented or leased, the number of units owned by the declarant must not be counted or considered.

(Added to NRS by [2005, 2584](#); A [2009, 1100](#); [2011, 2137](#))

#### **NRS 116.340 Transient commercial use of units within certain planned communities.**

1. Except as otherwise provided in subsection 2, a person who owns, or directly or indirectly has an interest in, one or more units within a planned community that are restricted to residential use by the declaration may use that unit or one of those units for a transient commercial use only if:

(a) The governing documents of the association and any master association do not prohibit such use;

(b) The executive board of the association and any master association approve the transient commercial use of the unit, except that such approval is not required if the planned community and one or more hotels are subject to the governing documents of a master association and those governing documents do not prohibit such use; and

(c) The unit is properly zoned for the transient commercial use and any license required by the local government for the transient commercial use is obtained.

2. A declarant who owns, or directly or indirectly has an interest in, one or more units within a planned community under the governing documents of the association that are restricted to residential use by the declaration may use that unit or those units for a transient commercial use during the period that the declarant is offering units for sale within the planned community if such use complies with the requirements set forth in paragraphs (a) and (c) of subsection 1.

3. The association and any master association may establish requirements for the transient commercial use of a unit pursuant to the provisions of this section, including, without limitation, the payment of additional fees that are related to any increase in services or other costs associated with the transient commercial use of the unit.

4. As used in this section:

(a) "Remuneration" means any compensation, money, rent or other valuable consideration given in return for the occupancy, possession or use of a unit.

(b) "Transient commercial use" means the use of a unit, for remuneration, as a hostel, hotel, inn, motel, resort, vacation rental or other form of transient lodging if the term of the occupancy, possession or use of the unit is for less than 30 consecutive calendar days.

(Added to NRS by [2003, 2219](#); A [2009, 1101](#))—(Substituted in revision for NRS 116.31123)



**NRS 116.345 Association of planned community prohibited from taking certain actions regarding property, buildings and structures within planned community; validity of existing restrictions.**

1. An association of a planned community may not restrict, prohibit or otherwise impede the lawful residential use of any property that is within or encompassed by the boundaries of the planned community and that is not designated as part of the planned community.

2. Except as otherwise provided in this subsection, an association may not restrict the access of a person to any of his or her property. An association may restrict access to and from a unit within a planned community if the right to restrict such access was included in the declaration or in a separate recorded instrument at the time that the owner of the unit acquired title to the unit. The provisions of this subsection do not prohibit an association from charging the owner of the property a reasonable and nondiscriminatory fee to operate or maintain a gate or other similar device designed to control access to the planned community that would otherwise impede ingress or egress to the property.

3. An association may not expand, construct or situate a building or structure that is not part of any plat of the planned community if the expansion, construction or situation of the building or structure was not previously disclosed to the units' owners of the planned community unless the association obtains the written consent of a majority of the units' owners and residents of the planned community who own property or reside within 500 feet of the proposed location of the building or structure.

4. An association may not interrupt any utility service furnished to a unit's owner or a tenant of a unit's owner except for the nonpayment of utility charges when due. The interruption of any utility service pursuant to this subsection must be performed in a manner which is consistent with all laws, regulations and governing documents relating to the interruption of any utility service. An association shall in every case send a written notice of its intent to interrupt any utility service to the unit's owner or the tenant of the unit's owner at least 10 days before the association interrupts any utility service.

5. The provisions of this section do not abrogate any easement, restrictive covenant, decision of a court, agreement of a party or any contract, governing document or declaration of covenants, conditions and restrictions, or any other decision, rule or regulation that a local governing body or other entity that makes decisions concerning land use or planning is authorized to make or enact that exists before October 1, 1999, including, without limitation, a zoning ordinance, permit or approval process or any other requirement of a local government or other entity that makes decisions concerning land use or planning.

(Added to NRS by [1999, 3354](#); A [2009, 1615, 2897, 2930](#))—(Substituted in revision for NRS 116.31125)

**NRS 116.347 Prohibition against restricting hours construction work may begin; exceptions.**

1. If the governing body of a county or city in which a common-interest community is located adopts an ordinance restricting the hours in which construction work may begin, the executive board shall not and the governing documents must not restrict the hours that construction work may begin in the common-interest community during the period beginning on May 1 and ending on September 30 to hours other than those set forth in the ordinance.

2. The provisions of subsection 1 do not preclude the executive board or the governing documents from restricting the hours that construction work may begin:

(a) If a governing body of a county or city has not adopted an ordinance restricting the hours in which construction work may begin; or

(b) During the period beginning on October 1 and ending on April 30.

(Added to NRS by [2021, 939](#))

**NRS 116.350 Limitations regarding regulation of certain roads, streets, alleys or other thoroughfares; permissible regulation of parking or storage of certain vehicles.**

1. In a common-interest community which is not gated or enclosed and the access to which is not restricted or controlled by a person or device, the executive board shall not and the governing documents must not provide for the regulation of any road, street, alley or other thoroughfare the right-of-way of which is accepted by the State or a local government for dedication as a road, street, alley or other thoroughfare for public use.

2. Except as otherwise provided in subsection 3, the provisions of subsection 1 do not preclude an association from adopting, and do not preclude the governing documents of an association from setting forth, rules that reasonably restrict the parking or storage of recreational vehicles, watercraft, trailers or commercial vehicles in the common-interest community to the extent authorized by law. The governing documents of an association may authorize the executive board of the association to impose a fine pursuant to [NRS 116.31031](#) for any violation of the rules authorized pursuant to this subsection.

3. In any common-interest community, the executive board shall not and the governing documents must not prohibit a person from:



- (a) Parking a utility service vehicle that has a gross vehicle weight rating of 20,000 pounds or less:
    - (1) In an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of the unit of a subscriber or consumer, while the person is engaged in any activity relating to the delivery of public utility services to subscribers or consumers; or
    - (2) In an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of his or her unit, if the person is:
      - (I) A unit's owner or a tenant of a unit's owner; and
      - (II) Bringing the vehicle to his or her unit pursuant to his or her employment with the entity which owns the vehicle for the purpose of responding to emergency requests for public utility services; or
  - (b) Parking a law enforcement vehicle or emergency services vehicle:
    - (1) In an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of the unit of a person to whom law enforcement or emergency services are being provided, while the person is engaged in his or her official duties; or
    - (2) In an area designated for parking for visitors, in a designated parking area or common parking area, or on the driveway of his or her unit, if the person is:
      - (I) A unit's owner or a tenant of a unit's owner; and
      - (II) Bringing the vehicle to his or her unit pursuant to requests for law enforcement services or emergency services.
4. An association may require that a person parking a utility service vehicle, law enforcement vehicle or emergency services vehicle as set forth in subsection 3 provide written confirmation from his or her employer that the person is qualified to park his or her vehicle in the manner set forth in subsection 3.
5. As used in this section:
- (a) "Emergency services vehicle" means a vehicle:
    - (1) Owned by any governmental agency or political subdivision of this State; and
    - (2) Identified by the entity which owns the vehicle as a vehicle used to provide emergency services.
  - (b) "Law enforcement vehicle" means a vehicle:
    - (1) Owned by any governmental agency or political subdivision of this State; and
    - (2) Identified by the entity which owns the vehicle as a vehicle used to provide law enforcement services.
  - (c) "Utility service vehicle" means any motor vehicle:
    - (1) Used in the furtherance of repairing, maintaining or operating any structure or any other physical facility necessary for the delivery of public utility services, including, without limitation, the furnishing of electricity, gas, water, sanitary sewer, telephone, cable or community antenna service; and
    - (2) Except for any emergency use, operated primarily within the service area of a utility's subscribers or consumers, without regard to whether the motor vehicle is owned, leased or rented by the utility.
- (Added to NRS by [2005, 2585](#); A [2009, 974](#); [2017, 1096](#))

## ARTICLE 4

### PROTECTION OF PURCHASERS

#### **NRS 116.4101 Applicability; exceptions.**

1. [NRS 116.4101](#) to [116.412](#), inclusive, apply to all units subject to this chapter, except as otherwise provided in subsection 2 or as modified or waived by agreement of purchasers of units in a common-interest community in which all units are restricted to nonresidential use.
2. Neither a public offering statement nor a resale package described in [NRS 116.4109](#) need be prepared or delivered in the case of a:
  - (a) Gratuitous disposition of a unit;
  - (b) Disposition pursuant to court order;
  - (c) Disposition by a government or governmental agency;
  - (d) Disposition by foreclosure or deed in lieu of foreclosure;
  - (e) Disposition to a dealer;
  - (f) Disposition that may be cancelled at any time and for any reason by the purchaser without penalty;
  - (g) Disposition of a unit in a planned community which contains no more than 12 units if:
    - (1) The declarant reasonably believes in good faith that the maximum assessment stated in the declaration will be sufficient to pay the expenses of the planned community; and

(2) The declaration cannot be amended to increase the assessment during the period of the declarant's control without the consent of all units' owners; or

(h) Disposition of a unit restricted to nonresidential purposes.

(Added to NRS by [1991, 571](#); A [1993, 2373](#); [1997, 3122](#); [1999, 3012](#); [2011, 2453](#); [2021, 1406](#))

**NRS 116.4102 Liability for preparation and delivery of public offering statement.**

1. Except as otherwise provided in subsection 2, a declarant, before offering any interest in a unit to the public, shall prepare a public offering statement conforming to the requirements of [NRS 116.4103](#) to [116.4106](#), inclusive.

2. A declarant may transfer responsibility for the preparation of all or a part of the public offering statement to a successor declarant pursuant to [NRS 116.3104](#) and [116.31043](#), or to a dealer who intends to offer units in the common-interest community. In the event of any such transfer, the transferor shall provide the transferee with any information necessary to enable the transferee to fulfill the requirements of subsection 1.

3. Any declarant or dealer who offers a unit to a purchaser shall deliver a public offering statement in the manner prescribed in subsection 1 of [NRS 116.4108](#). The declarant or his or her transferee under subsection 2 is liable under [NRS 116.4108](#) and [116.4117](#) for any false or misleading statement set forth therein or for any omission of a material fact therefrom with respect to that portion of the public offering statement which he or she prepared. If a declarant or dealer did not prepare any part of a public offering statement that he or she delivers, he or she is not liable for any false or misleading statement set forth therein or for any omission of a material fact therefrom unless he or she had actual knowledge of the statement or omission or, in the exercise of reasonable care, should have known of the statement or omission.

4. If a unit is part of a common-interest community and is part of any other real estate in connection with the sale of which the delivery of a public offering statement is required under the laws of this State, a single public offering statement conforming to the requirements of [NRS 116.4103](#) to [116.4106](#), inclusive, as those requirements relate to the real estate in which the unit is located, and to any other requirements imposed under the laws of this State, may be prepared and delivered in lieu of providing two or more public offering statements. If the requirements of this chapter conflict with those of another law of this State, the requirements of this chapter prevail.

(Added to NRS by [1991, 571](#); A [1993, 2374](#); [2001, 2493](#))

**NRS 116.4103 Public offering statement: General provisions.**

1. Except as otherwise provided in [NRS 116.41035](#), a public offering statement must set forth or fully and accurately disclose each of the following:

(a) The name and principal address of the declarant and of the common-interest community, and a statement that the common-interest community is a condominium, cooperative or planned community.

(b) A general description of the common-interest community, including to the extent possible, the types, number and declarant's schedule of commencement and completion of construction of buildings, and amenities that the declarant anticipates including in the common-interest community.

(c) The estimated number of units in the common-interest community.

(d) Copies of the declaration, bylaws, and any rules or regulations of the association, but a plat is not required.

(e) The financial information required by subsection 2.

(f) A description of any services or subsidies being provided by the declarant or an affiliate of the declarant, not reflected in the budget that the declarant provides, or expenses which the declarant pays and which the declarant expects may become at any subsequent time a common expense of the association and the projected common expense assessment attributable to each of those services or expenses for the association and for each type of unit.

(g) Any initial or special fee due from the purchaser or seller at closing, including, without limitation, any transfer fees, whether payable to the association, the community manager of the association or any third party, together with a description of the purpose and method of calculating the fee.

(h) The terms and significant limitations of any warranties provided by the declarant, including statutory warranties and limitations on the enforcement thereof or on damages.

(i) A statement that unless the purchaser or his or her agent has personally inspected the unit, the purchaser may cancel, by written notice, his or her contract for purchase until midnight of the fifth calendar day following the date of execution of the contract, and the contract must contain a provision to that effect.

(j) A statement of any unsatisfied judgment or pending action against the association, and the status of any pending action material to the common-interest community of which a declarant has actual knowledge.

(k) Any current or expected fees or charges to be paid by units' owners for the use of the common elements and other facilities related to the common-interest community.

(l) In addition to any other document, a statement describing all current and expected fees or charges for each unit, including, without limitation, association fees, fines, assessments, late charges or penalties, interest rates on delinquent assessments, additional costs for collecting past due fines and charges for opening or closing any file for each unit.

(m) Any restraints on alienation of any portion of the common-interest community and any restrictions:

(1) On the leasing or renting of units; and

(2) On the amount for which a unit may be sold or on the amount that may be received by a unit's owner on the sale or condemnation of or casualty loss to the unit or to the common-interest community, or on termination of the common-interest community.

(n) A description of any arrangement described in [NRS 116.1209](#) binding the association.

(o) The information statement set forth in [NRS 116.41095](#).

2. The public offering statement must contain any current balance sheet and a projected budget for the association, either within or as an exhibit to the public offering statement, for 1 year after the date of the first conveyance to a purchaser, and thereafter the current budget of the association, a statement of who prepared the budget and a statement of the budget's assumptions concerning occupancy and inflation factors. The budget must include:

(a) A statement of the amount included in the budget as a reserve for repairs, replacement and restoration pursuant to [NRS 116.3115](#);

(b) A statement of any other reserves;

(c) The projected common expense assessment by category of expenditures for the association; and

(d) The projected monthly common expense assessment for each type of unit, including the amount established as reserves pursuant to [NRS 116.3115](#).

3. A declarant is not required to revise a public offering statement more than once each calendar quarter, if the following warning is given prominence in the statement: "THIS PUBLIC OFFERING STATEMENT IS CURRENT AS OF (insert a specified date). RECENT DEVELOPMENTS REGARDING (here refer to particular provisions of [NRS 116.4103](#) and [116.4105](#)) MAY NOT BE REFLECTED IN THIS STATEMENT."

(Added to NRS by [1991, 572](#); A [1993, 2375](#); [1997, 3122](#); [1999, 3012](#); [2005, 2612](#); [2009, 1616, 2809](#); [2011, 2453](#))

**NRS 116.4103 Public offering statement: Limitations for certain small offerings.** If a common-interest community composed of not more than 12 units is not subject to any developmental rights and no power is reserved to a declarant to make the common-interest community part of a larger common-interest community, group of common-interest communities or other real estate, a public offering statement may include the information otherwise required by paragraphs (h) and (k) of subsection 1 of [NRS 116.4103](#).

(Added to NRS by [1991, 573](#); A [1993, 553, 2376](#); [2011, 2455](#))

**NRS 116.4104 Public offering statement: Common-interest communities subject to developmental rights.** If the declaration provides that a common-interest community is subject to any developmental rights, the public offering statement must disclose, in addition to the information required by [NRS 116.4103](#):

1. The maximum number of units that may be created;

2. A statement of how many or what percentage of the units that may be created will be restricted exclusively to residential use, or a statement that no representations are made regarding restrictions of use;

3. A statement of the extent to which any buildings or other improvements that may be erected pursuant to any developmental right in any part of the common-interest community will be compatible with existing buildings and improvements in the common-interest community in terms of architectural style, quality of construction, and size, or a statement that no assurances are made in those regards;

4. General descriptions of all other improvements that may be made and limited common elements that may be created within any part of the common-interest community pursuant to any developmental right reserved by the declarant, or a statement that no assurances are made in that regard;

5. A statement of any limitations as to the locations of any building or other improvement that may be constructed or made within any part of the common-interest community pursuant to any developmental right reserved by the declarant, or a statement that no assurances are made in that regard;

6. A statement that any limited common elements created pursuant to any developmental right reserved by the declarant will be of the same general types and sizes as the limited common elements within other parts of the common-interest community, or a statement of the types and sizes planned, or a statement that no assurances are made in that regard;

7. A statement that the proportion of limited common elements to units created pursuant to any developmental right reserved by the declarant will be approximately equal to the proportion existing within other parts of the

common-interest community, or a statement of any other assurances in that regard, or a statement that no assurances are made in that regard;

8. A statement that all restrictions in the declaration affecting use, occupancy and alienation of units will apply to any units created pursuant to any developmental right reserved by the declarant, or a statement of any differentiations that may be made as to those units, or a statement that no assurances are made in that regard; and

9. A statement of the extent to which any assurances made pursuant to this section apply or do not apply if any developmental right is not exercised by the declarant.

(Added to NRS by [1991, 573](#))

**NRS 116.4105 Public offering statement: Time shares.** If the declaration provides that ownership or occupancy of any units, is or may be in time shares, the public offering statement shall disclose, in addition to the information required by [NRS 116.4103](#) and [116.41035](#):

1. The number and identity of units in which time shares may be created;
2. The total number of time shares that may be created;
3. The minimum duration of any time shares that may be created; and
4. The extent to which the creation of time shares will or may affect the enforceability of the association's lien for assessments provided in [NRS 116.3116](#) and [116.31162](#).

(Added to NRS by [1991, 574](#))

**NRS 116.4106 Public offering statement: Common-interest community containing converted building.**

1. The public offering statement of a common-interest community containing any converted building must contain, in addition to the information required by [NRS 116.4103](#) and [116.41035](#):

(a) A statement by the declarant, based on a report prepared by an independent registered architect or licensed professional engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the building;

(b) A list of any outstanding notices of uncured violations of building codes or other municipal regulations, together with the estimated cost of curing those violations; and

(c) The budget to maintain the reserves required pursuant to paragraph (b) of subsection 2 of [NRS 116.3115](#) which must include, without limitation:

(1) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the common elements;

(2) As of the end of the fiscal year for which the budget was prepared, the current estimate of the amount of cash reserves that are necessary to repair, replace and restore the major components of the common elements and the current amount of accumulated cash reserves that are set aside for such repairs, replacements and restorations;

(3) A statement as to whether the declarant has determined or anticipates that the levy of one or more special assessments will be required within the next 10 years to repair, replace and restore any major component of the common elements or to provide adequate reserves for that purpose;

(4) A general statement describing the procedures used for the estimation and accumulation of cash reserves described in subparagraph (2), including, without limitation, the qualifications of the person responsible for the preparation of the study of reserves required pursuant to [NRS 116.31152](#); and

(5) The funding plan that is designed to allocate the costs for the repair, replacement and restoration of the major components of the common elements over a period of years.

2. This section applies only to a common-interest community comprised of a converted building or buildings containing more than 12 units that may be occupied for residential use.

(Added to NRS by [1991, 574](#); A [1997, 1060](#); [2005, 2613](#))

**NRS 116.4107 Public offering statement: Common-interest community registered with Securities and Exchange Commission or State of Nevada.** If an interest in a common-interest community is currently registered with the Securities and Exchange Commission of the United States or with the State of Nevada pursuant to [chapter 119, 119A or 119B](#) of NRS, a declarant satisfies all requirements of this chapter relating to the preparation of a public offering statement if the declarant delivers to the purchaser a copy of the public offering statement filed with the Securities and Exchange Commission or the appropriate Nevada regulatory authority. An interest in a common-interest community is not a security under the provisions of [chapter 90](#) of NRS.

(Added to NRS by [1991, 574](#))

**NRS 116.4108 Purchaser's right to cancel.**

1. A person required to deliver a public offering statement pursuant to subsection 3 of [NRS 116.4102](#) shall provide a purchaser with a copy of the current public offering statement not later than the date on which an offer to purchase becomes binding on the purchaser. Unless the purchaser has personally inspected the unit, the purchaser may cancel, by written notice, the contract of purchase until midnight of the fifth calendar day following the date of execution of the contract, and the contract for purchase must contain a provision to that effect.

2. If a purchaser elects to cancel a contract pursuant to subsection 1, the purchaser may do so by hand delivering notice thereof to the offeror or by mailing notice thereof by prepaid United States mail to the offeror or to his or her agent for service of process. Cancellation is without penalty, and all payments made by the purchaser before cancellation must be refunded promptly.

3. If a person required to deliver a public offering statement pursuant to subsection 3 of [NRS 116.4102](#) fails to provide a purchaser to whom a unit is conveyed with a current public offering statement, the purchaser is entitled to actual damages, rescission or other relief, but if the purchaser has accepted a conveyance of the unit, the purchaser is not entitled to rescission.

(Added to NRS by [1991, 574](#); A [1993, 2376](#); [2003, 2247](#))

#### **NRS 116.4109 Resales of units.**

1. Except in the case of a sale in which delivery of a public offering statement is required, or unless exempt under subsection 2 of [NRS 116.4101](#), a unit's owner or his or her authorized agent shall, at the expense of the unit's owner, furnish to a purchaser a resale package containing all of the following:

(a) A copy of the declaration, other than any plats, the bylaws, the rules or regulations of the association and the information statement required by [NRS 116.41095](#).

(b) A statement from the association setting forth the amount of the monthly assessment for common expenses and any unpaid obligation of any kind, including, without limitation, management fees, transfer fees, fines, penalties, interest, collection costs, foreclosure fees and attorney's fees currently due from the selling unit's owner.

(c) A copy of the current operating budget of the association and current year-to-date financial statement for the association, which must include a summary of the reserves of the association required by [NRS 116.31152](#) and which must include, without limitation, a summary of the information described in paragraphs (a) to (e), inclusive, of subsection 3 of [NRS 116.31152](#).

(d) A statement of any unsatisfied judgments or pending legal actions against the association and the status of any pending legal actions relating to the common-interest community of which the unit's owner has actual knowledge.

(e) A statement of any transfer fees, transaction fees or any other fees associated with the resale of a unit.

(f) In addition to any other document, a statement describing all current and expected fees or charges for each unit, including, without limitation, association fees, fines, assessments, late charges or penalties, interest rates on delinquent assessments, additional costs for collecting past due fines and charges for opening or closing any file for each unit.

2. The purchaser may, by written notice, cancel the contract of purchase until midnight of the fifth calendar day following the date of receipt of the resale package described in subsection 1, and the contract for purchase must contain a provision to that effect. If the purchaser elects to cancel a contract pursuant to this subsection, the purchaser must hand deliver the notice of cancellation to the unit's owner or his or her authorized agent, mail the notice of cancellation by prepaid United States mail to the unit's owner or his or her authorized agent or deliver the notice of cancellation by electronic transmission to the unit's owner or his or her authorized agent. Cancellation is without penalty, and all payments made by the purchaser before cancellation must be refunded promptly. If the purchaser has accepted a conveyance of the unit, the purchaser is not entitled to:

(a) Cancel the contract pursuant to this subsection; or

(b) Damages, rescission or other relief based solely on the ground that the unit's owner or his or her authorized agent failed to furnish the resale package, or any portion thereof, as required by this section.

3. Within 10 calendar days after receipt of a written request by a unit's owner or his or her authorized agent, the association shall furnish all of the following to the unit's owner or his or her authorized agent for inclusion in the resale package:

(a) Copies of the documents required pursuant to paragraphs (a) and (c) of subsection 1; and

(b) A certificate containing the information necessary to enable the unit's owner to comply with paragraphs (b), (d), (e) and (f) of subsection 1.

4. If the association furnishes the documents and certificate pursuant to subsection 3:

(a) The unit's owner or his or her authorized agent shall include the documents and certificate in the resale package provided to the purchaser, and neither the unit's owner nor his or her authorized agent is liable to the purchaser for any erroneous information provided by the association and included in the documents and certificate.



(b) The association may charge the unit's owner a reasonable fee to cover the cost of preparing the certificate furnished pursuant to subsection 3. Such a fee must be based on the actual cost the association incurs to fulfill the requirements of this section in preparing the certificate and must not exceed \$185, except that if a unit's owner or an authorized agent thereof requests that the certificate be furnished sooner than 3 business days after the date of the request, the association may charge a fee, which must not exceed \$100, to expedite the preparation of the certificate. The amount of the fee may increase, on an annual basis, by a percentage equal to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year, but must not increase by more than 3 percent each year.

(c) The other documents furnished pursuant to subsection 3 must be provided in electronic format to the unit's owner. If the association is unable to provide such documents in electronic format, the association may charge the unit's owner a reasonable fee, not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter, to cover the cost of copying.

(d) Except for the fees allowed pursuant to paragraphs (b) and (c), the association may not charge the unit's owner any other fees for preparing or furnishing the documents and certificate pursuant to subsection 3.

5. Neither a purchaser nor the purchaser's interest in a unit is liable for any unpaid assessment or fee greater than the amount set forth in the documents and certificate prepared by the association. If the association fails to furnish the documents and certificate within the 10 calendar days allowed by this section, the purchaser is not liable for the delinquent assessment. A resale package provided to a unit's owner or his or her authorized agent pursuant to this section remains effective for 90 calendar days.

6. Upon the request of a unit's owner or his or her authorized agent, or upon the request of a purchaser to whom the unit's owner has provided a resale package pursuant to this section or his or her authorized agent, the association shall make the entire study of the reserves of the association which is required by [NRS 116.31152](#) reasonably available for the unit's owner, purchaser or authorized agent to inspect, examine, photocopy and audit. The study must be made available at the business office of the association or some other suitable location within the county where the common-interest community is situated or, if it is situated in more than one county, within one of those counties.

7. A unit's owner, the authorized agent of the unit's owner or the holder of a security interest on the unit may request a statement of demand from the association. Not later than 10 calendar days after receipt of a written request from the unit's owner, the authorized agent of the unit's owner or the holder of a security interest on the unit for a statement of demand, the association shall furnish a statement of demand to the person who requested the statement and provide a copy of the statement to any other interested party. The association may charge a fee of not more than \$165 to prepare and furnish a statement of demand pursuant to this subsection and an additional fee of not more than \$100 to furnish a statement of demand within 3 business days after receipt of a written request for a statement of demand. The amount of the fees for preparing and furnishing a statement of demand and the additional fee for furnishing a statement of demand within 3 business days may increase, on an annual basis, by a percentage equal to the percentage of increase in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding calendar year, but must not increase by more than 3 percent each year. The statement of demand:

(a) Must set forth the amount of the monthly assessment for common expenses and any unpaid obligation of any kind, including, without limitation, management fees, transfer fees, fines, penalties, interest, collection costs, foreclosure fees and attorney's fees currently due from the selling unit's owner; and

(b) Remains effective for the period specified in the statement of demand, which must not be less than 15 business days after the date of delivery by the association to the unit's owner, the authorized agent of the unit's owner or the holder of a security interest on the unit, whichever is applicable.

➤ As used in this subsection, "interested party" includes the unit's owner selling the unit and the prospective purchaser of the unit.

8. In preparing, copying, furnishing or expediting or otherwise providing any document or other item pursuant to this section, an association, or entity related to or acting on behalf of an association, shall not charge a unit's owner, the authorized agent of a unit's owner, a purchaser or, pursuant to subsection 7, the holder of a security interest on a unit, any fee:

(a) Not authorized in this section; or

(b) In an amount which exceeds any limit set forth in this section.

9. If the association becomes aware of an error in a statement of demand furnished pursuant to subsection 7 during the period in which the statement of demand is effective but before the consummation of a resale for which a resale package was furnished pursuant to subsection 1, the association must deliver a replacement statement of demand to the person who requested the statement of demand. Unless the person who requested the statement of demand receives a replacement statement of demand, the person may rely upon the accuracy of the information set forth in the

statement of demand provided by the association for the resale. Payment of the amount set forth in the statement of demand constitutes full payment of the amount due from the selling unit's owner.

(Added to NRS by [1991, 575](#); A [1993, 2376](#); [1997, 3124](#); [2001, 2494](#); [2003, 2247](#); [2005, 2614](#); [2009, 1102, 1617, 2810, 2819](#); [2011, 2047, 2455, 3542](#); [2013, 3792](#); [2017, 1305](#); [2019, 856, 859](#); [2021, 1406](#))

**NRS 116.41095 Required form of information statement.** The information statement required by [NRS 116.4103](#) and [116.4109](#) must be in substantially the following form:

BEFORE YOU PURCHASE PROPERTY IN A  
COMMON-INTEREST COMMUNITY  
DID YOU KNOW . . .

1. YOU GENERALLY HAVE 5 DAYS TO CANCEL THE PURCHASE AGREEMENT?

When you enter into a purchase agreement to buy a home or unit in a common-interest community, in most cases you should receive either a public offering statement, if you are the original purchaser of the home or unit, or a resale package, if you are not the original purchaser. The law generally provides for a 5-day period in which you have the right to cancel the purchase agreement. The 5-day period begins on different starting dates, depending on whether you receive a public offering statement or a resale package. Upon receiving a public offering statement or a resale package, you should make sure you are informed of the deadline for exercising your right to cancel. In order to exercise your right to cancel, the law generally requires that you hand deliver the notice of cancellation to the seller within the 5-day period, or mail the notice of cancellation to the seller by prepaid United States mail within the 5-day period. Alternatively, if you are not the original purchaser and received a resale package, you may deliver the notice of cancellation by electronic transmission to the seller within the 5-day period in order to exercise your right to cancel. For more information regarding your right to cancel, see Nevada Revised Statutes 116.4108, if you received a public offering statement, or Nevada Revised Statutes 116.4109, if you received a resale package.

2. YOU ARE AGREEING TO RESTRICTIONS ON HOW YOU CAN USE YOUR PROPERTY?

These restrictions are contained in a document known as the Declaration of Covenants, Conditions and Restrictions. The CC&Rs become a part of the title to your property. They bind you and every future owner of the property whether or not you have read them or had them explained to you. The CC&Rs, together with other "governing documents" (such as association bylaws and rules and regulations), are intended to preserve the character and value of properties in the community, but may also restrict what you can do to improve or change your property and limit how you use and enjoy your property. By purchasing a property encumbered by CC&Rs, you are agreeing to limitations that could affect your lifestyle and freedom of choice. You should review the CC&Rs, and other governing documents before purchasing to make sure that these limitations and controls are acceptable to you. Certain provisions in the CC&Rs and other governing documents may be superseded by contrary provisions of [chapter 116](#) of the Nevada Revised Statutes. The Nevada Revised Statutes are available at the Internet address <http://www.leg.state.nv.us/nrs/>.

3. YOU WILL HAVE TO PAY OWNERS' ASSESSMENTS FOR AS LONG AS YOU OWN YOUR PROPERTY?

As an owner in a common-interest community, you are responsible for paying your share of expenses relating to the common elements, such as landscaping, shared amenities and the operation of any homeowners' association. The obligation to pay these assessments binds you and every future owner of the property. Owners' fees are usually assessed by the homeowners' association and due monthly. You have to pay dues whether or not you agree with the way the association is managing the property or spending the assessments. The executive board of the association may have the power to change and increase the amount of the assessment and to levy special assessments against your property to meet extraordinary expenses. In some communities, major components of the common elements of the community such as roofs and private roads must be maintained and replaced by the association. If the association is not well managed or fails to provide adequate funding for reserves to repair, replace and restore common elements, you may be required to pay large, special assessments to accomplish these tasks.

4. IF YOU FAIL TO PAY OWNERS' ASSESSMENTS, YOU COULD LOSE YOUR HOME?

If you do not pay these assessments when due, the association usually has the power to collect them by selling your property in a nonjudicial foreclosure sale. If fees become delinquent, you may also be required to pay penalties and the association's costs and attorney's fees to become current. If you dispute the obligation or its amount, your only remedy to avoid the loss of your home may be to file a lawsuit and ask a court to intervene in the dispute.

**5. YOU MAY BECOME A MEMBER OF A HOMEOWNERS' ASSOCIATION THAT HAS THE POWER TO AFFECT HOW YOU USE AND ENJOY YOUR PROPERTY?**

Many common-interest communities have a homeowners' association. In a new development, the association will usually be controlled by the developer until a certain number of units have been sold. After the period of developer control, the association may be controlled by property owners like yourself who are elected by homeowners to sit on an executive board and other boards and committees formed by the association. The association, and its executive board, are responsible for assessing homeowners for the cost of operating the association and the common or shared elements of the community and for the day to day operation and management of the community. Because homeowners sitting on the executive board and other boards and committees of the association may not have the experience or professional background required to understand and carry out the responsibilities of the association properly, the association may hire professional community managers to carry out these responsibilities.

Homeowners' associations operate on democratic principles. Some decisions require all homeowners to vote, some decisions are made by the executive board or other boards or committees established by the association or governing documents. Although the actions of the association and its executive board are governed by state laws, the CC&Rs and other documents that govern the common-interest community, decisions made by these persons will affect your use and enjoyment of your property, your lifestyle and freedom of choice, and your cost of living in the community. You may not agree with decisions made by the association or its governing bodies even though the decisions are ones which the association is authorized to make. Decisions may be made by a few persons on the executive board or governing bodies that do not necessarily reflect the view of the majority of homeowners in the community. If you do not agree with decisions made by the association, its executive board or other governing bodies, your remedy is typically to attempt to use the democratic processes of the association to seek the election of members of the executive board or other governing bodies that are more responsive to your needs. If you have a dispute with the association, its executive board or other governing bodies, you may be able to resolve the dispute through the complaint, investigation and intervention process administered by the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels, the Nevada Real Estate Division and the Commission for Common-Interest Communities and Condominium Hotels. However, to resolve some disputes, you may have to mediate or arbitrate the dispute and, if mediation or arbitration is unsuccessful, you may have to file a lawsuit and ask a court to resolve the dispute. In addition to your personal cost in mediation or arbitration, or to prosecute a lawsuit, you may be responsible for paying your share of the association's cost in defending against your claim.

**6. YOU ARE REQUIRED TO PROVIDE PROSPECTIVE PURCHASERS OF YOUR PROPERTY WITH INFORMATION ABOUT LIVING IN YOUR COMMON-INTEREST COMMUNITY?**

The law requires you to provide a prospective purchaser of your property with a copy of the community's governing documents, including the CC&Rs, association bylaws, and rules and regulations, as well as a copy of this document. You are also required to provide a copy of the association's current year-to-date financial statement, including, without limitation, the most recent audited or reviewed financial statement, a copy of the association's operating budget and information regarding the amount of the monthly assessment for common expenses, including the amount set aside as reserves for the repair, replacement and restoration of common elements. You are also required to inform prospective purchasers of any outstanding judgments or lawsuits pending against the association of which you are aware. For more information regarding these requirements, see Nevada Revised Statutes 116.4109.

**7. YOU HAVE CERTAIN RIGHTS REGARDING OWNERSHIP IN A COMMON-INTEREST COMMUNITY THAT ARE GUARANTEED YOU BY THE STATE?**

Pursuant to provisions of [chapter 116](#) of Nevada Revised Statutes, you have the right:

- (a) To be notified of all meetings of the association and its executive board, except in cases of emergency.
- (b) To attend and speak at all meetings of the association and its executive board, except in some cases where the executive board is authorized to meet in closed, executive session.
- (c) To request a special meeting of the association upon petition of at least 10 percent of the homeowners.
- (d) To inspect, examine, photocopy and audit financial and other records of the association.
- (e) To be notified of all changes in the community's rules and regulations and other actions by the association or board that affect you.

**8. QUESTIONS?**

Although they may be voluminous, you should take the time to read and understand the documents that will control your ownership of a property in a common-interest community. You may wish to ask your real estate professional, lawyer or other person with experience to explain anything you do not understand. You may also

request assistance from the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels, Nevada Real Estate Division, at (telephone number).

Buyer or prospective buyer's initials: \_\_\_\_\_

Date: \_\_\_\_\_

(Added to NRS by [1997, 3114](#); A [1999, 3013](#); [2003, 2248](#); [2005, 2616](#); [2007, 2269](#); [2009, 1738](#); [2017, 1308](#))

**NRS 116.411 Escrow of deposits; furnishing of bond in lieu of deposit.**

1. Except as otherwise provided in subsections 2, 3 and 4, a deposit made in connection with the purchase or reservation of a unit from a person required to deliver a public offering statement pursuant to subsection 3 of [NRS 116.4102](#) must be placed in escrow and held either in this State or in the state where the unit is located in an account designated solely for that purpose by a licensed title insurance company, an independent bonded escrow company, or an institution whose accounts are insured by a governmental agency or instrumentality until:

- (a) Delivered to the declarant at closing;
- (b) Delivered to the declarant because of the purchaser's default under a contract to purchase the unit;
- (c) Released to the declarant for an additional item, improvement, optional item or alteration, but the amount so released:

(1) Must not exceed the lesser of the amount due the declarant from the purchaser at the time of the release or the amount expended by the declarant for the purpose; and

(2) Must be credited upon the purchase price; or

(d) Refunded to the purchaser.

2. A deposit or advance payment made for an additional item, improvement, optional item or alteration may be deposited in escrow or delivered directly to the declarant, as the parties may contract.

3. In lieu of placing a deposit in escrow pursuant to subsection 1, the declarant may furnish a bond executed by the declarant as principal and by a corporation qualified under the laws of this State as surety, payable to the State of Nevada, and conditioned upon the performance of the declarant's duties concerning the purchase or reservation of a unit. Each bond must be in a principal sum equal to the amount of the deposit. The bond must be held until:

- (a) Delivered to the declarant at closing;
- (b) Delivered to the declarant because of the purchaser's default under a contract to purchase the unit; or
- (c) Released to the declarant for an additional item, improvement, optional item or alteration, but the amount so released must not exceed the amount due the declarant from the purchaser at the time of the release or the amount expended by the declarant for that purpose, whichever is less.

4. Pursuant to subsection 1, a deposit made in connection with the purchase or reservation of a unit from a person required to deliver a public offering statement pursuant to subsection 3 of [NRS 116.4102](#) is deemed to be placed in escrow and held in this State when the escrow holder has:

- (a) The legal right to conduct business in this State;
- (b) A registered agent in this State pursuant to subsection 1 of [NRS 14.020](#); and
- (c) Consented to the jurisdiction of the courts of this State by:
  - (1) Maintaining a physical presence in this State; or
  - (2) Executing a written instrument containing such consent, with respect to any suit or claim, whether brought by the declarant or purchaser, relating to or arising in connection with such sale or the escrow agreement related thereto.

(Added to NRS by [1991, 575](#); A [1993, 2377](#); [1995, 1420](#); [2009, 2931](#))

**NRS 116.4111 Release of liens.**

1. In the case of a sale of a unit where delivery of a public offering statement is required pursuant to subsection 3 of [NRS 116.4102](#), a seller:

(a) Before conveying a unit, shall record or furnish to the purchaser releases of all liens, except liens on real estate that a declarant has the right to withdraw from the common-interest community, that the purchaser does not expressly agree to take subject to or assume and that encumber:

(1) In a condominium, that unit and its interest in the common elements; and

(2) In a cooperative or planned community, that unit and any limited common elements assigned thereto; or

(b) Shall provide a surety bond against the lien as provided for liens on real estate in [NRS 108.2413](#) to [108.2425](#), inclusive.

2. Before conveying real estate to the association, the declarant shall have that real estate released from:

(a) All liens the foreclosure of which would deprive units' owners of any right of access to or easement of support of their units; and

(b) All other liens on that real estate unless the public offering statement describes certain real estate that may be conveyed subject to liens in specified amounts.

(Added to NRS by [1991, 575](#); A [2003, 2618](#))

**NRS 116.4112 Converted buildings.**

1. A declarant of a common-interest community containing converted buildings, and any dealer who intends to offer units in such a common-interest community, shall give each of the residential tenants and any residential subtenant in possession of a portion of a converted building notice of the conversion and provide those persons with the public offering statement no later than 120 days before the tenants and any subtenant in possession are required to vacate. The notice must set forth generally the rights of tenants and subtenants under this section and must be hand-delivered to the unit or mailed by prepaid United States mail to the tenant and subtenant at the address of the unit or any other mailing address provided by a tenant. No tenant or subtenant may be required to vacate upon less than 120 days' notice, except by reason of nonpayment of rent, waste or conduct that disturbs other tenants' peaceful enjoyment of the premises, and the terms of the tenancy may not be altered during that period. Failure to give notice as required by this section is a defense to an action for possession. If, during the 6-month period before the recording of a declaration, a majority of the tenants or any subtenants in possession of any portion of the property described in such declaration has been required to vacate for reasons other than nonpayment of rent, waste or conduct that disturbs other tenants' peaceful enjoyment of the premises, a rebuttable presumption is created that the owner of such property intended to offer the vacated premises as units in a common-interest community at all times during that 6-month period.

2. For 60 days after delivery or mailing of the notice described in subsection 1, the person required to give the notice shall offer to convey each unit or proposed unit occupied for residential use to the tenant who leases that unit. If a tenant fails to purchase the unit during that 60-day period, the offeror may not offer to dispose of an interest in that unit during the following 180 days at a price or on terms more favorable to the offeree than the price or terms offered to the tenant. This subsection does not apply to any unit in a converted building if that unit will be restricted exclusively to nonresidential use or the boundaries of the converted unit do not substantially conform to the dimensions of the residential unit before conversion.

3. If a seller, in violation of subsection 2, conveys a unit to a purchaser for value who has no knowledge of the violation, the recordation of the deed conveying the unit or, in a cooperative, the conveyance of the unit, extinguishes any right a tenant may have under subsection 2 to purchase that unit if the deed states that the seller has complied with subsection 2, but the conveyance does not affect the right of a tenant to recover damages from the seller for a violation of subsection 2.

4. If a notice of conversion specifies a date by which a unit or proposed unit must be vacated and otherwise complies with the provisions of [NRS 40.251](#) and [40.280](#), the notice also constitutes a notice to surrender specified by those sections.

5. This section does not permit termination of a lease by a declarant in violation of its terms.

(Added to NRS by [1991, 576](#); A [2007, 1280](#); [2015, 3132](#))

**NRS 116.4113 Express warranties of quality.**

1. Express warranties made by any seller to a purchaser of a unit, if relied upon by the purchaser, are created as follows:

(a) Any affirmation of fact or promise that relates to the unit, its use or rights appurtenant thereto, improvements to the common-interest community that would directly benefit the unit or the right to use or have the benefit of facilities not located in the common-interest community creates an express warranty that the unit and related rights and uses will conform to the affirmation or promise;

(b) Any model or description of the physical characteristics of the common-interest community, including plans and specifications of or for improvements, creates an express warranty that the common-interest community will reasonably conform to the model or description;

(c) Any description of the quantity or extent of the real estate comprising the common-interest community, including plats or surveys, creates an express warranty that the common-interest community will conform to the description, subject to customary tolerances; and

(d) A provision that a purchaser may put a unit only to a specified use is an express warranty that the specified use is lawful.



2. Neither formal words, such as “warranty” or “guarantee,” nor a specific intention to make a warranty is necessary to create an express warranty of quality, but a statement purporting to be merely an opinion or commendation of the real estate or its value does not create a warranty.

3. Any conveyance of a unit transfers to the purchaser all express warranties of quality made by previous sellers.

4. A warranty created by this section may be excluded or modified by agreement of the parties.

(Added to NRS by [1991, 577](#); A [1993, 2770](#))

**NRS 116.4114 Implied warranties of quality.**

1. A declarant and any dealer warrant that a unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, reasonable wear and tear excepted.

2. A declarant and any dealer impliedly warrant that a unit and the common elements in the common-interest community are suitable for the ordinary uses of real estate of its type and that any improvements made or contracted for by a declarant or dealer, or made by any person before the creation of the common-interest community, will be:

(a) Free from defective materials; and

(b) Constructed in accordance with applicable law, according to sound standards of engineering and construction, and in a workmanlike manner.

3. A declarant and any dealer warrant to a purchaser of a unit that may be used for residential use that an existing use, continuation of which is contemplated by the parties, does not violate applicable law at the earlier of the time of conveyance or delivery of possession.

4. Warranties imposed by this section may be excluded or modified as specified in [NRS 116.4115](#).

5. For purposes of this section, improvements made or contracted for by an affiliate of a declarant are made or contracted for by the declarant.

6. Any conveyance of a unit transfers to the purchaser all of the declarant’s implied warranties of quality.

(Added to NRS by [1991, 577](#); A [2011, 2457](#))

**NRS 116.4115 Exclusion or modification of warranties of quality.**

1. Except as limited by subsection 2 with respect to a purchaser of a unit that may be used for residential use, implied warranties of quality:

(a) May be excluded or modified by agreement of the parties; and

(b) Are excluded by expression of disclaimer, such as “as is,” “with all faults,” or other language that in common understanding calls the purchaser’s attention to the exclusion of warranties.

2. With respect to a purchaser of a unit that may be occupied for residential use, no general disclaimer of implied warranties of quality is effective, but a declarant and any dealer may disclaim liability in an instrument signed by the purchaser for a specified defect or specified failure to comply with applicable law, if the defect or failure entered into and became a part of the basis of the bargain.

(Added to NRS by [1991, 578](#))

**NRS 116.4116 Statute of limitations for warranties.**

1. Unless a period of limitation is tolled under [NRS 116.3111](#) or affected by subsection 4, a judicial proceeding for breach of any obligation arising under [NRS 116.4113](#) or [116.4114](#) must be commenced within 6 years after the cause of action accrues, but the parties may agree to reduce the period of limitation to not less than 2 years. With respect to a unit that may be occupied for residential use, an agreement to reduce the period of limitation must be evidenced by a separate instrument executed by the purchaser.

2. Subject to subsection 3, a cause of action for breach of warranty of quality, regardless of the purchaser’s lack of knowledge of the breach, accrues:

(a) As to a unit, at the time the purchaser to whom the warranty is first made enters into possession if a possessory interest was conveyed or at the time of acceptance of the instrument of conveyance if a nonpossessory interest was conveyed; and

(b) As to each common element, at the time the common element is completed or, if later, as to:

(1) A common element that may be added to the common-interest community or portion thereof, at the time the first unit therein is conveyed to a bona fide purchaser; or

(2) A common element within any other portion of the common-interest community, at the time the first unit is conveyed to a purchaser in good faith.

3. If a warranty of quality explicitly extends to future performance or duration of any improvement or component of the common-interest community, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.

4. During the period of declarant control, the association may authorize an independent committee of the executive board to evaluate and enforce any warranty claims involving the common elements, and to address those claims. Only members of the executive board elected by units' owners other than the declarant and other persons appointed by those independent members may serve on the committee, and the committee's decision must be free of any control by the declarant or any member of the executive board or officer appointed by the declarant. All costs reasonably incurred by the committee, including attorney's fees, are common expenses, and must be added to the budget annually adopted by the association in accordance with the requirements of [NRS 116.31151](#). If the committee is so created, the period of limitation for a warranty claim considered by the committee begins to run from the date of the first meeting of the committee.

(Added to NRS by [1991, 578](#); A [2011, 2457](#))

**NRS 116.4117 Effect of violations on rights of action; civil action for damages for failure or refusal to comply with provisions of chapter or governing documents; members of executive board not personally liable to victims of crimes; circumstances under which punitive damages may be awarded; attorney's fees.**

1. Subject to the requirements set forth in subsection 2, if a declarant, community manager or any other person subject to this chapter fails to comply with any of its provisions or any provision of the declaration or bylaws, any person or class of persons suffering actual damages from the failure to comply may bring a civil action for damages or other appropriate relief.

2. Subject to the requirements set forth in [NRS 38.310](#) and except as otherwise provided in [NRS 116.3111](#), a civil action for damages or other appropriate relief for a failure or refusal to comply with any provision of this chapter or the governing documents of an association may be brought:

(a) By the association against:

- (1) A declarant;
- (2) A community manager; or
- (3) A unit's owner.

(b) By a unit's owner against:

- (1) The association;
- (2) A declarant; or
- (3) Another unit's owner of the association.

(c) By a class of units' owners constituting at least 10 percent of the total number of voting members of the association against a community manager.

3. Members of the executive board are not personally liable to the victims of crimes occurring on the property.

4. Except as otherwise provided in subsection 5, punitive damages may be awarded for a willful and material failure to comply with any provision of this chapter if the failure is established by clear and convincing evidence.

5. Punitive damages may not be awarded against:

- (a) The association;
- (b) The members of the executive board for acts or omissions that occur in their official capacity as members of the executive board; or
- (c) The officers of the association for acts or omissions that occur in their capacity as officers of the association.

6. The court may award reasonable attorney's fees to the prevailing party.

7. The civil remedy provided by this section is in addition to, and not exclusive of, any other available remedy or penalty.

8. The provisions of this section do not prohibit the Commission from taking any disciplinary action against a member of an executive board pursuant to [NRS 116.745](#) to [116.795](#), inclusive.

(Added to NRS by [1991, 578](#); A [1993, 2377](#); [1997, 3125](#); [2009, 2812, 2898](#); [2011, 2458](#))

**NRS 116.4118 Labeling of promotional material.** No promotional material may be displayed or delivered to prospective purchasers which describes or portrays an improvement that is not in existence unless the description or portrayal of the improvement in the promotional material is conspicuously labeled or identified either as "MUST BE BUILT" or as "NEED NOT BE BUILT."

(Added to NRS by [1991, 579](#))

**NRS 116.4119 Declarant's obligation to complete and restore.**

1. Except for improvements labeled "NEED NOT BE BUILT," the declarant shall complete all improvements depicted on any site plan or other graphic representation, including any plats or plans prepared pursuant to [NRS](#)

[116.2109](#), whether or not that site plan or other graphic representation is contained in the public offering statement or in any promotional material distributed by or for the declarant.

2. The declarant is subject to liability for the prompt repair and restoration, to a condition compatible with the remainder of the common-interest community, of any portion of the common-interest community affected by the exercise of rights reserved pursuant to or created by [NRS 116.211](#) to [116.2113](#), inclusive, [116.2115](#) or [116.2116](#).

(Added to NRS by [1991, 579](#))

**NRS 116.412 Substantial completion of units.** In the case of a sale of a unit in which delivery of a public offering statement is required, a contract of sale may be executed, but no interest in that unit may be conveyed, until the declaration is recorded and the unit is substantially completed, in accordance with local ordinances.

(Added to NRS by [1991, 579](#); A [1993, 2377](#))

## ADMINISTRATION AND ENFORCEMENT OF CHAPTER

### General Provisions

**NRS 116.600 Commission for Common-Interest Communities and Condominium Hotels: Creation; appointment and qualifications of members; terms of office; compensation.**

1. The Commission for Common-Interest Communities and Condominium Hotels is hereby created.

2. The Commission consists of seven members appointed by the Governor. The Governor shall appoint to the Commission:

(a) One member who is a unit's owner residing in a unit within this State and who has served as a member of an executive board in this State;

(b) Two members who are units' owners, each of whom resides in a unit within this State, but who are not required to have served as members of an executive board;

(c) One member who is in the business of developing common-interest communities in this State;

(d) One member who holds a certificate;

(e) One member who is a certified public accountant certified to practice in this State pursuant to the provisions of [chapter 628](#) of NRS; and

(f) One member who is an attorney licensed to practice in this State.

3. Each member of the Commission must be a resident of this State. At least four members of the Commission must be residents of a county whose population is 700,000 or more.

4. Each member of the Commission must have resided in a common-interest community or have been actively engaged in a business or profession related to common-interest communities for not less than 3 years immediately preceding the date of the member's appointment.

5. After the initial terms, each member of the Commission serves a term of 3 years. Each member may serve not more than two consecutive full terms. If a vacancy occurs during a member's term, the Governor shall appoint a person qualified under this section to replace the member for the remainder of the unexpired term.

6. While engaged in the business of the Commission, each member is entitled to receive:

(a) A salary of not more than \$80 per day, as established by the Commission; and

(b) The per diem allowance and travel expenses provided for state officers and employees generally.

(Added to NRS by [2003, 2209](#); A [2005, 2619](#); [2007, 2272](#); [2009, 2899](#); [2011, 1146](#); [2017, 1319](#))

**NRS 116.605 Commission for Common-Interest Communities and Condominium Hotels: Courses of instruction for members.**

1. The Division shall employ one or more training officers who are qualified by training and experience to provide to each member of the Commission courses of instruction concerning rules of procedure and substantive law appropriate for members of the Commission. Such courses of instruction may be made available to the staff of the Division as well as to community managers.

2. The training officer shall:

(a) Prepare and make available a manual containing the policies and procedures to be followed by executive boards and community managers; and

(b) Perform any other duties as directed by the Division.

3. Each member of the Commission must attend the courses of instruction described in subsection 1 not later than 6 months after the date that the member is first appointed to the Commission.

(Added to NRS by [2003, 2209](#); A [2009, 2899](#))

**NRS 116.610 Commission for Common-Interest Communities and Condominium Hotels: Election of officers; meetings; quorum.**

1. At the first meeting of each fiscal year, the Commission shall elect from its members a Chair, a Vice Chair and a Secretary.
2. The Commission shall meet at least once each calendar quarter and at other times on the call of the Chair or a majority of its members.
3. A majority of the members of the Commission constitutes a quorum for the transaction of all business.  
(Added to NRS by [2003, 2210](#))

**NRS 116.615 Administration of chapter; regulations of Commission and Real Estate Administrator; delegation of authority; publications.**

1. The provisions of this chapter must be administered by the Division, subject to the administrative supervision of the Director of the Department of Business and Industry.
2. The Commission and the Division may do all things necessary and convenient to carry out the provisions of this chapter, including, without limitation, prescribing such forms and adopting such procedures as are necessary to carry out the provisions of this chapter.
3. The Commission, or the Administrator with the approval of the Commission, may adopt such regulations as are necessary to carry out the provisions of this chapter.
4. The Commission may by regulation delegate any authority conferred upon it by the provisions of this chapter to the Administrator to be exercised pursuant to the regulations adopted by the Commission.
5. When regulations are proposed by the Administrator, in addition to other notices required by law, the Administrator shall provide copies of the proposed regulations to the Commission not later than 30 days before the next meeting of the Commission. The Commission shall approve, amend or disapprove any proposed regulations at that meeting.
6. All regulations adopted by the Commission, or adopted by the Administrator with the approval of the Commission, must be published by the Division, posted on its website and offered for sale at a reasonable fee.  
(Added to NRS by [2003, 2210](#); A [2005, 2619](#))

**NRS 116.620 Employment of personnel by Real Estate Division; designation of deputy attorney general by Attorney General; legal opinions and assistance by deputy attorney general.**

1. Except as otherwise provided in this section and within the limits of legislative appropriations and any other money available for this purpose, the Division may employ experts, attorneys, investigators, consultants and other personnel as are necessary to carry out the provisions of this chapter. At least one person employed pursuant to this subsection or [NRS 116B.810](#) must be a certified public accountant certified to practice in this State pursuant to the provisions of [chapter 628](#) of NRS or have training, expertise and experience in performing audits.
2. The Attorney General shall designate one of his or her deputies to act as the attorney for the Division in all actions and proceedings brought against or by the Division pursuant to the provisions of this chapter. The deputy attorney general so designated must have legal experience and expertise in cases involving fraud or fiscal malfeasance.
3. The deputy attorney general designated pursuant to subsection 2 shall:
  - (a) Render to the Commission and the Division opinions upon all questions of law relating to the construction or interpretation of this chapter, or arising in the administration thereof, that may be submitted to the deputy attorney general by the Commission or the Division.
  - (b) Assist the Ombudsman in performing his or her duties to assist in the resolution of affidavits filed pursuant to [NRS 116.760](#) and to prepare reports required pursuant to [NRS 116.765](#).  
(Added to NRS by [2003, 2210](#); A [2015, 2784](#); [2019, 675](#))

**NRS 116.623 Petitions for declaratory orders or advisory opinions: Regulations; scope; contents of petition; filing; period for response.**

1. The Division shall provide by regulation for the filing and prompt disposition of petitions for declaratory orders and advisory opinions as to the applicability or interpretation of:
  - (a) Any provision of this chapter or [chapter 116A](#) or [116B](#) of NRS;
  - (b) Any regulation adopted by the Commission, the Administrator or the Division; or
  - (c) Any decision of the Commission, the Administrator or the Division or any of its sections.
2. Declaratory orders disposing of petitions filed pursuant to this section have the same status as agency decisions.
3. A petition filed pursuant to this section must:

- (a) Set forth the name and address of the petitioner; and
- (b) Contain a clear and concise statement of the issues to be decided by the Division in its declaratory order or advisory opinion.

4. A petition filed pursuant to this section is submitted for consideration by the Division when it is filed with the Administrator.

5. The Division shall:

(a) Respond to a petition filed pursuant to this section within 60 days after the date on which the petition is submitted for consideration; and

(b) Upon issuing its declaratory order or advisory opinion, mail a copy of the declaratory order or advisory opinion to the petitioner.

(Added to NRS by [2009, 2876](#))

**NRS 116.625 Ombudsman for Owners in Common-Interest Communities and Condominium Hotels: Creation of office; appointment; qualifications; powers and duties.**

1. The Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels is hereby created within the Division.

2. The Administrator shall appoint the Ombudsman. The Ombudsman is in the unclassified service of the State.

3. The Ombudsman must be qualified by training and experience to perform the duties and functions of office.

4. In addition to any other duties set forth in this chapter, the Ombudsman shall:

(a) Assist in processing claims submitted to mediation or arbitration or referred to a program pursuant to [NRS 38.300](#) to [38.360](#), inclusive;

(b) Assist owners in common-interest communities and condominium hotels to understand their rights and responsibilities as set forth in this chapter and [chapter 116B](#) of NRS and the governing documents of their associations, including, without limitation, publishing materials related to those rights and responsibilities;

(c) Assist members of executive boards and officers of associations to carry out their duties;

(d) When appropriate, investigate disputes involving the provisions of this chapter or [chapter 116B](#) of NRS or the governing documents of an association and assist in resolving such disputes; and

(e) Compile and maintain a registration of each association organized within the State which includes, without limitation, the following information:

(1) The name, address and telephone number of the association;

(2) The name of each community manager for the common-interest community or the association of a condominium hotel and the name of any other person who is authorized to manage the property at the site of the common-interest community or condominium hotel;

(3) The names, mailing addresses and telephone numbers of the members of the executive board of the association;

(4) The name of the declarant;

(5) The number of units in the common-interest community or condominium hotel;

(6) The total annual assessment made by the association;

(7) The number of foreclosures which were completed on units within the common-interest community or condominium hotel and which were based on liens for the failure of the unit's owner to pay any assessments levied against the unit or any fines imposed against the unit's owner; and

(8) Whether the study of the reserves of the association has been conducted pursuant to [NRS 116.31152](#) or [116B.605](#) and, if so, the date on which it was completed.

(Added to NRS by [1997, 3112](#); A [1999, 2997](#); [2003, 1302](#), [2222](#); [2007, 2273](#); [2013, 2300](#))

**NRS 116.630 Account for Common-Interest Communities and Condominium Hotels: Creation; administration; sources; uses.**

1. There is hereby created the Account for Common-Interest Communities and Condominium Hotels in the State General Fund. The Account must be administered by the Administrator.

2. Except as otherwise provided in subsection 3, all money received by the Commission, a hearing panel or the Division pursuant to this chapter or [chapter 116B](#) of NRS, including, without limitation, the fees collected pursuant to [NRS 116.31155](#) and [116B.620](#), must be deposited into the Account.

3. If the Commission imposes a fine or penalty, the Commission shall deposit the money collected from the imposition of the fine or penalty with the State Treasurer for credit to the State General Fund. If the money is so deposited, the Commission may present a claim to the State Board of Examiners for recommendation to the Interim Finance Committee if money is required to pay attorney's fees or the costs of an investigation, or both.



4. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

5. The money in the Account must be used solely to defray:

(a) The costs and expenses of the Commission and the Office of the Ombudsman;

(b) If authorized by the Commission or any regulations adopted by the Commission, the costs and expenses of subsidizing proceedings for mediation, arbitration and a program conducted pursuant to [NRS 38.300](#) to [38.360](#), inclusive; and

(c) If authorized by the Legislature or by the Interim Finance Committee if the Legislature is not in session, the costs and expenses of administering the Division.

(Added to NRS by [1997, 3113](#); A [1999, 8, 2998](#); [2003, 2223](#); [2007, 2274](#); [2010, 26th Special Session, 79](#); [2013, 2301](#))

**NRS 116.635 Immunity.** The Commission and its members, each hearing panel and its members, the Administrator, the Ombudsman, the Division, and the experts, attorneys, investigators, consultants and other personnel of the Commission and the Division are immune from any civil liability for any decision or action taken in good faith and without malicious intent in carrying out the provisions of this chapter.

(Added to NRS by [2003, 2211](#))

**NRS 116.640 Service of notice and other information upon Commission.** Any notice or other information that is required to be served upon the Commission pursuant to the provisions of this chapter may be delivered to the principal office of the Division.

(Added to NRS by [2003, 2210](#))

**NRS 116.643 Authority for Commission or Real Estate Administrator to adopt regulations requiring additional disclosures for sale of unit.** The Commission, or the Administrator with the approval of the Commission, may adopt regulations to require any additional disclosures in the case of a sale of a unit as it deems necessary.

(Added to NRS by [2009, 2908](#))

**NRS 116.645 Authority for Real Estate Division to conduct business electronically; regulations; fees; use of unsworn declaration; exclusions.**

1. The Administrator may adopt regulations which establish procedures for the Division to conduct business electronically pursuant to title 59 of NRS with persons who are regulated pursuant to this chapter and with any other persons with whom the Division conducts business. The regulations may include, without limitation, the establishment of fees to pay the costs of conducting business electronically with the Division.

2. In addition to the process authorized by [NRS 719.280](#), if the Division is conducting business electronically with a person and a law requires a signature or record to be notarized, acknowledged, verified or made under oath, the Division may allow the person to substitute a declaration that complies with the provisions of [NRS 53.045](#) or [NRS 53.250](#) to [53.390](#), inclusive, to satisfy the legal requirement.

3. The Division may refuse to conduct business electronically with a person who has failed to pay money which the person owes to the Division or the Commission.

(Added to NRS by [2003, 1301](#); A [2011, 15](#))

### **General Powers and Duties of Commission**

**NRS 116.660 Issuance and enforcement of subpoenas.**

1. To carry out the purposes of this chapter, the Commission, or any member thereof acting on behalf of the Commission or acting on behalf of a hearing panel, may issue subpoenas to compel the attendance of witnesses and the production of books, records and other papers.

2. If any person fails to comply with a subpoena issued by the Commission or any member thereof pursuant to this section within 20 days after the date of service of the subpoena, the Commission may petition the district court for an order of the court compelling compliance with the subpoena.

3. Upon such a petition, the court shall enter an order directing the person subpoenaed to appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 20 days after the date of service of the order, and show cause why the person has not complied with the subpoena. A certified copy must be served upon the person subpoenaed.

4. If it appears to the court that the subpoena was regularly issued by the Commission or any member thereof pursuant to this section, the court shall enter an order compelling compliance with the subpoena, and upon failure to obey the order the person shall be dealt with as for contempt of court.

(Added to NRS by [1999, 2996](#); A [2003, 2222](#))—(Substituted in revision for NRS 116.11145)

**NRS 116.662 Witnesses: Payment of fees and mileage.**

1. Each witness who is subpoenaed and appears at a hearing is entitled to receive for his or her attendance the same fees and mileage allowed by law to a witness in a civil case.

2. The fees and mileage for the witness:

(a) Must be paid by the party at whose request the witness is subpoenaed; or

(b) If the appearance of the witness is not requested by any party but the witness is subpoenaed at the request of the Commission or a hearing panel, must be paid by the Division.

(Added to NRS by [2005, 2586](#))

**NRS 116.665 Conducting hearings and other proceedings; collection of information; development and promotion of educational guidelines; accreditation of programs of education and research.**

1. The Commission shall conduct such hearings and other proceedings as are required by the provisions of this chapter.

2. The Commission shall collect and maintain or cause to be collected and maintained accurate information relating to:

(a) The number and kind of common-interest communities in this State;

(b) The effect of the provisions of this chapter and any regulations adopted pursuant thereto on the development and construction of common-interest communities, the residential lending market for units within common-interest communities and the operation and management of common-interest communities;

(c) Violations of the provisions of this chapter and any regulations adopted pursuant thereto;

(d) The accessibility and use of, and the costs related to, the arbitration, mediation and program procedures set forth in [NRS 38.300](#) to [38.360](#), inclusive, and the decisions rendered and awards made pursuant to those procedures;

(e) The number of foreclosures which were completed on units within common-interest communities and which were based on liens for the failure of the unit's owner to pay any assessments levied against the unit or any fines imposed against the unit's owner;

(f) The study of the reserves required by [NRS 116.31152](#); and

(g) Other issues that the Commission determines are of concern to units' owners, associations, community managers, developers and other persons affected by common-interest communities.

3. The Commission shall develop and promote:

(a) Educational guidelines for conducting the elections of the members of an executive board, the meetings of an executive board and the meetings of the units' owners of an association; and

(b) Educational guidelines for the enforcement of the governing documents of an association through liens, penalties and fines.

4. The Commission shall recommend and approve for accreditation programs of education and research relating to common-interest communities, including, without limitation:

(a) The management of common-interest communities;

(b) The sale and resale of units within common-interest communities;

(c) Alternative methods that may be used to resolve disputes relating to common-interest communities; and

(d) The enforcement, including by foreclosure, of liens on units within common-interest communities for the failure of the unit's owner to pay any assessments levied against the unit or any fines imposed against the unit's owner.

(Added to NRS by [2003, 2211](#); A [2013, 2301](#))

**NRS 116.670 Establishment of standards for subsidizing arbitration, mediation and educational programs; acceptance of gifts, grants and donations; agreements and cooperation with other entities.** The Commission may:

1. By regulation, establish standards for subsidizing proceedings for mediation, arbitration and a program conducted pursuant to [NRS 38.300](#) to [38.360](#), inclusive, to ensure that such proceedings are not lengthy and are affordable and readily accessible to all parties;

2. By regulation, establish standards for subsidizing educational programs for the benefit of units' owners, members of executive boards and officers of associations;

3. Accept any gifts, grants or donations; and

4. Enter into agreements with other entities that are required or authorized to carry out similar duties in this State or in other jurisdictions and cooperate with such entities to develop uniform procedures for carrying out the provisions of this chapter and for accumulating information needed to carry out those provisions.

(Added to NRS by [2003, 2212](#); A [2013, 2302](#))

**NRS 116.675 Appointment of hearing panels; delegation of powers and duties; appeals to Commission.**

1. The Commission may appoint one or more hearing panels. Each hearing panel must consist of one or more independent hearing officers. An independent hearing officer may be, without limitation, a member of the Commission or an employee of the Commission.

2. The Commission may by regulation delegate to one or more hearing panels the power of the Commission to conduct hearings and other proceedings, determine violations, impose fines and penalties and take other disciplinary action authorized by the provisions of this chapter.

3. While acting under the authority of the Commission, a hearing panel and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the Commission and its members.

4. A final order of a hearing panel:

(a) May be appealed to the Commission if, not later than 20 days after the date that the final order is issued by the hearing panel, any party aggrieved by the final order files a written notice of appeal with the Commission.

(b) Must be reviewed and approved by the Commission if, not later than 40 days after the date that the final order is issued by the hearing panel, the Division, upon the direction of the Chair of the Commission, provides written notice to all parties of the intention of the Commission to review the final order.

(Added to NRS by [2003, 2210](#); A [2009, 2899](#))

**NRS 116.680 Use of audio or video teleconference for hearings.** The Commission or a hearing panel may conduct a hearing by means of an audio or video teleconference to one or more locations if the audio or video technology used at the hearing provides the persons present at each location with the ability to hear and communicate with the persons present at each other location.

(Added to NRS by [2003, 2211](#))

### **Investigation of Violations; Remedial and Disciplinary Action**

**NRS 116.745 “Violation” defined.** As used in [NRS 116.745](#) to [116.795](#), inclusive, unless the context otherwise requires, “violation” means a violation of:

1. Any provision of this chapter except [NRS 116.31184](#);
2. Any regulation adopted pursuant to this chapter; or
3. Any order of the Commission or a hearing panel.

(Added to NRS by [2003, 2213](#); A [2005, 2620](#); [2013, 2530](#); [2021, 1409](#))

**NRS 116.750 Jurisdiction of Real Estate Division, Ombudsman, Commission and hearing panels.**

1. In carrying out the provisions of [NRS 116.745](#) to [116.795](#), inclusive, the Division and the Ombudsman have jurisdiction to investigate and the Commission and each hearing panel has jurisdiction to take appropriate action against any person who commits a violation, including, without limitation:

- (a) Any association and any officer, employee or agent of an association.
- (b) Any member of an executive board.
- (c) Any community manager who holds a certificate and any other community manager.
- (d) Any person who is registered as a reserve study specialist, or who conducts a study of reserves, pursuant to [chapter 116A](#) of NRS.

(e) Any declarant or affiliate of a declarant.

(f) Any unit’s owner.

(g) Any tenant of a unit’s owner if the tenant has entered into an agreement with the unit’s owner to abide by the governing documents of the association and the provisions of this chapter and any regulations adopted pursuant thereto.

2. The jurisdiction set forth in subsection 1 applies to any officer, employee or agent of an association or any member of an executive board who commits a violation and who:

(a) Currently holds his or her office, employment, agency or position or who held the office, employment, agency or position at the commencement of proceedings against him or her.

(b) Resigns his or her office, employment, agency or position:

- (1) After the commencement of proceedings against him or her; or

(2) Within 1 year after the violation is discovered or reasonably should have been discovered.  
(Added to NRS by [2003, 2213](#); A [2005, 2620](#); [2009, 2932](#); [2021, 1409](#))

**NRS 116.755 Rights, remedies and penalties are cumulative and not exclusive; limitations on power of Commission and hearing panels regarding internal activities of association.**

1. The rights, remedies and penalties provided by [NRS 116.745](#) to [116.795](#), inclusive, are cumulative and do not abrogate and are in addition to any other rights, remedies and penalties that may exist at law or in equity.

2. If the Commission, a hearing panel or another agency or officer elects to take a particular action or pursue a particular remedy or penalty authorized by [NRS 116.745](#) to [116.795](#), inclusive, or another specific statute, that election is not exclusive and does not preclude the Commission, the hearing panel or another agency or officer from taking any other actions or pursuing any other remedies or penalties authorized by [NRS 116.745](#) to [116.795](#), inclusive, or another specific statute.

3. In carrying out the provisions of [NRS 116.745](#) to [116.795](#), inclusive, the Commission or a hearing panel shall not intervene in any internal activities of an association except to the extent necessary to prevent or remedy a violation.

(Added to NRS by [2003, 2214](#); A [2021, 1410](#))

**NRS 116.757 Confidentiality of records: Certain records relating to complaint or investigation deemed confidential; certain records relating to disciplinary action deemed public records.**

1. Except as otherwise provided in this section and [NRS 239.0115](#), a written affidavit filed with the Division pursuant to [NRS 116.760](#), all documents and other information filed with the written affidavit and all documents and other information compiled as a result of an investigation conducted to determine whether to file a formal complaint with the Commission are confidential. The Division shall not disclose any information that is confidential pursuant to this subsection, in whole or in part, to any person, including, without limitation, a person who is the subject of an investigation or complaint, unless and until a formal complaint is filed pursuant to subsection 2 and the disclosure is required pursuant to subsection 2.

2. A formal complaint filed by the Administrator with the Commission and all documents and other information considered by the Commission or a hearing panel when determining whether to impose discipline or take other administrative action pursuant to [NRS 116.745](#) to [116.795](#), inclusive, are public records.

(Added to NRS by [2005, 2586](#); A [2007, 2070](#); [2009, 2900](#))

**NRS 116.760 Right of person aggrieved by alleged violation to file affidavit with Real Estate Division; procedure for filing affidavit; administrative fine for filing false or fraudulent affidavit.**

1. Except as otherwise provided in this section, a person who is aggrieved by an alleged violation may, not later than 1 year after the person discovers or reasonably should have discovered the alleged violation, file with the Division a written affidavit that sets forth the facts constituting the alleged violation. The affidavit may allege any actual damages suffered by the aggrieved person as a result of the alleged violation.

2. An aggrieved person may not file such an affidavit unless the aggrieved person has provided the respondent by certified mail, return receipt requested, with written notice of the alleged violation set forth in the affidavit. The notice must:

(a) Be mailed to the respondent's last known address.

(b) Specify, in reasonable detail, the alleged violation, any actual damages suffered by the aggrieved person as a result of the alleged violation, and any corrective action proposed by the aggrieved person.

3. A written affidavit filed with the Division pursuant to this section must be:

(a) On a form prescribed by the Division.

(b) Accompanied by evidence that:

(1) The respondent has been given a reasonable opportunity after receiving the written notice to correct the alleged violation; and

(2) Reasonable efforts to resolve the alleged violation have failed.

4. The Commission or a hearing panel may impose an administrative fine of not more than \$1,000 against any person who knowingly files a false or fraudulent affidavit with the Division.

(Added to NRS by [2003, 2214](#); A [2005, 2620](#))

**NRS 116.765 Referral of affidavit to Ombudsman for assistance in resolving alleged violation; report by Ombudsman; investigation by Real Estate Division; determination of whether to file complaint with Commission.**

1. Upon receipt of an affidavit that complies with the provisions of [NRS 116.760](#), the Division shall refer the affidavit to the Ombudsman.

2. The Ombudsman shall give such guidance to the parties as the Ombudsman deems necessary to assist the parties to resolve the alleged violation.

3. If the parties are unable to resolve the alleged violation with the assistance of the Ombudsman, the Ombudsman shall provide to the Division a report concerning the alleged violation and any information collected by the Ombudsman during his or her efforts to assist the parties to resolve the alleged violation.

4. Upon receipt of the report from the Ombudsman, the Division shall conduct an investigation to determine whether good cause exists to proceed with a hearing on the alleged violation.

5. If, after investigating the alleged violation, the Division determines that the allegations in the affidavit are not frivolous, false or fraudulent and that good cause exists to proceed with a hearing on the alleged violation, the Administrator shall file a formal complaint with the Commission and schedule a hearing on the complaint before the Commission or a hearing panel.

(Added to NRS by [2003, 2215](#))

**NRS 116.770 Procedure for hearing complaints: Time for holding hearing; continuances; notices; evidence; answers; defaults.**

1. Except as otherwise provided in subsection 2, if the Administrator files a formal complaint with the Commission, the Commission or a hearing panel shall hold a hearing on the complaint not later than 90 days after the date that the complaint is filed.

2. The Commission or the hearing panel may continue the hearing upon its own motion or upon the written request of a party to the complaint, for good cause shown, including, without limitation, the existence of proceedings for mediation or arbitration or a civil action involving the facts that constitute the basis of the complaint.

3. The Division shall give the respondent written notice of the date, time and place of the hearing on the complaint at least 30 days before the date of the hearing. The notice must be:

(a) Delivered personally to the respondent or mailed to the respondent by certified mail, return receipt requested, to his or her last known address.

(b) Accompanied by:

(1) A copy of the complaint; and

(2) Copies of all communications, reports, affidavits and depositions in the possession of the Division that are relevant to the complaint.

4. At any hearing on the complaint, the Division may not present evidence that was obtained after the notice was given to the respondent pursuant to this section, unless the Division proves to the satisfaction of the Commission or the hearing panel that:

(a) The evidence was not available, after diligent investigation by the Division, before such notice was given to the respondent; and

(b) The evidence was given or communicated to the respondent immediately after it was obtained by the Division.

5. The respondent must file an answer not later than 30 days after the date that notice of the complaint is delivered or mailed by the Division. The answer must:

(a) Contain an admission or a denial of the allegations contained in the complaint and any defenses upon which the respondent will rely; and

(b) Be delivered personally to the Division or mailed to the Division by certified mail, return receipt requested.

6. If the respondent does not file an answer within the time required by subsection 5, the Division may, after giving the respondent written notice of the default, request the Commission or the hearing panel to enter a finding of default against the respondent. The notice of the default must be delivered personally to the respondent or mailed to the respondent by certified mail, return receipt requested, to his or her last known address.

(Added to NRS by [2003, 2215](#))

**NRS 116.775 Representation by attorney.** Any party to the complaint may be represented by an attorney at any hearing on the complaint.

(Added to NRS by [2003, 2216](#))

**NRS 116.780 Decisions on complaints.**

1. After conducting its hearings on the complaint, the Commission or the hearing panel shall render a final decision on the merits of the complaint not later than 20 days after the date of the final hearing.



2. The Commission or the hearing panel shall notify all parties to the complaint of its decision in writing by certified mail, return receipt requested, not later than 60 days after the date of the final hearing. The written decision must include findings of fact and conclusions of law.

(Added to NRS by [2003, 2216](#))

**NRS 116.785 Remedial and disciplinary action: Orders to cease and desist and to correct violations; administrative fines; removal from office or position; payment of costs; exemptions from liability.**

1. If the Commission or the hearing panel, after notice and hearing, finds that the respondent has committed a violation, the Commission or the hearing panel may take any or all of the following actions:

(a) Issue an order directing the respondent to cease and desist from continuing to engage in the unlawful conduct that resulted in the violation.

(b) Issue an order directing the respondent to take affirmative action to correct any conditions resulting from the violation.

(c) Impose an administrative fine of not more than \$1,000 for each violation.

2. If the respondent is a member of an executive board or an officer of an association, the Commission or the hearing panel may order the respondent removed from his or her office or position if the Commission or the hearing panel, after notice and hearing, finds that:

(a) The respondent has knowingly and willfully committed a violation; and

(b) The removal is in the best interest of the association.

3. If the respondent violates any order issued by the Commission or the hearing panel pursuant to this section, the Commission or the hearing panel, after notice and hearing, may impose an administrative fine of not more than \$1,000 for each violation.

4. If the Commission or the hearing panel takes any disciplinary action pursuant to this section, the Commission or the hearing panel may order the respondent to pay the costs of the proceedings incurred by the Division, including, without limitation, the cost of the investigation and reasonable attorney's fees.

5. Notwithstanding any other provision of this section, unless the respondent has knowingly and willfully committed a violation, if the respondent is a member of an executive board or an officer of an association:

(a) The association is liable for all fines and costs imposed against the respondent pursuant to this section; and

(b) The respondent may not be held personally liable for those fines and costs.

(Added to NRS by [2003, 2216](#))

**NRS 116.790 Remedial and disciplinary action: Audit of association; requiring association to hire community manager who holds certificate; appointment of receiver.**

1. If the Commission or a hearing panel, after notice and hearing, finds that the executive board or any person acting on behalf of the association has committed a violation, the Commission or the hearing panel may take any or all of the following actions:

(a) Order an audit of the association, at the expense of the association.

(b) Require the executive board to hire a community manager who holds a certificate.

2. The Commission, or the Division with the approval of the Commission, may apply to a court of competent jurisdiction for the appointment of a receiver for an association if, after notice and a hearing, the Commission or a hearing officer finds that any of the following violations occurred:

(a) The executive board, or any member thereof, has been guilty of fraud or collusion or gross mismanagement in the conduct or control of its affairs;

(b) The executive board, or any member thereof, has been guilty of misfeasance, malfeasance or nonfeasance; or

(c) The assets of the association are in danger of waste or loss through attachment, foreclosure, litigation or otherwise.

3. In any application for the appointment of a receiver pursuant to this section, notice of a temporary appointment of a receiver may be given to the association alone, by process as in the case of an application for a temporary restraining order or injunction. The hearing thereon may be had after 5 days' notice unless the court directs a longer or different notice and different parties.

4. The court may, if good cause exists, appoint one or more receivers pursuant to this section to carry out the business of the association. The members of the executive board who have not been guilty of negligence or active breach of duty must be preferred in making the appointment.

5. The powers of any receiver appointed pursuant to this section may be continued as long as the court deems necessary and proper. At any time, for sufficient cause, the court may order the receivership terminated.

6. Any receiver appointed pursuant to this section has, among the usual powers, all the functions, powers, tenure and duties to be exercised under the direction of the court as are conferred on receivers and as provided in [NRS 78.635](#), [78.640](#) and [78.645](#), whether or not the association is insolvent. Such powers include, without limitation, the powers to:

- (a) Take charge of the estate and effects of the association;
- (b) Appoint an agent or agents;
- (c) Collect any debts and property due and belonging to the association and prosecute and defend, in the name of the association, or otherwise, any civil action as may be necessary or proper for the purposes of collecting debts and property;
- (d) Perform any other act in accordance with the governing documents of the association and this chapter that may be necessary for the association to carry out its obligations; and
- (e) By injunction, restrain the association from exercising any of its powers or doing business in any way except by and through a receiver appointed by the court.

(Added to NRS by [2003, 2217](#); A [2005, 2621](#); [2009, 2900](#))

**NRS 116.793 Complaint for violation of fee provisions; procedure; fine for violation.**

1. Notwithstanding the provisions of [NRS 116.745](#) to [116.795](#), inclusive, a person who is aggrieved by an alleged violation of subsection 6 of [NRS 116.3102](#) or subsection 8 of [NRS 116.4109](#) may file with the Division a written complaint that sets forth the facts constituting the alleged violation. The complaint may allege any actual damages suffered by the aggrieved person as a result of the alleged violation.

2. The Division shall:

- (a) Review a complaint filed pursuant to subsection 1 in a timely manner.
- (b) If circumstances warrant, issue to the person who is alleged to have committed the violation a notice requesting a written response and proof of corrective action, including, without limitation, the reimbursement of any excessive fees to the aggrieved person.

3. Failure to respond to a notice issued pursuant to paragraph (b) of subsection 2 within 30 days after receipt of the notice:

- (a) Shall be deemed to be an admission of the violation; and
- (b) Is punishable by an administrative fine in the amount of \$250.

(Added to NRS by [2021, 1397](#))

**NRS 116.795 Injunctions.**

1. If the Commission or the Division has reasonable cause to believe, based on evidence satisfactory to it, that any person violated or is about to violate any provision of this chapter, any regulation adopted pursuant thereto or any order, decision, demand or requirement of the Commission or Division or a hearing panel, the Commission or the Division may bring an action in the district court for the county in which the person resides or, if the person does not reside in this State, in any court of competent jurisdiction within or outside this State, to restrain or enjoin that person from engaging in or continuing to commit the violations or from doing any act in furtherance of the violations.

2. The action must be brought in the name of the State of Nevada. If the action is brought in a court of this State, an order or judgment may be entered, when proper, issuing a temporary restraining order, preliminary injunction or final injunction. A temporary restraining order or preliminary injunction must not be issued without at least 5 days' notice to the opposite party.

3. The court may issue the temporary restraining order, preliminary injunction or final injunction without:

- (a) Proof of actual damages sustained by any person.
- (b) The filing of any bond.

(Added to NRS by [2003, 2217](#); A [2005, 2622](#))