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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.

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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 him 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.

Sec. 11. This act becomes effective on January 1, 1996.



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Assembly Bill No. 721. Bill read third time.

Roll call on Assembly Bill No. 721:

YEAS-20.

NAYS-None.

Absent-O'Donnell.

Assembly Bill No. 721 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Joint Resolution No. 41.

Resolution read third time.

Remarks by Senator Neal.

Roll call on Assembly Joint Resolution No. 41:

YEAS-20.

NAYS-None.

Absent—O'Donnell.

Assembly Joint Resolution No. 41 having received a constitutional majority, Mr. President declared it passed.

Resolution ordered transmitted to the Assembly.

Assembly Joint Resolution No. 42.

Resolution read third time.

Roll call on Assembly Joint Resolution No. 42:

YEAS-20.

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NAYS—None.

Absent—O'Donnell.

Assembly Joint Resolution No. 42 having received a constitutional majority, Mr. President declared it passed.

Resolution ordered transmitted to the Assembly.

Assembly Bill No. 52.

Bill read third time.

Roll call on Assembly Bill No. 52:

YEAS-20.

NAYS—None.

Absent—O'Donnell.

Assembly Bill No. 52 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 152.

Bill read third time.

Roll call on Assembly Bill No. 152:

YEAS-20.

Nays-None.

Absent-O'Donnell.

Assembly Bill No. 152 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

- 686B.110 1. The commissioner shall consider each proposed increase in the rate of any kind or line of insurance or subdivision thereof filed with him pursuant to NRS 686B.070. If the commissioner finds that the proposed increase will result in a rate which is not in compliance with NRS 686B.050, he shall disapprove the proposal. The commissioner shall approve or disapprove each proposal no later than 60 days after it is filed with him. [, unless additional time is required to allow the intervention or participation of the advocate for insurance customers. In no event may this period of review be extended more than 60 additional days.]
- 2. Whenever an insurer has no legally effective rates as a result of the commissioner's disapproval of rates or other act, the commissioner shall on request specify interim rates for the insurer that are high enough to protect the interests of all parties and may order that a specified portion of the premiums be placed in an escrow account approved by him. When new rates become legally effective, the commissioner shall order the escrowed funds or any overcharge in the interim rates to be distributed appropriately, except that refunds to policyholders that are de minimis must not be required.
- 3. If the commissioner disapproves a proposed rate and an insurer requests a hearing to determine the validity of his action, the insurer has the burden of showing compliance with the applicable standards for rates established in NRS 686B.010 to 686B.175, inclusive. Any such hearing may be held before the date the rates are intended to become effective.
- Sec. 18. NRS 232.815, 232.830, 232.835, 686B.075, 686B.400, 686B.410 and 686B.420 are hereby repealed.
 - Sec. 19. This act becomes effective on July 1, 1995.

Assembly Bill No. 152—Assemblymen Schneider, Carpenter, Buckley, Steel, Sandoval, Bennett, Monaghan, Ohrenschall, Segerblom, Spitler, Humke, Giunchigliani, Stroth, de Braga, Ernaut, Anderson, Dini, Manendo, Hettrick, Goldwater, Harrington, Freeman, Batten, Perkins and Bache

CHAPTER 448

AN ACT relating to real property; requiring the arbitration or mediation of certain claims relating to residential property; amending the Uniform Common-Interest Ownership Act to allow a declarant to furnish a bond in lieu of placing certain deposits made in connection with the purchase or reservation of a unit into escrow; and providing other matters properly relating thereto.

[Approved June 30, 1995]

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

- Section 1. Chapter 38 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this act.
- Sec. 2. As used in sections 2 to 8, inclusive, of this act, unless the context otherwise requires:

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- 1. "Assessments" means:
- (a) Any charge which an association may impose against an owner of residential property pursuant to a declaration of covenants, conditions and restrictions, including any late charges, interest and costs of collecting the charges; and
- (b) Any fines, fees and other charges which may be imposed by an association pursuant to paragraphs (j), (k) and (l) of subsection 1 of NRS 116.3102.
 - 2. "Association" has the meaning ascribed to it in NRS 116.110315.
- 3. "Civil action" includes an action for money damages or equitable relief. The term does not include an action in equity for injunctive relief in which there is an immediate threat of irreparable harm, or an action relating to the title to residential property.

4. "Division" means the real estate division of the department of business

and industry.

5. "Residential property" includes, but is not limited to, real estate within a planned community subject to the provisions of chapter 116 of NRS. The term does not include commercial property if no portion thereof contains property which is used for residential purposes.

Sec. 3. 1. No civil action based upon a claim relating to:

(a) The interpretation, application or enforcement of any covenants, conditions or restrictions applicable to residential property or any bylaws, rules or regulations adopted by an association; or

(b) The procedures used for increasing, decreasing or imposing additional

assessments upon residential property,

may be commenced in any court in this state unless the action has been submitted to arbitration pursuant to the provisions of sections 2 to 8, inclusive, of this act and, if the civil action concerns real estate within a planned community subject to the provisions of chapter 116 of NRS, all administrative procedures specified in any covenants, conditions or restrictions applicable to the property or in any bylaws, rules and regulations of an association have been exhausted.

- 2. A court shall dismiss any civil action which is commenced in violation of the provisions of subsection 1.
- **Sec. 4.** 1. Any civil action described in section 3 of this act must be submitted for mediation or arbitration by filing a written claim with the division. The claim must include:
- (a) The complete names, addresses and telephone numbers of all parties to the claim;

(b) A specific statement of the nature of the claim;

(c) A statement of whether the person wishes to have the claim submitted to a mediator or to an arbitrator. If the person wishes to have the claim submitted to an arbitrator, whether he agrees to binding arbitration; and

(d) Such other information as the division may require.

- 2. The written claim must be accompanied by a reasonable fee as determined by the division.
- 3. Upon the filing of the written claim, the claimant shall serve a copy of the claim in the manner prescribed in Rule 4 of the Nevada Rules of Civil Procedure for the service of a summons and complaint. The claim so served

must be accompanied by a statement explaining the procedures for mediation and arbitration set forth in sections 2 to 8, inclusive, of this act.

- 4. Upon being served pursuant to subsection 3, the person upon whom a copy of the written claim was served shall, within 30 days after the date of service, file a written answer with the division. The answer must be accompanied by a reasonable fee as determined by the division.
- Sec. 5. 1. If all parties named in a written claim filed pursuant to section 4 of this act agree to have the claim submitted for mediation, the parties shall reduce the agreement to writing and shall select a mediator from the list of mediators maintained by the division pursuant to section 6 of this act. Any mediator selected must be available within the geographic area. If the parties fail to agree upon a mediator, the division shall appoint a mediator from the list of mediators maintained by the division. Any mediator appointed must be available within the geographic area. Unless otherwise provided by an agreement of the parties, mediation must be completed within 90 days after the parties agree to mediation. Any agreement obtained through mediation conducted pursuant to this section must, within 30 days after the conclusion of mediation, be reduced to writing by the mediator and a copy thereof provided to each party. The agreement may be enforced as any other written agreement. The parties are responsible for all costs of mediation conducted pursuant to this section.
- 2. If all the parties named in the claim do not agree to mediation, the parties shall select an arbitrator from the list of arbitrators maintained by the division pursuant to section 6 of this act. Any arbitrator selected must be available within the geographic area. If the parties fail to agree upon an arbitrator, the division shall appoint an arbitrator from the list maintained by the division. Any arbitrator appointed must be available within the geographic area. Upon appointing an arbitrator, the division shall provide the name of the arbitrator to each party.
- 3. Except as otherwise provided in this section and except where inconsistent with the provisions of sections 2 to 8, inclusive, of this act, the arbitration of a claim pursuant to this section must be conducted in accordance with the provisions of NRS 38.075 to 38.105, inclusive, 38.115 to 38.135, inclusive, 38.155 and 38.165. An award must be made within 90 days after the conclusion of arbitration, unless a shorter period is agreed upon by the parties to the arbitration.
- 4. If all the parties have agreed to nonbinding arbitration, any party to the arbitration may, within 30 days after a decision and award have been served upon the parties, commence a civil action in the proper court concerning the claim which was submitted for arbitration. Any complaint filed in such an action must contain a sworn statement indicating that the issues addressed in the complaint have been arbitrated pursuant to the provisions of sections 2 to 8, inclusive, of this act. If such an action is not commenced within that period, any party to the arbitration may, within 1 year after the service of the award, apply to the proper court for a confirmation of the award pursuant to NRS 38.135.
- 5. If all the parties agree in writing to binding arbitration, the arbitration must be conducted in accordance with the provisions of chapter 38 of NRS. An award procured pursuant to such arbitration may be vacated and a

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ration NRS 'nd rehearing granted upon application of a party pursuant to the provisions of NRS 38.145.

6. If after the conclusion of arbitration a party:

(a) Applies to have an award vacated and a rehearing granted pursuant to NRS 38.145; or

(b) Commences a civil action based upon any claim which was the subject

of arbitration,

the party shall, if he fails to obtain a more favorable award or judgment than that which was obtained in the initial arbitration, pay all costs and reasonable attorney's fees incurred by the opposing party after the application for a rehearing was made or after the complaint in the civil action was filed.

7. Upon request by a party, the division shall provide a statement to the party indicating the amount of the fees for a mediator or an arbitrator

selected or appointed pursuant to this section.

8. As used in this section, "geographic area" means an area within 150 miles from any residential property or association which is the subject of a written claim submitted pursuant to section 4 of this act.

Sec. 6. For the purposes of sections 2 to 8, inclusive, of this act, the

division shall establish and maintain:

- 1. A list of mediators and arbitrators who are available for mediation and arbitration of claims. The list must include mediators and arbitrators who, as determined by the division, have received training and experience in mediation or arbitration and in the resolution of disputes concerning associations, including, without limitation, the interpretation, application and enforcement of covenants, conditions and restrictions pertaining to residential property and the articles of incorporation, bylaws, rules and regulations of an association. In establishing and maintaining the list, the division may use lists of qualified persons maintained by any organization which provides mediation or arbitration services. Before including a mediator or arbitrator on a list established and maintained pursuant to this section, the division may require the mediator or arbitrator to present proof satisfactory to the division that he has received the training and experience required for mediators or arbitrators pursuant to this section.
- 2. A document which contains a written explanation of the procedures for mediating and arbitrating claims pursuant to sections 2 to 8, inclusive, of this act
- Sec. 7. Any statute of limitations applicable to a claim described in section 3 of this act is tolled from the time the claim is submitted for mediation or arbitration pursuant to section 4 of this act until the conclusion of mediation or arbitration of the claim and the period for vacating the award has expired.

Sec. 8. 1. The division shall administer the provisions of sections 2 to 8, inclusive, of this act and may adopt such regulations as are necessary to

carry out those provisions.

2. All fees collected by the division pursuant to the provisions of sections 2 to 8, inclusive, of this act must be accounted for separately and may only be used by the division to administer the provisions of sections 2 to 8, inclusive, of this act.

Sec. 9. NRS 38.250 is hereby amended to read as follows:

38.250 Except as otherwise provided in section 3 of this act:

- 1. All civil actions filed in district court for damages, if the cause of action arises in the State of Nevada and the amount in issue does not exceed \$25,000 must be submitted to nonbinding arbitration in accordance with the provisions of NRS 38.253, 38.255 and 38.258.
- 2. A civil action for damages filed in justice's court may be submitted to arbitration if the parties agree, orally or in writing, to the submission.

Sec. 10. NRS 116.4110 is hereby amended to read as follows:

116.4110 1. Except as otherwise provided in [subsection 2,] subsections 2 and 3, 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 him 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.

Sec. 11. This act becomes effective on January 1, 1996.

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jennifer M. Chisel, Committee Policy Analyst Nicolas Anthony, Committee Counsel Katherine Malzahn-Bass, Committee Manager Emilie Reafs, Committee Secretary Steve Sisneros, Committee Assistant

OTHERS PRESENT:

Captain P.K. O'Neill, Chief, Records and Technology Division, Department of Public Safety

[Call to order. Roll call]

Chairman Anderson:

[Opening remarks.]

We looked at $\underline{\mbox{Assembly Bill 500}}$ yesterday. The Legal Division has provided a mock-up.

Assembly Bill 500: Revises provisions relating to domestic relations. (BDR 11-1156)

Nicolas Anthony, Committee Counsel:

The mock-up (Exhibit C) is defined as proposed amendment 4141 to $\underline{A.B.\ 500}$ to help the Committee visualize the bill, as there were some questions yesterday.

Starting on page 2 of the mock-up, you will see that sections 4 through 10 of the bill are deleted by amendment. This would keep existing law, which is the third degree of consanguinity.

Page 5 of the mock-up was language requested by the Committee to clarify and remove the double negative in section 11, subsection 3 of the bill. We are not changing the substance; it just is reorganized a little bit.

Section 12 was asked to be deleted. Section 13, subsections 6 and 7 were asked to be deleted by the Committee. In what is the new subsection 7, you will see the deletion of "or statutory sexual seduction" as requested by Assemblyman Carpenter. Also, there is the change to "A court may issue an order of support for the child."

Assemblywoman Parnell:

I am much more comfortable with the bill. Section 12 particularly concerned me yesterday. I am also glad that the language was changed from "shall" to "may."

Chairman Anderson:

I would entertain a motion to amend and do pass with the amendments suggested in the mock-up.

Assemblyman Horne:

I have an additional proposed amendment dealing with the last page of the mock-up. We talked about child support in the phrasing "A court may issue an order of support...." In addition, if the court does issue such an order, there should be clarification that such an order does not give rise to the child having inheritance rights, nor does the parent then have visitation rights. It was expressed yesterday that this might be a risk.

Chairman Anderson:

That support payments do not give rise to either visitation rights or inheritance rights, unless established by court order?

Assemblyman Horne:

This section deals particularly with the court having the authority and discretion to order support.

Chairman Anderson:

Is that a problem, Mr. Anthony?

Nicolas Anthony:

No, that is fine, we can add that statement.

Assemblyman Cobb:

I was wondering why section 13, subsection 7, refers only to men.

Chairman Anderson:

I guess a woman could be convicted of sexual assault from which she becomes pregnant. Mr. Anthony, with the new gender-neutral language can we fit that in?

Nicolas Anthony:

We can research that issue. The rest of the statute refers to just an "unfit parent." So if it is true that a woman could be convicted of sexual assault, we can certainly amend the language to refer to either parent.

Assemblyman Hambrick:

While we have to worry about paternity issues with the father, I do not think we have to worry about that with the mother. So, we will have to work around that.

Nicolas Anthony:

We can take a look at it, and if it needs to be changed to reflect either parent as unfit, we can make that change.

Chairman Anderson:

Assemblyman Cobb, are you okay with leaving the language dilemma but voting today?

Assemblyman Cobb:

That is fine, as long as the Legal Division takes a look at it. I think it could be solved if it just read "conviction of the parent or putative father."

Chairman Anderson:

Good point. So again I would entertain a motion to amend and do pass with the amendments in the mock-up and the possibility of additional language clarifications as raised by Assemblyman Horne and Assemblyman Cobb.

ASSEMBLYMAN HORNE MOVED TO AMEND AND DO PASS ASSEMBLY BILL 500 AS STATED.

ASSEMBLYMAN SEGERBLOM SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Let us take a look at Assembly Bill 320.

Assembly Bill 320: Revises provisions relating to guardianships. (BDR 13-906)

Jennifer Chisel, Committee Policy Analyst:

[Reviewed the work session document (Exhibit D).] Assembly Bill 320 makes various changes to the guardianship laws. The Committee has four issues to consider in the attached compromise amendment, submitted by Ernie Nielsen, who worked with the interested parties.

The first amendment is found in section 1, page 3 of the amendment and provides the court with the discretion to create assessment forms in guardianship cases, rather than any kind of mandatory creation of forms.

The second amendment establishes a process for when a proposed ward cannot appear in court in person or by videoconference to ensure that the person is asked whether he wants counsel and that the court is notified of the response. Sections 2 and 3 contain this procedure for both the initial hearing and for subsequent hearings.

The third amendment is on page 7. It removes the provisions for an emergency transfer and, instead, has the provisions apply to transferring the ward to a long-term residential-care secured unit. It further specifies which health care professionals may authorize such transfers.

The fourth amendment is on pages 7 and 8 and provides for a reporting procedure when a ward is transferred to a long-term residential-care secured unit.

Chairman Anderson:

All of these were amendments that were suggested at the time of the hearing.

ASSEMBLYWOMAN PARNELL MOVED TO AMEND AND DO PASS ASSEMBLY BILL 320.

ASSSEMBLYMAN CARPENTER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

I want to thank the Subcommittee for dealing with common-interest communities. I would like to review the mock-up of Assembly Bill 350.

<u>Assembly Bill 350:</u> Makes various changes relating to common-interest communities. (BDR 10-620)

One of the suggestions was on page 22, line 45 of the mock-up about the removal of punitive damages from the bill [page 25 of Exhibit E].

Assemblyman Segerblom:

Yes, I thought that was a valid point. Since insurance cannot be purchased for punitive damages, and because, for the most part, these are volunteer boards, I think it is inappropriate at this time to have a director subject to punitive damages.

Chairman Anderson:

There were also issues brought forth by Mr. Gordon, representing the Olympia Group. I would suggest that, if he wants, he can raise them again in the Senate. We will probably see this bill again in conference.

I would entertain a motion to amend and do pass <u>Assembly Bill 350</u> with the amendments suggested in mock-up number 3895, which Legal carefully reviewed yesterday and the deletion of the provision for punitive damages.

ASSEMBLYMAN SEGERBLOM MOVED TO AMEND AND DO PASS ASSEMBLY BILL 350 AS STATED.

ASSEMBLYMAN KIHUEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

We will not have to consider <u>Assembly Bill 108</u>. [The bill was incorporated into <u>Assembly Bill 350</u>.]

Assemblyman Segerblom:

Assembly Bill 204, Assembly Bill 207, Assembly Bill 251, Assembly Bill 311, and Assembly Bill 361 were all unanimously approved as amended by the Subcommittee.

Chairman Anderson:

Do they each have an amendment?

Assemblyman Segerblom:

Yes.

Chairman Anderson:

We will take up Assembly Bill 204. We were briefed on all of these yesterday.

Assembly Bill 204: Revises provisions relating to the priority of certain liens against units in common-interest communities. (BDR 10-920)

Nicolas Anthony, Committee Counsel:

Assembly Bill 204 has two amendments attached. One is to address a potential conflict with Fannie Mae lending provisions and the other is about collection policies [pages 48-49 of Exhibit E].

Chairman Anderson:

I will entertain an amend and do pass motion on the recommendation of the Subcommittee.

ASSEMBLYMAN MANENDO MOVED TO AMEND AND DO PASS ASSEMBLY BILL 204.

ASSEMBLYMAN SEGERBLOM SECONDED THE MOTION.

Assemblyman Cobb:

I think that two years is an extraordinary amount of time to have a look-back, especially when we are trying to clear these houses out of inventory and drop as many barriers as possible to getting them into the hands of new owners. What concerned me about some of the testimony we heard on this bill was that some homeowners' associations said that they cannot extract any kind of dues, fines, fees, or assessments from banks; they cannot even get them to mow the lawns.

We heard testimony on a separate bill that the bank is in the same position as any other owner. There is a process to move against them to collect, so there does not need to be all the lawyers' fees and everything else that will be piled on. One of my constituents said he was trying to buy homes to reduce the inventory and get the economy going again, and he was handed an invoice for \$4,000 from a homeowners' association with \$16-a-month dues. So it was not the dues, it was the attorney's fees and everything else that was added on. I think six months should be enough.

Chairman Anderson:

Homeowners' associations have been dealing with the problem for some time, and they would like to abrogate it so that the expenses they have been carrying are passed to the new owner as part of closing.

Assemblyman Segerblom:

Another issue was that this bill was supposed to put a fire under the banks' feet because, right now, they just let the property go knowing that after six months they are no longer obligated for these fees. This will hopefully encourage the banks to get the properties up and running and try to sell them.

Assemblyman McArthur:

I do think 24 months is far too long, but I will vote yes to get this bill out of Committee. I reserve my right to change my vote later.

THE MOTION PASSED. (ASSEMBLYMAN COBB VOTED NO. ASSEMBLYMAN McARTHUR RESERVED THE RIGHT TO CHANGE HIS VOTE ON THE FLOOR.)

Let us turn to <u>Assembly Bill 207</u>, Assemblyman Carpenter's bill. The recommendation from the subcommittee was an amend and do pass.

Assembly Bill 207: Makes various changes concerning common-interest communities. (BDR 10-694)

ASSEMBLYMAN MANENDO MOVED TO AMEND AND DO PASS ASSEMBLY BILL 207.

ASSEMBLYMAN KIHUEN SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Let us turn to <u>Assembly Bill 251</u>. Again, the Subcommittee voted unanimously to recommend an amend and do pass to the full Committee.

Assembly Bill 251: Revises provisions relating to common-interest communities. (BDR 10-555)

Nicolas Anthony, Committee Counsel:

There is a mock-up prepared [page 52 of Exhibit E], which clarifies that if an election is held and there is a member running without opposition, then the board does not have to send out ballots. It can just elect the person.

ASSEMBLYMAN CARPENTER MOVED TO AMEND AND DO PASS ASSEMBLY BILL 251.

ASSEMBLYMAN SEGERBLOM SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Let us turn to Assembly Bill 311, Assemblyman Settelmeyer's bill.

Assembly Bill 311: Revises provisions governing the financial statements of common-interest communities. (BDR 10-389)

This also has an amend and do pass recommendation from the Subcommittee.

Nicolas Anthony, Committee Counsel:

In the mock-up prepared by the Legal Division in your work session binder from yesterday [page 57 of Exhibit E], is language that allows the financial review to be conducted in the year prior to which any study of the reserves is conducted. That amendment was proposed by the bill's sponsor, and the bill was unanimously recommended for an amend do pass by the Subcommittee.

Chairman Anderson:

We have seen additional discussions via email about this bill. I do not see any problems.

Assemblyman Segerblom:

This bill simplifies things for the smaller associations and saves them a great deal of money as far as the types of financial reviews they have to do.

ASSEMBLYMAN HAMBRICK MOVED TO AMEND AND DO PASS ASSEMBLY BILL 311.

ASSEMBLYMAN CARPENTER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Finally, Assembly Bill 361.

Assembly Bill 361: Makes changes relating to the destruction or deterioration of foreclosed or vacant units in common-interest communities. (BDR 10-940)

Nicolas Anthony, Committee Counsel:

In the work session binder from yesterday, beside each change is an explanation on the mock-up [page 59 of <u>Exhibit E</u>]. Largely, these amendments were technical and made at the request of Mr. Michael Buckley, Chairman for the Commission of Common-Interest Communities and Condominium Hotels.

Chairman Anderson:

Assemblyman McArthur, have your questions been answered?

Assemblyman McArthur:

Yes, they are mostly technical or clarifying in nature and are all good.

ASSEMBLYMAN MANENDO MOVED TO AMEND AND DO PASS ASSEMBLY BILL 361 AS PRESENTED IN THE MOCK-UP.

ASSEMBLYMAN GUSTAVSON SECONDED THE MOTION.

THE MOTION PASSED UANIMOUSLY.

Chairman Anderson:

Again, my thanks to the Subcommittee.

Let us take a look at Assembly Bill 471.

Assembly Bill 471: Revises provisions relating to the award of deficiency judgments after a sale of real property. (BDR 3-1138)

Jennifer Chisel, Committee Policy Analyst:

[Reviewed the work session document (Exhibit F).] Assembly Bill 471 relates to deficiency judgments that are currently allowed under statute in cases of foreclosure. This bill would prohibit those deficiency judgments for homeowners.

The Committee has four amendments to consider. The first was proposed at the hearing by Assemblyman Conklin and deletes the provision requiring that the debtor did not occupy the property before securing the loan. This is at paragraph (c) of subsection 3, on page 2 of the bill. The primary sponsor believes this language is unnecessary.

The second amendment relates to the effective date of the bill. The Committee has two alternative choices and may only adopt one of the two. Amendment 2(a) was proposed by Assemblyman Conklin to have the bill apply only to loans secured after the October 1, 2009, effective date. Alternatively, amendment 2(b) was proposed by Vice Chairman Segerblom to have the provisions of the bill apply retroactively.

The third amendment was a suggestion by Assemblyman Carpenter to allow a debtor to cure a default from nonpayment at any time before foreclosure sale in order to retain the property. Alaska has such a provision that could be adopted in Nevada, and you will see the language in the attachment.

The fourth amendment was suggested by Assemblyman Cobb and would limit the prohibition on deficiency judgments only to cases concerning low-income residents. New Mexico has a similar provision, and that language is also attached for review.

Chairman Anderson:

The Chair is going to recommend that we adopt proposed amendments 1, 2(a), and 3.

ASSEMBLYMAN HORNE MOVED TO AMEND AND DO PASS ASSEMBLY BILL 471 AS STATED.

ASSEMBLYMAN SEGERBLOM SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Let us look at Assemblyman Ohrenschall's bill, <u>Assembly Bill 462</u> and the work session document (Exhibit G).

Assembly Bill 462: Revises the provisions governing sureties. (BDR 14-838)

Chairman Anderson:

There was some question whether this bill was needed. There still seems to be some confusion as to the intent. The bill clarifies things so there is no ambiguity even if the judge who originally issued the surety is no longer serving.

Assemblyman Ohrenschall:

This bill would establish uniformity in all of the courts and require that all sureties are approved by the Commissioner of Insurance.

ASSEMBLYMAN CARPENTER MOVED TO DO PASS ASSEMBLY BILL 462.

ASSEMBLYMAN MANENDO SECONDEND THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chairman Anderson:

Let us take up Assembly Bill 335.

Assembly Bill 335: Makes various changes relating to criminal gangs. (BDR 15-85)

Jennifer Chisel, Committee Policy Analyst:

[Reviewed the work session document (Exhibit H).] Assembly Bill 335 provides for an enhanced penalty for a person who commits misdemeanor or gross misdemeanor offenses to promote criminal gang activity. There are two amendments for the Committee to consider.

The first amendment is in section 1 of the bill and amends the number of previous convictions from one to three before the enhancement may apply.

The second amendment retains existing law regarding juvenile certifications. The bill proposed to add this enhanced gang penalty to the qualifications for a juvenile to be certified as an adult, however this amendment removes that provision and leaves the law as it currently exists.

Assemblywoman Parnell:

Everyone worked so hard on this bill from the beginning, and there is agreement on the two proposed amendments. I think there was special concern about the juvenile certification, and we have the other bill that will address it, so for the bill to go forward it was best to leave that section out. That is all of section 4. I felt strongly that we needed to tighten the language in section 1, referencing the three or more offenses, rather than just one prior offense.

Chairman Anderson:

The Chair will entertain a motion to amend and do pass with both amendments.

ASSEMBLYMAN MANENDO MOVED TO AMEND AND DO PASS ASSEMBLY BILL 335 AS STATED.

ASSEMBLYMAN COBB SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Let us address Assembly Bill 64 and Assembly Bill 65.

Assembly Bill 64: Increases the number of judges in the Second and Eighth Judicial Districts. (BDR 1-371)

I am going to recommend that the Committee rerefer this bill without recommendation to Ways and Means (Exhibit I).

ASSEMBLYMAN CARPENTER MOVED TO REREFER WITHOUT RECOMMENDATION ASSEMBLY BILL 64 TO WAYS AND MEANS.

ASSEMBLYMAN SEGERBLOM SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN DONDERO LOOP ABSTAINED FROM THE VOTE.)

Assembly Bill 65: Provides for the collection and disposition of additional court fees. (BDR 2-372)

I asked Assemblyman Segerblom to look at the issue, and you can see it in front of you (Exhibit J).

Assemblyman Segerblom:

We have added a couple of fees for legal aid when the complaint and answer are filed and we have eliminated some of the fees that were associated with certain motions. There were some questions about business courts. The Supreme Court confirmed that it is committed to providing extra resources for the business courts in Washoe and Clark Counties so they could have written, published opinions which could be used as precedent.

Chairman Anderson:

The Chair is going to suggest an amend, without recommendation, and rerefer to Ways and Means motion with proposed amendments by Assemblyman Segerblom.

ASSEMBLYMAN SEGERBLOM MOVED TO AMEND, WITHOUT RECOMMENDATION, AND REREFER <u>ASSEMBLY BILL 65</u> TO WAYS AND MEANS.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN COBB, GUSTAVSON, HAMBRICK AND McARTHUR VOTED NO. ASSEMBLYWOMAN DONDERO LOOP ABSTAINED FROM THE VOTE.)

We will now turn to Assembly Bill 8.

Assembly Bill 8: Establishes the Statewide Central Registry for the Collection of Information Concerning the Abuse, Neglect, Exploitation or Isolation of Older Persons. (BDR 38-98)

Assemblywoman Parnell:

I would like to move to amend and do pass Assembly Bill 8.

Chairman Anderson:

There are five recommendations in the work session document (Exhibit K). Would you please review those Ms. Chisel?

Jennifer Chisel, Committee Policy Analyst:

Assembly Bill 8 establishes an elder abuse registry. Based on concerns raised at the hearing, the first four amendments were prepared by Sally Ramm with the Aging Services Division of the Department of Health and Human Services. She also prepared a memorandum discussing these issues. The fifth amendment was presented at the hearing by the Records and Technology Division of the Department of Public Safety.

The first amendment would require Aging Services to adopt regulations to provide an appeal process for individuals in the registry. Another process is to carry out the registry, and these regulations would be similar to those that have been adopted by the Division of Child and Family Services for the child abuse registry.

The second amendment incorporates the standard used in elder abuse investigations that there is "reasonable cause to believe" that the abuse has occurred.

The third amendment limits the scope of employers who may access the elder abuse registry to those who provide services to the elderly and removes the reference to children that was in the original bill.

The fourth amendment ensures the confidentiality of the victim.

The fifth amendment, proposed by Captain P.K. O'Neill, transfers responsibility for employment suitability determinations away from the central repository to the agencies that actually regulate those industries. In this case it would be the Office of Disability Services and the Health Division.

Chairman Anderson:

Obviously, amendments 1, 2, 3, and 4 are agreed upon by the groups that are going to have the responsibility for carrying out this program. The recommendation by Captain O'Neill is based upon the concerns he raised that the original bill places an inappropriate level of responsibility on his agency.

I am going to recommend amendments 1, 2, 3, 4, and 5.

Assemblyman Carpenter:

Would the Division of Aging Services have to set up a new registry? How is this going to work?

Jennifer Chisel:

This bill would consolidate existing investigative reports already generated. It would put the information into an electronic database for employers who may be hiring in the elder-services industries. This would give them the ability to check on people looking to be hired.

Assemblyman Carpenter:

Maybe Captain O'Neill could explain it. I would like to know what is happening now, what would be different with this bill, and if the Division of Aging Services is going to have to create a new registry.

Chairman Anderson:

Could you explain what currently takes place when there are inquiries from elder care facilities about potential employees?

Captain P.K. O'Neill, Chief, Records and Technology Division, Department of Public Safety:

It is my understanding that yes, it would create a new registry that would be accessible by various individuals so they could see if potential employees were involved in prior elder-abuse crimes.

I am not actively involved in that part of <u>A.B. 8</u>. It was developed by a committee. I can say right now for licensing and criminal fingerprint background checks that we run on individuals for licensing, there are criteria set in statute that my staff use to make determinations as to whether the person is employable.

Our amendment transfers that responsibility to Aging Services and the Health Division because they regulate these areas and would be best at making the determinations. This would help them write better bills and make better determinations.

So, Assemblyman Carpenter, the answer is yes. There would be a registry established by Aging Services.

Chairman Anderson:

On the face of the bill, it does say that there is an effect on the state, so I would imagine it will be taken by Ways and Means. I would imagine this is what Assemblywoman McClain is anticipating.

Captain P.K. O'Neill:

In consultation with Aging Services, they are in favor of these amendments.

Assemblyman Ohrenschall:

During the hearing I think Ms. Lee Rowland of the American Civil Liberties Union (ACLU) expressed some concerns about the word "belief." I notice that it is being amended to "a reasonable cause to believe." I will vote in the affirmative now, but I would like to reserve my right to change my vote on the Floor.

I would feel more comfortable if this registry were based on actual convictions.

Jennifer Chisel:

For your information, there is a memorandum attached from Sally Ramm from the Division of Aging Services that provides some explanation as to why the elder abuse registry is a little different from the child abuse registry. It also touches on some of the processes and procedures that go into the investigations. I know it is brand-new information, but it may help explain the purpose of the registry.

Assemblyman Gustavson:

A quick look at this memorandum at number 1, it says that the registry would violate due process....

Jennifer Chisel:

This memorandum is organized to address some of the concerns raised by the ACLU during the hearing. One of the concerns was that the registry would violate due process.

The response from Aging Services is beneath that heading. They would be required to adopt regulations to provide an appeals process for having one's name removed from the registry if there are issues about why it is on the list. Also, it would provide some other processes that the Division of Child and Family Services currently have. They have adopted regulations in the Nevada Administrative Code—and I have reviewed them—which provide an extensive process for determining which reports actually get into the registry, substantiated versus unsubstantiated. It establishes the appeals process and some other procedures that provide due process rights. These processes are in regulation now rather than in statute.

Assemblyman Gustavson:

I appreciate that, but I still have a concern about the fiscal note.

Assemblyman Horne:

Along the lines of Assemblyman Ohrenschall's and others' points, I too, still have some concerns about the bill.

Assembly Committee	on Judiciary
April 9, 2009	
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Cha	ırmar	ı And	erson

There is a comfort level that has to be reached, so I will hold the bill over until tomorrow.

We are adjourned [at 11:28 a.m.]	
	RESPECTFULLY SUBMITTED:
	Emilie Reafs
	Committee Secretary
	RESPECTFULLY SUBMITTED:
	Karyn Werner
	Editing Secretary
APPROVED BY:	
Assemblyman Bernie Anderson, Chairman	
Ν ΔΤΕ·	

EXHIBITS

Committee Name: Committee on Judiciary

Date: April 9, 2009 Time of Meeting: 10:09 a.m.

Bill	Exhibit	Witness / Agency	Description
	Α		Agenda
	В		Attendance Roster
A.B. 500	С	Nicolas Anthony, Committee Counsel	Mock-up for A.B. 500
A.B. 320	D	Jennifer Chisel, Committee Policy Analyst	Work session document and mock-up
	E	Nicolas Anthony, Committee Counsel	Subcommittee report on HOA bills
A.B. 471	F	Jennifer Chisel, Committee Policy Analyst	Work session document
A.B. 462	G	Jennifer Chisel, Committee Policy Analyst	Work session document
A.B. 335	Н	Jennifer Chisel, Committee Policy Analyst	Work session document
A.B. 64	I	Jennifer Chisel, Committee Policy Analyst	Work session document
A.B. 65	J	Jennifer Chisel, Committee Policy Analyst	Work session document
A.B. 8	K	Jennifer Chisel, Committee Policy Analyst	Work session document

MINUTES OF THE SENATE COMMITTEE ON JUDICIARY

Seventy-fifth Session May 6, 2009

The Senate Committee on Judiciary was called to order by Chair Terry Care at 8:25 a.m. on Wednesday, May 6, 2009, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Terry Care, Chair Senator Valerie Wiener, Vice Chair Senator David R. Parks Senator Allison Copening Senator Mike McGinness Senator Maurice E. Washington Senator Mark E. Amodei

GUEST LEGISLATORS PRESENT:

Assemblyman Bernie Anderson, Assembly District No. 31 Assemblyman John C. Carpenter, Assembly District No. 33 Assemblyman William Horne, Assembly District No. 34 Assemblyman Richard McArthur, Assembly District No. 4 Assemblyman Harvey J. Munford, Assembly District No. 6

STAFF MEMBERS PRESENT:

Nick Anthony, Deputy Legislative Counsel Linda J. Eissmann, Committee Policy Analyst Bradley A. Wilkinson, Chief Deputy Legislative Counsel Judith Anker-Nissen, Committee Secretary

OTHERS PRESENT:

Gail J. Anderson, Administrator, Real Estate Division, Department of Business and Industry

Barry Smith, Executive Director, Nevada Press Association, Inc.

Bill Uffelman, President and CEO, Nevada Bankers Association

Randy Robison, Nevada Credit Union League

John Radocha

Michael Buckley, Chair, Commission for Common-Interest Communities and Condominium Hotels, Real Estate Division, Department of Business and Industry

Florence Jones

Ben Graham, Administrative Office of the Courts

Connie S. Bisbee, M.S., Chair, State Board of Parole Commissioners

Teresa Werner

Lee Rowland, American Civil Liberties Union of Nevada

Patricia Hines

Lucy Flores, External Affairs and Development Specialist, Office of the Vice President for Diversity and Inclusion, University of Nevada, Las Vegas

Katie Monroe, Executive Director, Rocky Mountain Innocence Center

Sam Bateman, Nevada District Attorneys Association

Jason Frierson, Office of the Public Defender, Clark County

Orrin Johnson, Office of the Public Defender, Washoe County

Tonja Brown, Advocate for the Innocent

Ron Titus, Director and State Court Administrator, Administrative Office of the Courts

Tray Abney, Director, Government Relations, Reno-Sparks Chamber of Commerce

Mark Woods, Deputy Chief, Northern Command, Division of Parole and Probation, Department of Public Safety

CHAIR CARE:

I will open the hearing on Assembly Bill (A.B.) 207.

ASSEMBLY BILL 207 (1st Reprint): Makes various changes concerning common-interest communities. (BDR 10-694)

ASSEMBLYMAN JOHN C. CARPENTER (Assembly District No. 33):

I am here to introduce <u>A.B. 207</u>, which makes a number of changes to the requirements pertaining to common-interest communities. Section 1 exempts a rural agricultural, residential common-interest community from paying the \$3 fee as required pursuant to chapter 116.31155 of the *Nevada Revised Statutes* (NRS) regarding the Office of the Ombudsman.

The Spring Creek Association was exempt from this fee for many years. During the 2005 Legislative Session, the law was changed. Spring Creek Association requests the \$3 fee be eliminated.

The next change requested in <u>A.B. 207</u> is to NRS 116.31083. The requirements of this section are expensive to comply with. The cost of mailing a notice to each property owner would be over \$2,500 in postage alone. Spring Creek Association does comply with the Open Meeting Law, is more economical and resident friendly. George Taylor of the Attorney General's Office requested I clarify the status to reflect that a rural agricultural residential common-interest community was a public body in reference to the ability of the Attorney General to enforce the Open Meeting Law. This change is found on page 7, section 2, subsection 3, paragraph (b), lines 10 through 12. Nevada Revised Statute 116.31152 speaks to reserve studies. Spring Creek Association has no problem in complying with this section. However, small associations in rural Nevada in those counties with a population under 45,000 have a difficult time complying because of the cost of hiring a reserve study specialist. Often, the only common element the small communities have is a road with two or three culverts.

The amendment provides a small association use an engineer or contractor to do a specific reserve study. I have a friendly amendment (Exhibit C), which I delivered to the Committee yesterday. This friendly amendment has been proposed by Gail Anderson of the Real Estate Division of the Department of Business and Industry. It provides if one of these associations did want to use the service of the Office of the Ombudsman, they would have to pay the fee.

CHAIR CARE:

Thank you, Mr. Carpenter. Ms. Eissmann or Mr. Wilkinson, can you tell us what has happened with Senator Dean A. Rhoads' bill?

LINDA J. EISSMANN (Committee Policy Analyst):

Mr. Chair, I looked that up this morning. It was heard in Assembly Committee on Judiciary on April 17, but no action has been taken.

CHAIR CARE:

That bill contains what is section 1 of this bill. I do not recall if it had the language in section 2, which would be consistent with what is contained in section 1. Mr. Carpenter, from the Real Estate Division standpoint, if such a

rural association wanted to be a member, it could be a member for purposes of Office of the Ombudsman's purview?

ASSEMBLYMAN CARPENTER:

That is true. If they wanted to use the services of the Office of the Ombudsman, they would have to pay the fee.

GAIL J. ANDERSON (Administrator, Real Estate Division, Department of Business and Industry):

I appreciate Assemblyman Carpenter's willingness to accept the friendly amendment from the Real Estate Division (Exhibit D). Rural residential communities have utilized the services of the program of the Office of the Ombudsman. There are seven registered and of those seven, three have utilized their services. It could be clarified they could pay the fees and remain active in the program should they choose. I also wanted to set forth on the record if they do not pay the fees and are not utilizing the services of the Office of the Ombudsman, they still have the Alternative Dispute Resolution Program under NRS 38 which is facilitated by the Office of the Ombudsman. They pay a separate filing fee and could utilize those services, which do not preclude them.

I also wanted to put on the record,

that if an association is exempt, that they would not be able to utilize the services. If they contact us or file an affidavit and we look up and find that they're exempt from registration by their choice, then we would decline to allow them to go through the process of conferencing and investigation.

CHAIR CARE:

Anyone have any questions for Ms. Anderson?

BARRY SMITH (Executive Director, Nevada Press Association, Inc.): I am here to support the clarification that places these small communities under the Open Meeting Law.

CHAIR CARE:

As I recall, Assemblyman Carpenter, the testimony was confused as to what happened in the last minutes of the last Session. These associations were thrown within the shadow of the Office of the Ombudsman when that was not intended. It was the other issue making it a public body.

ASSEMBLYMAN CARPENTER:

I do not know what happened, but I missed where they were required to pay the fee and so did Senator Rhoads. We did not know it until after the Session was over. That is why we are back to ask they not have to pay the fee. Spring Creek Association has not used the Office of the Ombudsman. When they are under the Open Meeting Law, they operate quite well, as well as the county commissioners and the city council. They agree they need to comply with the Open Meeting Law and do.

SENATOR WIENER:

Was the provision for 20 or fewer units also in Senator Rhoads' bill as part of the definition of communities that wanted to reach 20 or fewer units?

ASSEMBLYMAN CARPENTER:

The only thing in Senator Rhoads' bill is where they ask the fee not be paid.

SENATOR WIENER MOVED TO AMEND AND DO PASS AS AMENDED A.B. 207.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION PASSED. (SENATOR AMODEI ABSTAINED FROM THE VOTE.)

CHAIR CARE:

I will open the hearing on A.B. 361.

ASSEMBLY BILL 361 (1st Reprint): Makes changes relating to common-interest communities. (BDR 10-940)

ASSEMBLYMAN RICHARD McARTHUR (Assembly District No. 4):

Assembly Bill 361 is another homeowners' association (HOA) bill. It is about foreclosed or vacant property in common-interest communities. The intent of this bill is to do two things. It is to get the lending institutions and HOAs together early on in the foreclosure process of the vacancy situation and have the lending institutions provide contact information to the HOAs, their addresses and telephone numbers, and the departments that handle residential mortgages.

The second thing this bill does is assure the HOAs can maintain the exterior of the foreclosed or vacant properties without liability for trespass. Those are the two main points of the bill. If you like, Mr. Chair, we can open the bill and I can go through the pertinent paragraphs and answer any questions.

CHAIR CARE:

Yes. Generally, not dwelling on the specifics too much, just a general idea of how the bill would work.

ASSEMBLYMAN MCARTHUR:

Page 2, section 1, subsection 1, sets out that lending institutions need to contact the HOAs. Subsection 2 says once the default process is started, which leads to the foreclosure, the unit owner has been notified, they have had a chance for a hearing to fix any problems and nothing has been done, then the association can enter the grounds, whether vacant or not, and maintain the exterior. It also says the HOA can maintain it but does not have to if they do not have the money or for some reason they cannot.

Section 1, subsection 2, paragraph (a), line 21 goes through the things you should do in maintaining the exterior—landscaping, standing water, health and safety issues. The intent of the bill is to maintain the exterior. This is not a green light for HOAs to put in new landscaping, \$1,000 palm trees, etc. It is just to maintain it.

Section 1, subsection 3 is the same as subsection 2 except for vacant property where someone has walked away. On page 3, section 1, subsection 7, two points are set out in statutes in another place but pertinent to this bill. That is why it is here. It states if you buy a home in a foreclosure process, you have to maintain the exterior of the home. People seem to think if you buy something in foreclosure, you do not have to abide by the governing documents. The other point is the units cannot be removed from the HOA. People also thought if you buy a home in foreclosure, you do not have to be part of the HOA.

Section 1, subsection 8 says the association can enter the grounds and is not liable for trespass. Section 1, subsection 9, gives the definition of the word "vacant." We make a distinction between someone who has walked away from the unit and someone who does not live there, but it is a second home and they have paid their dues, their assessments are up and the exterior is maintained.

CHAIR CARE:

The language may already exist in other provisions of NRS, but page 2, section 1, subsection 2, paragraph (b), subparagraph (3), lines 31 and 32 say "Results in blighting or deterioration of the unit or surrounding area." When we get into case law of eminent domain that causes this, is there a particular statute that tells us what "blight or deterioration" means? It is subjective to some degree.

ASSEMBLYMAN MCARTHUR:

The exact wording was taken out of a bill used in North Las Vegas. I do not know if we have it in statute, but some of that wording was taken out of a bill that used it for quite awhile, and it seemed to work for them.

CHAIR CARE:

In the same section, subparagraph 4 says "adversely affects the use and enjoyment of nearby units." That could be a guy next door who says, I am losing sleep because I do not like the way the place looks next door.

ASSEMBLYMAN McARTHUR:

Though subjective that wording was left in to cover any problems that may come up.

CHAIR CARE:

On page 3, section 1, subsection 9, line 31, is the definition of "vacant." This may exist elsewhere, but one of the components of that is "which appears unoccupied." People go on vacation, you know it is unoccupied.

ASSEMBLYMAN MCARTHUR:

That is why we have the definition. If someone has walked away from the unit or owns it as a second home and it appears unoccupied, it covers both cases. Paragraph (b) on line 33 further clarifies that. It does not include something that looks like it is unoccupied, which may be a second home.

CHAIR CARE:

On page 6, section 3, subsection 2, subparagraph (c), the lien language focuses on single-family detached dwellings.

ASSEMBLYMAN McARTHUR:

That was changed in the amendment. I am not sure why, when the wording is technical. An HOA can include high-rise condominiums. If you go to common-interest communities, it refers to the single-family detached dwellings. That was probably added to coincide with the wording on page 1 where my original bill had HOAs, and they changed to common-interest communities. Those are common-interest communities; that is why the wording was changed.

CHAIR CARE:

We had <u>A.B. 204</u>, and I am looking at a note indicating the amendment was added to avoid conflict with federal laws. I recall some connection to the Federal National Mortgage Association (Fannie Mae).

ASSEMBLY BILL 204 (1st Reprint): Revises provisions relating to common-interest communities. (BDR 10-920)

ASSEMBLYMAN MCARTHUR:

There were some Fannie Mae and lookback problems when you went further than the six-month lookback. That was part of complying with those laws.

SENATOR WIENER:

Mr. Chair, to respond to your question about subjective determination, on page 2, line 33, "adversely affects the use and enjoyment." An abandoned or vacant property does not always have to be sight, it could be odor or something deteriorating on the premises which would ... you might not see it, but you can smell its presence.

Assemblyman McArthur, on page 3, section 1, subsection 9, paragraph (c), it says "has failed to pay assessments for more than 30 days." When does the clock start ticking on the 30 days? Is it on the date due or within a 10-day grace period?

ASSEMBLYMAN McARTHUR:

I would assume right at the beginning when it is due.

SENATOR PARKS:

I also saw 30 days and thought it seemed a fairly short period of time. A 60-day period would be more appropriate.

ASSEMBLYMAN McARTHUR:

I agree with you, but that 30 days was not in my original bill. I would be happy to make it 60 days.

SENATOR PARKS:

Mr. Chair, I would say if we are looking at an amendment, we may want to address that.

CHAIR CARE:

That is fine. Thank you, Senator Parks. Any additional questions?

BILL UFFELMAN (President and CEO, Nevada Bankers Association):

I am in support of the bill. In the fall, Assemblyman McArthur and I talked about the problem. I suggested the lender has no right of entry until after the foreclosure sale, at which time the lender, for better or worse, winds up being the winner. I suggested this remedy was perhaps the way to deal with these things. As he has noted, we do not want to view this as a license for the association to make it the most pristine house on the block.

The questions you had regarding what is blight or deterioration were good ones. I suspect when you see it, you will know it. Over the weekend, there was a story in the paper that relates to the concept of affecting the enjoyment. A colony of bees had moved onto a property. The next-door neighbor was allergic to bee stings, and the roses in her yard drew the bees. The neighbors, out of their own pockets, had the bees removed. Those situations hopefully will be remedied under this bill. Some members asked why we have to notify them that we have filed the notice of default with the election to sell when it is a public document. I have suggested they might want to go along to get along. There are technical issues, but everybody is going to have to roll with this to make it work.

You are correct in the reference to the single-family designation. If you are in a condominium, their obligation includes the maintenance of the exterior and the common grounds. All those things are supposed to be recovered from their fees, whereas this special assessment is relative to the single-family homes and would carry into the foreclosure and be an obligation to be paid, unlike A.B. 204, the extension and lookback. Extending the 30 days to 60 days makes sense.

TAB 9

TAB 8

Case No. 63614

In the Supreme Court of Nevada

SFR INVESTMENTS POL 1, LLC, a Nevada limited liability company,

Appellant,

Electronically Filed Jan 03 2014 09:07 a.m. Tracie K. Lindeman Clerk of Supreme Court

VS.

U.S. BANK, N.A., a national banking association as Trustee for the Certificate Holders of Wells Fargo Asset Securities Cporation, Mortgage Pass-Through Certificates, Series 2006-AR4,

Respondent.

APPEAL

from the Eighth Judicial District Court, Clark County
The Honorable SSAN SCANN, District Judge
District Court Case No. A-13-678814-C

APPELLANT'S STATUTORY ADDENDUM

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INDEX BY DOCUMENT

	Тав	DOCUMENT	BATES NO.
		Nevada Revised Statute Chapter 116-Common-Interest Ownership (Uniform Act)	AA001 – AA141
		x NRS 116.1104	AA015
		x NRS 116.1108	AA016
		x NRS 116.310312	AA047
		x NRS 116.3116	AA090
	1	x NRS 116.31162	AA092
		x NRS 116.31163	AA093
		x NRS 116.311635	AA094
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	2	Nevada Revised Statute Chapter 117 Condominiums	AA142 – AA148
		x NRS 117.070	AA146
		x NRS 117.075	AA147
	3	Nevada Revised Statutes/olume 9 –Chapter 107 – Deeds of Trust [November 22, 1991]	AA149 – AA164
		x NRS 107.080	AA160

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	5	Nevada Revised Statute Chapter 38 – Mediation and Arbitration	AA201 – AA232
		x NRS 38.300 -NRS 38.360	AA218- AA222
	6	Uniform Common Interest Ownership Act [1982]	AA233 – AA442
UCIOA		x UCIOA 1-104 Commen#	AA259
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	8	Assembly Bill 361– Makes Changes to Common-Interest Communities [2009]	AA575 – AA714
	9	Assembly Bill 152– Requires Arbitration or Mediation of Certain Claims Relating to Residential Propey [1995]	AA715 – AA827

ALPHABETICAL INDEX

Тав	DOCUMENT	BATES NO.
9	Assembly Bill 152– Requires Arbitration or Mediation of Certain Claims Relating to Residential Property [1995]	AA715 – AA827
7	Assembly Bill 221– Enacts Uniform Common-Interest Ownership Act [1991]	AA443 – AA574
8	Assembly Bill 361– Makes Changes to Common-Interest Communities [2009]	AA575 – AA714
4	Nevada Revised Statute Chapter 107- Deeds of Trust [Current]	AA165 – AA200
1	Nevada Revised Statute Chapter 116-Common-Interest Ownership (Uniform Act)	AA001 – AA141
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TAB 1

CHAPTER 116 - COMMON-INTERESTOWNERSHIP (UNIFORM ACT)

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PART I

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	GENERAL PROVISIONS
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	ARTICLE 4	
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ADMINISTRATION AND ENFORCEMENT OF CHAPTER

GENERAL PROVISIONS

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NRS 116.605	and qualifications of members; terms of office; compensation. Commission for Common-Interest Communities and Condominium Hotels: Courses of instruction for members.
NRS 116.610	Commission for Common-Interest Communities and Condominium Hotels: Election of officers; meetings; quorum.
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NRS 116.620	Employment of personnel by Real Estateivision; duties of Attorney General; legal opinions by Attorney General.
NRS 116.623	Petitions for declaratory orders or advisoryopinions: Regulations; scopecontents of petition; filing; period for response.
NRS 116.625	Ombudsman for Owners in Common-Interest Communities and Condomitium Hotels: Creation of office; appointment; qualifications; powers and duties.
NRS 116.630	Account for Common-Interest Communities and Condominium Hotels: Creation; administration; sources; uses.
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NRS 116.645	Authority for Real Estate Division to conduct business electronically; regulations; fees; use of unsworn declaration; exclusions.
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NRS 116.662	Witnesses: Payment of fees and mileage.
NRS 116.665	Conducting hearings and other proceeding collection of information; development and promotion of

NRS 116.660	Issuance and enforcement of subpoenas.
NRS 116.662	Witnesses: Payment of fees and mileage.
NRS 116.665	Conducting hearings and other proceeding collection of information; development and promotion of
	educational guidelines; accreditation of programs of education and research.
NRS 116.670	Establishment of standards for substizing arbitration, mediation and educational programs;
	acceptance of gifts, grants and donations; agreements and cooperation with other entities.
NRS 116.675	Appointment of hearing panels; degation of powers and duties; appeals to Commission.
NRS 116.680	Use of audio or video teleconference for hearings.

INVESTIGATION OF VIOLATIONS; REMEDIAL AND DISCIPLINARY ACTION

"Violation" defined.
Jurisdiction of Real EstateDivision, Ombudsman, Commission and hearing panels.
Rights, remedies and penalties are cumtilize and not exclusive; limitations on power of Commission
and hearing panels regarding internal activities of association.
Confidentiality of records: Certain records relating to complaint or investigation deemed
confidential; certain records relating to disciplinary action deemed public records.
Right of person aggrived by alleged violation to file affidavt with Real Estate Division; procedure
for filing affidavit; administrative fine for filing false or fraudulent affidavit.
Referral of affidavit to Ombudsman for assistance in resolving alleged violation; report by
Ombudsman; investigation by Real Estate Diision; determination of whether to file
complaint with Commission.
Procedure for hearing complaints: Time for holding hearing; continuances; notices; evidence;
answers; defaults.
Representation by attorney.
Decisions on complaints.
Remedial and disciplinary action: Orders tocease and desist and to coerct violations; administrative
fines; removal from office or position; payment of costs; exemptions from liability.
Remedial and disciplinary action: Audit of association; requiring association to hire community
manager who holds certificate; appointment of receiver.
Injunctions.

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 991, 535)—(Substituted in revision for NRS 116.1101)

NRS 116.003 Definitions. As used in this chaptered in the declaration and bylaws of an association, the words and terms define all 116.00 to 116.095 inclusive, have the meanings about to them in those sections.

(Added to NRS by 991, 535 A 2003, 13022221, 2005, 25862009, 16082011, 2415)

NRS 116.005 "Administrator" defined. "Administrator" means the Real Estate Administrator.

(Added to NRS b<u>y</u>999, 2993 A 2003, 13022221)—(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 colleted by or is under common control with a declarant. For purposes of this section:

- 1. A person conthonal declarant if the person:
- (a) Is a general partner, officeirector or employer of the declarant;
- (b) Directly or indirectly or acting concert with one or more other persons, or through one or more subsidies, owns, controls, holds with power to vote or holds proxies representing, more than 20 percentle voting interest in the declarant;
- (c) Controls in any manner the election majority of the directors of the declarant; or
 - (d) Has contributed more than percent of the capital of the declarant.
 - 2. A person is contiled by a declarant if the declarant:
 - (a) Is a general partner, **cffr**, director or employer of the person;
- (b) Directly or indirectly or acting concert with one or more other persons, or through one or more subsidies, owns, controls, holds with power to vote or holds proxies representing, more than 20 percently person;
 - (c) Controls in any manner the election of a majority of the directors of the person; or
 - (d) Has contributed more that percent of the capital of the person.
- 3. Control does not exist if the powelesscribed in this section are held solely as security for an obligation and are not exercised.

(Added to NRS b<u>y</u>991, 535 A 2011, 2415—(Substituted in revision for NRS 116.11031)

NRS 116.009 "Allocated interests" defined. "Allocated interests" means the following interests alloated to each unit:

- 1. In a condominium, the undividenterest in the common elements, the liability for common expenses, and sestin the association;
- 2. In a cooperative, the liability r common expenses, those whership interest and votes in the association; and
- 3. In a planned community, the bility for common expenses and votes in the association.

(Added to NRS b<u>y</u>991, 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 991, 53)—(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 of NRS.

(Added to NRS by 003, 2208A 2005, 25872007, 226)

NRS 116.015 "Commission" defined. "Commission" means the Commission for Common-Interest Communities and Condominium Hotels created 16.60 (Added to NRS b 2003, 2208 A 2007, 226)

NRS 116.017 "Common elements" defined. "Common elements" means:

- 1. In the case of:
- (a) A condominium or cooperatively portions of the common-interest community other than the units, including easement fairor of units or the common elements over other units.
- (b) A planned community, any restate within a planned community which is owned or leased by the assation, other than a unit.
- 2. In all common-interest communistieany other interests in real estate for the benefit of units' owners which assubject to the declaration.

(Added to NRS b<u>y</u>991, 536 A <u>1993, 23562011, 241</u>6—(Substituted in revision for NRS 116.110318)

NRS 116.019 "Ommon expenses" defined. "Common expenses" means expenditures made by, or final liabilities of, the association, together with any allocations to reserves.

(Added to NRS by 1991, 5)3-6 (Substituted in revision for NRS 116.11032)

NRS 116.021 "Commo-interest community" defined.

- 1. "Common-interest community" mesareal estate described in a declaration with respect to which a person, by virtue of the son's ownership of a unit, is obligated to pay for a share of real estate taxes, in scarapremiums, maintenance or improvement of, or services or other expenses related to, commented in that declaration.
 - 2. The term does niontclude an agreement described Nin S 116.1209
- 3. For purposes of this section whereship of a unit does not include holding a leasehold interest of less than 20 years unit, including options to renew.

(Added to NRS b<u>∲991, 53</u>6 A <u>2009, 160</u>8—(Substituted in revision for NRS 116.110323)

NRS 116.023 "Community manager" defined. "Community manager" means a person who provides for or otherwise engaigethe management of a common-interest community or the management of association of a condominium hotel.

(Added to NRS b<u>2003, 220</u>8A <u>2007, 226</u>)

NRS 116.025 "Complaint" defined. "Complaint" means a complaint filed by the Administrator pursuant toRS 116.765

(Added to NRS b2003, 220)

NRS 116.027 "Condominium" defined. "Condominium" means a commoninterest community in whichportions of the real estate are designated for separate ownership and the remainder of the reatate is designated for common ownership solely by the owners of those portion common-interest community is not a condominium unless the undivided interests common elementare vested in the units' owners.

(Added to NRS by 991, 53) (Substituted in revision for NRS 116.110325)

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

(Added to NRS by 1991, 5)36 (Substituted in revision for NRS 116.110328)

NRS 116.031 "Cooperative" defined. "Cooperative" means a common-interest community in which the real teste is owned by an association, each of whose members is entitled by virtue of the member's owners in the association to exclusive possession of a unit.

(Added to NRS by 991, 53) (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 991, 53) — (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 promotion palan, offers to dispose the interest of the person or group of peoples in a unit not previously disposed of; or
 - 2. Reserves or succeeds to any special declarant's right.

(Added to NRS by 991, 537 A 2011, 241) (Substituted in revision for NRS 116.110335)

NRS 116.037 "Declaration" defined. "Declaration" means any instruments, however denominated, that create ammon-interest community, including any amendments to those instruments.

(Added to NRS by 991, 53) — (Substituted in revision for NRS 116.110338)

NRS 116.039 "Developmental rights" defined. "Developmental rights" means any right or combination of rights resed/by a declarant in the declaration to:

- 1. Add real estate to a common-interest community;
- 2. Create units, common elementsimited common elements within a common-interest community;
 - 3. Subdivide units or avert units into common elements; or
 - 4. Withdraw real esta from a common-interest community. (Added to NRS by 991, 53)—(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 transferelease of a security interest.

(Added to NRS by 991, 53) — (Substituted in revision for NRS 116.110343)

NRS 116.043 "Division" defined. "Division" means the ReaEstate Division of the Department of Business and Industry.

(Added to NRS by003, 13012208)

NRS 116.045 "Executive board" defined. "Executive board" means the body, regardless of name, designated in the detiber or bylaws to acon behalf of the association.

(Added to NRS by 991, 537, A 2011, 241) (Substituted in revision for NRS 116.110345)

NRS 116.047 "Financial statement" defined. "Financial statement" means a financial statement of an assistation that is prepared another sented in accordance with the requirements established the Commission pursuant NCRS 116.31142

(Added to NRS by 997, 3110A 2005, 258)

NRS 116.049 "Governing documents" defined. "Governing documents" means:

1. The declaration for the common-intrest community;

- 2. The articles of incorporation, tiales of association, articles of organization, certificate of registration, certificate of limit epartnership, certifiate of trust or other documents that are used toganize the association fibre common-interest community;
 - 3. The bylaws and rules of the association; and
- 4. Any other documents thatovern the operation of the common-interest community or the association.

(Added to NRS b<u>\$997, 311</u>;1 A 2005, 258)

NRS 116.051 "Hearing panel" defined. "Hearing panel" means a hearing panel appointed by the Commission pursuan NRS 116.675

(Added to NRS b<u>2003, 220</u>)

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

(Added to NRS by 991, 537 A 1993, 235) (Substituted in revision for NRS 116.110348)

NRS 116.055 "Leasehold common-interest community" defined. "Leasehold common-interest community" enans a common-interest committy in which all or a portion of the real estate is subject to asset the expiration or menination of which will terminate the common-interest community or reduce its size.

(Added to NRS by 991, 53) — (Substituted in revision for NRS 116.11035)

NRS 116.057 "Liability for common expenses" defined. "Liability for common expenses" means the liability formonon expenses allowed to each unit pursuant toNRS 116.2107

(Added to NRS by 991, 53) — (Substituted in revision for NRS 116.110353)

NRS 116.059 "Limited common element" defined. "Limited common element" means a portion of the common element allocated by the declaration or by operation of subsetion 2 or 4 of NRS 116.210 For the exclusive use of one or more but fewer than all of the units.

(Added to NRS by 991, 53) — (Substituted in revision for NRS 116.110355)

NRS 116.0605 "Major compoent of the common elements" defined. "Major component of the common elements" means component of the common elements, including, without limitation, any amenity, improvement, furnishing, fixture, finish, system or equipment, that may, within 30 are after its original installation, require repair, replacement or restoration in excessroutine annual maintenance which is included in the annual operatibgdget of an association.

(Added to NRS b2005, 258)

NRS 116.061 "Management of a common-interest community" defined. "Management of a common-interest community to the physical, administrative or

financial maintenance and management as fcommon-interest community, or the supervision of those activities, for a fee, moission or other value consideration.

(Added to NRS b<u>2003, 220</u>)

NRS 116.063 "Master association" defined."Master association" means an organization described MRS 116.212 whether or not it is also an association described in NRS 116.310.1

(Added to NRS by 991, 53) — (Substituted in revision for NRS 116.110358)

NRS 116.064 "Nonresidential condominium" defined. "Nonresidential condominium" means a condominium which all units are sericted exclusively to nonresidential use.

(Added to NRS b2009, 160)

NRS 116.065 "Offering" defined. "Offering" means any advertisement, inducement, solicitation or attrept to encourage any personatequire any interest in a unit, other than as security for an obligati An advertisement in a newspaper or other periodical of general circulatin, or in any broadcast mediuten the general public, of a common-interest community not located this State, is not an offering if the advertisement states that caffering may be made only in compliance with the law of the jurisdiction in which the common-interest community ischated. The verb "offer" has a similar meaning.

(Added to NRS by 991, 53) — (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 b<u>§2003, 220</u>9A <u>2007, 226</u>)

NRS 116.069 "Party to the complaint" defined. "Party to the complaint" means the Division and the respondent.

(Added to NRS by 2003, 22)09

NRS 116.073 "Person" defined. "Person" includes a government and governmental subdivision or agency.

(Added to NRS by 991, 53) — (Substituted in revision for NRS 116.110363)

NRS 116.075 "Planed community" defined. "Planned community" means a common-interest community that is notoandominium or a cooperative. A condominium or cooperative may be part of a planned community.

(Added to NRS by 991, 53) — (Substituted in revision for NRS 116.110368)

NRS 116.077 "Proprietary lease" defined. "Proprietary lease" means an agreement with the association pursuant to which and the entitled to exclusive possession of a unit in cooperative.

(Added to NRS by 991, 53) (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 valryntransfer acquires a legal or equitable interest in a unit other than:

- 1. A leasehold interest, includingtions to renew, of less than 20 years; or
- 2. As secuity for an obligation.

(Added to NRS by 991, 538 A 2011, 241) (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 laridcluding structures fixtures and other improvements and interests that by customagesor law pass with a conveyance of land though not described in the contract ofeser instrument of conveyance. The term includes parcels with or wribut upper or lower boundaries and spaces that may be filled with air or water.

(Added to NRS b<u>√991, 53</u>§ A <u>2011, 241</u>) (Substituted in revision for NRS 116.110378)

NRS 116.083 "Residential use" defined. "Residential use" means use as a dwelling or for personalfamily or household purposesy ordinary customers, whether rented to particular persons or not. Such uses include marina boat slips, piers, stable or agricultural stalls or pens, campground spaceslots, parking spaces or garage spaces, storage spaces or lockers agraden plots for individual use ut do not include spaces or units primarily used to derive commercial innoe from, or provide service to, the public.

(Added to NRS b<u>y</u>991, 538 A 1999, 335) → (Substituted in revision for NRS 116.11038)

NRS 116.085 "Respondent" defined. "Respondent" means a person against whom:

- 1. An affidavit has been filed pursuan Nta S 116.760
- 2. A complainhas been filed pursuant NRS 116.765 (Added to NRS by 2003, 220)

NRS 116.087 "Security interest" defined. "Security interest" means an interest in real estate or personal property, crelabby contract or conveyance, which secures payment or performance of an obligatione Tehrm includes a lien created by a mortgage, deed of trust, trust deedecsurity deed, contract for deethand sales contract, lease intended as security, assignment of leasereouts intended as sericity, pledge of an ownership interest in an association among other consensual lien or contract for retention of title intended as security for aboligation.

(Added to NRS by 991, 53) (Substituted in revision for NRS 116.110383)

NRS 116.089 "Special declarant's rights" defined. "Special declarant's rights" means rights reserved for tbenefit of a declarant to:

- 1. Complete improvements indicate plats or in the declaration or, in a cooperative, to complete improvements at bed in the public offering statement pursuant to paragraph) (bf subsection 1 dNRS 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 themmon elements for the purpose of making improvements within the commonterest community or within real estate which may be added to the common-interest community;
 - 5. Make the common-interestroomunity subject to a master association;
- 6. Merge or consolidate a non-interest community with another common-interest community of the same form of ownership; or
- 7. Appoint or remove any officer **tbf**e association or any **sta**er association or any member of an executive any period **cd**eclarant's control.

(Added to NRS b<u>y</u>991, 538 A 2009, 16082011, 241) ← (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 **erræmt** allocating this right among various owners **bi**me shares whether or not the an additional charge to the owner for occupying the unit.

(Added to NRS by 991, 53) (Substituted in revision for NRS 116.110388)

NRS 116.093 "Unit" defined. "Unit" means a physicaportion of the commoninterest community designated for separateneouship or occupancythe boundaries of which are described pursuantptaragraph (e) of subsection 1 of NRS 116.2105 If a unit in a cooperative is owned by unit's owner or is soldconveyed, voluntarily or involuntarily encumbered or otherwise transferred by thusit's owner, the interest in that unit which is owned, sold, conveyed commbered or otherwise transferred is the right to possession of that unit under a proprietary lease oupled with the allocated interests of that unit, and the association teriest in that unit is not thereby affected.

(Added to NRS by 991, 53)—(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 simultant unit and lease the expiration or termination of which will renove the unit from the common-interest community, but does not include a person having interest in a unit solely assecurity for an obligation. In a condominium or planned reconunity, the declarant is thowner of any unit created by the declaration until that unit is conveyted another person. In a cooperative, the declarant is treated as those where of any unit to which allocated interests have been allocated until that unit has been onveyted to another person.

(Added to NRS by 991, 539 A 2011, 241) — (Substituted in revision for NRS 116.110393)

NRS 116.1104 Provisions of chtepr 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 extended by it may not be waived. Except as otherwise provided in paragorh (b) of subsection 2 of the limitations or prohibitions of this chapter or the declaration.

(Added to NRS by 991, 539 A 2011, 241)

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

- 1. The provisions of this chapter **not** invalidate or modify the tariffs, rules and standards of a public utility.
- 2. The governing documents of assessation must be coissent and not conflict with the tariffs, rules and standards of ablic utility. Any provision of the governing documents whick onflicts with the tariffs, rules and astdards of a publicatility is void and may not be enforced against a purchaser.
- 3. As used in this section, ulplic utility" has the meaing ascribed to it in NRS 704.020

(Added to NRS b\(\times 009, 97\)

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

(Added to NRS by 991, 539 A 2005, 123)

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

- 1. A building code may not im see any requirement upon any structure in a common-interest community which it would impose upon a physically identical development under a differte form of ownership.
- 2. In condominiums and coopteves, no zoning, subdivision or other law, ordinance or regulation governginthe use of real estate ynparchibit the ondominium or cooperative as a form of ownership orpionse any requirement upon a condominium or cooperative which it would not impose uporphaysically identical development under a different form of ownership.
- 3. Except as otherwise provided simbsections 1 and 2, ethprovisions of this chapter do not invalidate or modify anyopision of any building code or zoning, subdivision or other law, ordinance, ruleregulation governing these of real estate.
- 4. The provisions of this seconti do not prohibit a local government from imposing different requirements and standards regardlesign and constructor on different types of structures in common-interest communities or the purposes of this subsection, a townhouse in a planned community is a difference of structure from other structures

in common-interest committies, including, without limittion, other structures that are or will be owned as condomiums or cooperatives.

(Added to NRS by 991, 540 A 2005, 258)

NRS 116.1107 Eminent domain.

- 1. If a unit is acquired by emineulumain or part of a unit is acquired by eminent domain leaving the unit's owner with a remnthant may not practically or lawfully be used for any purpose permittent the declaration, the awarmust include compensation to the unit's owner for that unit and its adated interests, whether or not any common elements are acquired. Uponquisition, unless the decree otherwise provides, that unit's allocated interests are automatically reallocated remaining units in proportion to the respective allocated interests of those units before the taking, and the association shall promptly prepare, execute and record annendment to the declaration reflecting the reallocations. Any remnant of a unit remaining part of a unit is taken under this subsection is thereafter a common element.
- 2. Except as otherwise provideds indusection 1, if part of unit is acquired by eminent domain, the award must compensate the unit's rown the reduction in value of the unit and its interest the common elements, whether not any common elements are acquired. Upon acquisition, unless the decree otherwise provides:
- (a) That unit's allocated interests are reduced in proportion in the size of the unit, or on any other baspecified in the declaration; and
- (b) The portion of the allocated intestse divested from the partially acquired unit are automatically reallocated that unit and to the remaining units in proportion to the respective allocated interests to be units before the taking ith the partially acquired unit participating in the relapcation on the basis of itseduced allocated interests.
- 3. If part of the common elements acquired by eminent domain, the portion of the award attributable to the common elements ntankers to be paid to the association. Unless the declaration provides otherwise, apportion of the award attributable to the acquisition of a limited common element mbst equally divided among the owners of the units to which that limite common element was allocated the time of acquisition.
- 4. The judicial decree must be record every county in which any portion of the common-interest community is located.
- 5. The provisions of this section not authorize an association to exercise the power of eminent domain pursuant domain as provided 37.0097

(Added to NRS by 991, 540 A 2009, 287)

NRS 116.1108 Supplemental general principles of law applicableThe principles of law and equity, including thewlaof corporations and any other form of organization authorized by law of this Stattee law of unincorporated associations, the law of real property, and the relative to capacity toomtract, principal and agent, eminent domain, estoppel, trat, misrepresentation, description, coercion, mistake, receivership, substantial performance, other validating or invalidating cause

supplement the provisions of this chapter, extend the extent inconsistent with this chapter.

(Added to NRS by 991, 541 A 2011, 241)

NRS 116.11085 Provisions of chapter prevail over conflicting provisions governing certain businessentities generally. If a matter governed by this chapter is also governed by hapter 7881, 82, 86, 87, 87A, 88 or 88A of NRS and there is a conflict between the provisions this chapter and the provisions of those other chapters, the provisions of this chapter prevail.

(Added to NRS by 2003, 222,1 A 2005, 258,72007, 485)

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

- 1. This chapter being a general indended as a unified coverage of its subject matter, no part of it may be restrued to be impliedly repend by subsequent legislation if that construction careasonably be avoided.
- 2. This chapter must be applied **and**strued so as to effectuate its general purpose to make uniform the law with respect to **tsubject** of this chapter among states enacting it.

(Added to NRS by 991, 54)

NRS 116.1112 Unconscionable agreement or term of contract.

- 1. The court, upon finding as a matteraw that a contract or clause of a contract was unconscionable at the time the contracts made, may refuse to enforce the contract, enforce the remainder of the contracthout the unconscionable clause, or limit the application of any unconscionable slate avoid an unconscionable result.
- 2. Whenever it is claimed, or appetantshe court, that a contract or any clause of a contract is or may be unconscionable, that is, to aid the court in making the determination, must be affided a reasonable opportunity 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 991, 54)

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 991, 54)

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

(Added to NRS by 991, 541 A 2011, 241)

NRS 116.1118 Federal Electronic Signatures in Global and National Commerce Act superseded; exceptions. This chapter modified jmits and supersedes the federal Electronic Signatures in Globald National Commerce Act, 15 U.S.C. §§ 7001 et seq., but does not modify, limit surpersede Section 101(of) that Act, 15 U.S.C. § 7001(c), or authorize electronidivery of any of the notices described in Section 103(b) of that Act, 15 U.S.C. § 7003(b).

(Added to NRS b2011, 241)

Part II

Applicability

NRS 116.1201 Applicability; regulations.

- 1. Except as otherwise provided in this section <u>National 116.120</u>3 this chapter applies to all common-interest committees created with this State.
 - 2. This chapter does not apply to:
 - (a) A limited-purpose association; cept that a limited prose association:
- (1) Shalpay the fees required pursuant <u>Nto S 116.3115</u>, 5 except that if the limited-purpose association is created for <u>rankagricultural</u> residetial common-interest community, the limited-purpose association is not required to pay the fee unless the association intends to use <u>there</u>vices of the Ombudsman:
 - (2) Shall regter with the Ombudsman pursuan Nto S 116.31158
 - (3) Shaltomply with the provisions of:
 - (I)NRS 116.31038
- (II) NRS 116.3108 and 116.31152 unless the limited-purpose association is created for a rural agricultural resintial common-interest community;
- (III) NRS 116.3107,3 if the limited-purpose association is created for maintaining the landscape **the** common elements of the common-interest community; and
- (IV) NRS 116.31075 if the limited-purpose association is created for a rural agricultural residential common-interest community;
- (4) Shalk-omply with the provisions of NRS 116.410 to 116.412 inclusive, as required by the regulations adopted by the members of pursuant to paragraph (b) of subsection 5; and
- (5) Shall not enforce any restrictions concerningushee of units by the units' owners, unless the limited-purpose associatis created for a rural agricultural residential common-interest community.
- (b) A planned community in which all units are restricted exclusively to nonresidential use unless the declaration placewithat this chapterr a part of this chapter does apply to that applied community pursuant NtoRS 116.1207.5 This chapter applies to a planned community containing booth that are restricted exclusively to nonresidential use and other units that are stoot restricted only if the declaration so provides or if the real estate comprisiting units that may be used for residential

purposes would be a planned community inathsence of the unitsathmay not be used for residential purposes.

- (c) Common-interest communities wormits located outside this State, bulks 116.4102 and 116.4103 and, to the extent applicables 116.4103 to 116.4107 inclusive, apply to a contrat for the disposition of a within that common-interest community signed in this State by any party unless expertunder subsection 2 of RS 116.4101
- (d) A common-interest community at thwas 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 useunless a majority of the units' owners otherwise elect in writing.
- (e) Except as otherwise provided thmis chapter, time sheet governed by the provisions of chapter 119 ft NRS.
 - 3. The provisions of this chapter do not:
- (a) Prohibit a common-interest commity 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 oNRS 116.210 to 116.212; inclusive;
- (c) Invalidate any assessments that were imposed on or **Deftoler** 1, 1999, by a common-interest community creal before January 1, 1992;
- (d) Except as otherwore provided in subsection 8 MRS 116.31105 prohibit a common-interest community created befolæmuary 1, 1992, or a common-interest community described in 16.3110 from providing for a representative form of government, except that, in the election or or or a member of the executive board, the voting rights of the units' owners may not be excised by delegates or representatives;
- (e) Prohibit a master association of the difference of the standard part of the chapter 119 for NRS from providing for a representative form of government for the time-share plan; or
- (f) Prohibit a master association find governs a plandecommunity containing both units that are restricted described to nonresidential esand other units that are not so restricted and which iexempt from the provisions of this chapter pursuant to paragraph (b) of subsection 2 from providing a representative form of government.
- 4. The provisions <u>ofhapters 11</u> and <u>278A</u> of NRS do not apply to commoninterest communities.
 - 5. The Commissionshall establish, by regulation:
- (a) The criteria for determining wher an association, a limited-purpose association or a common-interest communisatisfies 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 116.410to 116.412 inclusive.
 - 6. As used in this section, "limit purpose association" means an association that:
 - (a) Is created for the limited purpose of maintaining:

- (1) The landscape of etbommon elements of aromon-interest community;
- (2) Facilities for flood control; or
- (3) A rural agricultal residential common-terest community; and
- (b) Is not authorized by its govern documents to enforce any restrictions concerning the use of units by units' ownernless the limited-purpose association is created for a rural agricultural releintial common-interest community.

(Added to NRS by991, 542 A 1999, 29982001, 24882003, 22232005, 2587, 2009, 16092211, 2863 2908 2910, 2011, 11432418)

NRS 116.1203 Exceptirofor small planned communities.

- 1. Except as otherwise providedsimbsections 2 and 3f, a planned community contains no more than 12 unated is not subject to tany developmental of the subject only to NRS 116.110 (and 116.110 7 unless the declaration provides that this entire chapter is applicable.
- 2. The provisions of RS 116.1206 and the definitions set forth MRS 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 control more than 6 units.
- 3. Except foNRS 116.310,4116.31043,116.3104@and116.3113@the provisions of NRS 116.310 to 116.350 inclusive, and the diations set forth inNRS 116.005to 116.095 inclusive, to the extent that uch definitions are necessary in construing any of those provisis, apply to a residential prined community containing more than 6 units.

(Added to NRS by991, 542 A 1993, 23571999, 29992001, 5282003, 2224, 2266, 2005, 12322589, 2009, 10992864, 2011, 241)

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 willhose provisions by operation of law, and any such declaration, bylaw or other governithogcument is not required to be amended to conform to those provisions.
- (b) Is superseded by the province 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 this chapter that is being violated.
- 2. In the case of amendments the declaration, bylaws or plats of any common-interest community created fore January 1, 1992:
- (a) If the result accomplished by amendment was permitted by law before January 1, 1992, the amendmentary be made either in accordance with that law, in which case that law applies that amendment, or it may be made under this chapter; and

- (b) If the result accoplished by the amendment is repreted 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 lows or plats authorized by this section to be made under this chapter must be adoptedoim formity with the applicable provisions of chapter 11 for 278A of NRS and, except as otherwise provided in subsection 116.2117 with the procedures and quirements specified by those instruments. If an amendment grants to a person light, power or privilegermitted by this chapter, any correlative obligation, liability or estriction in this chapter also applies to the person.

(Added to NRS by 991, 543 A 1999, 2999 2003, 2224 2009, 1610 2877, 2011, 2420)

NRS 116.12065 Notice of changes to governing documents any change is made to the governing documents of association, the secretary or other officer specified in the bylaws of the associationlls waithin 30 days after the change is made, prepare and cause to be hand-delivered to prepaid by United States mail to the mailing address of each unit or to any other ling address designated in writing by the unit's owner, a copy of the change that was made.

(Added to NRS by 999, 299)

NRS 116.12075 Applicabity to nonresidential condominiums.

- 1. The provisions of this chapteo not apply to a nonresidential condominium except to the extent that the declaration the nonresidential condominium provides that:
 - (a) This entire chaper applies to the condominium;
- (b) Only the provisions <u>offRS 116.00</u> to <u>116.2122</u> inclusive, and <u>116.3116</u> to <u>116.3116</u> inclusive, apply to the condominium; or
- (c) Only the provisions of RS 116.311 to 116.31168 inclusive, apply to the condominium.
- 2. If this entire chapter applies aononresidential condomium, the declaration may also require, subject MRS 116.1112that:
- (a) Notwithstanding IRS 116.3105 any management, maintenance operations or employment contract, lease of recreational parking areas or facilities and any other contract or lease between the sociation and a declarant and affiliate of a declarant continues in force after the declarant turns over control of the association; and
- (b) Notwithstandin<u>NRS 116.110</u> and subsection 3 <u>ofRS 116.31</u>,1 purchasers of units must execute proxies, powerf attorney or similar deves in favor of the declarant regarding particular matters enerated in those instruments.

(Added to NRS by 2009, 1607A 2011, 242))

NRS 116.1209 Other exemptreal estate arrangements; other exempt covenants.

1. An agreement between the sociations 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 separatemon-interest committy. If the declarants of the common-interest communities are affiliates, the agreement may not unreasonably allocate the costs among those mmon-interest communities.

- 2. An agreement between an association the owner of real estate that is not part of a common-interest community share the costs of real estate taxes, insurance premiums, services, maintenase or improvements of real estate, or other activities specified in the agreement, does not tereal separate common-interest community. However, the assessments against the timits common-interest community required by the agreement must beclinded in the periodic buelty for the common-interest community, and the agreement must be dissection all public offering statements and resale certificates required by this chapter.
- 3. An agreement between the owned reparts of real estate to share costs or other obligations sociated with a party walkpad, driveway or well or other similar use does not create a communityunless the owners otherwise agree.
- 4. As used in this section, "pawall" means any wall or fence constructed along the common boundary line between parcellse term does not include any shared building structure systems, including, with limitation, foundations, walls and roof structures.

(Added to NRS b2009, 1608

ARTICLE 2

CREATION, ALTERATION AND TERM INATION OF COMMON-INTEREST COMMUNITIES

NRS 116.2101 Creation of common-interest communities. A common-interest community may be created pursuant to this apter only by recroling a declaration executed in the same manner as a deed anadomorperative, by conveying the real estate subject to that declaration the association. The declaration must be recorded in every county in which any portion of the common-interest community dated and must be indexed in the grantee's index in the nacriethe common-interest community and the association and in the grantor's index time name of each person executing the declaration.

(Added to NRS by 991, 543)

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

1. If walls, floors or ceilings are desiated as boundaries as funit, all lath, furring, wallboard, plasterboard, plaster, paneling, still all paper, paint, finished flooring and any other materials constituting yapart of the finished surface 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 produit, bearing wall, bearing column or any other fixture lies partially within and partially outs the designated boundaries of a unit, any portion thereof serving only that unit is a lie of the common element allows 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, allasps, interior partitions and other fixtures and improvements within the boundariesæfunit are a part of the unit.
- 4. Any shutters, awnings, wimed boxes, doorsteps, stoops, porches, balconies, pads and mounts for heatingdaair-conditioning systems, patios and all exterior doors and windows or other fixtures designedsterve a single unit, but located outside the unit's boundaries, are limited common elements allocated exclusively to that unit.

(Added to NRS by 991, 54)

NRS 116.2103 Construction advalidity of declaration and bylaws.

- 1. The inclusion in a governing doment of an association of a provision that violates any provision of the chapter does not render yanother provisions of the governing documenthalid or otherwise unenforceable the other provisions can be given effect in accordance with their original intent and those is on the control of the chapter.
- 2. The rule against perpetuities at the state of the declaration, by law styles or regulations adopted pursuant to NRS 116.3102
- 3. If a conflict exists between ethdeclaration and the **lay**ws, 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 remains or otherwise affected by reason of an insubstantial facility the declaration to comply with this chapter. Whether a substantial failure impainarketability is not affected by this chapter.

(Added to NRS by 991, 544 A 2003, 22252011, 242)

NRS 116.2104 Description of units. A description of a unit which sets forth the name of the common-interest community, filther number and book outher information to show where the declarati is recorded, the county in the common-interest community is located and the identifying note of the unit, is a legally sufficient description of that unit and all rights, obligous and interests appurtenant to that unit which were created by those claration or bylaws.

(Added to NRS by 1991, 5,4A 1993, 235)

NRS 116.2105 Contents of declaration.

- 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 in the any part of the common-interest community is situated;

- (c) A legally sufficient description of the real estate included the common-interest community;
- (d) A statement of the maximum numbéunits that the declarant reserves the right to create;
- (e) In a condominium or planned commity, a description of the boundaries of each unit created by the declatican, including the unit's identifying number or, in a cooperative, a description, which as by plats, of each ituare ated 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 billding containing more than one unit;
- (f) A description of any limited common elements, other than those specified in subsections 2 and 4 <u>blfRS 116.210</u>2 as provided in paragonh (g) of subsection 2 of <u>NRS 116.210</u>3 and, in a planned community, any real estate that is or must become common elements;
- (g) A description of any real estateusject to developmental rights, that may be allocated subsequently limited common elements, other than limited common elements specifien subsections 2 and 4 MRS 116.2102 together with a statement that they may be so allocated;
- (h) A description of any developmenting and other special declarant's rights reserved by the declarant, together with geally sufficient description of the real estate to which each of those rights applies, antitime limit within which each of those rights must be exercised;
- (i) If any developmental right may be ercised with respect to different parcels of real estate at different times, a statent to that effect together with:
- (1) Either a statement fing the boundaries of those portions and regulating the order in which those portions be subjected to the existe of each developmental right or a statement that no assurances are made in those regards; and
- (2) A statement whether, aim y developmental right is xercised in any portion of the real estate subject to that developmental right, that developmental right must be exercised in all or in another portion of the remaider of that real estate;
- (j) Any other conditions or limitations ander which the rights described in paragraph (h) may be exercised or will lapse;
- (k) An allocation toeach unit of the allocated interests in the manner described in NRS 116.210,7
 - (I) Any restrictions:
 - (1) On use, coupancy and alienation the units; and
- (2) On the amount for which unit may be sold or on the amount that may be received by a unit's owner on sale, condetions or casualty to the unit or to the common-interest community;
- (m) The file number and book **ot**her information for recorded easements and licenses appurtenant to or included in the common-interest community or to which any portion of the common-interestommunity is or may become subject by virtue of a reservation in the declaration; and

- (n) All matters required by RS 116.210 to 116.2109 inclusive, 116.2115 116.211 (and 116.31032
- 2. The declaration may comtainly other matters the declarant considers appropriate.

(Added to NRS by 991, 544 A 1993, 23572009, 161, 12011, 242)

NRS 116.2106 Leaseld common-interest communities.

- 1. Any lease the expiration termination of which may terminate the common-interest community or reduce issize must be recoded. Every lessor of those leases in a condominium or planned community shallgraithe declaration. The declaration must state:
- (a) The recording data for the lease statement of whether recorded lease may be inspected;
 - (b) The date on which thease is scheduled to expire;
 - (c) A legally sufficient description of the real estate subject to the lease;
- (d) Any right of the units' owners tredeem the reversion and the manner whereby those rights may be exercised, or a statenthat they do not have those rights;
- (e) Any right of the units' ownets remove any improvements within a reasonable time after the expiration or termation of the lease, or a statent that they do not have those rights; and
- (f) Any rights of the units' owners renew the lease artide conditions of any renewal, or a statement this year do not have those rights.
- 2. After the declaration for beasehold condominium releasehold planned community is recorded, neithethe lessor nor the lessor successor in interest may terminate the leasehold interest of a unotivener who makes timely payment of his or her share of the rent and otherwise complies with covenants which if violated, would entitle the lessor to terminate lease. The leasehold interest of a unit's owner in a condominium or planned community is not affect by failure of any other person to pay rent or fulfill any other covenant.
- 3. Acquisition of the leasehold intent of any unit's owner by the owner of the reversion or remainder does not merge leasehold and freehold interests unless the leasehold interests of all units where subject to that reversion or remainder are acquired.
- 4. If the expiration or termination a lease decreasesethnumber of units in a common-interest community, the allocated interests musterable cated in accordance with subsection 1 of 16.110 as if those units had been taken by eminent domain. Reallocations must be confirmed by an amemon the declaration prepared, executed and recorded by the association.

(Added to NRS by 991, 545 A 2011, 242)

NRS 116.2107 Alloction of allocated interests.

- 1. The declaration must allocate to each unit:
- (a) In a condominium, a fraction percentage of undivided terests 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 proportion at we nership in the association, a fraction or percentage of the common expenses of the common appropriation and a portion of the votes in the association; and
- (c) In a planned community, a fraction percentage of the common expenses of the association and a portion of the other throat in the association.
- 2. The declaration must state the **folians** used to establishloacations of interests. Those allocations may not distriinate in favor of units oned by the declarant or an affiliate of the declarant.
- 3. If units may be added to or withdrawn from the cominterest community, the declaration must state the formulas to beduts reallocate the allocated interests among all units included in the common-interestmonunity after the addition or withdrawal.
 - 4. The declaration may provide:
- (a) That different allocations of vest are made to the units on particular matters specified in the declaration;
- (b) For cumulative viong only for the purpose of exting members of the executive board: and
- (c) For class voting on specified issumate the class in the class in the class in the class.
- ¬ Except as otherise provided in NRS 116.31032 a declarant may not utilize cumulative or class voting for the purpose of evanding any limitation imposed on declarants by this chapter nor may units titus a class because they are owned by a declarant.
- 5. Except for minor variations descuse of rounding, the sum of the liabilities for common expenses and, in a condominiume, shum of the undivide interests in the common elements allocated at any time to sell uthits must each equashe if stated as a fraction or 100 percent if sted as a percentage. In the entropy of discrepancy between an allocated interest and the result derived frapplication of the preinent formula, the allocated interest prevails.
- 6. In a condominium, the commetements are not subjeto partition, and any purported conveyance ncumbrance, judicial sale on the voluntary or involuntary transfer of an undivided interest in the common elements made utvitte unit to which that interest is allocated is void.
- 7. In a cooperative, any purportent veyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an owners in the association made without the possessory interest the unit to which that intest is related is void.

(Added to NRS by 991, 546 A 1993, 2359 2011, 242)

NRS 116.2108 Limited common elements.

1. Except for the limited commonements described inclussections 2 and 4 of RS 116.2102 the declaration must specify to in unit or units each limited common element is allocated. An attention may not be altered with the consent 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 detitarraexecuted by the units' owners between or among whose units the reallocation is matter persons executive amendment shall provide a copy thereto the association, which shall cord it. The amendment must be recorded in the names of the partiand the common-interest community.
- 3. A common element not previ**b**_yu**s**llocated as a limited common element may be so allocated only pursual provisions in the declation 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 991, 54)

NRS 116.2109 Plats.

- 1. Plats are a part of the deation, and are required for all common-interest communities except cooperatives. Each plat must bear and legible and contain a certification that the plat contains information required by this section.
 - 2. Each plat mustomply with the provisions of hapter 27 to NRS and show:
 - (a) The name and a surveythout area which is the subject of the plat;
 - (b) A sufficient description of the real estate;
- (c) The extent of any encroachmentsoby pon any portion of the property which is the subject of the plat;
- (d) The location and dimensions adf easements having a specific location and dimension which serve bourden any portion of the common-interest community;
- (e) The location and dimensions, with ference to an established datum, of any vertical unit boundaries and that unit's identifying number;
- (f) The location with reference to aerstablished datum of any horizontal unit boundaries not shown or projected on plastsorded pursuant to subsection 3 and that unit's identifying number; and
- (g) The location and dimensions limited common elements, including porches, balconies and patios, otherath parking spaces and the other limited common elements described in substitute 2 and 4 oNRS 116.2102
- 3. The plats must show or projectly units in which the exclarant has reserved the right to create additional units or common elements (parag(ta)) plot subsection 1 of NRS 116.210 identified appropriately.
- 4. Unless the declation 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 are depicted on the plats.
- 5. Upon exercising any developmental right, the declarateshall record new or amended plats necessary to conform the requirements of subsection 2.
 - 6. Each plat must be certified by a professional land surveyor. (Added to NRS by 991, 547 A 1993, 236,02009, 161)

NRS 116.211 Exercise of developmental rights.

1. To exercise any development of NRS 116.2105 the declarant shall prape, execute and record an amendment to the

declaration (NRS 116.21) 7and in a condominium or planned community comply with NRS 116.2109 The declarant is the owner of y units thereby created. The amendment to the declaration must assign identifying number to each new unit created, and, except in the east subdivision or conversion of units described in subsection 2, reallocate the allocated riests among all units. The amendment must describe any common elements and any limited mon elements thereby created and, in the case of limited common elements, designate uthit to which each is allocated to the extent required by 116.2108

- 2. Developmental rights may beserved within any real estate added to the common-interest community if the amendment adding that real estate all matters required by NRS 116.210 for 116.210 for as the case may be, and, in a condominium or planned community, the plats include all matters required NRS 116.2109 This provision does not extend the time limit on the roise of developmental rights imposed by the declaration pursuant torparaph (h) of subsection 1 of NRS 116.2105
- 3. Whenever a declarant exerciaes evelopmental right toubdivide or convert a unit previously created into additial units, common elements, or both:
- (a) If the declarant converts the usmittirely to common elements, the amendment to the declaration must convey it to the association reallocate all the allocated interests of that unit among the other units as if thus that been taken by eminent domains 116.110); and
- (b) If the declarant subdivides the untoit wo or more units, whether or not any part of the unit is converted into common elerts enthe amendment to the declaration must reallocate all the allocated intests of the unit among the units eated by the subdivision in any reasonable manner prescribed by the declarant.
- 4. If the declaration provides ursuant to paragraph) (lof subsection 1 dNRS 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 with drawal, and the declaration does not describe separate portions of real estate between to that right, none of the real estate may be withdrawn after a unit has been veyed to a purchaser; and
- (b) If any portion is subject to withhawal, it may not be withdrawn after a unit in that portion has been reveyed to a purchaser.

(Added to NRS by 991, 548 A 2009, 161)

NRS 116.2111 Alterations of units; access to units.

- 1. Except as otherwise provided this section and subject to the provisions of the declaration and other provisions of law, a unit's owner:
- (a) May make any improvements diseastions to his or her unit that do not impair the structural integrity or mechanical system lessen the support any portion of the common-interest community;
- (b) May not change the appearance the common elemest, or the exterior appearance of a unit or any other portion of the association; and

- (c) After acquiring an adjoining unit **an** adjoining part of an adjoining unit, may remove or alter any intervening partition ocate apertures thereigner if the partition in whole or in part is a cromon element, if those acts not impair the structural integrity or mechanical sayems or lessen the support any portion of the commoninterest community. Removal partitions or creation of aperts under this paragraph is not an alteration of boundaries.
 - 2. An association may not:
- (a) Unreasonably restrict, prohibit outherwise impede the lawful rights of a unit's owner to have reasonable cess to his or her unit.
- (b) Charge any fee for a personetoter the common-interest community to provide services to a unit, a unit's owner or a tenanta unit's owner or for any visitor to the common-interest community or invitee of aitlenowner or a tenant of a unit's owner to enter the common-terest community.
- (c) Unreasonably restrict, prohibit withhold approval for a unit's owner to add to a unit:
- (1) Improvements such exemps, railings or elevators that are necessary to improve access to the unitrfany occupant of the it who has a disability;
 - (2) Additional lock to improve the security of the unit;
- (3) Shutters to improve the carity of the unit or to reduce the costs of energy for the unit; or
- (4) A system that usesnwhienergy to reduce the costs of energy for the unit if the boundaries of the unit commpass 2 acres or more within the common-interest community.
- (d) With regard to approving or disparoving any improvement or alteration made to a unit, act in violation of any state or federal law.
- 3. Any improvement or alteration mapplersuant to subsection 2 that is visible from any other portion of the commonterest community must be installed, constructed or added in accordance the the procedures set forth the governing documents of the association and must be selected or designetate maximum extent practicable to be compatible with the style of the common-integreenmunity.
- 4. An association may not unreasomatestrict, prohibit or withhold approval for a unit's owner to add shutters to improve theusity of the unit onto reduce the costs of energy for the unit, including, without limitation, rolling sutters, that are attached to a portion of an interior or exterior window, interior exterior door or interior or exterior wall which is not part of the unit and which is common element or limited common element if:
- (a) The portion of the window, door wall to which the shutters are attached is adjoining the unit; and
- (b) The shutters must necessarilyalttached to that portion the window, door or wall during installation to achieve the maximularenefit in improving the security of the unit or reducing the costs energy for the unit.
- 5. If a unit's owner adds shutters responsible for the maintenance of the shutters.

- 6. For the purposes of subsectiona expvenant, restrictionar condition which does not unreasonably restrict the dation of shutters and which is ontained in the governing documents of a common-interest community a policy established by a common-interest community is enforced by so long as the covenant striction or condition was:
 - (a) In existence on July 1, 2009; or
- (b) Contained in the governing documenteffect on the close of escrow of the first sale of a unit in the comon-interest community.
- 7. A unit's owner may not add **to**e unit a system that uses wind energy as described in subparagraph (4) of paragraphof subsection 2 unless the unit's owner first obtains the written consent of each new of property within 300 feet of any boundary of the unit.

(Added to NRS by 1991, 5,4A) 2003, 2225,2005, 1819,2009, 246,2878)

NRS 116.2112 Relocation befoundaries between adjoining units.

- 1. Subject to the provisions of the claration and other optisions of law, the boundaries between adjoining units may be casted by an amendment to the declaration upon application to the association by thenews of those units. If the owners of the adjoining units have specified reallocation between the units of their allocated interests, the application must state proposed reallocations. Inless the executive board determines, within 30 yea, 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, countains of conveyance between them, and, on recordatione indexed in the name to granter and the grantee, and in the grantee's index in the name of the association.
 - 2. The association:
- (a) In a condominium or planned commity shall prepare annecord plats necessary to show the altered boundaries between joining units, and their dimensions and identifying numbers; and
- (b) In a cooperative shall prepared record amendments to the declaration necessary to show or describe the alterneod ndaries between aithing units, and their dimensions and identifying numbers.

(Added to NRS by 991, 550 A 2009, 161)

NRS 116.2113 Subdivision of units.

- 1. If the declaration expressly sorpiets, a unit may be subdivided into two or more units. Subject to the declaration and law of the unit's charger, upon application of the unit's owner to subdivide a unit, the association shallepare, execute and record an amendment to the declaration cluding, in a condominium or planned community, the plats, subdividing that unit.
- 2. The amendment to the declarations be executed by the owner of the unit to be subdivided, assign an idiagring number to each uniterested, and reallocate the allocated interests formerly located to the subdivided into 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 991, 550 A 2009, 16142011, 242)

NRS 116.2114 Monuments as boundaries. The existing physical boundaries of a unit or the physical boundaries of a unit onestructed in substainal accordance with the description contained in the original description are its legal boundaries, rather than the boundaries derived from the description tained in the original declaration, regardless of vertical or lateral movementathe building or minor variance between those boundaries and the boundaries deriften the description contained in the original declaration. This estion does not relieve a unit's per of liability in case of his or her willful misconduct or relieve a declaration 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 991, 550 A 2009, 161)

NRS 116.2115 Use for purposes of sales declarant may maintain offices for sales and management, and models intsumi on common elements in the common-interest community only if the declaration so provides. Set to any limitations in the declaration, a declarant may maintain on the common elements advertising the common-interest community. This section is subject to the ispin of other state law and to local ordinances.

(Added to NRS by 991, 550 A 1993, 236)

NRS 116.2116 Easement rigst, validity of existing restrictions.

- 1. Subject to the declaration, declarant has an exament through the common elements as may be reasonably necessary to discharge the declarant's obligations or exercise special declarant's rights, wheth its inauge under this chapter or reserved in the declaration.
- 2. Subject to pragraph (f) of subsection 1 <u>blfRS 116.310</u>2 and <u>NRS 116.311</u>2 the units' owners have an easement in the commelements for purposes of access to their units.
- 3. Subject to the declaration amondy 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 powses for which they were intended.
- 4. Unless the terms of an easementation of an association prohibit a residential use of a servient estate, if the owner of the trient estate has obtained all necessary approvals required by what or any covenant, condition or streiction on the property, the owner may use such property in any managenthorized by law without obtaining any additional approval from the association. Northin this subsection authorizes an owner of a servient estate to impede the lawful and contractual use of the easement.
- 5. The provisions of subsection do not abrogate any easement, restrictive covenant, decision of a court, agreement of party or any contrat, governing document or declaration of covenants, conditions and restrictions, or any other decision, rule or regulation that a local governing body of the entity that makes decisions concerning

land use or planning is authorized to make pact that exists before October 1, 1999, including, without limitation, azoning ordinance, permit or approval process or any other requirement of a local government or other that makes decisions concerning land use or planning.

(Added to NRS by 1991, 55A 1999, 33552011, 242)

NRS 116.2117 Amendment of declaration.

- 1. Except as otherwise provided NRS 116.21175 and except in cases of amendments that may be executed a declarant under subsection 5 NRS 116.2109 or NRS 116.21,1 or by the association under S 116.1107116.2106 subsection 3 oNRS 116.2108 subsection 1 oNRS 116.2112 or NRS 116.2113 or by certain units' owners under subsection 2 oNRS 116.2108 subsection 1 oNRS 116.2112 subsection 2 oNRS 116.2113 or subsection 2 oNRS 116.2118 and except as otherwise limited by subsections 74 and 8, the declaration cluding any plats, may be amended only by vote or agreem of units' owners of units to which at least a majority of the votes in the association are allocaterdess the declaration specifies a different percentage for all amendments for specified subjects of amendment. If the declaration requires the approval of another person as radition of its effectiveness, the amendment is not valid without that approval.
- 2. No action to challenge the vitalydof an amendment adtend by the association pursuant to this section may be brought more than 1 year takeamendment is recorded.
- 3. Every amendment to the dediana must be recorded in every county in which any portion of the common-interest commituris located and is effective only upon recordation. An amendment, excean amendment pursuant NSS 116.2112 must be indexed in the grantee's index in the naofethe 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 pitterd or required by the provisions of this chapter, no amendment may be the boundaries of any it inchange the allocated interests of a unit or changle uses to which any unit is restricted, in the absence of unanimous consent of only theosinits' owners whose units affected and the consent of a majority of the owners of the remaining units.
- 5. Amendments to the declaration quieed by this chapter the recorded by the association must be prepared, executed and certified on behalf of the association by any officer of the association designated for attraction, 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 of oreotqualifications of persons who may occupy units may not be enforced against a unotion of the unit on the date of the recordation of the mendment as longs the unit's owner remains the owner of that unit.

- 7. A provision in the declaration eating 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 of the declaration requires the consent of a holder of a security interest in a unit, or ignsurer or guarantor of such interest, as a condition to the effectiveness of amendment to the declaration, that consent is deemed granted if:
- (a) The holder, insurer or guarantours not requested, in writing, notice of any proposed amendment; or
- (b) Notice of any proposed amenethen is required or habeen requested and a written refusal to consent is tnoeceived by the association within 60 days after the association delivers notice of the proposed modernment to the holder, insurer or guarantor, by certified mail, return receipt requested, the address for those provided by the holder, insurer or guarantor inpaior written request for notice.

(Added to NRS by 991, 551 A 1993, 23621999, 395396 2005, 25892009, 1615 1733 2011, 242)

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

- 1. Except as otherwise limited by subsection MRS 116.211,7if:
- (a) To approve an amen**ent** to the declaration pursuant <u>NeS 116.211,7</u> the declaration requires:
- (1) In a single-class voting strure, 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 struct, more than a majority of the total number of votes allocated to one or more of the ltiple classes to be cast in favor of the amendment; and
- (b) An amendment fails to receive thumber of votes required by the declaration to be approved but:
- (1) In a single-class voting use ture, receives a majtyr of the total number of votes allocated to the single class; or
- (2) In a multiclass voting stature, receives in earth the multiple classes a majority of the total number oxfotes allocated to that class,
- ¬ the association or any unit's owner may falepetition with the district court in any county in which any portion of the common-interest community located asking for an order waiving the supermajority requirement the declaration and confirming the amendment as validly approved.
- 2. If the association or any unit's roser files a petition pursuate to subsection 1, the petition:
 - (a) Must contain **stucient** information specifying:
- (1) The actions that have betaken to obtain the number of votes required to approve the amendment under the declaration whether those actions have conformed with the procedures setred in the declaration;

- (2) The amount of time thats been allowed for thunits' owners to vote upon the amendment;
- (3) The number and percentageffirmative votes required in each voting class to approve the amendment der the declaration;
- (4) The number and pentage of affirmative ash negative votes actually received in each voting class wite gard to the amendment; and
- (5) Any other mattershe petitioner considers relevant to the court's determination; and
 - (b) Must include, as exhibits to the petition, copies of:
 - () The governing documents;
- (2) The complete text **tbf**e amendment and a statement explaining the need for the amendment and its purposes and objectives;
- (3) All notices and materialsends in the effort to perceade the units' owners to approve the amendment; and
- (4) Any other document 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 that 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 petiti if it finds that the petitioner has presented evidence establishing that:
 - (a) The petitioner has given aast 15 days' written notice of the hearing to:
 - (1) All theunits' owners in the association;
- (2) Each city, if anyand each county in which any portion of the common-interest community's located; and
 - (3) All other persons ortities that are entitled to noticunder the declaration;
- (b) The voting process regarding threendment was conducted accordance with all applicable provisions of the overning documents and state law;
- (c) A reasonably diligent effort was mateleallow all eligible units' owners and, if required by the governing cuments, all lenders to vote on the amendment;
 - (d) The amendment:
- (1) In a single-class voting use ture, received a major of the total number of votes allocated to the single class; or
- (2) In a multiclass voting structure, received in exact multiple classes a majority of the total number of vest allocated to that class; and
 - (e) The amendment is reasonable.
- 5. If the court grants the pedinti, the court shall enter an order waiving the supermajority requirements of the declaration d confirming the amendment as validly approved.
- 6. An amendment confirmed by **a**afi 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 cotyn in which any portion of the common-interest community is

located. The amendment must prepared, executed, recorded and certified on behalf of the association by any officer the association designated that purpose or, in the absence of designation, by the president of the absence of designation, by the president of the absence of designation, and the final court order must be recorded along with the amendment.

- 7. After the amendment and the **fina**urt order have beerecorded pursuant to this section, the declaration, as amended, has the same force and effect as if the amendment had been approved in compliant every requirement imposed by the governing documents.
- 8. Not later than 30 days aftee thate on which the amendent and the final court order are recorded pursuant thois 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 tamendment and the final court order have been recorded and that the declaration has rebamended pursuant to this section.

(Added to NRS b<u>2005, 258</u>)

NRS 116.2118 Termination of common-interest community.

- 1. Except in the case of a taking addithe units by eminetrodomain, in the case of foreclosure against an entire cooperative of causity interest that has priority over the declaration, or in the circumstances describe all Riscontinuity 116.212,4 a common-interest community may be terminated only by agreetmentunits' owners to whom at least 80 percent of the votes in the association altercated, or any larger percentage the declaration specifies, and with any other provals required by the declaration. The declaration may specify a smaller percentage if all of the units are restricted exclusively to nonresidential uses.
- 2. An agreement to terminate mbet evidenced by the exution of an agreement to terminate, or ratifications thereof, the same manner as a deed, by the requisite number of units' owners. The agreement maps cify 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 brecorded in every county in which a portion of the commoninterest community is situated aisodeffective only upon recordation.
- 3. In the case of a condomimiuor planned community containing only units having horizontal boundaries described in deletaration, an agreement to terminate may provide that all of the common elements damits of the common-interest community must be sold following termination. If, pursulate the agreement real estate in the common-interest community is to sold following termination, the agreement must set forth the minimum terms of the sale.
- 4. In the case of a condominium planned community containing any units not having horizontal boundaries described in **dee**laration, an agreement to terminate may provide for sale of the common elements, **but**nay not require that the units be sold following termination, unless the declaration assignally recorded provided otherwise or all the units' owners consent to the sale.

- 5. The association, on behalf of thets' owners, may contract for the sale of real estate in a common-interest community, thut contract is not binding on the units' owners until approved pursuant subsections 1 and 2. If anyalestate is to be sold following termination, title to that real estates on termination, vests the association as trustee for the holders of aithterests in the units. Thereafter, the association has all powers necessary and paropriate to effect the sale. Untile sale has been concluded and the proceeds thereof distributed, the association continues in existence with all powers it had before termination. Proceeds of the salest be distributed to units' owners and lienholders as their interests ma appear. in accordance **wildRS** 116.21183and 16.21185 Unless otherwise specified inethagreement 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 exclusive right to occupance of the portion of the real estate that formerly constitute unit. During the period of that occupancy, each unit's owner and his or her successors in interestain liable for all assessments and other obligations imposed on units' owners this chapter or the declaration.
- 6. In a condominium or planned mmunity, if the real estate constituting the common-interest community isot to be sold flowing termination, title to the common elements and, in a common-interest community containing units having horizontal boundaries described in the declaration, title ltd he real estation the common-interest community, vests in the units' owners upon termination as tenants in common in proportion to their respective interests as provided the 116.2118,5 and liens on the units shift accordingly. While tenancy in common exists ach unit's owner and his or her successors in interest have an exclusion to occupacy 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 asset**she**f association, are held by the association as trustee for units' owners and holders of liemsthe units as their interests may appear.

(Added to NRS by 991, 551 A 2011, 242)

NRS 116.21183 Rights creditors following termination.

- 1. Following termination of a combinium or planned community, creditors of the association holding liens on the units, whitevere recorded before termination, may enforce those liens in the same manneralists lienholder. All other creditors of the association are to be treated as if they predected liens on the units immediately before termination.
- 2. In a cooperative, the declarationary provide that all creditors of the association have priority over any interests of units' news and creditors of units' owners. In that event, following termination, creditors of the association holdingens on the cooperative which were recorded before termination may enforce the 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 mediately before termination. Unless the declaration provides that all creditors the association have that priority:

- (a) The lien of each creditor of ethas sociation which was erfected against the association before termination becomes, numbermination, 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 associantiis to be treated upon termination as if the creditor had perfected a lien against eacht'sum wner'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 itsh owners' interest must be proportionate to the ratio which each unit's liability for common expenses bearsthtee 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 ner's unit as of the date the lien was perfected; and
- (e) The assets of the associations in the distributed to all units' owners and all lienholders as their interests may appeath in order described in this section.
- ¬ Creditors of the association are notitied to payment from unit's owner in excess of the amount of the creditories against that owner's interest.

(Added to NRS by 1991, 5)53

NRS 116.21185 Respective interest of units' owners following termination. The respective interests of units' ownerse red to in subsections 5, 6 and 7 on 116.2118 and in NRS 116.2118 are as follows:

- 1. Except as otherwise providedsimbsection 2, the respective interests of units' owners are the fair market values of theinits, allocated interests, and any limited common elements immediately before the teathon, as determined by one or more independent appraisers selected by the circular one. The decision of the independent appraisers must be distributed to the units owners and becomes final unless disapproved within 30 days after distribution units' owners to whom 25 ercent of the votes in the association are allocated. Theoportion of interest of anyunit's owner to that of all units' owners is determined by dividing their fanarket value of that unit and its allocated interests by the total fair market values allocated units and their located interests.
- 2. If any unit or any limited commonlement is destroyed tube extent that an appraisal of the fair market value thereto beforestruction cannot made, the interests of all units' owners are:
- (a) In a condominium their respective interests time common elements immediately before the termination;
- (b) In a cooperative ir respective ownerships immediately before the termination; and
- (c) In a planned community, etin respective liabilities for common expenses immediately before the termination.

(Added to NRS by 991, 553)

NRS 116.21188 Effect of forecosture or enforcement of lien or encumbrance.

- 1. In a condominium or planthecommunity, except as host rwise provided in subsection 2, foreclosure or enforcementablien or encumbrance against the entire common-interest community does not tienate, of itself, the common-interest community, and foreclosure or enforcementablien or encumbrance against a portion of the common-interest community, then withdrawable realstate, does not withdraw that portion from the common-tienest community. Foreclosure or enforcement of a lien or encumbrance against withdrawwe real estate does not throughout of itself, that real estate from the common-intestecommunity, but the personaking title thereto may require from the association, upon requestanteendment excluding the real estate from the common-interest community.
- 2. In a condominium or planned mmunity, if a lien or encumbrance against a portion of the real estate comprising the motion-interest community as priority over the declaration and the lien encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosuremay record an instrument excluding the real estate subject to the or encumbrance from the common-interest community.

(Added to NRS by 991, 554)

NRS 116.2119 Rights of secured lendersThe declaration may require that all or a specified number or percentage the lenders who hold security interests encumbering the units approve spied actions of the units' owers or the association as a condition to the effectiveness of those actions, brut requirement for approval may operate to:

- 1. Deny or delegate control over **them**eral administrative affairs of the association by the units' owners or the executive board;
- 2. Prevent the association on the executive board from community in or settling any litigation proceeding; or
- 3. Prevent any trustee or the association from receiving and distributing any proceeds of insurancexcept pursuant to RS 116.3113 and 116.31135

(Added to NRS by 991, 55)

NRS 116.212 Master associations.

- 1. If the declaration provide that any of the powers described Nins 116.310 are to be exercised by or may be legated to a profit or nonpoint corporation that exercises those or other powers behalf of one or more commonterest communities or for the benefit of the units' owners of one or more mmon-interest communities, or on behalf of a common-interest community and time-share plan created pursuant to 119A of NRS, all provisions of this chapter applicable to unit-owness ociations apply to any such corporation, except modified by this section.
- 2. Unless it is acting in the apacity of an association describe NRS 116.310,1a master association may exercise the powersforth in paragraph (b) of subsection 1 of NRS 116.310 only to the extent expressly permitted in:

- (a) The declarations of common-inexist communities which are part of the master association or expressly described ine thelegations of proper from those common-interest communities to threaster association; or
- (b) The declaration of the common-interest community which pist of the master association and the time-share instrumentating the time-share plan governed by the master association.
- 3. If the declaration of any commitment community proviets that the executive board may delegate certain porter a master association, the members of the executive board have no liability for the acts or omissions that master association with respect to those powers following delegation.
- 5. Even if a master association and association described NRS 116.310,1 the certificate of incorporation or other instrent creating the master association and the declaration of each common temest community, the powers which are assigned by the declaration or delegated to the master assioci, may provide that he executive board of the master association must be elected the period of the declarant's control in any of the following ways:
- (a) All units' owners of all comom-interest communitiesubject to the master association may elect all members of thaster association's executive board.
- (b) All members of the executive boards of all roomon-interest communities subject to the master association may elect all members to the master association's executive board.
- (c) All units' owners of each community uspject to the master association may elect specified membershefmaster association's executive board.
- (d) All members of the executive board of each non-interest community subject to the master association naelect specified members of the master association's executive board.

(Added to NRS by 991, 554 A 1993, 23622001, 24892003, 222)

NRS 116.21205 Reallocation of osts of administering common elements of certain master associations. The executive board of a star association of any common-interest community that created before January 19,75, and is located in a county whose population is 7000,0 or more may record ammendment to the declaration pursuant to which the master association reallocates the costs of administering the common elements of the master association the units of the common-interest community uniformly and based upon the actual costs association unit.

(Added to NRS by 003, 2220A 2011, 114)

NRS 116.2121 Merger or condition of common-interest communities.

- 1. Any two or more common-interesstmmunities of the same form of ownership, by agreement of the units' owners as polerol in subsection 2 may be merged or consolidated into a single common-interessmmunity. In the evenof a merger or consolidation, unless the agreement otherwoisovides, the resultant common-interest community is the legal successor, for all process, of all of the preexisting common-interest communities, and ethoperations and activities of all associations of the preexisting common-interest reconnunities are merged or coolidated into a single association that holds all powers, rights, obligations, assets and liabilities of all preexisting associations.
- 2. An agreement of two or **me**o common-interest communities to merge or consolidate pursuant to subsection 1 **mbust** evidenced by an agreement prepared, executed, recorded and certified by the **iphenst** of the association of each of the preexisting common-interest communities following approxyal owners of units to which are allocated the percentage of virtues ach common-interest community required to terminate that common-intest community. The agreement must be recorded in every county in which a portion of the common-interest committy is located and is not effective until recorded.
- 3. Every agreement for merger or consolidation must provide reallocation of the allocated interests in the association among the units of the resultant commoninterest community either by stating the line ations or the formulas upon which they are based or by stating the percentage veriall allocated interests of the new commoninterest community which are located to all of the units comprising each of the preexisting common-interest communities, and providing the portion of the percentages allocated to be active formerly constituting apart of the preexisting common-interest community must be equal the percentages of allocated interests allocated to that unit by the declaration that preexisting common-interest community.

(Added to NRS by991, 555)

NRS 116.2122 Addition of unspecified real estateIn a planned community, if the right is originally reserveith the declaration, the declarati, in addition to any other developmental right, may amend the declaration autitial real estate tune planned community without describing the location of that realtage in the original declaration; but the amount of real estate addited the planned community pursuant to this section may not exceed 10 percent of the regaltate described in paragh (c) of subsection 1 of the location of the planned community beyond the planned com

(Added to NRS b<u>\$991, 556</u> A <u>1993, 236</u>)

NRS 116.2124 Termination following catastrophe. If substantially all the units in a common-interest committyn have been destroyed care uninhabitable and the available methods for giving notice under 116.310 for a meeting of units' owners to consider termination under 116.211 fwill not likely result in receipt of the notice,

the executive board or any hear person holdingan interest in the common-interest community may commence an accti in the district court of the county in which the common-interest community is located elsieng to terminate the common-interest community. During the pendency of the action, court may issue whatever orders it considers appropriate, including, without illiantion, an order for the appointment of a receiver. After a hearing, the court may terminate the common resist teommunity or reduce its size and may issue any other order other considers to be in the best interest of the units' owners and persons holding rate rest in the common-interest community.

(Added to NRS b2011, 241)

ARTICLE 3

MANAGEMENT OF COMMON -INTEREST COMMUNITIES

General Provisions

NRS 116.3101 Organizion of unit-owners' association.

- 1. A unit-owners' association must breganized no later than the date the first unit in the common-interest community is conveyed.
- 2. The membership of the associated all times consistexclusively of all units' owners or, following termination of the reconon-interest community, of all owners of former units entitled to districtions of proceeds under 116.2118 116.2118 and 16.2118 or their heirs, successors or assigns.
- 3. Except for a residential planneommunity containing not more than 12 units, the association must when an executive board.
 - 4. The association must:
- (a) Be organized as a profit or nowfit corporation, association, limited-liability company, trust, partnership or any othermfoof organization authorized by the law of this State;
- (b) Include in its articles of inquoration, articles of association, articles of organization, certificate of registration, certifite of limited partnership, certificate of trust or other documents of gaznization, or any amendmethereof, that the purpose of the corporation, association in ited-liability company, trust opartnership is to operate as an association pursutato this chapter;
- (c) Contain in its name the word common-interest community," "community association," "master association," "homeours' association"; and
- (d) Comply with the applicable provisions of thapters 78, 81, 82, 86, 87, 87A, 88 and 88A of NRS when filing with the Secretary of State its articles of incorporation, articles of associa, articles of organization, certificate of registration, certificate of limite partnership, certificate of the organization, or any amendment thereof.

(Added to NRS by 991, 556 A 2003, 20th Special Session, 12005, 25902007, 485, 2011, 242)

NRS 116.3102 Powers of nit-owners' association; limitations.

- 1. Except as otherwise provided in the thapter, and subject to the provisions of the declaration, the association:
- (a) Shall adopt and, except as othissewprovided in the bylaws, may amend bylaws and may adopt and amenules and regulations.
- (b) Shall adopt an moday amend budgets in accordance the requirements set forth in NRS 116.3115,1 may collect assessments for mmon expenses from the units' owners and may invest funds of the assissment accordance with requirements set forth in NRS 116.311395
- (c) May hire and discharge mamagiagents and other employees, agents and independent contractors.
- (d) May institute, defend or interværin litigation or in arbiration, mediation or administrative proceedings into own name on behalf offself or two or more units' owners on matters affecting abcommon-interest community.
- (e) May make contracts and incur liabilities. Any contractiveen the association and a private entity for the fushing of goods or services ust not include a provision granting the private entity the right of first real with respect to extension or renewal of the contract.
- (f) May regulate the use, maintene, repair, replacementand modification of common elements.
- (g) May cause additional improvements to be made as a part of the common elements.
- (h) May acquire, hold, encumber accombvey in its own nameany right, title or interest to real estate or personal property, but:
- (1) Common elements in condominium or planned community may be conveyed or subjected to a stituinterest only pursuant to NRS 116.31 and
- (2) Part of a cooperative mbey conveyed, or all or part of a cooperative may be subjected to a security tierest, only pursuant to NRS 116.3112
- (i) May grant easements, leaseserlises and concessions through or over the common elements.
- (j) May impose and receive any payitiserfees or charges for the use, rental or operation of the common elements, other than limited common elements described in subsections 2 and 4 <u>bifRS 116.2102</u> and for services provided to the units' owners, including, without limitation, any services provided pursuant 116.31031.2
 - (k) May impose charges forterpayment of assessments pursuant 116.3115
 - (I) May impose construction enalties when authored pursuant tolks 116.310305
- (m) May impose reasonable fines foolstions of the govering documents of the association only if the association cdres with the requirements set forth $\frac{\text{NMRS}}{116.31031}$
- (n) May impose reasonable chargies the preparation as recordation of any amendments to the declaration or any estreetnts of unpaid assessments, and impose reasonable fees, not to exdette amounts authorized <u>byRS 116.410</u>9 for preparing and furnishing the documents and tities are required by that section.

- (o) May provide for the indemnifitian of its officers and executive board and maintain directors and offiers liability insurance.
- (p) May assign its right to futurecionme, including the right receive assessments for common expenses, but only to the extention expressly so provides.
 - (q) May exercise any other powers ferred by the declaration or bylaws.
- (r) May exercise all other powers threaty be exercised in this State by legal entities of the same type as the association.
- (s) May direct the removal of vertes improperly parked n property owned or leased by the association, as authorized pursual 18 to 487.03 or improperly parked on any road, street, alley other thoroughfare within the common-interest community in violation of the governing documents. and dition to complying with the requirements of NRS 487.03 and any requirements of the governing documents, if a vehicle is improperly parked as describing this paragraph, the assertion must post written notice in a conspicuous place on the hicle or provide oral or written notice to the owner or operator of the vehicle at lease hours before the assertion may direct the removal of the vehicle, unless the vehicle:
- (1) Is blocking a fire hyzalmt, fire lane or parking space designated for the handicapped; or
- (2) Poses an imminent that cof causing a substantial adverse effect on the health, safety or welfare of the units' nears or residents of the common-interest community.
- (t) May exercise any other powerenecessary and proper for the governance and operation of the association.
- 2. The declaration may not limitethpower of the association to deal with the declarant if the limit is more estrictive than the limit imposed on the power of the association to deal with other persons.
- 3. The executive board may detienen whether to take enforcement action by exercising the association's power to impossenctions or commence an action for a violation of the declaration, bylaws or releincluding whether to compromise any claim for unpaid assessments or orthogram made by or against 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 justify taking any or further enforcement action;
- (b) The covenant, restriction or ruleintogenforced is, or is littly to be construed as, inconsistent with current law;
- (c) Although a violation may exist or may have occurred is in to so material as to be objectionable to a reasonable person or strif u expending the association's resources; or
 - (d) It is not in the association best interests to pursage enforcement action.
- 4. The executive board's decision der subsection 3 not to pursue enforcement under one set of circumstances does procedure the executive board from taking

enforcement action under another set of winstances, but the executive board may not be arbitrary or capricious in taking enforcement action.

5. Notwithstanding any provision **tof**is chapter or the governing documents to the contrary, an association may not impose **assy**essment pursuant **tro**is chapter or the governing documents on those vner of any property in the common-interest community that is exempt from taxation pursuant <u>Ntols 361.12</u>5 For the purposes of this subsection, "assessment" dorest include any charge for any utility services, including, without limitation, telecommunications, doadband communications, cable television, electricity, natural gas, sewservices, garbage collection, the arr for any other service which is delivered to and used or considered by the property in the commoninterest community that is example from taxation pursuant NoRS 361.125

(Added to NRS by 991, 556 A 1999, 3000 2003, 22272267, 2005, 2590 2009, 1009, 2796, 2879, 2911, 2011, 242)

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

- 1. Except as otherwise provided in the declaration, the bytlaisyssection or other provisions of this chapter, the executive board acts on behalf of the association. In the performance of their duties, the offices and members of the executive board are fiduciaries and shall act on an informed baisisgood faith and in the honest belief that their actions are in the best interest of the executive board:
- (a) Are required to exercise the ordinand reasonable care officers and directors of a nonprofit corporation, subjetct the business-julgment 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 oard, but unless the governing documents provide that a vacancy on the executive board must be filled a vote of the membership of the association, the executive boardy mid vacancies in its membership for the unexpired portion of anterm or until the next regular sycheduled election of executive board members, whichever is earlier. y An executive board member elected to a previously vacant position with was temporarily filled by board appointment may only be elected to fulfill the remainder 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 boasdall adopt budgets as provided NRS 116.3115.1 (Added to NRS by991, 557, A 1993, 2364,2001, 3193,2003, 225,2005, 2592, 2009, 1734,2797, 2011, 243))

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

- 1. A unit's owner shall adhereacchedule required by the association for:
- (a) The completion of the design of an improvement to a unit;
- (b) The commencement of the constition of a unit or the construction of an improvement to a unit;
- (c) The completion of the constition of a unit or the construction of an improvement to the unit; or
- (d) The issuance of a permit which excessary for the occupancy of a unit or for the use of an improvement to a unit.
- 2. The association may impose **æmd**orce a construction penalty against a unit's owner who fails to adhere to a scheduser equired pursuant to subsection 1 if:
 - (a) The right to assess and octile construction pelts is set forth in:
 - (1) The declaration;
- (2) Another document redal to the common-intesse community that is recorded before the date which the unit's owner acine dittle to the unit; or
 - (3) A contract between the unit's owner and the association;
- (b) The association has includedices of the maximum amount of the construction penalty and schedule as part of any pubffering statement or resale package required by this chapter; and
- (c) The unit's owner receives noticet be 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 thisacter, a construction penalty is not a fine. (Added to NRS b<u>2003</u>, 222,12266, A 2011, 243))

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

- 1. Except as otherwise provided instruction, if a unit's owner or a tenant or an invitee of a unit's owner or a tenant violatersy provision of the overning documents of an association, the executiboard may, if the governing documents so provide:
- (a) Prohibit, for a reasonable time, the divided of the unit's owner or the tenant from:
 - (1) Voting on matterelated to the comon-interest community.
- (2) Using the common elemts. The provisions of its subparagraph do not prohibit the unit's owner or the meant or the invitee of the iths owner or the tenant from using any vehicular or pedesami ingress or egress to go do from the unit, including any area used for parking.
- (b) Impose a fine against the unit's new or the tenant or the invitee of the unit's owner or the tenant for each violation, except that:
- (1) A finemay not be imposed for violation that is the subject of a construction penalty pursuant to 116.31030,5 and

- (2) A fine may not be imposagainst a unit's owner or a tenant or invitee of a unit's owner or a tenant for a violation the governing documents which involves a vehicle and which is committed by a persono 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 threatoafusing a substantiadverse effect on the health, safety or welfare of the units' pers or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined byethexecutive board in accordance with the governing documents. If the violation does prote an imminent threat of causing a substantial adverse effect on the health, safetyelfare of the unitsowners or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation almust be determined by the ecutive board in accordance with the governing documents, but the amount the fine must not exeed \$100 for each violation or a total amount of \$1,000, whichever is less. The limitations on the amount of the fine do not apply to any charges or sotstat may be collectedly the association pursuant to this section the fine becomes past due.
- 2. The executive board may notpionse a fine pursuant to subsection 1 against a unit's owner for a violation of any proxion of the governing documents of an association committed by an invitee of threat's owner or the tenant unless the unit's owner:
 - (a) Participated ior authorized the violation;
 - (b) Had prior notice of the violation; or
 - (c) Had an opportunity toost the violation and failed to do so.
- 3. If the association adopts aligno imposing fines for any violations of the governing documents of the association, steeretary or other officer specified in the bylaws shall prepare and cause to be harlinded or sent prepaid by United States mail to the mailing address of each unit oratory other mailing address designated in writing by the unit's owner, a schedule of the firthest may be imposed for those violations.
 - 4. The executive board may notions a fine pursuant to subsection 1 unless:
- (a) Not less than 30 days before the lation, the unit's owner and, if different, the person against whom the firmal be imposed had been parided with written notice of the applicable provisions of the governing doents that form the basis of the violation; and
- (b) Within a reasonable time after this covery of the vialtion, the unit's owner and, if different, the persoagainst whom the fine will be imposed has been provided with:
- (1) Written notice specifying the tails of the violation the amount of the fine, and the date, time and location to the violation; and
 - (2) A reasonable opportunity to contest the violation at the hearing.
- ¬ For the purposes of this subsectionumat's owner shall not be deemed to have received written notice unless written notice isilendato the address of the unit and, if different, to a mailing address specified by the unit's owner.

- 5. The executive board must schedlutedate, time and location for the hearing on the violation so that the unit's owner and different, the person against whom the fine will be imposed is provided this a reasonable opportunity to prepare for the aring and to be present at the hearing.
- 6. The executive board must haldhearing before it may impose the fine, unless the fine is paid before the hearing or unless the unit's ownder if different, the person against whom the fine will be imposed:
 - (a) Executes a written waive fr the right to the hearing; or
- (b) Fails to appear at the hearinater being provided with proper notice of the hearing.
- 7. If a fine is imposed pursuantstubsection 1 and the violation is not cured within 14 days, or within any longer period thratay be established by the executive board, the violation shall be deemed continuing violation. Thereaft, the executive board may impose an additional fine for the violation reach 7-day period or portion thereof that the violation is notcured. Any additional fine may be imposed without notice and an opportunity to be heard.
- 8. If the governing documents **so**ovide, the executive board may appoint a committee, with not lest than three members, to condutatings on violations and to impose fines pursuant to this section. Whateting on behalf of the executive board for those limited purposes, the committee and its members are entitled tall privileges and immunities and are subject to all duties are quirements of the excutive board and its members.
- 9. A member of the executive boshtall not participate in any hearing or cast any vote relating to a fine imposed pursuants tobsection 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 vaitoon 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 sexti establish the minimum procedural requirements that the executive board must follow before it may impose a 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 femce the payment of the past due fine.
- 12. If requested by a person uponomina fine was imposed, not later than 60 days after receiving any payment of a fine, association shall provide to the person upon whom the fine was imposed a statenth of the remaining balance owed.

(Added to NRS by 997, 3112 A 1999, 3001 2003, 22282268 2005, 2592 2009, 2797, 2880 2913 2011, 243)

NRS 116.310312 Power of executibeard to enter grounds of unit to conduct certain maintenance or remove or abate publicuisance; notice of security interest

and hearing required; imposition of fines and costs; lien against unit; limitation on liability.

- 1. A person who holds a security **retst** in a unit must provide the association with the person's contact information as soon cassonably practicable ut not later than 30 days after the person:
- (a) Files an action for recovery of abt or enforcement of any right secured by the unit pursuant to NRS 40.436r
- (b) Records or has recorded on hisher behalf a notice of a breach of obligation secured by the unit and the elections that or have the unit sold pursuant 107.080
- 2. If an action or notice describer subsection 1 has the filed or recorded regarding a unit and the association has vipiled the unit's owner with notice and an opportunity for a hearing in the manner provided 116.3103,1 the association, including its employees, agents and commyumianager, may, but is not required to, enter the grounds of the unit, whether or those unit is vacant, to take any of the following actions if the unit's owner refuses taxils 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 uimit accordance with the standards set forth in the governing documents, including, withoul mitation, any provisions governing maintenance, standing water or snow removal.
 - (b) Remove or abate a public saurice on the exterior of the unit which:
 - (1) Is visible from anyommon area of the community public streets;
- (2) Threatens the health scarfety of the residents of the common-interest community;
 - (3) Results in blighting deterioration of the unit or surrounding area; and
 - (4) Adversely afters the use and enjoyment of nearby units.
- 3. If a unit is vacant and the asation has provided the it is owner with notice and an opportunity for a hearing in the manner provide MRS 116.3103,1 the association, including its employees, atgeand community manager, may enter the grounds of the unit to maintain the exterior the unit or abat a public nuisance as described in subsection 2 if the unit owner refuses or fails to do so.
- 4. The association may order that the costs of any maintenance or abatement conducted pursuant to subsection 2 or including, without limitation, reasonable inspection fees, notification anothlection costs and interest, be charged against the unit. The association shall keep acored of such costs and interescharged against the unit and has a lien on the unit for any unpaid amount of the charges. The lien may be foreclosed under NRS 116.311600 116.31168 inclusive.
- 5. A lien described in subsection bears interest from the date that the charges become due at a rate determined pursua 17.13 until the charges, including all interest due, are paid.
- 6. Except as otherwise provided this subsection, a lien steribed in subsection 4 is prior and superior to all liens, claims cumbrances and titles other than the liens described in paragraphs (a)nd (c) of subsection 2 of the federal

regulations of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association require a shorter period priority for the lien, the period during which the lien is prior and supper to other security interests shall be determined in accordance with those federal gulations. Notwithstanding federal regulations, the period of priority of the lien must not bess than the 6 months immediately preceding the institution of an action to enforce the lien.

- 7. A person who purchases or accessia unit at a foreclosure sale pursuant 10.430 or a trustee's sale pursuant 107.080 bound by the governing documents of the association and shall maintain theterior of the unit inaccordance with the governing documents of the association and unit may only be removed from a common-interest community inaccordance with the governing documents pursuant to this chapter.
- 8. Notwithstanding any other proions of law, an association, its directors or members of the executive board, employeesnagor community manager who enter the grounds of a unit pursuant to the direction are not liable for trespass.
 - 9. As used in this section:
- (a) "Exterior of the unit" includes without limitation, all landscaping outside of a unit and the exterior of all proper exclusively owned by the unit owner.
 - (b) "Vacant" means a unit:
 - (1) Which resonably appears to be unoccupied;
- (2) On which the owner hasiled to maintain the exterm to the standards set forth in the governing documents the association; and
 - (3) On which the owner had to pay assessmentor more than 60 days. (Added to NRS b9009, 100)

NRS 116.310313 Collection of padue 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 oblitigan. The Commission shall adopt regulations establishing the amount of the fees that an associatinal charge pursuant to this section.
- 2. The provisions of this second apply to any costs of collecting a past due obligation charged to a unit's owner, regassleof whether the past due obligation is collected by the association itself or by any specating 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" includeany fee, charge or st, by whatever name, including, without limitation, ay collection fee, filing fee, according fee, fee related to the preparation, recording or delivery of en or lien rescission, title search lien fee, bankruptcy search fee, referral fee, fee footage 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 under any costs incurred by an association if a lawsuit is filed to enforce any past obtained or any costs awarded by a court.

(b) "Obligation" mans any assessment, fine, construction penalty, fee, charge or interest levied or imposed against a unit's ownersuant to any provision of this chapter or the governing documents.

(Added to NRS b\(2009, 279\)

NRS 116.310315 Accounting for fines imposed by association an association has imposed a fine against a unit ser or a tenant or an invitee of a unit's owner or a tenant pursuant Nto 116.3103 for violations of the governing documents of the association, the association shall be separate from an account account for the fine, which must be separate from an account established for assessments.

(Added to NRS by 997, 3112 A 2005, 1715 2009, 2882 2915)—(Substituted in revision for NRS 116.31145)

NRS 116.31032 Period of declarast'control of association; representation of units' owners on executive board.

- 1. Except as otherwise providedthins 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 amdown the officers of the association and members of the executive bodarA declarant may voluntially surrender the right to appoint and remove officers and members the executive board for termination of that period and, in that eventhe declarant may require, from duration of the period of declarant's control, that specified actions of the association or executive board, as described in a recorded instrument executive the declarant, be approved by the declarant before they become ffective. Regardless of the period picted in the declaration, a period of declarant's control hinter than the earliest of:
- (a) Sixty days after conveyance of **percent** of the units that may be created to units' owners other than a declarant or, if the association exercises powers over a common-interest community pursuant to the sapter and a time-share plan pursuant to chapter 119 Aof NRS, 120 days afteconveyance of 80 percent of the units that may be created to units' owners other than a declarant;
- (b) Five years after all declarants have ceased to offer units for sale in the ordinary course of business;
 - (c) Five years after any right to add new units was last exercised; or
- (d) The day the declarant, after giving tice to units' owners ecords an instrument voluntarily surrendering all rights to patrol activities of the association.
- 2. Not later than 60 days afternoveyance of 25 percent of the units that may be created to units' owners other than a declaratinleast one member and not less than 25 percent of the members of the executive board must be effect by units' owners other than the declarant. Not lateratin 60 days after conveyance for percent of the units that may be created to units' owners other than declarant, not less than one-third of the members of the executive bedarmust be elected by units where other than the declarant.

(Added to NRS by 993, 2353A 2001, 24902011, 243)

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 serve on executive board; 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 MRS 116.212 not later than the termination of any period of edularant's control, the units' owers shall elect an executive board of at least three memberall of whom must be units where. The executive board shall elect the officers of the association. Unless the overning documents provide otherwise, the officers of the association are not required to be units' owners. The members of the executive board take 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 papinted by the declarant. Lets the governing documents provide otherwise, there is limitation on the number of terms that a person may serve as a member of the executive board.
- 3. The governing documents of the containing are staggered in such a manner that, to the extent possible, an equal number of members of the executive board are elected at eachtieftecThe provisions of this subsection do not apply to:
 - (a) Members of the executive bods who are appointed by the declarant; and
 - (b) Members of the executive boardo serve a term of 1 year or less.
- 4. Not less than 30 days before preparation of a blat for the election of members of the executive boatdle secretary or other office pecified in the bylaws of the association shall cause notice to be registree ach unit's owner of the unit's owner's eligibility to serve as a member of the executive board ach unit's owner who is qualified to serve as a member of the existent board may have his her name placed on the ballot along with the names of the ominees selected by the members of the executive board or a nomating committee establishey the association.
- 5. Before the secretary or othefficer specified in the bydws of the association causes notice to be given to each unit's ownfehis or her eligibility to serve as a member of the executive board pursuantstobsection 4, the executive board may determine that if, at the closing of the prescribed period for notioninsafor membership on the executive board, throumber of candidates nonaited for membership on the executive board is equal to the the number of meents to be elected to the executive board at the election the secretary or othefficer specified in the bylaws of the association will cause notice to be gittereach unit's owner informing each unit's owner that:
- (a) The association will not prepare movail any ballots to units' owners pursuant to this section and the nominated and idates shall be deemed to be duly elected to the executive board unless:

- (1) A unit's owner who isqualified to serve on the excutive board nominates himself or herself for membership on the executive board by submitting a nomination to the executive board within 3days after the notice proved by this subsection; and
- (2) The number of units who submit such a nomination causes the number of candidates nominated for members thing the executive board to be greater than the number of methors to be elected the executive board.
- (b) Each unit's owner who is qualified serve as a member the executive board may nominate himself or herself for member on the executive oard by submitting a nomination to the executive and within 30 days after the notice provided by this subsection.
- 6. If the notice described in subtistence 5 is given and if at the closing of the prescribed period for nomitians for membershipon the executive board described in subsection 5, the number of notice at the number of members to be elected to the executive board is equal to or less than the number of members to be elected to the elected
- (a) The association will not preparenomial any ballots to units' owners pursuant to this section:
- (b) The nominated candidates shall desermed to be duly extend to the executive board not later than 30 days after the defite he closing of the period for nominations described in subsection 5; and
- (c) The association shall send to each unit's owner notification that the candidates nominated have been electro the excutive board.
- 7. If the notice described in subtisent 5 is given and if at the closing of the prescribed period for nomitians for membership the executive board described in subsection 5, the number of notice and the number of members to be elected to the tiese board, then the association shall:
 - (a) Prepare and mail ballots to threts' owners pursuant this section; and
- (b) Conduct an election for members from the executive board pursuant to this section.
- 8. Each person who is nominated a candidate for merentship on the executive board pursuant to subsection 4 or 5 must:
- (a) Make a good faith effort to disse any financial, business, professional or personal relationship or interestat would result or would ppear to a reasonable person to result in a potential conflict of interestrict 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 memberoid gtanding. For the purposes of this paragraph, a candidate shall not be detroited in "good standing" if the candidate has any unpaid and past dussessments or construction pleins that are required to be paid to the association.
- The candidate must make **dis**closures required pursuatothis subsection in writing to the association with his **b**er candidacy information. **E**ept as otherwise provided in this subsection, the association shall distribute disclosures, on behalf of the candidate, to each member of the association with the ballot or, in the event ballots not prepared

and mailed pursuant to subsection 6, in that negular mailing of the association. The association is not obligated this tribute any disclosure pursuate this subsection if the disclosure contains information that is bretief to be defamatorly below or profane.

- 9. Unless a personappointed by the declarant:
- (a) A person may not be a memberthe executive board an officer of the association if the person, the person's spousite experson's parent or child, by blood, marriage or adoption, performs the duties of mmunity manager for that association.
- (b) A person may not be a membethef 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 odoption, performs the duties of a community manager for:
 - (1) That master association; or
- (2) Any association that subject to the governing documents of that master association.
- 10. An officer, employee, agent oreditor of a corporate owner of a unit, a trustee or designated beneficiary of a trust that ownshit, a partner of a partnership that owns a unit, a member or manager of a limitized bility company that owns a unit, and a fiduciary of an estate that own a unit may be an officer the association or a member of the executive board. In all exits where the person serving or offering to serve as an officer of the association or a member of the executive board is nother record owner, the person shall file proof in the records of the association that:
- (a) The person is associated with corporate owner, trust, partnership, limited-liability company or estate asqueired by this subsection; and
- (b) Identifies the unit or units owneby the corporate owner, trust, partnership, limited-liability company or estate.
- 11. Except as otherse provided in subsection 6 MRS 116.3110,5 the election of any member of the executive abrol must be conducted by ecret written ballot in the following manner:
- (a) The secretary or other officeresified in the bylaws of the association shall cause a secret ballot and a return envelopment, prepaid by lited States mail, to the mailing address of each unit within themonon-interest community or to any other mailing address designated in writing by the unit's owner.
- (b) Each unit's owner nstube provided with at least that says after the date the secret written ballot is mailed to the unit's owner return the secret written ballot to the association.
 - (c) A quorum is not required for theedion of any member of the executive board.
- (d) Only the secret written ballots thate returned to the association may be counted to determine the outcome of the election.
- (e) The secret written ballots must opened and counted a meeting of the association. A quorum's not required to be present win the secret written ballots are opened and counted at the meeting.
- (f) The incumbent menetors of the executive board and each person whose name is placed on the ballot as a notificate 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 thoset seritten ballots have been opened and counted at a meeting of the association.

- 12. An association shall not adopt any rule or regulation that has the effect of prohibiting or unreasonably interfering withcandidate in the candidate's campaign for election as a member of the ecutive board, except that the transition of the ecutive board in the transition of the election as a member of the ecutive board, except that the transition of the election as a member of the ecutive board, except that the effect of prohibiting or unreasonably interfering withcandidate in the candidate's campaign for election as a member of the ecutive board, except that the effect of prohibiting or unreasonably interfering withcandidate in the candidate's campaign for election as a member of the ecutive board, except that the ecutive board is except that the ecution of the ecutive board is except that the ecution of the ecutio
- 13. A candidate who has submittedoanination form for election as a member of the executive board may request the association or its agent either:
- (a) Send before the date of the tedescand 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 than it's owner a candidate informational statement. The candidate ormational statement:
 - (1) Must be longer than a single, typed page;
 - (2) Must not contain and famatory, libelous or pfane information; and
- (3) May be sent with theoret ballot mailed pursuator subsection 11 or in a separate mailing; or
- (b) To allow the candidate to community campaign material directly to the units' owners, provide to the candidate, in paperminent at a cost not to exceed 25 cents per page for the first 10 pages and 10 cents per phaereafter, in theorems of a compact disc at a cost of not more that or by electronic mail at no cost:
- (1) A list of the mailing adess 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 cread pursuant tohapter 119 A of NRS and:
- (I) The voting rights of those owners are exercised by delegates or representatives pursuant NGS 116.3110,5 the mailing address of the delegates or representatives.
- (II) The voting right of those owners are not exercised by delegates or representatives, the mailing address of the association established pursuant to 119A.520 If the mailing address of the associatis provided to the candidate pursuant to this sub-subparagraph, the sociation must send to each owner of a time share within the time share plan the campaign material vided by the candiate. If the campaign material will be sent by mail, the candidate provides the capaign material must provide to the association a separate copthe fcampaign 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 electrotriansmission, the candidamust provide to the association one copt the campaign material an electronic format.
- ¬ The information provided puttent to this paragraph must not include the name of any unit's owner or any tenant of a unit's owner 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 lidate 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 purptible association or its agent may refuse the request.

- 14. An association and its direstoofficers, 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 toyaperson and which occurs in the course of carrying out any duties required repairs until to subsection 13.
- 15. Each member of the executive and shall, within 90 days after his or her appointment or election, certify in writing to the association, on a for prescribed by the Administrator, that the member as read and understands the verning documents of the association and the provisions of this chapter to the best of his or her ability. The Administrator may require the association studemit a copy of the defication of each member of the executive board that association at them the association registers with the Ombudsman pursuant NLRS 116.31158

(Added to NRS by 993, 2353 A 1997, 31171999, 300,12003, 222,92005, 2594, 2009, 12502883, 2915, 2011, 66))

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

- 1. If an official publication contasts any mention of a candidate or ballot question, the official publication must, upon requies and under the same terms and conditions, provide equal space to all candidates or to a representative an organization which supports the passage or defeat of the ballot question.
- 2. If an official publication contasts the views or opinions of the association, the executive board, a community manager or an officer, employ agent of a association concerning an issue of official interestet official publication must, upon request and under the same terms and conditions, provinced 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 represtive of an organizion which supports the passage or defeat of a baltoptestion, 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 ployees and agents eximmune from criminal or civil liability for any act or omission which arises to of the publication or disclosure of any information related to any person and the occurs in the occurs 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 rules or regulations that will affect the common-interest community.

- (b) "Official publication" means:
 - (1) An official website;
- (2) An official newsletter on the similar publication that circulated to each unit's owner; or
 - (3) An official bulletirboard that is available to each unit's owner. (Added to NRS b<u>§011, 241</u>)

NRS 116.31036 Remover member of executive board.

- 1. Notwithstanding any provision to the declaration or bylaws to the contrary, any member of the executive board, her than a member appoint the declarant, may be removed from the executive board, with outhout cause, if at a removal election held pursuant to this section, throughout constitutes:
 - (a) At least 35 percent of the totalmber of voting members of the association; and
 - (b) At least a majority of lavotes cast in thatemoval election.
- 2. A removal election may be llead by units' owners constituting at least 10 percent, or any lower percentage specified by laws, of the tal number of voting members of the association. To call a removal election utilits' owners must submit a written petition which is signed by required percentage of the total number of voting members of the association pursuant to this section and which is ailed, return receipt requested, or served by a process set of the exective board or the community manager for the association. If a removal continuous called pursuanto this subsection and:
- (a) The voting rightof the units' owners will be exeised through the use of secret written ballots pursuant to this section:
- (1) The secret written ballotos the removal election must be sent in the manner required by this section nots than 15 days or moreatin 60 days after the date on which the petition is received; and
- (2) The exective board shall set the date the meeting to den and count the secret written ballots so that meeting is held not more than 15 days after the deadline for returning the secret written ballots and hanter than 90 days teef the date on which the petition was received.
- (b) The voting rights of the owners to the shares will be exercised by delegates or representatives as set forth NIRS 116.3110,5 the executive board sthese 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 which the petition is received.
- ¬ The association shall not adopt any ruleregulation which preents or unreasonably interferes with the collection of the required percentage signatures for a petition pursuant to this subsection.
- 3. Except as otherwise provided <u>NRS 116.3110</u>,5the removal of any member of the executive board must be conducted expret written ballot in the following manner:
- (a) The secretary or other officeresitied in the bylaws of the association shall cause a secret ballot and a return envelopment, prepaid by lited States mail, to

the mailing address of each unit within themonon-interest community or to any other mailing address designated in writing by the unit's owner.

- (b) Each unit's owner nstube provided with at least that says after the date the secret written ballot is mailed to the unit's owner return the secret written ballot to the association.
- (c) Only the secret written ballots that returned to the association may be counted to determine the outcome.
- (d) The secret written ballots mulse opened and counted a meeting of the association. A quorum's not required to be present with the secret written ballots are opened and counted at the meeting.
- (e) The incumbent merents of the executive board clouding, without limitation, the member who is subject to the removal, matyprossess, be given access to or participate in the opening or counting of the secret written ballots that careturned to the association before those secret written looks have been opened and uncted at a meeting of the association.

(Added to NRS by 993, 2354 A 2003, 2231 2005, 2596 2009, 2799, 2885, 2917, 2011, 2434

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

(Added to NRS b<u>§011, 241</u>)

NRS 116.31038 Delivery to association of property held or controlled by declarant. In addition to an applicable requirement set forth <a href="https://www.nks.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.ners.nih.gov.nih

- 1. The original or a certified copost the recorded declaration as amended, the articles of incorporation, articles of associate, articles of organization, certificate of registration, certificate of limite partnership, certificate of other documents of organization for the association, the bylands nute books and other books and records of the association and any rules or records of the association and any rules or
- 2. An accounting for money of these ciation and audited financial statements for each fiscal year and any ancillary period from the date daste audit of the association to the date the period of the clarant's control ends. The financial statements must fairly and accurately report the association's final position. The deal and shall pay the

costs of the ancillary audit. The ancillary audit must be like red within 210 days after the date the period of the declarant's control ends.

- 3. A complete study of the reserveshe association, conducted by a person who is registered as a reserve sty specialist pursuant tonapter 116 for NRS. At the time the control of the declarant ends, the declarant shall:
- (a) Except as otherwork provided in this paragraphdeliver to the association a reserve account that contains the declassistivare of the amounts then due, and control of the account. If the declaration was recorbetore October 1, 1999, and, at the time the control of the declarant ends, the declarans failed to pay his or her share of the amounts due, the executive boshoall authorize the declarant to pay the deficiency in installments for a period of 3 years, unless declarant and the executive board agree to a shorter period.
- (b) Disclose, in writing, the amouthy which the declarathas subsidized the association's dues on a per unit or per lot basis.
 - 4. The association money or control thereof.
- 5. All of the declarant's tangible pensal property that has been represented by the declarant as property of that sociation or, unless the dealatrhas disclosed in the public offering statement that all such personarroperty used in the common-interest community will remain the dealant's property, all of the declarant's tangible personal property that is necessarror, and has been used existively in, the operation and enjoyment of the common elements dainventories of these properties.
- 6. A copy of any plans and specifications used in the obnstruction of the improvements in the common-interest community withich were completed within 2 years before the declaration was recorded.
- 7. All insurance polies then in force, in which thunits' owners, the association, or its directors and officers an amed as insured persons.
- 8. Copies of any difficates of occupancy that may have been issued with respect to any improvements comprising the common-lies community other than units in a planned community.
- 9. Any renewable permits and apparls vissued by governmental bodies applicable to the common-interest commity which are in forceand any other permits and approvals so issued and applicable which required by law to be to the premises of the community.
- 10. Written warranties of thecontractor, 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 the declarant's records.
 - 12. Contracts of employment in in 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 obligation to page fee to the persons performing the services.

(Added to NRS by 993, 2354A 1999, 30022001, 24902005, 25972009, 291)

NRS 116.31039 Delivery to assiation 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 elethatential be added to the association's common elements affiner date on which the units' owners other than the declarant may eleat majority of the members the executive board, the declarant or successor declarant ois constructing suchdaitional common elements is responsible for:
- (a) Paying all expenses related the additional commo elements which are incurred before the conveyanote the additional common elements to the association; and
- (b) Except astherwise provided iNRS 116.3103,8 delivering to the association that declarant's share of the amount specifin 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 constant the additional common elements shall deliver to the association a study of the reserves for the additional memory which satisfies the requirements 116.31152
- 3. As used in this section, "seessor declarant" include without limitation, any successor declarant who does control the association established by the initial declarant.

(Added to NRS b<u>§2003, 221</u>)

NRS 116.310395 Delivery to assistion of converted building reserve deficit.

- 1. At the time of each close escrow of a unit in aconverted building, the declarant shall deliver to the association amount of the converted building reserve deficit allocated to that unit.
- 2. The allocation to a unit of tamenount 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 common elements needing replacement within 10 years after the date of estimated of the section of the secti

(Added to NRS b<u>§005, 258</u>; A <u>2009, 292</u>))

NRS 116.3104 Transfer of special declarant's right.

- 1. A special declarant's right exarted or reserved under this chapter may be transferred only by an instrument evidenciting transfer recorder every county in which any portion of the common-interest counting is located. Then strument is not effective unless executed by the transferee.
- 2. Upon transfer of any specialeclarant's right, the liability of a transferor declarant is as follows:
- (a) A transferor is notelieved of anyobligation or liability arising before the transfer and remains liable for warranties imposed uptoen transferor by the chapter. Lack of

privity does not deprive any unstowner of standing to maintenan action to enforce any obligation of the transferor.

- (b) If a successor to any special declarant, the transferor is jointly and severally liable in the successor for any obligations or liabilities of the successor relating the common-interest community.
- (c) If a transferor retains any special declarant's rights, but transfers other special declarant's rights to a succession 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 alternt's rights and arising after the transfer.
- (d) A transferor has no liability for anyt or omission or any beach of a contractual obligation or warranty arising from the existence of a special declarant's right by a successor declarant who is notatifiliate of the transferor.
- 3. Unless otherwise provided an mortgage, deed of trust or other agreement creating a security interest, in case of foreure of a security interest, sale by a trustee under an agreement creating a security interest sale, judicial sale or sale under the Bankruptcy Code or a receivership, of any units owned by clarant or real estate in a common-interest community subject to dependental rights, a person acquiring title to all the property being foreclosed or sold, buty upon the person's request, succeeds to all special declarant's rights related to that perty held by that declarant, or only to any rights reserved in the claration pursuant to RS 116.211 and held by that declarant to maintain models, offices for sales and significe judgment or instrument conveying title must provide for transfer of only the pecial declarant's rights requested.
- 4. Upon foreclosure of a security terest, sale by a trustee under an agreement creating a security interest, tax sale, judisizale or sale under the ankruptcy Code or a receivership of all interests in a comminiterest community owned by a declarant:
 - (a) The declarant ceases twenany special declarant's rights; and
- (b) The period of declarant's contro<u>NRS 116.3103</u>2 terminates unless the judgment or instrument conveying title provides for transfer of all special declarant's rights held by that declarated a successor declarant.

(Added to NRS by 991, 560 A 1993, 236)

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

- 1. A successor to any special declaration who is an affiate of a declarant is subject to all obligations articabilities imposed on the transfertory this chapter or by the declaration.
- 2. A successor to any special deaths right, other than successor described in subsection 3 or 4 or a success who is an affiliate of a exclarant, is subject to the obligations and liabilities imposed by strchapter or the declaration:
- (a) On a declarant width relate to the successor's exist or nonexercise of special declarant's rights; or
 - (b) On his oher transferor, other than:

- (1) Misrepresseations by any previous declarant;
- (2) Warraties on improvements made by appevious 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 declarationalitation models, offices for sales and signs (NRS 116.2),1 fb ay not exercise any other special declarant's right, and is not subject to any limit or obligation as a declarate nexcept the obligation to provide a public offering statement and liability arising as a result thereof.
- 4. A successor to special declarant's rights held by a transfewho succeeded to those rights pursuant to a deed or other instruct of conveyance in lieu of foreclosure or a judgment or instrument conving title under subsection 3 birs 116.310,4 may declare in a recorde distrument 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 oreal estate subject to developemental rights owned by the successor, or until recording amstrument permitting exercise of all those rights, that successor may not exercise any of those righter than any right held by his or her transferor to control the executive board in accordance with 116.3103 for the duration of any period of declarant's control, and any attemptiexercise of those rights is void. So long as a successor declarant may 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 shor her acts and omissions under 116.31032

(Added to NRS by 991, 561 A 1993, 236)

NRS 116.31046 Successor not biject to certain claims against or other obligations of transferor of special declarant's right. NRS 116.3104and116.31043do not subject any successor tespecial declarant's right to any claims against or other obligations of aantsferor declarant, other than claims and obligations arising under this hapter or the declaration.

(Added to NRS by 991, 56)

NRS 116.3105 Termination of contracts and leases of declarant.

- 1. Within 2 years aftethe executive board elected **lthy**e units' owners pursuant to <u>NRS 116.3103</u> takes office, the association materiminate without penalty, upon not less than 90 days' notice to the other patryy of the following if it was entered into before that executive oard was elected:
- (a) Any management, maintenance, rappens or employment on tract, or lease of recreational or parking reas or facilities; or
- (b) Any other contract or lease between association and adderant or an affiliate of a declarant.
- 2. The association may terminate hout penalty, at any time after the executive board elected by the units' owners pursuant to 116.31034 akes office upon not less

than 90 days' notice to the other party, anyteact or lease that is to in good faith or was unconscionable to the units' now at the time entered into.

- 3. This section does not apply to:
- (a) Any lease the termination of hich would terminate the common-interest community or reduce its size, unless the retaltessubject to that lease was included in the common-interest communitor the purpose of avoiding thright of the association to terminate a lease under this section; or
 - (b) A proprietary lease. (Added to NRS by 991, 561 A 1993, 23682011, 2435)

NRS 116.3106 Bylaws.

- 1. The bylaws of the association must:
- (a) Provide the number of member of the executive board and the titles of the officers of the association;
- (b) Provide foelection by the executive board of resident, treasurer, secretary and any other officers of the assistion the bylaws specify;
- (c) Specify the qualifications, powerand duties, terms offfice and manner of electing and removing officers of the assticin and members of the executive board and filling vacancies;
- (d) Specify the powers the executive boardhe officers of the association may delegate to other persons or to a community manager;
- (e) Specify the officers who may preparexecute, certify and cord amendments to the declaration on behalf the association;
 - (f) Provide procedural rules foonducting meetings of the association;
 - (g) Specify a method forthunits' 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, quosuand 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 to the association.
- 2. Except as otherwise provided this chapter or the decoration, the bylaws may provide for any other necessary or approximatters, including without limitation, matters that could be adopted as rules.
 - 3. The bylaws muste written in plain English. (Added to NRS by 991, 562 A 1993, 23681997, 31172003, 22322011, 243)

NRS 116.31065 Rules. The rules adopted bayn association:

- 1. Must be reasonably related the purpose for whirethey are adopted.
- 2. Must be sufficiently explicit itheir prohibition, direction or limitation to inform a person of any action or ossion required for compliance.
 - 3. Must not be adopted to any obligation of association.

- 4. Must be consistent with the gaving documents of the association and must not arbitrarily restrict conduct or require thousenstruction of any caital improvement by a unit's owner that is not required by the theorem of the association.
 5. Must be uniformly enforced under same or similar circumstances against all
- 5. Must be uniformly enforced under same or similar circumstances against all units' owners. Any rule that is not so unifdynenforced may not benforced against any unit's owner.
- 6. May be enforced by the as**soci**in through the imposition a fine only if the association complies with the requirements set for the set of th

(Added to NRS by 997, 3111 A 1999, 30042003, 226)

NRS 116.31068 Notice to units' owners.

- 1. Except as otherwise provided simbs section 3, an assation shall deliver any notice required to be given by the assticina under this chapter to any mailing or electronic mail address a unit's owner desites. Except as otherwise provided in subsection 3, if a unit's owner has not desited a mailing or electronic mail address to which a notice must be delivered, the association may deliver notices by:
 - (a) Hand delivery to each unit's owner;
- (b) Hand delivery, United States impostage paid, ocommercially reasonable delivery service to the mailing address of each unit;
- (c) Electronic means, if the unit's owner has given the association an electronic mail address: or
 - (d) Any other method reasonably calculated to provide notice to the unit's owner.
- 2. The ineffectiveness of a goodthaeffort to deliver notice by an authorized means does not invalidate actioned at or without a meeting.
 - 3. The provisions f this section do not apply:
- (a) To a notice required to be given pursuan to 116.311 to 116.3116, inclusive; or
- (b) If any other provision of this **a**pter specifies the mannier which a notice must be given by an association.

(Added to NRS b<u>2011, 241</u>)

NRS 116.3107 Upkeepf common-interest community.

- 1. Except to the extent pided by the declation, subsection 2 aridRS 116.31135 the association has the duty to pide for the maintenance, repair and replacement of the common elements, and each unit's owner habstythe provide for the maintenance, repair and replacement softhiner unit. Each with owner shall afford to the association and the other units' ownered to their agents or employees, access through his or her uniteasonably necessary for those purposes. If damage is inflicted on the common elements or on any unit throughtich access is taken, the unit's owner responsible for the damage, or the association 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 expess in connection witheal estate subject to developmental rights. No other unit's owner and no other portion of the common-

interest community is subject to a claimor payment of those expenses. Unless the declaration provides otherwise, any incomme proceeds from real estate subject to developmental rights inures to the declarant.

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

(Added to NRS by 991, 562 A 1993, 23682009, 288)

NRS 116.31073 Maintenance, reprarestoration and replacement of security walls.

- 1. Except as otherwe provided in subsection 2 a MCRS 116.3113,5 the association is responsible for the maintenance in restoration and replacement of any security wall which is located within the common-inexest community.
- 2. The provisions of this section not apply if the govering documents provide that a unit's owner or an tity other than the associan is responsible for the maintenance, repair, restoration are placement of the security wall.
- 3. For the purpose of carryingut the maintenance, repair, restoration and replacement of a security wallursuant to this section:
- (a) The association, the membersitsofexecutive board anits officers, employees, agents and community manager may entergitounds of a unit after providing written notice and, notwithstanding any other priorisof law, are not liable for trespass.
- (b) Any such maintenance, repairstoration and replacement of a security wall must be performed:
 - (1) During normal business hours;
 - (2) Within reasonable length of time; and
- (3) In a manner that does **adv**ersely 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 obtagin prior approval of the units' owners unless the total amount of the assessments is them 5 percent of the annual budget of the association.
- 4. As used in this section, "seibuwall" means any wall composed of stone, brick, concrete, concrete blocks, masonry ornitair building material, including, without limitation, ornamental iron or other fencing treatal, together with footings, pilasters, outriggers, grillwork, gates and other appurtenances, constructed around the perimeter of a residential subdivision with respect to which a final rhap been recorded pursuant to NRS 278.36 to 278.460 inclusive, to protect the sevetracts in the subdivision and their occupants from vandalism.

(Added to NRS b2009, 2862)

Meetings and Voting

NRS 116.31075 Meetings of **ral** agricultural residential common-interest communities: Compliance with Open Meeting Law. In conducting any meetings, a rural agricultural residential common-intensit community must comply with the provisions set forth in the provision set forth in the pro

(Added to NRS b<u>2003, 222)</u>)

NRS 116.3108 Meetings of units' owners of association; frequency of meetings; calling special meetings; requirements concerning minutes of meetings gight of units' owners to make audio recordings of meetings.

- 1. A meeting of the units' owners mbost held at least once each year at a time and place stated in or fixed in accordance with the bylawthelfgoverning 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 those meeting of the units' owners. If the units' owners have not held a meeting for 1 yearn, exeting of the units' owners must be held on the following March 1.
- 2. An association shall hold a sipalemeeting of the units' owners to address any matter affecting the common-intest community or the assation if its president, a majority of the exective board or units' owners constituting at least 10 percent, or any lower percentage specified tine bylaws, of the tal number of votes the association request that the secretary call such a meetingcall a special meeting, the units' owners must submit a written petition which is signled 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 typrocess server the executive board or the community manager fothe association. If the petition lisafor a special meeting, the executive board shall set the date the special meeting stoat the special meeting is held not less than 15 days more than 60 days afteretidate on which the petition is received. The association shall not adopty atule or regulationwhich prevents or unreasonably interferes with toellection of the required percentage of signatures for a petition pursuant to this subsection.
- 3. Not less than 15 days or mother of days in advance of any meeting of the units' owners, the secretary or other offispecified in the bylaws shall cause notice of the meeting to be given to the unitsweets in the manner set forth <a href="https://links.org
- (a) Have a copy of the minutesaosummary of the minutes of the meeting provided to the unit's owner upon request, in electroficit at no charge to the unit's owner or, if the association is unable provide the copy or summary in electronic format, in paper format at a cost not to exce**25** cents per page for the still 10 pages, and 10 cents per page thereafter.

- (b) Speak to association or excutive board, unless the xutive board is meeting in executive session.
 - 4. The agenda for a meeting of the units' owners must consist of:
- (a) A clear and complete statementhous topics scheduled tope considered during the meeting, including, without initiation, any proposed amendment to the declaration or bylaws, any fees or assessments to be improved increased by the association, any budgetary changes and any proposal to remove fixeer of the association or member of the executive board.
- (b) A list describing the items ownhich action may be taken and clearly denoting that action may be taken othose items. In an emergency, the units' owners may take action on an item which is not listed one tagenda as an item ownhich action may be taken.
- (c) A period devoted to comments units' owners regarding any matter affecting the common-interest community the association and discussion of those comments. Except in emergencies, no action may be naken a matter raisenther this item of the agenda until the matter itself been specifically includen an agenda as an item upon which action may be take ursuant to paragraph (b).
- 5. The secretary or other officeresiptied in the bylaws shlacause minutes to be recorded or otherwise taken each meeting of the units' owers. Not more than 30 days after each such meeting, the secretary boeroofficer specified in the bylaws shall cause the minutes or a summary of the minutes of the minutes of the minutes of the units' owners. Except as otherwise provided in this besection, a copy of the minutes or a summary of the minutes must be provided to unit's owner upon request, in electronic format at no charge to the unit's owner or, if the association is over the copy or summary in electronic format, in paper formata 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 to fine the units' owners must include:
 - (a) The date, timend place of the meeting;
 - (b) The substance of all matters porsped, discussed or decided at the meeting; and
- (c) The substance of remarks magicany unit's owner at the meeting if the unit's owner requests that the minest reflect his or her remarks or, if the unit's owner has prepared written remarks, a copy of his hour prepared remarking the unit's owner submits a copy for inclusion.
- 7. The executive board may estatoreasonable limitations on materials, remarks or other information to be included inetentionates of a meeting of the units' owners.
- 8. The association shall maintaine the inutes of each meeting of the units' owners until the common-interest community is terminated.
- 9. A unit's owner may record 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 intentrecord the meeting to the other units' owners who are in attendance at the meeting.

- 10. The units' owners may approxethe annual meeting of the units' owners, the minutes of the prior annual meeting of theirs' owners and the minutes of any prior special meetings of the units wners. A quorum is not requited to be present when the units' owners approve the minutes.
- 11. As used in this section, "ergency" means any occurrence or combination of occurrences that:
 - (a) Could not haveen reasonably foreseen;
- (b) Affects the health, welfare and estag of the units' owners or residents of the common-interest community;
- (c) Requires the immediate attention possible action by, the executive board; and
- (d) Makes it impracticable to complyth the provisions of subsection 3 or 4. (Added to NRS by 991, 562 A 1995, 22301997, 31181999, 30042001, 470, 2003, 22322270 2005, 25982009, 28002886, 2920, 2011, 2436)
- NRS 116.31083 Meetings of executive board; frequency of meetings; periodic review of certain financial and legal mattersat meetings; requirements concerning minutes of meetings; right of units' ownersto make audio recordings of certain meetings.
- 1. A meeting of the executive bolamust be held at least once every quarter, and not less than once every 100 days and mustebole at a time other than during standard business hours at least twice annually.
- 2. Except 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 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' owers in the manner set forth NHRS 116.3106;8or
- (b) Published in a newsletter or otlsenilar publication that is circulated to each unit's owner.
- 3. In an emergency, the secretaryother officer specified in the bylaws of the association shall, if practicable, cause notifiethe meeting to be sent prepaid by United States mail to the mailing address of each unit within the community. If delivery of the notice in this manner is imapticable, the notice must be hand-delivered to each unit within the communityerest community or posted in a prominent place or places within the common elemnts of the association.
- 4. The notice of a meeting of these cutive board must stathe time and place of the meeting and include a copy of the age front and the locations where copies of the age front 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, effectronic format at no charge to the unit's owner or, if the association usable to provide theopy or summary in

electronic format, in paper format at a cost tooo exceed 25 cents page for the first 10 pages, and 10 cents per page thereafter.

- (b) Speak to association or excutive board, unless the excutive board is meeting in executive session.
- 5. The agenda of the meeting tone executive board not comply with the provisions of subsection 4 others 116.3108 A period required to be devoted to comments by the units' owners and discussibilithose comments must be scheduled for both the beginning and there 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 discoussof those comments must be limited to items listed on the agenda. In an emergethrey, executive board may take action on an item which is not listed on the agenda ansitem on which action may be taken.
- 6. 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 scheelubf revenues and expenses for the operating account and the reserve auot, compared to the blget for those accounts;
 - (c) A current reconciliation of the operating account of the association;
 - (d) A current reconciliation of the association;
- (e) The latest account statements amed by the financial stitutions in which the accounts of the association are maintained; and
- (f) The current status of any itivaction or claim submitted to arbitration or mediation in which the association is a party.
- 7. The secretary or other officer sified in the bylaws shall cause each meeting of the executive board to be audiecorded and the minutes the recorded or otherwise taken at each meeting of the executive bolard, if the executive board is meeting in executive session, the meeting struct be audio recorded. Nonore than 30 days after each such meeting, the secretar other officer specified the bylaws shall cause the audio recording of the meeting minutes of the meeting and a summary of the minutes of the meeting to be made available to thinks' owners. Except and a summary of the minutes of the subsection, a copy of the audio recording, the minutes or a summary of the minutes must be provided to any unstowner upon request, in electronic format at no charge to the unit's owner or, if the association tissable to provide the opy or summary in electronic format, in paper format at a cost too exceed 25 cents peage for the first 10 pages, and 10 cents per page thereafter.
- 8. Except as otherwise provided in subsection <u>Narral 116.3108,5</u>the minutes of each meeting of the extinue board must include:
 - (a) The date, timend 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 proceed, discussed or colleted at the meeting;

- (d) A record of each member's voote any matter decided byote at the meeting; and
- (e) The substance of remarks mandany unit's owner who addresses the executive board at the meeting if the unit's ownerquests that the minutes reflect his or her remarks or, if the unit's owner has prepared temarks, a copy of his or her prepared remarks if the unit's owner submits a copy for inclusion.
- 9. The executive board may establish reasonable limitations on materials, remarks or other information to be included in the minutes of its meetings.
- 10. The association shall maintain minutes of each meeting of the executive board until the common-interesommunity is terminated.
- 11. A unit's owner may record audiotape or any other means of sound reproduction a meeting of the executive boardess the executive board is meeting in executive session, if the unitoswner, before recording the meeting, provides notice of his or her intent to record the meetingthous members of the excutive board and the other units' owners who are in attendance at the meeting.
- 12. As used in this section, "ergency" means any occurrence or combination of occurrences that:
 - (a) Could not haveen reasonably foreseen;
- (b) Affects the health, welfare and etg of the units' owners or residents of the common-interest community;
- (c) Requires the immediate attentiof, and possible action by, the executive board; and
 - (d) Makes it impracticable to complyith the provisions of subsection 2 or 5.

(Added to NRS by 999, 2995 A 2001, 472 2003, 223 4 2005, 260 0 2009, 2803, 2889, 2922, 2011, 243)

NRS 116.31084 Voting by member effecutive board; disclosures; abstention from voting on certain matters.

- 1. A member of an executive bold awho stands to gain any personal profit or compensation of any kind from a mather fore the executive board shall:
 - (a) Disclose the ntter to the exective board; and
 - (b) Abstain from oting on any such matter.
- 2. A member of an executive board has a member of shir her household or any person related to the meantby blood, adoption or manage within the third degree of consanguinity or affinity who stands train any personal profit compensation of any kind from a matter beforthe executive board shall solves the matter to the executive board before trong on any such matter.
 - 3. For the purposes of this section:
- (a) An employee of a declarant oraffiliate of a declarant who is a member of the executive board shall not, soleby reason of such employment or affiliation, be deemed to gain any personal offit or compensation.

(b) A member of an executive boardals mot be deemed to gain any personal profit or compensation solely becautise member of the executive board is the owner of a unit in the common-intense community.

(Added to NRS b<u>2009</u>, 10992908)

NRS 116.31085 Righof units' owners to speak atcertain 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 this section, a unit's owner may attend any meeting of the units' owners or of the exterce board and speak at any such meeting. The executive board may establish reasonabilitations on the time a unit's owner may speak at such a meeting.
- 2. An executive board may not mere executive session to open or consider bids for an association project as defined 116.3108 for to enter into, renew, modify, terminate or take any othection regarding a contract.
 - 3. An executive board maneet in executive session only to:
- (a) Consult with the attorney forethassociation on matters relating to proposed or pending litigation if the contents of theseussion would otherwise governed by the privilege set forth in NRS 49.03to 49.115 inclusive.
- (b) Discuss the character, alleged minduct, professional repetence, or physical or mental health of a community manage an employee of the association.
- (c) Except as otherwise provided surbsection 4, discuss ablation 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 116.31030 ff the alleged failure may subject the unit's owner to a construction penalty.
- 4. An executive board shall ment executive session to Indoa hearing on an alleged violation of the governing documentaless the person who may be sanctioned for the alleged violation requests in writing that an open hearing be conducted by the executive board. If the person who may be tianed for the allegentialition requests in writing that an open hearing conducted, the person:
- (a) Is entitled to attend all portions the hearing related the alleged violation, including, without limitation, the presenting of evidence and the testimony of witnesses:
- (b) Is entitled to due process, at feth in the standards adopted by regulation by the Commission, which must inucle, without limitation, the right counsel, the right to present witnesses and the right present information relating any conflict of interest of any member of the hearing panel; and
 - (c) Is not entitled to attendet Indeliberations of the executive board.
- 5. The provisions of subsection 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 provision the governing documents that provide greater protections.

- 6. Except as otherwise provided times subsection, any matter discussed by the executive board when it meets in executive session musteberally noted in the minutes of the meeting of the executive board. The executive boards hall maintain minutes of any decision made pursuants to be section 4 concerning alleged violation and, upon request, provide approof the decision to the person who was subject to being sanctioned at the hearing or to the person's designated representative.
- 7. Except as otherwise provideds imbsection 4, a unit where is not entitled to attend or speak at a meeting of the existence board held inexecutive session.

(Added to NRS by997, 311,1 A 1999, 300,52003, 223,62271, 2005, 260,22009, 1100, 2891)

NRS 116.31086 Solicitation of bids for association project; bids to be opened at meeting of executive board.

- 1. If an association solicits bids fan association project, the bids must be opened during a meeting of the executive board.
- 2. As used in this section, s'saociation project" includes, without limitation, a project that involves the maintenance, represiplacement or restoration of any part of the common elements or which involves the pision of services to the association.

(Added to NRS b2009, 109)

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 written complaint from a unit's owner alleging that the executive boards violated any provision of the governing documents of the sociation, the executive oard shall, upon the written request of the unit's owner, place the subject the complaint on the agenda of the next regularly scheduled meeting of the executive board.
- 2. Not later than 10 business dayterathe date that the assistation receives such a complaint, the executive board an authorized representive of the association shall acknowledge the receipt of the complaint and not if the unit's owner that, if the unit's owner submits a written request that the subject he complaint be placed on the agenda of the next regularly scheduled meeting to 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 by003, 2218A 2009, 289)

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 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 on bon a vote or written agreement of the owners of units to which at a majority of the votes the members of the association are allocated. The provisions this subsection do not approve a civil action that is commenced:

- (a) To enforce the payment of an assessment;
- (b) To enforce the declaration, bylaws onles of the association;
- (c) To enforce a contract with a vendor;
- (d) To proceed the a counterclaim; or
- (e) To protect the health, safety amelifare of the members of the association. If a civil action is commenced pursuant to the argragraph without the required vote or agreement, the action must be ratified initially days after the commencement of the action by a vote or written agreement of the association are allocated. If the association, after making a good faith effort, cannot obtain the required votegoe ement to commence or ratify such a civil action, the association in the required votegoe ement to commence or ratify such a civil action, the association in the required votegoe ement to commence or ratify such a civil action, the association in the required votegoe ement to commence or ratify such a civil action only affect or written agreement to the owners of the units to which at least a majority of otes of the members of the action was sought.
- 2. At least 10 days before association commences or seeks to ratify the commencement of a civil action association shall provide written statement to all the units' owners that includes:
- (a) A reasonable estimate of the testo of the civil action, including reasonable attorney's fees;
- (b) An explanation of the potential end 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 requirted be made upon the property.
- 3. No person other than a unit's new may request the dismissal of a civil action commenced by the association the ground that the assetion failed to comply with any provision of this section.
- 4. If any civil action in which thessociation is a party is settled, the executive board shall disclose the terms and condition that settlement at the next regularly scheduled meeting of the executive board after the settlemens been reached. The executive board may not approxesettlement which contest any terms and conditions that would prevent the execute board from complying with the provisions of this subsection.

(Added to NRS b<u>2005, 258</u>5)

NRS 116.3109 Quorum.

1. Except as otherweisprovided in this section and the section

- (a) Are present in person;
- (b) Are present by proxy;
- (c) Have cast absentee ballotsaircordance with paragrap(d) of subsection 2 of $\frac{NRS}{116.31}$; or
 - (d) Are present by any combition of paragraphs (a), (b) and (c).
- 2. If the governing documents of association contain a quorum requirement for a meeting of the association that is greateant the 20 percent reigned by subsection 1 and, after proper notice has been given force ting, 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 ginning of the meeting, the members who are present in person at the meeting may adjourn the meeting time that is not less than 48 hours or more than 30 days from the date of the time ting. At the usbs equent meeting:
- (a) A quorum shall be deemed be present if the number of members of the association who are present in person or by proxy abelgenning 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 isteemed to be present but that that a quorum isteemed to be present but that the present in person or byopary at the beginning of the subsequent meeting is less than the number of members who are required a foquorum under the governing documents, the members who are present in person oprhopsy at the subsequent meeting may take action only on those matters that were includes items on the agenda of the original meeting.
- ¬ The provisions of this subsection do not be the actual number of votes that are required under the governing documents for taking action on any particular matter.
- 3. Unless the governing documes the cify a larger number, a quorum of the executive board is prestetion purposes of determining the validity of any action taken at a meeting of the executive board only if individuals entitle class a majority of the votes on that board are present at the time a voter diagraph that action is taken. If a quorum is present when a vote is taken, the affirmative of a majority of the members present is the act of the executive both runless a greater vote is quered by the declaration or bylaws.
- 4. Meetings of the association strube conducted in acrobance with the most recent edition of Robert's Rules of Order Newly Reviseonless the bylaws or a resolution of the executive adopted before the meeting provide otherwise.

(Added to NRS by 991, 563 A 1999, 30062003, 22372011, 244)

- NRS 116.311 Voting by units'owners; use of abserte ballots and proxies; voting by lessees of leased units; associtant prohibited from voting as owner of unit; voting without a meeting.
- 1. Unless prohibited or limited by et to lectaration or by laws and except as otherwise provided in this section, its owners may vote at a retting in person, by absentee ballot pursuant to paragraph) (of subsection 2, by a proxyursuant to subsections 3 to

- 8, inclusive, or, when a vote conducted without a meetingy electronic or paper ballot pursuant to subsection 9.
 - 2. At a meeting of units' owers, the following requirements apply:
- (a) Units' owners who are presentpierson may vote by voice vote, show of hands, standing or any other method determining the votes of nits' owners, as designated by the person presiding at the meeting.
- (b) If only one of several owners of aitus present, that owness entitled to cast all the votes allocated to that unit. If more thanne of the owners are present, the votes allocated to that unit may be cast only in ardaonce with the agreeent of a majority in interest of the owners, unless the declaratexpressly provides otherwise. There is majority agreement if any order the owners cast the votal socated to the unit without protest being made promptly to the persons juding over the meetign by any of the other owners of the unit.
- (c) Unless a greater number or fraction in the assization is required by this chapter or the declaration majority of the votes castermines 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 pthymathall deliver an absentee ballot to an owner who requests it if the request is madeast 3 days before the scheduled meeting. Votes cast by absentee ballot mustrated in the tally of a vote taken at that meeting.
- (e) When a unit's owner votes by attree ballot, the association must be able to verify that the ballot is cast by theit's owner having the right to do so.
- 3. Except as otherwise provided in **the**stion, votes allocated to a unit may be cast pursuant to a proxy executed by a unit's ownereunit's owner may give a proxy only to a member of his or her immediate family, nated of the unit's owner who resides in the common-interest community, another unit's new who resides in the common-interest community, or a delegate or repressive when authorized pursuant No.S 116.3110.5 If a unit is owned by more that person, each owner of the unit may vote or register protest to the casting of votes by the other one not the unit through an executed proxy. A unit's owner may revoke a proxy given pursuant to this steam only by actual notice of revocation to the person presidion are 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 purpt to be revocable without notice.
- (c) The proxy must designate theeting for which it is executed, and such a designation includes any recessed session of that meeting.
- (d) The proxy must designate each cisfic item on the agenda of the meeting for which the unit's owner has executed the proxy, except that this owner may execute the proxy without designating any specificnits on the agenda of the meeting if the proxy is to be used solely foletermining whether a quorum present for the meeting. If the proxy designates one or more specificnits on the agenda the meeting for which the unit's owner has executed throxy, the proxy must inchite, for each specific item designated in the proxy, whether the holds the proxy must cast a vote in the

affirmative or the negative obsehalf of the unit's ownelf the proxy does not indicate whether the holder of the proxygust cast a vote in the final mative or the negative for a particular item on the agenda of the meetithe, proxy must be treated, with regard to that particular item, as if the unit's ownerer present but not vinty on that particular item.

- (e) The holder of the proxy must disease at the beginning of the meeting for which the proxy is executed and any recessed core-scori that meeting the number of proxies pursuant to which the holded will be casting votes.
- 5. A proxy terminates immediated fter the conclusion of the meeting, and any recessed sessions of the meeting, for which it is executed.
- 6. Except as otherwise provided thins subsection, a vote may not be cast pursuant to a proxy for the election or removal of member of the excutive board of an association. A vote may be cast pursuant toproxy for the election or removal of a member of the executive board of a master ociation which governs a time-share plan created pursuant topapter 119 for NRS if the proxy is exerised through a delegate or representative authorized pursuant topapter 110.31105
- 7. The holder of a proxy may not a vote on behalf of the unit's owner who executed the proxy in a manner that contrary to the proxy.
- 8. A proxy is void if the proxy the holder of the proxy vlates any provision of subsections 3 to 7, inclusive.
- 9. Unless prohibited or limited by declaration or bylaws, an association may conduct a vote without a meeting Except as otherwise provided 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 tshowners that the vote ill be taken by ballot.
- (b) The association shall deliverpaper or electronic ball to every unit's owner entitled to vote on the matter.
- (c) The ballot must set forth each proposed action and pranvide portuity to vote for or against the action.
 - (d) When the associati delivers the ballots, it shall also:
 - (1) Indicate the number refsponses needed to meet the quorum requirements;
- (2) State the percentagevotes necessary to approxeach matter other than election of directors;
- (3) Specify the time and telaby which a ballot must be delivered to the association to be counted, which time antedray not be fewer than 3 days after the date the association delivers the ballot; and
- (4) Describe the time, tdaand manner by which units' owners wishing to deliver information to all units' owners gerding the subject of the vote may do so.
- (e) Except as otherwise provided he declaration or bylaws, a ballot is not revoked after delivery to the association by deathd by ability of or attempted revocation by the person who cast that vote.

- (f) Approval by ballopursuant to this subsection is indexonly if the number of votes cast by ballot equals or exceeds the quorner quired to be present at a meeting authorizing the action.
- 10. If the declaration requires thrates on specified matters affecting the commoninterest community must be cast by the description of leased units rather than the units' owners who have leased the units:
 - (a) This section applies to tlessees as if they weethe units' owners;
- (b) The units' owners ho have leased their units true lessees may not cast votes on those specified matters;
- (c) The lessees are entitled to noticeneetings, access tockerds and other rights respecting those matters as if they were the units' owners; and
- (d) The units' owners must begiven notice, in the manner provided <u>NiRS</u> 116.3108 of all meetings at which thlessees are entitled to vote.
- 11. If any votes aradlocated to a unit that is owned the association, those votes may not be cast, by proxy otherwise, for any purpose.

(Added to NRS by 991, 563 A 1999, 30062003, 22382009, 29242011, 244)2

NRS 116.31105 Voting by delegater representatives; limitations; procedure for electing delegates or representatives.

- 1. Except as otherwise provided in section 8, if the declation so provides, in a common-interest community that consists of least 1,000 units, the woting rights of the units' owners in the association for that common-interest community may be exercised by delegates or representatives except that needed to overlappe the units' owners may not be exercised by delegates or representatives.
- 2. Except as otherwise providedsimbsection 8, in addition a common-interest community identified in subsection 1, if theotheration so provides, in a common-interest community created before October 1, 1999, who ting rights of the units' owners in the association for that common-interest committy may be exercised by delegates or representatives except that, in the electron removal of a member of the executive board, the voting rights of the units' ownsemay not be exercised by delegates or representatives.
- 3. In addition to a common-interestmmunity identified in subsections 1 and 2, if the declaration so provides, ethroting rights of the owners time shares within a time-share plan created pursuant trapter 119 Aof NRS which is governed by a master association may be exercised the legates or representatives.
- 4. For the purposes of subsections alch unit that a declaration reserved the right to create pursuant to RS 116.210 and for which developm that rights exist must be counted in determining the number unfits in a common-interest community.
- 5. For the purposes of subsect@preach time share that developer has reserved the right to create pursuant torpagraph (g) of subsection 2 of NRS 119A.38 (must be counted in determining the number time shares in a time-share plan.

- 6. Notwithstanding any provision inetherelaration, the electric of any delegate or representative must be contibled by secret written ballot.
- 7. When an election of a delegaterepresentative is conducted by secret written ballot:
- (a) The secretary or other officer the association specified the bylaws of the association shall cause a secret written balldtareturn envelope to be sent, prepaid by United States mail, to the mailing address each unit withinthe common-interest community or to any other mailing address ignated in writing by the unit's owner.
- (b) Each unit's owner nstube provided with at least that safter the date the secret written ballot is mailed to the unit's owner return the secret written ballot to the association.
- (c) Only the secret written ballots that 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 mutated opened and counted at a meeting called for the purpose of electing delegates representatives. A quorum risst required to be present when the secret written ballots at an and counted at the meeting.
- (e) A candidate for delegate or resperntative may not posselse, given access to or participate in the opening or counting of the secret written that are returned to the association in the manner preised on the ballobefore those secret written ballots have been opened and counted at aetimeg called for that purpose.
- 8. Except as otherwise provided subsection 9, the viorty rights of the units' owners in the association for a common-interest community may be exercised by delegates or representatives only during the optentiat the declaration in control of the association and during the 2-year period afterdeclarant's control of the association is terminated pursuant to RS 116.31032
 - 9. The provisions subsection 8 do not apply to:
- (a) A time-share plan created pursuand text 119 for NRS which is governed by a master association; or
- (b) A condominium or cooperativeontaining both units that are restricted exclusively to nonresidential use and ext units that are not so restricted.

(Added to NRS b<u>2003, 222</u>0A <u>2009, 29252926</u>)

NRS 116.31107 Voting by uts' owners: Prohibited acts; penalty.

- 1. A person shall not knowingly, willfulland with the intento fraudulently alter the true outcome of an elecution of a member of the executive board or any other vote of the units' owners engage in, attempt to eggan, or conspire with another person to engage in, any of the following acts:
- (a) Changing or falsifying a voterballot so that the ballotoes 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, destring, defacing or otherwise invalidating the valid ballot of another voter.
 - (e) Submitting a counterfeit ballot.
- 2. A person who violates this **tien** is guilty of a categor D felony and shall be punished as provided MRS 193.130

(Added to NRS b2009, 2875)

Liabilities, Insurance and Fiscal Affairs

NRS 116.3111 Tort and contract liability.

- 1. A unit's owner is not liable, soleby reason of being anit's owner, for an injury or damage arising own the condition or use of the common elements. Neither the association nor any unit's ownexcept the declarant is liabler that declarant's torts in connection with any part of the common-intercommunity which that declarant has the responsibility to maintain.
- 2. An action allegig a wrong done by the association, including, without limitation, an action arising out of the ondition or use of the common elements, may be maintained only against the association and not againary unit's owner the wrong occurred during any period of declarant's contraind 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 introduce suffered by the association or that unit's owner, and all costs that the association who not have incurred but for a breach of contract or other wrongful act or omission. Whenever the deather is liable to the association under this section, the declarant is alsiable for all expenses diffigation, including reasonable attorney's fees, incurred by the association.
- 3. Except as otherword provided in subsection 4 MRS 116.411 (with respect to warranty claims, any statute of limitation of the association's right of action against a declarant under this section because the period of declarant's control terminates. A unit's owner is not precluded maintaining an action contemplated by this section because he or siste unit's owner or a member of the association. Liens resulting from judgments againthse association are governed MRS 116.3117

(Added to NRS by 991, 563 A 2011, 244)

NRS 116.3112 Conveyance encumbrance of common elements.

1. In a condominium or plannedmmunity, portions of the common elements may be conveyed or subjected to a security reste by the association if persons entitled to cast at least a majority of the the association, including a majority of the votes allocated to units not owned a declarant, or any larger percentage the declaration specifies, agree to that action; but all news of units to which any limited common element is allocated must agree in or the convey that limited common element or subject it to a security inteste. The declaration may specify smaller percentage only if all of the units are restricted exclusively rton residential uses. Proceeds of the sale are an asset of the association.

- 2. Part of a cooperative may be convexed and all or part of cooperative may be subjected to a security interest by the aisotion if persons entitled to cast at least a majority of the votes in the association, including a jointy of the votes allocated to units not owned by a declarator, any larger percentage the declaration specifies, agree to that action; but, if fewer than all of thunits or limited common elements are to be conveyed or subjected to a seitquinterest, then all units where of those units, or the units to which those limited common elements are allocated, must agree in order to convey those units or limited brown elements or subject theora security interest. The declaration may specify a smaller percentagely if all of the units are restricted exclusively to nonresidential ess. Proceeds of the sale are assisted of the association. Any purported conveyance or other voluntarynsfer of an entire cooperative, unless made pursuant to RS 116.2118 is void.
- 3. An agreement to convey nominon elements in a condominium or planned community, or to subject them to security interest, or its cooperative, an agreement to convey any part of a cooperative subject it to a security terrest, must be evidenced by the execution of an agreement, or ratificate thereof, in the same anner as a deed, by the requisite number of units' owners. The commonstruction must specify a date after which the agreement will be void unless recorded for that date. The agreement and all ratifications thereof must be corded in every county which a portion of the commoninterest community is situated, and if sective only upon recordation.
- 4. The association, on behalf the units' owners, mayoratract to convey an interest in a common-interestommunity pursuant to subsection, but the contract is not enforceable against the association until approved pursuant toubsections 1, 2 and 3. Thereafter, the association has all powerscessary and appropriate to effect the conveyance or encumbrate, including the power to exuste deeds or other instruments.
- 5. Unless made pursuant to thistissen, any purported conveyance, encumbrance, judicial sale or other voluntartransfer of common elements 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**it of its rights of access and support.
- 7. Unless the declaration othersviprovides, a conveyance or encumbrance of common elements pursuant toisth section does not affect eth 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 991, 564 A 1993, 236)

NRS 116.3113 Insurance: General requirements.

- 1. Commencing not later than the dimonst the first conveyance of a unit to a person other than a declarant the association shall maintain, those extent reasonably available and subject to reasonable deductibles:
- (a) Property insurance on the commelements and, in a planned community, also on property that must become common elements against risks of direct physical

loss commonly insured against, which insumanafter application of any deductibles, must be not less than 80 percent of the actual cash value of of sured property at the time the insurance is pulmased and at each renewal deteclusive of land, excavations, foundations and other items normally cluded from property policies;

- (b) Commercial general liability sintrance, including insurance for medical payments, in an amount determined by the cutive board but notes than any amount specified in the declaration covering all occurrences commonly insured against for bodily injury and property damage arisingut of or in connection with the use, ownership, or maintenance of the common electron and, in cooperatives, also of all units; and
- (c) Crime insurance which includes verage for dishonest acts by members of the executive board and the fficers, employees, agents, editors and volunteers of the association and which extends verage to any business entity that acts as the community manager of the association and the employed esthat entity. Such insurance may not contain a conviction requirement, and the minimin amount of the policy must be not less than an amount equal to 3 months of eggate assessments on all units plus reserve funds or \$5,000,000, whichever is less.
- 2. In the case of a building thratination units divided by norizontal boundaries described in the declaration, or vertition under that comprise common walls between units, the insurance maintained under paragraph (af) subsection 1, to the extent reasonably available, must clinde the units, but need nortclude improvements and betterments installed by units' owners.
- 3. If the insurance described in subsections 1 and 2 is a saturably available, the association promptly shall cause notice of flagt to be given to all units' owners. The declaration may require the association torycany other insurance, and the association may carry any other insurance it considers propriate to protect the association or the units' owners.
- 4. An insurance policy issued those association does to prevent a unit's owner from obtaining insurance for thus it's owner's own benefit.

(Added to NRS by 991, 565 A 2011, 2445)

NRS 116.31133 Insurance: Policies; use of proceeds; certificates or memoranda of insurance.

- 1. Insurance olicies carried pursuant to RS 116.311 must provide that:
- (a) Each unit's owner is an insunped son under the policy that respect to liability arising out of the unit's owner's interest time common elements on the association:
- (b) The insurer waives its right subrogation under the policy against any unit's owner or member of his or her household;
- (c) No act or omission by any unitswner, unless acting within the scope of his or her authority on behalf the association to recovery under the policy; and

- (d) If, at the time of boss under the policy, there is her insurance in the name of a unit's owner covering the same risk coverby the policy, the association's policy provides primary insurance.
- 2. Any loss covered by the property policy under subsections 1 and 12S of 116.3113 must be adjusted with chassociation, but the process or that loss are payable to any insurance trustee designated for that one to any holder of a security interest. The urance trustee or the association, and not to any holder of a security interest. The urance trustee or the association shall hold any insurance proceeds in trust the association, units' owneand lienholders as their interests may appear. Subject 116.3113,5 the proceeds must be disbursed first for the repair or restoration of the damaged property, and the accitation, units' owners, and lienholders are not entitled to receive payment portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the common-interest committy is terminated.
- 3. An insurer that has issued iansurance policy under ith section shall issue certificates or memoranda infsurance to the association, upon written request, to any unit's owner or holder of a securityteinest. The insurer issuing the policy may not cancel or refuse to renew intil 30 days after notice of the proposed cancellation or nonrenewal has been mailed those association, each unit's owner and each holder of a security interest to whom a certificate or more and unit's owner has been issued at their respective last known addresses.

(Added to NRS by 991, 565 A 2003, 12102011, 2445)

NRS 116.31135 Insurance: Repaior replacement of damaged or destroyed portion of community.

- 1. Any portion of the common-interest community for whitesurance is required under NRS 116.3113 which is damaged or destroyed ust be repaired or replaced promptly by the association unless:
- (a) The common-interest **roo**nunity is terminated, in which cas<u>bIRS</u> 116.2118 and 116.2118 apply;
- (b) Repair or replacement would blægal under any state or local statute or ordinance governing health or safety; or
- (c) Eighty percent of the units' ownse including every ownse 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 insurage oproceeds, deductibles and reserves is a common expense. If the entire common-integression unity is not repaired or replaced:
- (a) The insurance proceeds attribute 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 ibutable to units and limited common elements that are not rebuilt must be distributed to the owners of those and the owners of the

units to which those limited common elements were allocated, to lienholders, as their interests may appear; and

- (2) The remainder of the prode must be distributed to all the units' owners or lienholders, as their interestinay appear, as follows:
- (I)In a condominium, in proportion to thinterests of all the units in the common elements; and
- (II) In a cooperative or pahned community, in proportion to the liabilities of all the units for common expenses.
- 3. If the units' owners vote not tobeid any unit, that units' allocated interests are automatically reallocated upothe vote as if the unithad been condemned under subsection 1 oNRS 116.110,7 and the association prompts hall prepare, execute and record an amendment to the deatern reflecting the reallocations.

(Added to NRS by 991, 566 A 1993, 23702011, 244)

NRS 116.31138 Insurance: Vætince or waiver of provisions in community restricted to nonresidential use. The provisions of NRS 116.3113 116.3113 and 116.3113 may be varied or waive the case of a common-interest community all of whose units restricted to nonresidential use.

(Added to NRS by 991, 56)

NRS 116.311395 Funds of association be deposited or invested at certain financial institutions.

- 1. Except as otherwise provideds imbsection 2, an association, a member of the executive board, or a community nanager 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** jth is diction, including the power to subpoena, of the courts of this State and the Division.
- 2. Except as otherwise provided the governing documents, in addition to the requirements of subsection 1, **as**sociation shall deposit, **inta**in and invest all funds of the association:
- (a) In a financial institution who saccounts are insured the Federal Deposit Insurance Corporation, the **tita**nal Credit Union Share Insurance Fund or the Securities Investor Protection Corporation;
 - (b) With a privatensurer approved pursuant NtbRS 678.75,5 or
- (c) In a government surity backed by the full faith and credit of the Government of the United States.
- 3. The Commission shall adoptguteations prescribingthe contents of the declaration to be executed and signed bynamicial institution located outside of this State to submit to consent toethurisdiction of the courts of the State and the Division.

(Added to NRS b<u>§2009, 173</u>)3

NRS 116.3114 Surplus funds. Unless otherwise provided the declaration, any surplus funds of the association remaining after payment of or provision for common expenses and any prepayment exferves must be paid to the units' owners in proportion to their liabilities for common expenses or edited to them to reduce their future assessments for common expenses.

(Added to NRS by 991, 56)

NRS 116.31142 Preparation aphpresentation of financial statements.

- 1. The Commission shall adopt whations prescribing the requirements for the preparation and presentation for fancial statements of anssociation pursuant to this chapter.
 - 2. The regulations adopted by Commission must include, without limitation:
- (a) The qualifications necessary for person to prepare and present financial statements of an association; and
- (b) The standards and format to **fb**bowed in preparing and presenting financial statements of an association.

(Added to NRS b 2005, 258)

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 asation is \$45,000 or more but less than \$75,000, cause the financial statement the association to be viewed by an independent certified public accountant during the year immediately preceding vehar in which a study of the reserves of the association is to be conducted purs where to 16.31152
- (b) If the annual budgef the association is \$75,000 more but less than \$150,000, cause the financial statement the association to be viewed by an independent certified public accountant every fiscal year.
- (c) If the annual budget of the asistion is \$150,000 or more, cause the financial statement of the association to be audited by 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 shadause the financial statement fithat fiscal year to be audited by an independent certif public accountant if, with 180 days before the end of the fiscal year, 15 percent of the total mber of voting members of the association submit a written request for such an audit. The visions of this subsection do not apply to an association described paragraph (c) of subsection 1.
- 3. The Commission shall adopt whations prescribing the requirements for the auditing or reviewing of financial statements of an asstroni pursuant to this section. Such regulations must include, without limitation:
- (a) The qualifications necessary for person to audit or review financial statements of an association; and
- (b) The standards and format to be followed in auditingeviewing financial statements of an association.

(Added to NRS by 2005, 2584A 2009, 4622011, 988)

NRS 116.3115 Assessments forommon expenses; fooding of adequate reserves; collection of intereston past due assessments alculation of assessments for particular types of common expenses; notice of meetings regarding assessments for capital improvements.

- 1. Until the association makes assessment for common penses, 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 thwthe requirements set forth <a href="https://links.nih.governments.
- 2. Except for assessments under exclass 4 to 7, inclusive, or as otherwise provided in this chapter:
- (a) All common expenses, including theserves, must be assessed against all the units in accordance with the allocations set forth thine declaration pursuant to subsections 1 and 2 MRS 116.2107
- (b) The association shall establishequate reserves, funded on a reasonable basis, for the repair, replacement and restoration the major components of the common elements and any other portion the common-interest community that the association is obligated to maintain, repair, replace or restorthe reserves may besed only for those purposes, including, without limitation, repiagr, replacing and setoring roofs, roads and sidewalks, and must not be used folly draaintenance. The association may comply with the provisions of this pragraph through a fuintly plan that is designed to allocate the costs for the repair, replacement anstormation of the major components of the common elements and any other portionthous common-interestommunity that the association is obligated to maxim, repair, replace or restorecova period of years if the funding plan is designed in an actuarial bund 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 the common-interest community that the association is obligated to maintain, repair, replace or restore are necessary. Notwithstanding any provision of the govergidocuments to the contrary, to establish adequate reserves pursuant to this paraginachluding, without limitation, to establish or carry out a funding plan, the executive board may, wtthseeking or obtaining the approval of the units' owners, impose anycerssary and reasonable assessments against the units in the common-interest community ny such assessments imposed by the executive board must be basedtbe study of the reserves the association conducted pursuant to NRS 116.31152
- 3. Any assessment for common experosesstallment thereothat is 60 days or more past due bears interest at a rate equiabtorime rate at the largest bank in Nevada as ascertained by the Commission Financial Institutions on January 1 or July 1, as the case may be, immediately preceding the the assessment becomes past due, plus 2 percent. The rate must bejussted accordingly on each January and July 1 thereafter until the balance is satisfied.

- 4. Except as otherwiseovided in the governing documents:
- (a) Any common expense associated with the maintenance, repair, restoration or replacement of a limited common element must assigned ually, or in any other proportion the declaration provides;
- (b) Any common expense benefiting fewthean all of the units or their owners may be assessed exclusively against thiesum units' owners benefited; and
- (c) The costs of insurance must assessed in proportion to the costs of utilities must be assessed in proportion to usage.
- 5. Assessments to pay a judgmægatinst the association may be made only against the units in the common-intestecommunity at the time ehjudgment was entered, in proportion to their liabities for common expenses.
- 6. If damage to a unit or otherrtpaf the common-interest community, or if any other common expense is used by the willful miscondu or gross negligence of any unit's owner, tenant or invitee of a unit's owner tenant, the association may assess that expense exclusively against his her unit, even if the association maintains insurance with respect to that damage or commonpense, unless the damage or other common expense is caused by a vehicle and is committed by a person delivering goods to, or performing services for, the unit's owner or invitee of the unit's owner or tenant.
- 7. The association of a common-ineted community created force January 1, 1992, is not required to make an assessment atgainsacant 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 theof not yet due not 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 calebayarbefore the date of the meeting.

(Added to NRS by 991, 567 A 1993, 23711995, 22301997, 31193120 1999, 3008 2001, 24912005, 26032009, 17342805 2892 2011, 2447

- NRS 116.31151 Annual distribution units' owners of operating and reserve budgets or summaries of such budgets an policy for collection of fees, fines, assessments or costs; titacation of budget.
- 1. Except as otherwise provided subsection 2 and ursle the declaration of a common-interest community impes more stringent standards, the executive board shall, not less than 30 days or mother 60 days before the beging iof the fiscal year of the association, prepare and distribute to each unit's owner a copy of:
- (a) The budget for the daily operation the association. The budget must include, without limitation, the estimated annual reve and expenditures of the association and any contributions to be made to theserve account of the association.

- (b) The budget to provide adequateding for the reserves required by paragraph (b) of subsection 2 of 116.3115The budget must incode, without limitation:
- (1) The current estimaterel placement cost, estrated remaining life and estimated useful life of each major comproment the common elements and any other portion of the common-interest community that association is oligited to maintain, repair, replace or restore;
- (2) As of the end of the fixed open for which the budget is prepared, the current estimate of the amount of cash reserves that are set attoic despair, replace or restore the major components of the common elements that are portion of the common-interest community that the association is obligated that in, repair, replace or restore;
- (3) A statement as to whether executive board hastermined or anticipates that the levy of one more special assessments will necessary to repair, replace or restore any major component of the commedements or any other portion of the common-interest community that association is obligated maintain, repair, replace or restore or to provide adequate funding the reserves designated for that purpose; and
- (4) A general statement detsing the procedures used for the estimation and accumulation of cash reserves pursuant studparagraph (2), including, without limitation, the qualifications of the person respible for the preparation of the study of the reserves required by \$\text{NS}\$ 116.31152
- 2. In lieu of distributing copies of the budgets of the association required by subsection 1, the executive board may disteit at each unit's owner a summary of those budgets, accompanied a written notice that:
- (a) The budgets are available for eswiat the business offices the association or some other suitable location within the counthere the common-intest community is situated or, if it is situated in more than execution of those counties but not to exceed 60 miles fro the physical location of the more interest community; and
 - (b) Copies of the budgetvill be provided upon request.
- 3. Within 60 days after adoption any proposed budget for the common-interest community, the executive oard shall provide a summary of the proposed budget to each unit's owner and shall set a date for a meetifithe units' owners to consider ratification of the proposed budget not lethan 14 days or me than 30 days after the mailing of the summaries. Unless at that meeting a majorityall units' owners, or any larger vote specified in the declaration eject the proposed budget, the proposed budget is ratified, whether or not a quorum is present. If throposed budget is rejected, the periodic budget last ratified by the units' owners stube continued until such time as the units' owners ratify a subsequent budget proposed by the executive board.
- 4. The executive board shall, the same time and in the same manner that the executive board makes the budget available to a unit's ropums uant to this section, make available to each unit's owner the policy the collection of any fees, fines, assessinger costs imposed against a unit's owner pursuant to this chapteThe policy must include, without limitation:

- (a) The responsibility of the unit's ownte pay any such fees, fines, assessments or costs in a timely manner; and
- (b) The association's rights concernthe collection of such fees, fines, assessments or costs if the unit's owner fails to pay thees, fines, assessments or costs in a timely manner.

(Added to NRS by 999, 2993A 2003, 22412005, 26052009, 12051735, 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, catostee conducted a study of the reserves required to repair, replace and restore the majornponents of the common elements and any other portion of the common tierest community that these coiation is obligated to maintain, repair, replace or restore;
- (b) At least annually, review thesuets of that study to determine whether those reserves are sufficient; and
- (c) At least annually, make any astimoents to the association's funding plan which the executive board deems nessary to provide adequate funding for the required reserves.
- 2. Except as otherwise provided thmis subsection, the study of the reserves required by subsection 1 mulse conducted by a person who holds a permit issued pursuant to hapter 116 for NRS. If the common-interest community contains 20 or fewer units and is located in a county whose pulation is less than 55,000, the study of the reserves required by subsection 1 rbey conducted by any person whom the executive board deems qualities conduct the study.
 - 3. The study of the reses/must include, without limitation:
- (a) A summary of an inspection to major components of the common elements and any other portion of the common-interest mounity 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 association is diglated to maintain, repair, replace or restore which have a right useful life of less than 30 years;
- (c) An estimate of the remainingefus life of each majocomponent of the common elements and any other portion the common-interest community that the association is obligated to maintain, repair, replace ostoge identified pursuant to paragraph (b);
- (d) An estimate of the cost of maintener, repair, replacement restoration of each major component of the common elements and any othertion of the common-interest community identified pursuant toparagraph (b) during and at the end of its useful life; and

- (e) An estimate of the total annual assement that may be necessary to cover the cost of maintaining, repairing, replacement restoration of the major components of the common elements and any other pertion of the common-intest community identified pursuant to paragraph (b), after subtracting refree rves of the association as of the date of the study, and an estimate of the funding for the required reserves.
- 4. A summary of the study of ethreserves required by subsection 1 must be submitted to the Division not their than 45 days after thousand the that the executive board adopts the results of the study.
- 5. If a common-interest community as developed as placed a planned unit development pursuant tonapter 278 A of NRS and is subject ton agreement with a city or county to receive credit against the amount the residential construction tax that is imposed pursuant to 278.498 and 278.498 the association that is organized for the common-interest community as use the money from at credit for the repair, replacement or restoration of pate of the related improvements if:
- (a) The park facilities and relatedpirovements are identifiles major components of the common elements of the association; and
- (b) The association is obligated repair, replace or restore the park facilities and related improvements in accordance with the study of the resterousised by subsection 1.

(Added to NRS by 999, 2994 A 2003, 2241 2005, 26062009, 17362213 2011, 1144)

NRS 116.31153 Signatures required for withdrawals of certain association funds; exceptions.

- 1. Money in the reserve account a f association requireby paragraph (b) of subsection 2 oNRS 116.311 may not be withdrawn without the signatures of at least two members of the executive broad are the association who is not a member of the executive board.
- 2. Except as otherwise provideds in basection 3, money in the operating account of an association may not be withdrawn without thing particles of at least one member of the executive board or one officer the association and a member the executive board, an officer of the association the community manager.
- 3. Money in the operating accountable association may be withdrawn without the signatures required pursuate subsection 2 to:
 - (a) Transfer money to the reserveount of the association at regular intervals;
 - (b) Make automatic payments for utilities;
- (c) Make an electronic transfer money to a stateagency pursuant to 353.1467 or
- (d) Make an electronic transfer of money to the United States Government, or any agency thereof, pursuated any federal law requiring transfers of money to be made by an electronic means authorizing 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 moneymade pursuant to a written agreement entered into between the association and the finalnic stitution where the operating account of the association is maintained;
- (b) The executive board has expressity namized the electronic transfer of money; and
- (c) The association has establis **inter** accounting continuous which comply with generally accepted accounting principles **fees** ard the assets of the association.
- 5. As used in this section, "electric transfer of money" has the meaning ascribed to it in NRS 353.1467

(Added to NRS by 999, 2995A 2009, 29272011, 187)

- NRS 116.31155 Fees imposed or costs of administering Office of Ombulsman 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 provide subsection 2, an association shall:
- (a) If the association isrequired to pay the fee imposed 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 the association used for residential use.
- (b) If the association is organized asust or partnership, or as any other authorized business entity, pay to the Administrator a fee established by regidat of the Administrator for each unin the association.
- 2. If an association is subject three governing documents of a master association, the master association shall pay the fees redujoursuant to this steon for each unit in the association that is subject to the groineg 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 its ultimate responsibility to pay the fees required pursuant to this section to the findministrator if they are not paid by the master association.
 - 3. The fees required to **be**id pursuant to this section must be:
 - (a) Paid at such timas are established by the Division.
- (b) Deposited with the State Treasufoe credit to the Accunt for Common-Interest Communities and Condominium Hotels created \$16.630
- (c) Established on the basis of threatual costs of administering the Office of the Ombudsman and the Commission and not basis which includes any subsidy beyond those actual costs. In no event may the fees required to to this section exceed \$3 per unit.
- 4. The Division shall impose and ministrative penalty against an association or master association that violates provisions of this section by failing to pay the fees

owed by the association ornaster association within the times established by the Division. The administrative penalty that insposed for each violation must equal 10 percent of the amount of the fees owed bey also ciation or masters ociation or \$500, whichever amount is less. The amount of the fees owed by the association or master association bears in the rate set forth MRS 99.04 from the date the fees are due until the date the fees are paid in full.

- 5. A unit's owner may not be reigned to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or interest required to pay any portino of the fees or any administrative penalties or administrat
- 6. An association that is subject the governing documents of a master association may not be required to pay any portion of these or any administrative penalties or interest required to be paid pursuant to the extent they have already been paid by the master association.
- 7. A master association may notrequired to pay any pootin of the fees or any administrative penalties or interest required been paid pursuant to this section to the extent they have already been paid by an association sthrough to the governing documents of the master association.
- 8. Upon the payment of the feesd any administrative penalties and interest required by this section, the Administratishall provide to the association or master association evidence that it paid the fees and the administrate and interest in compliance with this section.
- 9. Any person, association or strear association which has been requested or required to pay any fees, administrative pensaltie interest pursuant to this section and which believes that such feestministrative penalties or terrest has been imposed in error may, without exhausting any available administrative remedities, an action in a court of competent jurisdiction to recover:
- (a) Any amount paid in error for a feges, administrative penalties or interest during the immediately preceding 3 years;
 - (b) Interest on the amount paiderror at the rate set forth MRS 99.040 and
 - (c) Reasonable costs and attorney's fees.

(Added to NRS by 997, 3112 A 1999, 8 639, 3010, 3011, 2003, 22422005, 2607, 2007, 4852268, 2009, 289)

NRS 116.31158 Registration of associations with Ombudsman; contents of form for registration.

- 1. Each association shall, the time it pays the fee required North 116.3115,5 register with the Ombudsman on arroprescribed by the Ombudsman.
- 2. The form for registration required, without limitaion, the information required to be maintained pursuator paragraph (e) of ubsection 4 of NRS 116.625 (Added to NRS by 999, 2996 A 2003, 224)

Liens

NRS 116.3116 Liens against units for assessments.

- 1. The association has a lien own at for any construction penalty that is imposed against the unit sowner pursuant to less that unit or any fines imposed against the unit were from the time the construction penalty, assessment or fine becomes due. Unless thereton otherwise provides, any penalties, fees, charges, late charges, fines and intertestiged pursuant to paragraphs (j) to (n), inclusive, of subsection 1 of less that the enforceable as assessments under this section. If an assessment is payable in imstants, the full amount of the assessment is a lien from the time the first instiment thereof becomes due.
- 2. A lien under this section ision to all other liens and encumbrances on a unit except:
- (a) Liens and encumbraces recorded beforthe recordation of the declaration and, in a cooperative, liens and encumbrances by the association crest easumes or takes subject to;
- (b) A first security interest on thunit recorded before the date on which the assessment sought to be enforced becan inequent or, in a commattive, the first security interest encumber only the unit's owner's intense and perfected before the date on which the assessment soughtenforced became delinquent; and
- (c) Liens for real estate taxes and entgovernmental assessments or charges against the unit or cooperative.
- ¬ The lien is also prior to all security intersestlescribed in paragraph (b) to the extent of any charges incurred by the asiation on a unit pursuant toRS 116.31031 and to the extent of the assessments for common expebased on the periodic budget adopted by the association pursuant NtRS 116.3115 which would have become due in the absence of acceleration during the 9 months immediatpreceding institution of an action to enforce the lien, unless federal regulationspaced by the Federal Home Loan Mortgage Corporation or the Federal National Mortgagesociation require a shorter period of priority for the lien. If federal regulations adopted by the Federal Home Loan Mortgage Corporation or the Federal National Mortga@sociation require a shorter period of priority for the lien, the period during whidthe lien is prior to all security interests described in paragraph (b) must be detected in accordance with those federal regulations, except that notwithstanding threevisions of the federal regulations, the period of priority for the lien must not bess than the 6 months immediately preceding institution of an action tenforce the lien. This subsectidoes not affect the priority of mechanics' or materialmen's liens, or the pition of liens for other assessments made by the association.
- 3. Unless the declaration otherwisevioles, if two or more associations have liens for assessments created at any time on the paperty, those liens have equal priority.
- 4. Recording of the declaration chitoses record notice and perfection of the lien. No further recordation of any claim of lienrfassessment under this section is required.
- 5. A lien for unpaid assessmeistsextinguished unless preedings to enforce the lien are instituted within 3 ears after the full amount of the assessments becomes due.
- 6. This section does not prohibitations to recover sums for which subsection 1 creates a lien or prohibit association from taking a deed in lieu of foreclosure.

- 7. A judgment or decree in anytian brought under this stion must include costs and reasonable attorney's fees the prevailing party.
- 8. The association, upon writterquest, shall furnish to panit's owner a statement setting forth the amount of unpaid assessments against the unitinitientest of the unit's owner is real estate or if a lien for the unpaid assessments remarked under a lien for the unpaid assessments r
- 9. In a cooperate, upon nonpayment an assessment on a unit, the unit's owner may be evicted in the same manner as pleody by law in the case of an unlawful holdover by a commercial tenant, and:
- (a) In a cooperative where the ownernterest in a unit is real estate unders 116.1105 the association's lien may be foreclosed under 116.31162 to 116.31162 inclusive.
- (b) In a cooperative where the ownseinterest in a unit is personal property under NRS 116.1105 he association's lien:
- (1) May be foreclosed as a security interest under 104.910 to 104.9709 inclusive; or
- (2) If the declation so provides, may be foreclosed uniders 116.31162 to 116.31168 inclusive.
- 10. In an action by an associatito collect assessments or to foreclose a lien created under this section, the court may aptropireceiver to collect all rents or other income from the unit alleged to be dusend owing to a unit's owner before commencement or during peemby of the action. The creivership is governed by chapter 32 of NRS. The court may order the receiver to pay any sums held by the receiver to the association duripendency of the sion to the extent of the association's common expense assessments based on caclippe biudget adopted by the association pursuant to NRS 116.3115

(Added to NRS by991, 567 A 1999, 390, 2003, 2243, 2272, 2009, 1010, 1207, 2011, 244) ■

- NRS 116.31162 Foreclosure liens: Mailing 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 4, in a condominium, in a planned community, in a cooperative when the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative where the owner's interest in a unit is real estate under 116.1105 or in a cooperative when 116.1105 or in a cooperative under 1
- (a) The association has mailed byrtified or registered mail, return receipt requested, to the unit's owner or his or her essor in interest, at his or her address, if

known, and at the address of the unit, a notice of delinquent assessment which states the amount of the assessments and other sums who due in accordance with subsection 1 of NRS 116.3116 a description of the unit again which the lien is imposed and the name of the record owner of the unit.

- (b) Not less than 30 days after **lima** the notice of delinquent assessment pursuant to paragraph (a), the association or otherson conducting the sale has executed and caused to be recorded, withe county recorded the county in which the commoninterest community or any part it is situated, a notice default and election to sell the unit to satisfy the lien which must contain the same formation as the notice of delinquent assessment and which malls comply with the following:
 - (1) Desorbie the deficiency in payment.
- (2) State the name and æstsrof the person authorized by the association to enforce the lien by sale.
 - (3) 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 successin interest has failed to pay the amount of the lien, including costs, fees and expenishes ident to its enforcement, for 90 days following the recording of the notice default and election to sell.
- 2. The notice of default and electito sell must be signed, the person designated in the declaration or by the association for that pose or, if no one is designated, by the president of the association.
 - 3. The period of 90 datagegins on the first day following:
 - (a) The date on which thetice of default is recorded; or
- (b) The date on which a copy to notice of default is mailed by certified or registered mail, return receipt requested, 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. The association may not foreclasten by sale based on a fine or penalty for a violation of the govening documents of the association unless:
- (a) The violation poses an imminentetat of causing a substantial adverse effect on the health, safety or welfaref the units' owners or restents of the common-interest community; or
- (b) The penalty is imposed for faitute adhere to a schedule required pursuant to NRS 116.31030.5

(Added to NRS by 991, 569 A 1993, 237,11997, 312,11999, 301,12003, 2244, 2273, 2005, 260)

NRS 116.31163 Foreclosure of his: Mailing of notice of default and election to sell to certain interested persons. The association or otherwood conducting the

sale shall also mail, within 10 days aften notice of default ach election to sell is recorded, a copy of the tince by first-class mail to:

- 1. Each person withas requested notice pursuan NEOS 107.09 for 116.31168
- 2. Any holder of a recorded seitou interest encumberg the unit's owner's interest who has notified the association, 30sdaefore the recordation of the notice of default, of the existence the security interest; and
- 3. A purchaser of the unit, if thusit's owner has notified the association, 30 days before the recordation of the notice, that think is the subject of a contract of sale and the association has been requestoefdurnish the certificate required by \$\text{NS}\$ 116.4109

(Added to NRS by 993, 2355A 2005, 260)

NRS 116.311635 Foreclosure of liens: Providing notice of time and place of sale; service of notice of sale; contents notice of sale; proof of service.

- 1. The association or other personducting the sale shall also, after the expiration of the 90 days and before selling the unit:
- (a) Give notice of the time and placethous sale in the manner and for a time not less than that required by law for the sale of next perty upon executions, xcept that in lieu of following the procedure for service a judgment debtor pursuant Nto 21.130 service must be made on the unit's owner as follows:
- (1) A copy of the notice of learnust be mailed, on or before the date of first publication or posting, by certified or registed mail, return requested, to the unit's owner or his or her successor in interestshis or her address, if known, and to the address of the unit; and
- (2) A copy of the notice of learnust be served, on or before the date of first publication or posting, in the maer set forth in subsection 2; and
- (b) Mail, on or before the date of sti publication or posting, copy of the notice by first-class mail to:
- (1) Each person entitled to receive a copy of the notice of default and election to sell notice undel/NRS 116.31163
- (2) The holder of a recorded curity interest or the purchaser of the unit, if either of them has notified the sociation, before the mailing of the notice of sale, of the existence of the security tierest, lease or contract of sale, as applicable; and
 - (3) The Ombudsman.
- 2. In addition to the requirements forth in subsection 1a copy of the notice of sale must be served:
- (a) By a person who is 18 years of agelder and who is not party to or interested in the sale by personally delivering a copy of thotice of sale to an occupant of the unit who is of suitable age; or
 - (b) By posting a copy of the notice of sale troaspicuous place on the unit.
- 3. Any copy of the notice of sale remed 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 waning 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 NEEDASSISTANCE, REASE CALL THE FORECLOSURE SECTION OF THEOMBUDSMAN'S OFFICE, NEVADA REAL ESTATE DIVISION, AT (toll-free telephone number designated by the Division) IMMEDIATELY.

- 4. Proof of service of any copy to notice of sale required to be served pursuant to this section must consist of:
- (a) A certificate of mailing which edences that the notice was mailed through the United States Postal Service; or
 - (b) An affidavit of service signey the person who served the notice stating:
 - (1) The time of service and location of service; and
- (2) The name of the personved or, if the notice wasot served on person, a description of the location where the notice was posted on the unit.

(Added to NRS by 993, 2355A 2003, 22452005, 260)

NRS 116.31164 Foreclosure of **lie**: Procedure for conducting sale; purchase of unit by association; execution and **devery** of deed; use of proceeds of sale.

- 1. The sale must be conductived the county in which the common-interest community or part of it is situated, and many conducted by the association, its agent or attorney, or a title issurance company or escrow agent licensed to do business in this State, except that the sale may be madeen of the association if the notice of the sale so provided, whether the tuinsi located within the same county as the office of the association or not. The association or otherson conducting the sale may from time to time postpone the sale by such advertisement notice as it considers reasonable or, without further advertisement or notice, proclamation made to the persons assembled at the time and place previouslyt and advertised for the sale.
- 2. On the day of sale originally actived or to which the sea is postponed, at the time and place specified in the motice or postponement, the person conducting the sale may sell the unit at public ativen to the highest cash bidder. Unless otherwise provided in the declaration or by agreent, the association may pursheathe unit and hold, lease, mortgage or convey it. The association maychase by a credit bid up to the amount of the unpaid assessments and any permitteds, coesses and expenses incident to the enforcement of its lien.
 - 3. After the sale, thererson conducting sale shall:
- (a) Make, execute and, after paymenthasde, deliver to the pachaser, or his or her successor or assign, a deed without warranty which convelue to the unit's owner to the unit;

- (b) Deliver a copy of the deed those Ombudsman within 30 days after the deed is delivered to the purchaser, or boisher successor or assign; and
 - (c) Apply the proceeds of the sale those following purposes in the following order:
 - (1) The reasonable expenses of sale;
- (2) The reasonable expenses of securing possessione sale, holding, maintaining, and preparing 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 ecclaration, reasonable attorner and other legal expenses incurred by the association;
 - (3) Satisfaction of the association's lien;
 - (4) Satisfaction in the orderpriority of any subordinate claim of record; and
 - (5) Remittare of any excess to the unit's owner.

(Added to NRS by 991, 569 A 1993, 23722005, 261))

NRS 116.31166 Foreclosure of liens: Effect of recitals in deed; purchaser not responsible for proper application of purchase money; title vested in purchaser without equity or right of redemption.

- 1. The recitals in a deed made pursua NtR6 116.3116 of:
- (a) Default, the mailing of the notice delinquent assessment, and the recording of the notice of default and election to sell;
 - (b) The elapsing of the 90 days; and
 - (c) The giving of notice of sale,
- ¬ are conclusive proof of the matters recited.
- 2. Such a deed containing those itals 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 applicant of the purchase money.
- 3. The sale of a unit pursuan NES 116.31162116.31163 and 116.31164 vests in the purchaser the title of the unit's owner thout equity or right of redemption.

(Added to NRS by 991, 570 A 1993, 237)

NRS 116.31168 Foreclosure of liens: Requests by interested persons for notice of default and election to sell; right of association to waivedefault and withdraw notice or proceeding to foreclose.

- 1. The provisions of IRS 107.09 (apply to the foreclosure of an association's lien as if a deed of trust were being foreclos to request must idtify the lien by stating the names of the unit's owner the common-interest community.
- 2. An association may, after redogda notice of default and election to sell, waive the default and withdraw the notice or anyopereding to foreclose. The association is thereupon restored to its former position **band** the same rights as though the notice had not been recorded.

(Added to NRS by 991, 570 A 1993, 237)

NRS 116.3117 Liens against association.

- 1. In a condominium or planned community:
- (a) Except as otherwise provided paragraph (b), a judgment for money against the association, if a copy of the **ck**et or an abstract or copy **th** judgment is recorded, is not a lien on the common elements, but itsea in favor of the judgment lienholder against all of the other real property of the sociation and all of the units in the commoninterest community at the timbe judgment was entered. No other property of a unit's owner is subject to the claims creditors of the association.
- (b) If the association as granted a security interest the common elements to a creditor of the association pursuant to 18.311.2 the holder of that security interest shall exercise its right against the common elements before its interest its right against the common elements to a creditor of the association pursuant to 18.311.2 the holder of that security interest shall exercise its right against the common elements to a creditor of the association pursuant to 18.311.2 the holder of that security interest shall exercise its right against the common elements to a creditor of the association pursuant to 18.311.2 the holder of that security interest shall exercise its right against the common elements to a creditor of the association pursuant to 18.311.2 the holder of that security interest shall exercise its right against the common elements to a creditor of the association pursuant to 18.311.2 the holder of that security interest shall exercise its right against the common elements and the common elements its plant against the common elements and the common elements are common elements.
- (c) Whether perfected before carfter the creation of the common-interest community, if a lien, other than a deed of trust or mortgage, imagingly imaging lien or lien attributable to work performed or makes supplied before creation of the common-interest community, becomes effective against two ontore units, the owner of an affected unit may pay to the lienholder theo arm of the lien attributable to his or her unit, and the lienholder, upon receipt of paying momptly 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 penses 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 obtavater's unit for any portion of the common expenses incurred in coexistion with that lien.
- (d) A judgment againshe association must be indexed in the name of the commoninterest community and the association and, when so indexed, is notice of the lien against the units.
 - 2. In a cooperative:
- (a) If the association receivestine of an impending foreclosure on all or any portion of the association's real estate, the oats ation shall promptly transmit a copy of that notice to each owner of aitulo cated within the real estate to be foreclosed. Failure of the association to transmit the notice dozes affect the validity of the foreclosure.
- (b) Whether an owner's unit is subject the claims of these sociation's creditors, no other property of an owner subject to those claims.

(Added to NRS by 993, 2355A 2011, 245))

Books, Records and Other Documents

NRS 116.31175 Maintenance and vailability of books, records and other papers of association: General requements; exceptions; general records concerning certain violations; enforcement by Ombudsman; limitations on amount that may be charged to conduct review.

1. Except as otherwise providend subsection 4, the excutive board of an association shall, upon the weritten request of a unit's owner, make available the books, records and other papers of the association or a designated business location to exceed 60 miles from the physical

location of the common-interesommunity and during the gelar working hours of the association, including, without limitation:

- (a) The financial atement of the association;
- (b) The budgets of the associate required to be perpared pursuant 60RS 116.3115;
- (c) The study of the reserves of the conducted pursuant to NRS 116.31152 and
- (d) All contracts to which the association is a party and all contracts filed with a court relating to a civil or criminal action which the association is a party.
- 2. The executive board shall provid copy of any of the records described in paragraphs (a), (b) and (c) subsection 1 to a unit's owner the Ombudsman within 21 days after receiving a written request therefSuch records must provided in electronic format at no charge the unit's owner or, if the association is unable to provide the records in electric format, the executive boarday charge a fee to cover the actual costs of preparing a copy, but therefinary not exceed 25 rous per page for the first 10 pages, and 10 cents per page thereafter.
- 3. If the executive board fails toopide a copy of any of the records pursuant to subsection 2 within 21 days, the executiverboaust pay a penalty of \$25 for each day the executive board fails provide the records.
 - 4. The provisions 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 workend the salariesnal benefits of those employees;
- (b) The records of the associationating to another unit's owner, including, without limitation, any architectural plan or spiritization submitted by a unit's owner to the association during an approduzarocess required by the gormeng documents, except for those records described in subsection 5; and
- (c) Any document, including, withou imitation, minutes of an executive board meeting, a reserve study and a budget, if the document:
- (1) Is in the process of intogen developed for final coinceration by the executive board; and
 - (2) Has not been placed oragenda for final approvey the executive board.
- 5. The executive board of an asstroomashall maintain a general record concerning each violation of the governigndocuments, other all a violation involving a failure to pay an assessment, for which the executive domains imposed a fine, a construction penalty or any other satinon. The general record:
- (a) Must contain a general description of the violation and the type of the sanction imposed. If the sanction imposeds a fine or construction penalty, the general record must specify the amount of the penalty.
- (b) Must not contain the name and dress of the person against whom the sanction was imposed or any other personal informativhich may be used to identify the person or the location of the unit, if any, athis associated with the violation.

- (c) Must be maintained in an organized and convenient stinger or data system that allows a unit's owner to search and exwithe general records concerning violations of the governing documents.
- 6. If the executive board refuses althow a unit's owner review the books, records or other papers of the sociation, the Ombudsman may:
- (a) On behalf of the unit's owner daupon written request, review the books, records or other papers of the association during the large working hours of the association; and
- (b) If the Ombudsman is denied acctes the books, records or other papers, request the Commission, or any member thereof acting behalf of the Commission, to issue a subpoena for their production.
- 7. The books, records and other papers association must be maintained for at least 10 years. The provisionstbis subsection do not apply to:
- (a) The minutes of a meeting ofetlunits' owners which must be maintained in accordance with NRS 116.3108 or
- (b) The minutes of a meeting ofethexecutive boardwhich must be maintained in accordance with RS 116.31083
- 8. The executive board shall not riequa unit's owner to paan amount in excess of \$10 per hour to review arbooks, records, contracts or other papers of the association pursuant to the provisins of subsection 1.

(Added to NRS by 999, 2996 A 2003, 22452009, 17372807, 2894, 2928, 2011, 1879, 2451)

NRS 116.31177 Maintenance and ailability of certain financial records of association; provision of copies to units' owners and Ombudsman.Repealed. (See chapter 335, Statutes of Nevada 2011, at page 2460.)

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, photocopyrad audit records of association.

- 1. The association shall keep finited records sufficiently detailed to enable the association to mply with NRS 116.4109
 - 2. All financial and otherecords of the association must be:
- (a) Maintained and made available for review 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 county, within one of those counties; and
- (b) Made reasonably available for **amj**t's owner and his or her authorized agents to inspect, examine, photocopy and audit.

(Added to NRS by 991, 571 A 1995, 2231 2003, 224)

Miscellaneous Rights, Duties and Restrictions

NRS 116.31183 Retaliatory actioprohibited; separate action by unit's owner.

- 1. An executive board, a memberan executive board, a community manager or an officer, employee or agent **a**th association shall not the or direct or encourage another person to take, any retaliatory arctagainst a unit's owner because the unit's owner has:
- (a) Complained in opd faith about any alleged violation of any provision of this chapter or the governing documents of the association;
- (b) Recommended the selection oprlateement of an attoeny, community manager or vendor; or
- (c) Requested in good faith to recover the books, records or other papers of the association.
- 2. In addition to any other remedy provided by law, upon ation of this section, a unit's owner may bring a separate action to recover:
 - (a) Compensatory damages; and
 - (b) Attorney's fees and sts of bringing the separate action.

(Added to NRS by 2003, 22,1/8 2009, 2808,2895)

NRS 116.31185 Prohibition againscertain personnel soliciting or accepting compensation, gratuity or remuneration under certain circumstances.

- 1. Except as otherwise provided subsection 2, a member 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 owould appear to areasonable person to improperly influence the decision made by those persons; or
- (b) Would result or would appear acreasonable person tesult in a conflict of interest for those persons.
- 2. Notwithstanding the provisions softbsection 1, a member of an executive board, an officer of an association, a community manageratory personworking for a community manager shall not accept, directly, any gifts, incentives, gratuities, rewards or other items of value from:
- (a) An attorney, law firm or vendor, or any person working or indirectly for the attorney, law firm or vendor, which total more than thamount established by the Commission by regulation, not texceed \$100 per year pseuch attorney, law firm or vendor; or
- (b) A declarant, an affiliate of declarant or any person responsible for the construction of the applicable community association which tal more than the amount established by the Commission by retigual not to exceed \$100 per year per such declarant, affiliate or person.
- 3. An attorney, law firm or vendor, any person working dectly or indirectly for the attorney, law firm or vendor, shall notopide, directly or indirectly, any gifts, incentives, gratuities, rewards or other items ablue 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 amount established by the Commission by

regulation, not to exceed \$100 per year spech member, officer, community manager or person.

- 4. A declarant, an affiliate of a declarant or anysome responsible for the construction of a community consociation, shall not provide irectly or indirectly, any gifts, incentives, gratuities, rewards or others of value to a methor of the executive board, an officer of the association, the community manager or any person working for the community manager which total mothan the amount established by the Commission by regulation, not to exceed per year per sta member, officer, community manager or person.
- 5. In addition to the limitationset forth in subsection 1, a community manager shall not solicit or accept any form of competion, fee or other remuneration that is based, in whole or in part, on:
- (a) The number or amount of finespinsed against or collected from units' owners or tenants or guests of units' owners pursuar 116.3103 for violations of the governing documents of the association; or
 - (b) Any percentage or proportion of those fines.
- 6. The provisions of this secution 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 rightsties and obligations of parties under the contract comply with the standards of price for community managers set forth 116A.630 and 116A.640 and any additional standards of practice adopted by the Commission by regulation pursuant 116A.400
- (b) The compensation, fee or othermuneration is being paid to the community manager for providing management to the common-interest community; and
- (c) The compensation, fee or other weeration is not structured in a way that would violate the provisions f subsection 1 or 5.

(Added to NRS b2003, 2218A 2005, 17162611, 2009, 280)

NRS 116.31187 Prohibition agast certain personnel contracting with association or accepting commission, personnel profit or compensation from association; exceptions.

- 1. Except as otherwise provided instanction, a member of an executive board or an officer of an association shall not:
- (a) On or after October 1, 2003, erriteto a contract or new a contract with the association to provide financing, goodsservices to the association; or
- (b) Otherwise accept any commission speal profit or compensation of any kind from the association for providing financing ods or services to the association.
- 2. The provisions of this seconii do not prohibit a declarant an affiliate of a declarant or an officer, employeor agent of a declarant an affiliate of a declarant from:

- (a) Receiving any commission, personal profit or compensation the association, the declarant or an affiliate the declarant for any financing, goods or transfer furnished to the association;
- (b) Entering into contracts with the sociation, the declarant or affiliate of the declarant; or
 - (c) Serving as a member of the executivard or as an officer of the association. (Added to NRS by 003, 2218A 2009, 28962929)

NRS 116.31189 Bribery of community manager or member of executive board; penalties; exceptions.

- 1. Except as otherwise provided surbsection 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 prise thereof, upon an agreement or understanding that his or her vote, opinion or actin upon any matter then pending which may be brought before him or her in his or her capacity a community manager or member of the executive board, will benfluenced thereby, is guilty of a category D felony and shall be punished as provided MRS 193.130
- 2. Except as otherwise provided sinds bection 3, a personnho offers or gives, directly or indirectly, any compensation, gritatur reward, or any promise thereof, upon an agreement or understanding that the vorticinal or action of a community manager or member of the executive board upon any matter premoting or which may be brought before the community manager or member of the executive board in his or her capacity as a community manager member of the executive board will be influenced thereby, is guilty of a category D feloraynd shall be punisheas provided in NRS 193.130
 - 3. The provisions of this section do not prohibit:
- (a) An employee of a declarant or affiliate of a declarant who is a member of an executive board from asking four receiving, directly or indirectly, any compensation, gratuity or reward, or any promise theof, from the declarant or affiliate.
- (b) A declarant or an affiliate of declarant whose employees a member of an executive board from offering or giving, directly indirectly, any compensation, gratuity or reward, or any promise thereof, to the executive board.
- (c) A community manager from asking for receiving, directly or indirectly, or an employer of a community manager from offerion giving, directly or indirectly, any compensation for what performed by the community manageursuant to the laws of this State.

(Added to NRS b<u>§009, 287</u>)

NRS 116.3119 Association as trusteeWith respect to a third person dealing with the association in the association's accipy as a trustee, the existence of trust powers and their proper exercise by the circuit may be assumed without inquiry. A third person is not bound to inquire whether this sociation has power to act as trustee or is properly exercising trust powers. A thip the trust power is not bound to inquire whether the trustee or is properly exercising trust powers. A thip trust power is not bound to inquire whether the trustee or is properly exercising trust powers.

association is exceeding or inoperly exercising its powers, fislly protected in dealing with the association as if it possessed anotherly 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 associanti in its capacity as trustee.

(Added to NRS by 991, 57)

NRS 116.320 Right of units' ownersto display flag of the United States in certain areas; conditions and limitations on exercise of right.

- 1. Except as otherwise providend subsection 2, the excutive board of an association shall not and the governing docutes of that association must not prohibit a unit's owner from engaging in the display of the United States within such physical portion of the common-interest committees 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 the United States for commercial advertising purposes.
- (b) Preclude an association from opting, and do not preclude the governing documents of an association from setting forth, rules that reasonably restrict the placement and manner of the display offtag of the United States by a unit's owner.
- 3. In any action commenced to entering party is entitled to recover reasonate attorney's fees and costs.
- 4. As used in this section, "displaythe flag of the United States" means a flag of the United States that is:
 - (a) Made of cloth, fabric or paper;
 - (b) Displayed from a pelor staff or in a window; and
 - (c) Displayed in a manner that consistent with 4 U.S.C. Chapter 1.
- ¬ The term does not include a detipoin or emblem of the flagf the United States that is made of balloons, flora, lights, paint, pagi materials, roofingsiding or any other similar building, decorative or landscaping component.

(Added to NRS by 2003, 29)66 (Substituted in revision for NRS 116.31067)

NRS 116.325 Right of units' owner**s**o exhibit political signs in certain areas; conditions and limitations on exercise of right.

- 1. The executive board shall not dathe governing documents ust not prohibit a unit's owner or an occupant of a unit from the biting one or more political signs within such physical portion of the common-interest munity as that owner or occupant has a right to occupy and usexclusively, subject to the following conditions:
 - (a) All political signs exhibited must be larger than 24hches by 36 inches.
- (b) If the unit is occpied by a tenant, the unit's owner may not exhibit any political sign unless the tenant consents, in writing the exhibition of the political sign.
- (c) All political signs exhibited areubject to any applicable provisions of law governing the posting of political signs.

- (d) A unit's owner or an occupaont a unit may exhibit as many political signs as desired, but may not exhibit more than opmetitical sign for each candidate, political party or ballot question.
- 2. The provisions of this sectientablish the minimum rights of a unit's owner or an occupant of a unit to exhibit politicalges. The provisions of the section do not preempt any provisions of the occupant occupant of the occupant occup
- 3. As used in this section, "political means a sign that expresses support for or opposition to a candidate, political ty or ballot question in the federal, state or local election or any election of an association.

(Added to NRS b2005, 2585A 2009, 289)

NRS 116.330 Right of units' owns 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 dathe governing documents ust not prohibit a unit's owner from installing or maintaining od right tolerant lands paing within such physical portion of the common-interest committy was that owner has a right to occupy and use exclusively, including yithout 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 droughettent landscaping for architectural review and approval in accordance withe procedures, if anyset forth in the governing documents of the association; and
- (b) The drought tolerant landscapingst be selected or designed to the maximum extent practicable to be repatible with the style of the common-interest community.
- The provisions of this substion must be construed liberain favor of effectuating the purpose of encouraging the use of ghoutolerant landscaping, and the executive board shall not and the governing documents not unreasonably deny or withhold approval for the installation of rought tolerant landscaping unreasonably determine that the drought tolerant landscaping is not up to the commoninterest community.
- 2. Installation of drought tolerant landscaping within any common element or conversion of traditional landscaping or cubitive vegetation, such as turf grass, to drought tolerant landscapingith any common element shall not be deemed to be a change of use of the common element unless:
- (a) The common element has been growthested as a park, open play space or golf course on a recorded plat map; or
- (b) The traditional landscaping orltitizated vegetation is quired by a governing body under the terms of any applicable **z**igniordinance, permit or approval or as a condition of approval of any final subdivision map.

3. As used in this section,rought tolerant landscapingneans landscaping which conserves water, protects the vieonment and is adaptable local conditions. The term includes, without limitation, the use of mulches such as decoratike and artificial turf. (Added to NRS by 2005, 25,84) 2009, 289)

NRS 116.335 Association prohibed from requiring unit's owner to obtain approval to rent or lease unit; exceptions.

- 1. Unless, at the time a unit's rosw purchased his or her unit, the declaration prohibited the unit's owner from renting or leasing his or 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 new 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 not require the unit's owner to secure or obtain any approval from the association inder to rent or lease his or her unit.
- 3. If a declaration contains provision establishing maximum number or percentage of units in theommon-interest community whitemay be rented or leased, that provision of the declation may not be amended 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 automotion require a unit's owner who leases or rents his or her unit, or the tenant of a unitivener, to register with the association or its agent or otherwise submit to the association agent information concerning the lease or rental agreement or the tentathe association or its agent:
 - (a) Must conduct such activities 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 snittweet to provide a pay of the lease or rental agreement; and
- (c) May not charge a fee to theitismowner for the registration or submission of information.
- 5. The provisions of this sectido not prohibit an association from enforcing any provisions which govern the rtemg 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 provisiof law or the declaration to the contrary:
- (a) If a unit's owner is prohibite from renting or leasing a unit because the maximum number or percentage units which may be rented leased in the common-interest community have already been rentedeased, 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 grauth a waiver and approve the renting or leasing of the unit.
- (b) If the declaration contains provision establishing maximum number or percentage of units in the roomon-interest community which rynabe rented or leased, in determining the maximum number or pertaggree 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 b<u>2005</u>, 2584A 2009, 11002011, 213)

NRS 116.340 Transient commeited use of units within certain planned communities.

- 1. Except as otherwise provideds in basection 2, a person whom, or directly or indirectly has an interest in, one or moure its within a planned community that are restricted to residential use by the declaration use that unit or one of those units for a transient commercial use only if:
- (a) The governing documents of the sociation and any mestassociation do not prohibit such use;
- (b) The executive board the association and any sther association approve the transient commercial use of thusit, 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 governdoguments 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 indirectly has an interest in, one or more units within a planned community under the groning documents of the association that are restricted to residentialse by the declaration may utsheat unit or those units for a transient commercial use during period that the declaration offering units for sale within the planned community if such use complies with the quirements set forth in paragraphs (a) and) (of subsection 1.
- 3. The association and any massessociation may establish requirements for the transient commercial use of use it pursuant to the provision of this section, including, without limitation, the payment additional fees that are related to any increase in services or other costs assisted with the transient 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 cupancy, possession or use of a unit.
- (b) "Transient commercial use" means the of a unit, for remuneration, as a hostel, hotel, inn, motel, resort, vacation rental of the of transient lodging if the term of the occupancy, possession or use of the unit is for less than 300 units calendar days.

(Added to NRS b<u>§003, 221</u>9 A <u>2009, 110</u>)—(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 more unity may not restrict, prohibit or otherwise impede the lawful residential use of any pertry that is within or encompassed by the boundaries of the planned community and that ot designated as part of the planned community.

- 2. Except as otherwise provided thins subsection, an association may not restrict the access of a person to any of his or hepenty. An association may restrict access to and from a unit within a planned community life right to restrict such access was included in the declaration or in a separate red instrument also time that the owner of the unit acquired title to the unit. The pissions of this subsection do not prohibit an association from charging the owner of three perty a reasonable and nondiscriminatory fee to operate or maintain a gate or other lair device designed toontrol access to the planned community that would otherwise piece ingress or egress to the property.
- 3. An association may not expand, thorest or situate a building or structure that is not part of any plat of the lanned community if the expans, construction or situation of the building or structure was not previbusisclosed to the units' owners of the planned community unless the seciation obtains the written consent of a majority of the units' owners and residents of the planne of the planne of the proposed location the building or structure.
- 4. An association may not interruptly utility service furnishebto 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 pursuated this subsection muste performed in a manner which is consistent with all laws, regulations and governdocuments relating to the interruption of any utility service. An association all in every case send a written notice of its intent to interrupt any utility secret to the unit's owner or the tenant of the unit's owner at least 10 days before the continuous interrupts any utility service.
- 5. The provisions of this section **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 trietions, or any other decision, rule or regulation that a local governing body of the entity that makes decisions concerning land use or planning is authorized to make noact that exists before October 1, 1999, including, without limitation, azoning ordinance, permit or approval process or any other requirement of a local government or other that makes decisions concerning land use or planning.

(Added to NRS b<u>y</u>999, 335,4 A 2009, 161,5 2897, 2930)—(Substituted in revision for NRS 116.31125)

NRS 116.350 Limitaions regarding regulation of certain roads, streets, alleys or other thoroughfares; permissible regulation of parking or storage of certain vehicles.

- 1. In a common-intestecommunity which is not gated enclosed and the access to which is not restricted or controlled byperson or device, the executive board shall not and the governing documents must not profitie the regulation of any road, street, alley or other thoroughfare the right-of-way wishich 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 simbsection 3, the provious of subsection 1 do not preclude an association in adopting, and do not preclude the governing documents of an association from setting forth, rules the transfer of an association from setting forth, rules the transfer of an association from setting forth, rules the transfer of an association from setting forth, rules the transfer of the

recreational vehicles, watercraft, trailersommercial vehicles in the common-interest community to the extenduthorized by law.

- 3. In any common-interest momunity, the executive boods shall not and the governing documents must not prohibit a person from:
- (a) Parking a utility service vehicleathhas a gross vehicle ight rating of 20,000 pounds or less:
- (1) In an area designated parking for visitors, in adesignated parking area or common parking area, or on the veway of the unit of autoscriber or consumer, while the person is engageral any activity relating to the design of public utility services to subscribers or consumers; or
- (2) In an area designated parking for visitors, in adesignated parking area or common parking area, or on the drivewally is or her unit, if the person is:
 - (I) A unit owner or a tenant of a unit's owner; and
- (II) Bringing the vehicle to his or her impursuant to his or her employment with the entity whichowns the vehicle for the purpessof responding to emergency requests for public utility services; or
 - (b) Parking a law enforcement vehicle or emergency services vehicle:
- (1) In an area designated planking for visitors, in adesignated parking area or common parking area, or on the driveway the unit of a person to whom law enforcement or emergency seems are being provided, while person is engaged in his or her official duties; or
- (2) In an area designated parking for visitors, in adesignated parking area or common parking area, or on the driveway of his or her unit, if the person is:
 - (I) A unit owner or a tenant of a unit's owner; and
- (II) Bringing the vehicle to his or her impursuant to his or her employment with the entity which owns the chicle for the purpose of sponding to requests for law enforcement services or emergency services.
- 4. An association may require the aperson parking a utility service vehicle, law enforcement vehicle or emergesy services vehicle as steath in subsection 3 provide written confirmation from his other employer that the person alified to park his or her vehicle in the manneet forth in subsection 3.
 - 5. As used in this section:
 - (a) "Emergency services vehicle" means a vehicle:
- (1) Ownedby any governmental ageyn or political subdivison of this State; and
- (2) Identified by the entity with owns the vehicle as we hicle used to provide emergency services.
 - (b) "Law enforcerent vehicle" means a vehicle:
- (1) Ownedby any governmental ageyn or political subdivison of this State; and
- (2) Identified by the entity with owns the vehicle as we hicle used to provide law enforcement services.
 - (c) "Utility service vaicle" means any motor vehicle:

- (1) Used in the furtherance of repairing, in taining or operating any structure or any other physical facility necessary fitne 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 usperated primarily with the service area of a utility's subscribers or consumers, without neg to whether the motor vehicle is owned, leased or rentebly the utility.

(Added to NRS by 005, 2585A 2009, 97)

ARTICLE 4

PROTECTION OF PURCHASERS

NRS 116.4101 Applicability; exceptions.

- 1. NRS 116.410 to 116.412 inclusive, apply to all unitsubject to this chapter, except as otherwise provided subsection 2 or as modified or waived by agreement of purchasers of units in a commonterest community in which units are restricted to nonresidential use.
- 2. Neither a public offering statement **a**crertificate of resale 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 foreclosuror deed in lieu of foreclosure;
 - (e) Disposition to a dealer;
- (f) Disposition that may be cancelled at time and for any as on by the purchaser without penalty;
- (g) Disposition of a unit in a plantheommunity which contais no more than 12 units if:
- (1) The declarant recensibly believes in good faith that the maximum assessment stated in the decetion will be sufficient to pathe expenses of the planned community; and
- (2) The declaration cannot 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 sericted to nonreidential purposes.

(Added to NRS by 991, 57,1 A 1993, 2373, 1997, 3122, 1999, 3012, 2011, 245)

NRS 116.4102 Liability for preparation and delivery of public offering statement.

- 1. Except as otherwise provideds imbsection 2, a declarant, before offering any interest in a unit to ten public, shall prepare public offering statement conforming to the requirements o NRS 116.410 to 116.410 inclusive.
- 2. A declarant may transfer respoilisty bfor the preparation of all or a part of the public offering statement to a successor declarant pursuant NGS

- 116.3104and116.31043 or to a dealer who intends offer units in the common-interest community. In the event of any such transfer, the transferall provide the transferee with any information accessary to enable of 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 MR of 116.4108 The declarant or his or her transferee under subsection 2 is liable MIR of 116.4108 and 116.4108 and 116.4108 and 116.4117 for any false or misleading statement set forth therein or for any omission of a material fact therefrom with respto that portion ofhe public offering statement which he or she paseped. If a declarant or dealed not prepare any part of a public offering statement that he or she designed or she is not liable for any false or misleading statement set forth therein or show omission of a material fact therefrom unless he or she had actual knowledge of statement or omission or, in the exercise of reasonable care, should have knowledge statement or omission.
- 4. If a unit is part of a common-intest community and is part of any other real estate in connection with the sale of which delivery of a public offering statement is required under the laws of the state, a single public offering statement conforming to the requirements of 116.410 to 116.410 inclusive, as those requirements relate to the real estate in which the unit is located any other requirements imposed under the laws of this State, may be prepared and ded in lieu of providing two or more public offering statements. If the requirements of the transfer conflict with those of another law of this State, the requirement of this chapter prevail.

(Added to NRS by 991, 571 A 1993, 23742001, 249)

NRS 116.4103 Public offring statement: General provisions.

- 1. Except as otherwise provided NRS 116.41035a public offering statement must set forth or fully and accurated is close each of the following:
- (a) The name and principal address the declarant and of the common-interest community, and a statementath the common-interest community is a condominium, cooperative or planned community.
- (b) A general description of the commainterest community, including to the extent possible, the types, number and declarant the declarant the declarant transition of construction of buildings, and amenities that the declaranticipates including in the common-interest community.
 - (c) The estimated number wofits in the common-interest community.
- (d) Copies of the declaration, bylawad any rules or regulations of the association, but a plat is not required.
 - (e) The financial infromation required by subsection 2.
- (f) A description of any services subsidies being provided by the declarant or an affiliate of the declarant, not reflected in the budget that tendadant provides, or expenses which the declarant pays and which the declarant expects may become at any subsequent time a common expe of the association at the projected common expense

assessment attributable to each of thoseics or expenses for the association and for each type of unit.

- (g) Any initial or special fee due frothe purchaser or seller at closing, including, without limitation, any transfer fees, whether yable to the association, the community manager of the association or any third patring, ether with a desiption of the purpose and method of calculating the fee.
- (h) The terms and significant limitations warranties provided by the declarant, including statutory warranties and limitations the enforcement theor or on damages.
- (i) A statement that unless the pure three rhis or her agent has personally inspected the unit, the purchaser may cancel, by writterice his or her contract for purchase until midnight of the fifth calendar day following the total execution of the contract, and the contract must contain a purision to that effect.
- (j) A statement of any unsatisfied ignment or pending action against the association, and the status of any pending action material to the common interest teorem. Which a declarant has actual knowledge.
- (k) Any current or expected fees one of the common elements and other facilities to the common terest community.
- (I) In addition to any other documentstatement describing all current and expected fees or charges for each unit, including ith wout limitation, association fees, fines, assessments, late charges or penalties, interest rates on delinquent assessments, additional costs for collecting past due fines and charger opening or closin any file for each unit.
- (m) Any restraints on alienation **a**fy portion of the common-interest community and any restrictions:
 - (1) On the leasing or renting of units; and
- (2) On the amount for which unit may be sold or on the amount that may be received by a unit's owner on the sale or connidation of or casualtyoss to the unit or to the common-interest community, corn termination of the common-interest community.
- (n) A description of any arrangement described NRS 116.120 binding the association.
 - (o) The information statement set forth 116.41095
- 2. The public offering statementust contain any current balance sheet and a projected budget for the associate, either within or as aexhibit to the public offering statement, for 1 year after the date of filest 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 coningroccupancy and fileation factors. The budget must include:
- (a) A statement of the amount immobed in the budget as a reserve for repairs, replacement and restoration pursuar 11 ROS 116.3115
 - (b) A statement of any other reserves;
- (c) The projected common experassessment by category of expenditures for the association; and

- (d) The projected monthly common assessment for each type of unit, including the amount established as reserves pursually \$\frac{1}{3} \frac{1}{3} \fr
- 3. A declarant is nto required to revise a public offering statement rentonan once each calendar quarter, if the lowing warning is given porminence in the statement: "THIS PUBLIC OFFERING STATEMENT ISCURRENT AS OF (insert a specified date). RECENT DEVELOPMENTS REGARDING (he refer to particular provisions of NRS 116.410) MAY NOT BE REFLECTED IN THIS STATEMENT."

(Added to NRS by 991, 572 A 1993, 23751997, 31221999, 30122005, 2612, 2009, 16162809, 2011, 245)

NRS 116.41035 Public offeringstatement: Limitations for certain small offerings. If a common-interest community composed of not more than 12 units is not subject to any developmentaginits and no power is reservised a declarant to make the common-interest community part of a largcommon-interest community, group of common-interest communities or other resultate, a public tofring statement may include the information otherwise required paragraphs (h) an(dk) of subsection 1 of NRS 116.4103

(Added to NRS by 991, 573 A 1993, 553 2376 2011, 245)

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 evelopmental rights, the public offering statement must disclose, in addition to thinformation required by NRS 116.4103

- 1. The maximum number of units that may be created;
- 2. A statement of how many or wheatrcentage 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 inchany buildings or other improvements that may be erected pursuant to any developments in any part of the common-interest community will be compatible with existing buildings and improvements in the common-interest community in terms of architectusely le, quality of construction, and size, or a statement that no assurances made in those regards;
- 4. General descriptions of another improvements that may be made and limited common elements that may be created him any part of the common-interest community pursuant to any developmental righterved by the declarant, or a statement that no assurances are made in that regard;
- 5. A statement of any limitations to the locations of any building or other improvement that may be constructed or made in any part of the common-interest community pursuant to any developmental righterved by the declarant, or a statement that no assurances are made in that regard;
- 6. A statement that any lineal common elements created pursuant to any developmental right reserved by the declarable of the same general types and sizes as the limited common elementation other parts of theorems.

a statement of the types and sizes planned, stratement that no assurances are made in that regard;

- 7. A statement that the proportion of limited common elemenunits created pursuant to any developmental right reserveydthe declarant in the approximately equal to the proportion existin within other parts of theoremon-interest community, or a statement of any other assurances in regard, or a statement that no assurances are made in that regard;
- 8. A statement that all restrictions the declaration aftering use, occupancy and alienation of units will apply to any units reated pursuant to any developmental right reserved by the declarant, or a statement of differentiations that may be made as to those units, or a statement that no exercises are made in that regard; and
- 9. A statement of the extent to inhany assurances made pursuant to this section apply or do not apply if may developmental right is not exercised by the declarant.

(Added to NRS by991, 57)

NRS 116.4105 Public **be**fring statement: Time shares. If the declaration provides that ownership or **cu**opancy of any units, is or **m**abe in time shares, the public offering statement shall disclose, indobtion to the information required **by**RS 116.410and116.41035

- 1. The number and identity conflits in which time stares may be created;
- 2. The total number 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 eartion of time shares will or may affect the enforceability of the association' lien for assessments provided <u>NRS</u> 116.3116and116.31162

(Added to NRS by 991, 57)

NRS 116.4106 Public offering statement: Common-interest community containing converted building.

- 1. The public offering statement a common-interest community containing any converted building must contain, in dition to the information required by RS 116.4103and116.41035
- (a) A statement by the declarants that on a report prepared by an independent registered architect or licensed profession and in the declarant of all structural components and of the anical and electrical in that ions material to the use and enjoyment of the building;
- (b) A list of any outstanding notices we curred violations obuilding codes or other municipal regulations, together with the estimated cost of curing those violations; and
- (c) The budget to maintain the nexes required pursuant to paragraph (b) of subsection 2 oMRS 116.3115 which must include, without limitation:
- (1) The current estimaterel placement cost, estriated remaining life and estimated useful life of each major mponent of theorem elements;

restore the major components of the commelements and the current amount of accumulated cash reserves that are sete a soid such repairs, replacements and restorations;

- (3) A statement as to whether declarant has determined anticipates that the levy of one or more special assessments belirequired within the next 10 years to repair, replace and restore any major compose the common elements or to provide adequate reserves for that purpose;
- (4) A general statement disting the procedures used for the estimation and accumulation of cash reserves described subparagraph (2) including, without limitation, the qualifications of the person respible for the preparation of the study of reserves required pursuant 16.31152 and
- (5) The funding plan that 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 common-interest community comprised of a converted building or building sontaining more than 12 units at may be occupied for residential use.

(Added to NRS by 991, 574A 1997, 10602005, 261)

NRS 116.4107 Public offering statement: Common-interest community registered with Securities and Exchange Commission or State of Nevadalf an interest in a common-interesommunity is currently registered with the Securities and Exchange Commission of the United States with the State of Nevada pursuant to chapter 11.9119A or 119B of NRS, a declarant satistical requirements of this chapter relating to the preparation of a publificering 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 Nevadalatory authority. An interest in a common-interest community is not accurity under the provisions of appear 90 NRS.

(Added to NRS by 991, 574)

NRS 116.4108 Purchaser's right to cancel.

- 1. A person required to delive pablic offering statement pursuant to subsection 3 of NRS 116.4102 shall provide a purchaser with cappy of the current public offering statement not later than the date on which an offer tohase becomes binding on the purchaser. Unless the purchaser has pelly oims pected the unit the purchaser may cancel, by written notice, the contract of phase until midnight of the fifth calendar day following the date of execution of the coant, and the contract for purchase must contain a provision to that effect.
- 2. If a purchaser elects to cancebatract pursuant to subsection 1, the purchaser may do so by hand deliverimpotice thereof to the offeror or by mailing notice thereof by prepaid United States mail to the offeror orhis or her agent for service of process. Cancellation is without penalty, and application must be refunded promptly.

3. If a person required to delive public offering statement pursuant to subsection 3 of <u>NRS 116.410</u> Tails to provide a purchaser town a unit is conveyed with a current public offering statement, the purchase institled to actual damages scission or other relief, but if the purchaser has accepted averance of the unit purchaser is not entitled to rescission.

(Added to NRS by 991, 574 A 1993, 23762003, 224)

NRS 116.4109 Resales of units.

- 1. Except in the case of a salewinich delivery of a public offering statement is required, or unless exempteder subsection 2 of 116.410,1a 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, hear than any plats, the bylaws, the rules or regulations of the association at the information statement required 1885 116.4109.5
- (b) A statement from the association setting forth the amount of the monthly assessment for common expension any unpaid obligati of any kind, including, without limitation, management fees, transfees, fines, penalties, interest, collection costs, foreclosure fees and attorney's fees currently due from the selling unit's owner. The statement remains effectificer the period specified in chatatement, which must not be less than 15 working days from the dafted livery by the association to the unit's owner or his or her agent. The association becomes awareance ferror in the statement during the period in which the tastement is effective but before the consummation of the resale, the association must deliver a replace that to the unit's owner or his or her agent and obtain acknowledgment inviting by the unit's owner or his or her agent before that consummation. Unless the summer or his or her agent receives a replacement statement, the unitioner or his or her agent may be upon the accuracy of the information set forth in a statement ovided by the association for the resale.
- (c) A copy of the current operating **loged** of the association and current year-to-date financial statement for the assistation, which must include a summary of the reserves of the association required **LNRS** 116.3115 and which must include, without limitation, a summary of the information described in paragraphs (a) to (e), include, of subsection 3 of NRS 116.31152
- (d) A statement of any unsatisfied gments or pending legal actions against the association and the status of any pending alleactions relating to the common-interest community of which the unit's owner has actual knowledge.
- (e) A statement of any ansfer fees, transaction feesaony other fees associated with the resale of a unit.
- (f) In addition to any other docume at statement describing all current and expected fees or charges for each unit, including it hout limitation, association fees, fines, assessments, late charges or penalties, interest rates on delinquent assessments, additional costs for collecting past due fines and chargos opening or closin any file for each unit.

- 2. The purchaser may, by writtenotice, 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, at the contract for purchase must nation a provision to that effect. If the purchaser elects to cancel 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 or mail the notice of cancellation by pode plaited States mail to the unit's owner or his or her authorized at the cancellation is without penalty, and all payments made by the purchaser before collection 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 otherefebased solely on the ground that the unit's owner or his or her authorized agent failed unish the resale package, or any portion thereof, as required by this section.
- 3. Within 10 days after receipt **a**fwritten request by a unit's owner or his or her authorized agent, the ass**dicia** shall furnish all of the **l**towing to the unit's owner or his or her authorized agent foclusion in the resale package:
- (a) Copies of the doments required pursuatrot paragraphs (a) and (c) of subsection 1; and
- (b) A certificate containing the info**ati**on necessary to enable unit's owner to comply with paragraps (b), (d), (e) an(f) of subsection 1.
- 4. If the association furnishesetdocuments and certificate pursuant to subsection 3:
- (a) The unit's owner or his or hertlandrized agent shall inhude the documents and certificate in the resale paralle provided to the purchaser, and neither the unit's owner nor his or her authorized agent is liablether purchaser for anyrroneous information provided by the association and include 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 pursuans to section 3. Such a fee must be based on the actual cost the associate incurs to fulfill the requirements of this section in preparing the certificate. The Commission shall adopt regulations establishing the maximum amount of the fee that an associatinal charge for preparing the certificate.
- (c) The other documents furnished spuant to subsection shust be provided in electronic format at no charge the unit's owner or, if the association is unable to provide such documents in extronic format, the association may charge the unit's owner a reasonable fee, not to excess dcents per page for the first 10 pages, and 10 cents per page thereafter, to cover cost of copying.
- (d) Except for the fees allowed punstute paragraphs (band (c), the association may not charge the unit's ownerny other fees for preparing or furnishing the documents and certificate pursuant to subsection 3.
- 5. Neither a purchaser nor the puserias interest in a unit is liable for any unpaid assessment or fee greater than the amount forth in the documents and certificate prepared by the association of the documents and

certificate within the 10 dayslawed by this section, the pahaser is not liable for the delinquent assessment.

6. Upon the request of a unit's owner 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 hearuthorized agent, that association shall make the entire study of the reserves of the association which is required 116.3115 reasonably available for the unit's owner, purchaser anothorized agent tonspect, examine, photocopy and audit. The sty must be made available at the business office of the association or some other suitable location in the county where the common-interest community is situated or, if its situated in more than once unty, within one of those counties.

(Added to NRS by 991, 575 A 1993, 23761997, 31242001, 24942003, 2247, 2005, 26142009, 11021617, 2810, 2819, 2011, 20472455, 3542)

NRS 116.41095 Requiredform of information statement. The information statement required by RS 116.410 and 116.410 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 purches agreement to buy a home writ in a common-interest community, in most cases you should receivible a public offering statement, if you are the original purchaser the home or unit, or a resalt ackage, if you are not the original purchaser. The law gender provides for a 5-day pried in which you have the right to cancel the purchase agreement the 5-day period begins n different starting dates, depending on whether uyreceive a public offering statement or a resale package. Upon receiving a public offering statement or a resale agree, kyou should make sure you are informed of the deadtifor exercising your right to pael. In order to exercise your right to cancel, the law generally queres that you hand deliver the notice of cancellation to the seller within the 5-day perior mail the notice of cancellation to the seller by prepaid United States mail with the 5-day period. For more information regarding your right to cancel, see Nevadar statutes 116.4108, if you received a public offering statement, or Nevada Revistatutes 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 documble own as the Declation of Covenants, Conditions and Restrictions. The CC&Rs become a part of ethtitle to your property. They bind you and every future where of the property whether or not you have read them or had them explained to you. The CC&Respether with other "governing documents"

(such as association bylaws and rules applications), are intendeto preserve the character and value of propestive 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 propertencumbered by CC&Rs, you are agreeing to limitations that could affect your lifestyle and freedom of choicleou should review the CC&Rs, and other governing documents before purchasing to make that these limitations and controls are acceptable to you. Certain provisions in the CC&Rs and other into the compared of the comp may be superseded bontrary provisions of hapter 110 f the Nevada Revised Statutes. The Nevada Revised Statutes e ar available at the Internet addresshttp://www.leg.state.nv.us/nrs/

3. YOU WILL HAVE TO PAY OWNERS' ASSESSMEN'S FOR AS LONG AS YOU OWN YOUR PROPERTY?

As an owner in a common-intest community, you are responsible for paying your share of expenses relating to thosemmon elements, such as largetsing, shared amenities and the operation of any homeowness'sociation. The obligatin to pay these assessments binds you and every future owner of the pertip. Owners' fees are usually assessed by the homeowners' association and due monthby have to pay dues whether or not you agree with the way those sociation is managing the protoger spending the assessments. The executive board of these sociation may have the power to change and increase the amount of the assessment and to levy special symmetric symmetric property to meet extraordinary expenses. In some communities, majorn ponents of the common elements of the community that as roofs and private roads must be maintained and replaced by the association. If the association is not revertible or fails to provide adequate funding for reserves to repaip, large and restore common elements, you may be required to pay large, specials assessments to accolisist these tasks.

4. IF YOU FAIL TO PAY OWNERS' ASSESSMENTS, YOU COULD LOSE YOUR HOME?

If you do not pay these assessments when the power to collect them by selling your property in anjudicial foreclosure sale. If fees become delinquent, you may also be required to prenalties and the association's costs and attorney's fees to become current. If you put the obligation cits amount, your only remedy to avoid the loss of your home may to efile 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 AFFECTHOW YOU USE AND ENJOY YOUR PROPERTY?

Many common-interest communities have a homeowners' association. In a new development, the associationall usually be controlled by the developer until a certain number of units have been to 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 outhousards and committees form by the association. The association, and its executive board, are ones to leave the property of the cost of operating the association and then coon or shared elements of the community

and for the day to day opation and management of the community. Because homeowners sitting on the exutive board and other boards and committees of the association may not have the experience professional background required to understand and carry out the responsibilities the fassociation proper, the association may hire professional community manages carry out these responsibilities. Homeowners' associations operate on demtiocparinciples. Some decisions require all homeowners to vote, some decisions are ntoaydithe executive board or other boards or committees established by the association or governing metats. Although the actions of the association and its executive board governed by state laws, the CC&Rs and other documents that govern the commonreste community, decisions made by these persons will affect your use and enjoymentyour property, your lifestyle and freedom of choice, and your cost of living in the mmunity. You may not agree with decisions made by the association or its governing backies though the disions are ones which the association is authorized to make. Diecis may be made by a few persons on the executive board or governing objes that do not necessarily flect the view of the majority of homeowners in the community. If you do not age with decisions made by the association, its executive board or other erning bodies, your remedy is typically to attempt to use the democratic processesther association to seek the election of members of the executive board other governing bodies that are more responsive to your needs. If you have a dispute with taxesociation, its executive board or other governing bodies, you may be able tosofere the dispute though the complaint, investigation and intervention rocess administered by to the Ombudsman for Owners in Common-Interest Communitiesda Condominium Hotels, the Nevada Real Estate Division and the Commissiofor Common-Interest Communities and Condominium Hotels. However, to resolve some disputes, you may have to mediate or arbitrate the dispute and, if mediation oritation is unsuccessful ou may have to file a lawsuit and ask a court to resolve the disput addition to your personal cost in mediation or arbitration, on prosecute a lawsuit, young be responsible for paying your share of the association's constlefending against your claim.

6. YOU ARE REQUIRED TOPROVIDE PROSPECTIVE PURCHASERS OF YOUR PROPERTY WITH INFORMATION ABOUT LIVING IN YOUR COMMON-INTEREST COMMUNITY?

The law requires you to provide prospective purchaser of uproproperty with a copy of the community's governing doments, including the CC&Rs association bylaws, and rules and regulations, as well as a copythois document. You are also required to provide a copy of the associati's current year-to-date financial statement, including, without limitation, the most recenaudited or reviewed financial statement, a copy of the association's operating budget and informa regarding the amount of the monthly assessment for common expenses, including attmount set aside as reserves for the repair, replacement and restoration of comments. You are also required to inform prospective purchasers of yaoutstanding judgments or whauits pending against the association of which you are aware. For mionformation 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 nevada Revised Statutes, you have the right:

- (a) To be notified of all meetings to association and its excutive board, except in cases of emergency.
- (b) To attend and speak at all megsi of the association and its executive board, except in some cases where the executive boardhisraged to meet in closed, executive session.
- (c) To request a spacemeeting of the associatiop on petition of at least 10 percent of the homeowners.
- (d) To inspect, examine, photocopyd audit financial and other records of the association.
- (e) To be notified of all changestime community's rules and regulations and other actions by the association board that affect you.
 - 8. QUESTIONS?

Although they may be voluminous, you should the time to read and understand the documents that will controlyour ownership of a proptyr in a common-interest community. You may wish to ask your realtage professional, lawyer or other person with experience to explain anything yould not understand. You may also request assistance from the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels, Nevaldeal Estate Divisin, at (telephone number).

Date:						
(Added to	NRS	b v 997.	3114 A 199	99. 30132003.	22482005.	2616200

2269 2009, 1738

NRS 116.411 Escrow of deposits rnishing of bond in lieu of deposit.

- 1. Except as otherwise provided subsections 2, 3 and, a deposit made in connection with the purchase reservation of a unit from a pagen required to deliver a public offering statement posuant to subsection 3 birs 116.4102 must be placed in escrow and held either in this State or in the state where the lordated in an account designated solely for that purpose by a lacential title insurance company, an independent bonded escrow company, an institution whose accounts are a governmental agency or instrumentality until:
 - (a) Delivered to the declarant at closing;

Buyer or prospective buyer's initials:_____

- (b) Delivered to the declarant becausehe purchaser's default under a contract to purchase the unit;
- (c) Released to the declarant for additional item, improvement, optional item or alteration, but the amount so released:

- (1) Must not exceed the lesser of that the exclarant from the purchaser at the time of the release our altimount expended by the declarant for the purpose; and
 - (2) Must be redited upon the purchase price; or
 - (d) Refunded to the purchaser.
- 2. A deposit or advance payrhemade for an additional item, improvement, optional item or alteration may be depositional item or delivered directly to the declarant, as the parties may contract.
- 3. In lieu of placing a deposit enscrow pursuant to subsection 1, the declarant may furnish a bond executed by et to declarant as principal a by a corporation qualified under the laws of this State as surety, payable to State of Nevada, and conditioned upon the performance of the declarant's duties concept the purchase or reservation of a unit. Each bond must be in a principal sum equal to amount of the deposit. The bond must be held until:
 - (a) Delivered to the declarant at closing;
- (b) Delivered to the declarant becausehe purchaser's default under a contract to purchase the unit; or
- (c) Released to the declarant **for** additional item, improvement, optional item or alteration, but the amount so released **most**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, apodet 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 MRS 116.410 as 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 this State pursuant to subsection 1 of NRS 14.880
 - (c) Consented to the juristion of the courts of this State by:
 - (1) Maintaining physical presence in this State; or
- (2) Executing a written instrumtecontaining such constentith respect to any suit or claim, whether brought by the declarant or purchaser, relating to or arising in connection with such the escrow agreement related thereto.

(Added to NRS by 991, 575 A 1993, 23771995, 14202009, 293)

NRS 116.4111 Release of liens.

- 1. In the case of a sale of atumhere delivery of a public offering statement is required pursuant toubsection 3 offRS 116.4102a seller:
- (a) Before conveying a unit, shall redoor furnish to the puchaser releases of all liens, except liens on real estate that desclarant has the right withdraw from the common-interest community, that purchaser does not expertly agree to take subject to or assume and that encumber:
 - (1) In acondominium, that unit and its interest in the common elements; and

- (2) In a cooperative **pt**anned community, that unit and any limited common elements assigned thereto; or
- (b) Shall provide a sety 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 this sociation, the declarant shall have that real estate released from:
- (a) All liens the foreclosure of whitowould deprive units' owers of any right of access to or easement of sort 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 ject to liens in specified amounts.

(Added to NRS by 991, 575 A 2003, 261)

NRS 116.4112 Converted buildings.

- 1. A declarant of a common-intent community containing converted buildings, and any dealer who intends to offer units such a common-intest community, shall give each of the residential tenants amoly aresidential subtentarin 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 better tenants and any subtenant in possession are required tacate. The notice must set forth generally the rights of tenants and subtenants under this section and breuhand-delivered to the unit or mailed by prepaid United States mail those tenant and subtenant at the address of the unit or any other mailing address provided by a tenant telepant or subtentammay be required to vacate upon less than 0 2 ays' notice, exceptly reason of nonpayme of rent, waste or conduct that disturbs other tenants' peaceful byment of the premiss, and the terms of the tenancy may not be altered during that tople Failure to give notice as required by this section is a defense to an action fossession. If, during the 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 suddoclaration has been guired to vacate for reasons other than nonpayment of rent, evaost conduct that disturbs other tenants' peaceful enjoyment of the premess a rebuttable presumptioncise ated that the owner of such property intended to offer the vacaterel mises as units in a common-interest community at all times during that 6-month period.
- 2. For 60 days after delivery or itimeg of the notice described in subsection 1, the person required to give theotice shall offer to conveyeach unit or proposed unit occupied for residential use to the tenant whereases that unit. If a tenant fails to purchase the unit during that 60-day ped, the offeror may rtcoffer to dispose of an interest in that unit during the flowing 180 days at a price corn terms more favorable to the offeree than the price or tesmoffered to the tenant. This besettion does napply to any unit in a converted building that unit will be restricted eskusively to nonresidential use or the boundaries of the converted unit dos nutstantially conform to the dimensions of the residential unit before conversion.
- 3. If a seller, in violation of substion 2, conveys a unit to a purchaser for value who has no knowledge of theolation, the recordation of the deed conveying the unit or,

in a cooperative, theonveyance of the unitextinguishes any right a tenant may have under subsection 2 to purchase that unther deed states that the seller has complied with subsection 2, but the conveyance does affect the right of a tenant to recover damages from the seller for a violation of subsection 2.

- 4. If a notice of conversion specifie date by which a unit or proposed unit must be vacated and otherwise cdires with the provisions dMRS 40.25 and 40.280 the notice also constitutes a notice specified by those sections.
- 5. This section does not permit teration of a lease by a declarant in violation of its terms.

(Added to NRS by 991, 576 A 2007, 128)

NRS 116.4113 Express warranties of quality.

- 1. Express warranties made by any sedlea purchaser of a infinif relied upon by the purchaser, are created as follows:
- (a) Any affirmation of fact or proise that relates to the unit, its use or rights appurtenant thereto, improvements to thommon-interest community that would directly benefit the unit or the right to use hourve the benefit of facilities not located in the common-interest community reates an express warry and that the unit and related rights and uses will conform the affirmation or promise;
- (b) Any model or description of the hysical characteristics of the common-interest community, including plans and expifications of or for improvements, creates an express warranty that the common-interest community reasonably conform to the model or description;
- (c) Any description of the quantity content of the realestate comprising the common-interest community, including plats contrively, creates an express warranty that the common-interest community ill conform to the description, subject to customary tolerances; and
- (d) A provision that a purchaser many a unit only to a specified use is an express warranty that the specified use is lawful.
- 2. Neither formal words, such as a twanty" or "guarantee," nor a specific intention to make a warranty is necessary to create a warranty of uality, but a statement purporting to be merely an impion or commendation of the real state or its value does not create a warranty.
- 3. Any conveyance of a unit traens to the purchase it aexpress warranties of quality made by previous sellers.
- 4. A warranty created by this seatimay be excluded or modified by agreement of the parties.

(Added to NRS by 991, 577 A 1993, 277))

NRS 116.4114 Implied warranties of quality.

1. A declarant and pandealer warrant that a unit will in at least as good condition at the earlier of the time of the conveyance elevery of possession as it was at the time of contracting, reasonable wear and tear excepted.

- 2. A declarant and any dealempliedly warrant that a unit and the common elements in the common-interest community are suitabletheorordinary uses of real estate of its type and thany improvements made or contracted for by a declarant or dealer, or made by any persbefore 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 in a workmanlike manner.
- 3. A declarant and any dealer warntama purchaser of a unit that may be used for residential use that an existinge, continuation of which isontemplated by the parties, does not violate applicable what the earlier of the time of conveyance or delivery of possession.
- 4. Warranties imposed by this tiscent may be excluded onnodified as specified in NRS 116.4115
- 5. For purposes of this section, imperments made or contradtfor 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 991, 577 A 2011, 245)

NRS 116.4115 Exclusion or notification of warranties of quality.

- 1. Except as limited by subsection with respect to a purchar of a unit that may be used for residential usen plied warranties of quality:
 - (a) May be excluded or motion by agreement of the parties; and
- (b) Are excluded by expression of distrolar, 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 mat that may be occupied residential use, no general disclaimer of implied arranties 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 991, 57)

NRS 116.4116 Statutef limitations for warranties.

- 1. Unless a period of limitation is tolled un<u>bless 116.311</u> for affected by subsection 4, a judicial proceeding foreach of any obligation arising un<u>dless 116.411</u> for <u>116.411</u> for <u>116.411</u> for <u>116.411</u> for a judicial proceeding for redsintial 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, ause 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 purser to whom the warraynts first made enters into possession if a possession of the instrument of conveyance if a norspossory interest was conveyed; and
- (b) As to each common element; the time the common element is completed or, if later, as to:
- (1) A common element thratay be added to the common-interest community or portion thereof, at the time the first unit thereis conveyed to a bona fide purchaser; or
- (2) A common element ithin any other portion of the common-interest community, at the time the first unit is noveyed to a purchaser in good faith.
- 3. If a warranty of quality explicitly extends to future perforance or duration of any improvement or component of the comminterest community, the cause of action accrues at the time the breach is discovered to the end of the period for which the warranty explicitly extends, whichever is earlier.
- 4. During the period of declarit control, the association may authorize an independent committee of thexecutive board to evaluate and enforce any warranty claims involving the common elements, and attodress 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 særron the committee, and the committee's decision must be treef any control by the dearant or any member of the executive board or officer approved by the declarant. At losts reasonably incurred by the committee, including attorney's fees, accerment expenses, and must be added to the budget annually addred by the association in accordance with the requirements of 116.31151 If the committee is so creat, the period of limitatin for a warranty claim considered by the committee begins to from the date of the irst meeting of the committee.

(Added to NRS by 991, 578 A 2011, 245)

NRS 116.4117 Effect of violations 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 personly liable to victims of crimes; circumstances under which punitive damage may be awarded; attorney's fees.

- 1. Subject to the requirements sethfon subsection 2, if a declarant, community manager or any other personabject to this chapter fails comply with any of its provisions or any provision of the declaration or bylasars, person or class of persons suffering actual damages from the failurecomply may bring a civil action for damages or other appropriate relief.
- 2. Subject to the requirements set forthes 38.31 and except as otherwise provided in NRS 116.311,1 a civil action for damages on the appropriate relief for a failure or refusal to complywith 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 ctitusting at least 10 percent the total number of voting members of the association against a community manager.
- 3. Members of the executive board more personally liable to victims of crimes occurring on the property.
- 4. Except as otherwise provided subsection 5, punitive amages may be awarded for a willful and material failure to comply ith 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 omissions that occur in their official capacity as members of the executive board; or
- (c) The officers of the association for acts or omission that occur in their capacity as officers of the association.
 - 6. The court may award reasonable attorney's fethes torrevailing party.
- 7. The civil remedy provided by this ction is in addition, and not exclusive of, any other available medy or penalty.
- 8. The provisions of this seconi do not prohibit the Commission from taking any disciplinary action against a member can executive bord pursuant to 116.745 inclusive.

(Added to NRS by 991, 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 prospectiourchasers which describes or portrays an improvement that is not in existence less the description oportrayal of the improvement in the promotional aterial is conspicuously lalled or identified either as "MUST BE BUILT" or as "NEED NOT BE BUILT."

(Added to NRS by 991, 57)

NRS 116.4119 Declarant's obligation to complete and restore.

- 2. The declarant is subject to **liato** for the prompt repairand restoration, to a condition compatible with the remainder **to**fe common-interest community, of any portion of the common-interestormunity affected by the **excise** of rights reserved pursuant to or created **by**RS 116.211 to 116.2113 inclusive, 116.211 for 116.2116

(Added to NRS b<u>\$1991, 57</u>)

NRS 116.412 Substantial completion of units. In the case of a sale of a unit in which delivery of a public offering statements required, a contract of sale may be executed, but no interest that unit may be conveyed, until declaration is recorded and the unit is substantially completed accordance with local ordinances.

(Added to NRS by 991, 579 A 1993, 237)

ADMINISTRATION AND ENFO RCEMENT 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 Communitated Condominium Hotels is hereby created.
- 2. The Commission consists seeven members appointed by the Governor. The Governor shall appoint to the Commission:
- (a) One member who is a unit's ownestiding in this State athwho has served as a member of an executive and in this State;
- (b) Two members who are units' owners residing in this State but who are not required to have served as members of an executive board;
- (c) One member who is in the sinuess of developing common-interest communities in this State;
 - (d) One member who holds a certificate;
- (e) One member who is a certified pical accountant licensed to practice in this State pursuant to the provisions of apter 62 of NRS; and
 - (f) One member who is an atternlicensed to practice in this State.
- 3. Each member of the Commission must a resident of this State. At least four members of the Commission must be restisted 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 brusiness or profession related to common-interest communities for not less than 3 years immediately eding the date of the member's appointment.
- 5. After the initial terms, each metallof the Commission sets a term of 3 years. Each member may serve not more than two secutive full terms. If a vacancy occurs during a member's term, the Governor shall capt a person qualified under this section to replace the member for the member of the unexpired term.
- 6. While engaged in the business the Commission, each member is entitled to receive:
 - (a) A salary of not more than \$\mathbb{G}\end{e}r day, as established by the Commission; and

(b) The per diem allowance and televexpenses provided for state officers and employees generally.

(Added to NRS by 2003, 2204) 2005, 26192007, 22722009, 28992011, 114)

NRS 116.605 Commission for Common-Interest Communities and Condominium Hotels: Courses of instruction for members.

- 1. The Division shall employ or more training officers who are qualified by training and experience to provide tock-amember of the Commission courses of instruction concerning rules of procedured and bstantive law appropriate for members of the Commission. Such courses of instructiony riba 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 macromataining the policies and procedures to be followed by executive boardand community managers; and
 - (b) Perform any other ties as directed by the Division.
- 3. Each member of the Commissionstrattend the courses of instruction described in subsection 1 not later tham nonths after the date that threember is first appointed to the Commission.

(Added to NRS by 2003, 2209 A 2009, 289)

NRS 116.610 Commission for Common-Interest Communities and Condominium Hotels: Election of officers; meetings; quorum.

- 1. At the first meeting of eachscal year, the Commission shall elect from its members a Chair, a Vice Chair and a Secretary.
- 2. The Commission shall meet at steonice each calendar quarter and at other times on the call of the Chair or a majority of its members.
- 3. A majority of the member of the Commission constitutes a quorum for the transaction of all business.

(Added to NR\$2003, 221))

NRS 116.615 Administration of chapter; regulations of Commission and Real Estate Administrator; delegation of authority; publications.

- 1. The provisions of this chapter strube administered by the Division, subject to the administrative supervision of the Diter of the Department of Business and Industry.
- 2. The Commission and the Divisionay do all things necessary and convenient to carry out the provisions of its chapter, including, withoutmitation, prescribing such forms and adopting such proceeds are necessary to carry out the provisions of this chapter.
- 3. The Commission, or the Admitriator with the approxy of the Commission, may adopt such regulations as are necessarry out the provisins of this chapter.
- 4. The Commission may by regulationelegate any authority conferred upon it by the provisions of this chapter to the Administrator bee exercised pursuant to the regulations adopted by the Commission.

- 5. When regulations proposed by the Administrator, in addition the rotices required by law, the Administrator shall providopies of the proposed regulations to the Commission not later than 30 days before thext meeting of the Commission. The Commission shall approve, amend or disapper any proposed regulations at that meeting.
- 6. All regulations adopted by eth Commission, or adopted by the Administrator with the approval of the Commission, must be published by Division, posted on its website and offered for least a reasonable fee.

(Added to NRS b2003, 2210A 2005, 261)

NRS 116.620 Employment of peosinel by Real Estate Division; duties of Attorney General; legal opinions by Attorney General.

- 1. Except as otherwise provided thins section and within the limits of legislative appropriations, the Division magmploy experts, attorney is vestigators, consultants and other personnel as are necessary to out the provision of this chapter.
- 2. The Attorney General shall acttae attorney for the Division in all actions and proceedings brought against bor the Division pursuant to the provisions of this chapter.
- 3. The Attorney General shall note to the Commission and the Division opinions upon all questions of law relating to the choos tion or interpretation of this chapter, or arising in the administration thereof, threaty be submitted to the Attorney General by the Commission or the Division.

(Added to NRS b2003, 221))

NRS 116.623 Petitions for declaratory orders or advisory opinions: Regulations; scope; contents of pieion; filing; period for response.

- 1. The Division shall provide by gulation for the filing and prompt disposition of petitions for declaratory ords and advisory opinions to the applicability or interpretation of:
 - (a) Any provision of this chapter on apter 116 For 116 For 116 of NRS;
 - (b) Any regulation adopted by the Constion, the Administrator or the Division; or
- (c) Any decision of the Commissionet Administrator or the Division or any of its sections.
- 2. Declaratory orders disposing prefitions filed pursuant to this section have the same status assigncy decisions.
 - 3. A petition filed pursuant to this section must:
 - (a) Set forth the nanaend address of the petitioner; and
- (b) Contain a clear and concise statementhe issues to be decided by the Division in its declaratory order or advisory opinion.
- 4. A petition filed pursuant to this ection is submitted foconsideration by the Division when it is filed with the Administrator.
 - The Division shall:
- (a) Respond to a petition filed pursuanthis section within 60days after the date on which the petitions submitted for consideration; and

(b) Upon issuing its declaratory order advisory opinion, mail a copy of the declaratory order or advisopopinion to the petitioner.

(Added to NRS b2009, 287)

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 Ombudsm**f** Owners in Common-Interest Communities and Condominium Hotels is hereby created within the Division.
- 2. The Administrator shall apipto 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 suitbend to mediation or **b**itration pursuant to 18.38.300 to 38.360 inclusive;
- (b) Assist owners in commontenest communities and condominium hotels to understand their rights and responsibilities set forth in this chapter article to the state of the second the governing documents of the second the
- (c) Assist members of executive boards officers of assoctions to carry out their duties;
- (d) When appropriate, investigate polities involving the provious of this chapter or chapter 116 Bof NRS or the governing documents an association and assist in resolving such disputes; and
- (e) Compile and maintain a registra of each association organized within the State which includes, without limitan, the following information:
 - (1) The name, addseand telephone number of the association;
- (2) The name of eachnormunity manager for the momon-interest community or the association of a condominium hosteld the name of anyther person who is authorized to manage the property at thite of the common-iterest 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) Thenumber of units in the commonterest community or condominium hotel;
 - (6) The total analuassessment made by the association;
- (7) The number of foreclors which were completed units within the common-interest community or condominithmental and which were assed on liens for the failure of the unit's owner pay any assessments leving inst the unit or any fines imposed against the unit's owner; and

(8) Whether the study ofethreserves of the association has been conducted pursuant to NRS 116.3115 or 116B.605 and, if so, the date on which it was completed. (Added to NRS by 997, 3112A 1999, 2997 2003, 1302 2222, 2007, 227)

NRS 116.630 Account for Common-Interest Communities and Condominium Hotels: Creation; administration; sources; uses.

- 1. There is hereby created thaccount for Common-therest Communities and Condominium Hotels in the State General Fund. The Acord must be administered by the Administrator.
- 2. Except as otherwise provided subsection 3, all money received by the Commission, a hearing panel or the **Bio**n pursuant to this chapter <u>drapter 116</u>Bof NRS, including, withou limitation, the fees collected pursuant <u>tdRS</u> <u>116.3115</u>5and <u>116B.620</u> must be deposited to the Account.
- 3. If the Commission imposes a fine or penalty, the Commission shall deposit the money collected from the imposition of the fine penalty with the State Treasurer for credit to the State General Fund. If the may is so deposited, the Commission may present a claim to the State Board of a miners for recommentian to the Interim Finance Committee if money is equired to pay attorney's sees or the costs of an investigation, or both.
- 4. The interest and income ear **ne**d the money in the Ascunt, after deducting any applicable charges, must be dited to the Account.
 - 5. The money in the Accort 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 any regulations adopted by the Commission, the costs and expenses subsidizing proceedings for mediation and arbitration conducted pursuant toRS 38.30(to 38.36) inclusive; and
- (c) If authorized by the Legislaturor by the Interim Finance Committee if the Legislature is not in session, the costd expenses of administering the Division.

(Added to NRS by 997, 3113 A 1999, 8 2998 2003, 22232007, 22742010, 26th Special Session, 79

NRS 116.635 Immunity. The Commission and its meterls, each hearing panel and its members, the Administrator, the **Lound**sman, the Division, and the experts, attorneys, investigators, consultants and the personnel of the Commission and the Division are immune from any vil 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 b<u>§003, 221</u>)

NRS 116.640 Service of notice and other information upon CommissionAny notice or other information that required to be served out the Commission pursuant to the provisions of this chaptenay be delivered to the pairpal office of the Division.

(Added to NRS by 2003, 22)10

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 thapproval of the Commission, may adopt regulations to require any additional disclosures of a sale of a unit as it deems necessary.

(Added to NRS b\(\times 009, 290\) \(\times 100, 290\)

NRS 116.645 Authority for Rel Estate Division to conduct business electronically; regulations; fees; use of unsworn declaration; exclusions.

- 1. The Administrator may adoptgretations which establish procedures for the Division to conduct business electronically rsuant to title 59 dNRS with persons who are regulated pursuant to the sapter and with any other sens with whom the Division conducts business. The regulations may include out limitation, the establishment of fees to pay the costs of conducting business electronically with the Division.
- 2. In addition to the process authorized NBVS 719.280 if the Division is conducting business electronical with a person and a law requires a signature or record to be notarized, acknowledge derified or made under oath, the Division may allow the person to substitute a declaration atth complies with the provisions DIRS 53.045 or NRS 53.25 (to 53.390 inclusive, to satisfy the legal requirement.
- 3. The Division may refuse to neglect business electronically with a person who has failed to pay money which the persones who the Division or the Commission.

(Added to NRS b2003, 1301 A 2011, 15)

General Powers and Duties of Commission

NRS 116.660 Issuanceend enforcement of subpoenas.

- 1. To carry out the purposes **tolis** chapter, the Commission, or any member thereof acting on behalf of the Commissionacting 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 complyith 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 cloughall enter an ordedirecting the person subpoenaed to appear before court at a time and place to fixed by the court in its order, the time to be not mothern 20 days after the date of service of the order, and show cause why the person limits complied with the subpoen a certified copy must be served upon the person subpoenaed.
- 4. If it appears to the court at the subpoena was green arranged by the Commission or any member thereof pursuant its staction, the court shall enter an order compelling compliance with the subpoena, appdn failure to obey the order the person shall be dealt with as for contempt of court.

(Added to NRS b<u>y999, 299</u>6 A <u>2003, 222</u>}—(Substituted in revision for NRS 116.11145)

NRS 116.662 Witnesses: Payment of fees and mileage.

- 1. Each witness who is subpoen aed appears at a hearing is entitled to receive for his or her attendance the same fees and mileage allowed by drawnittoess in a civil case.
 - 2. The fees and mileage for the witness:
 - (a) Must be paid by the partyvaltose request the withs is subpoenaed; or
- (b) If the appearance of the witnessions requested by any many but the witness is subpoenaed at the request of the Commissiona hearing panemust be paid by the Division.

(Added to NRS b2005, 258)

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 provious of this chapter.
- 2. The Commission shall collect dammaintain or cause be collected and maintained accurate formation relating to:
 - (a) The number and kind of comminterest communities in this State;
- (b) The effect of the provisions **tbf**is chapter and regulations adopted pursuant thereto on the development and constaurctof common-interest communities, the residential lending market for units ithin common-interest communities and the operation and management common-interest communities;
- (c) Violations of the provisions of the provision of the provisions of the provision of th
- (d) The accessibility and use of nda the costs related to, the arbitration and mediation procedures set forth Nins 38.30 to 38.360 inclusive, and the decisions rendered and awards made pursuant deatharbitration and mediation procedures;
- (e) The number of foreclosures in who were completed or on its within common-interest communities and which were based on liens for the litter of the unit's owner to pay any assessments levied against the unity of inesting imposed against the unit's owner;
 - (f) The study of the reserves required \$\omega\$ \$\omega\$
- (g) Other issues that the Commission are of concern to units' owners, associations, community managers, deversoped other persons affected by commoninterest communities.
 - 3. The Commission shall develop and promote:
- (a) Educational guidelines for cotorcting the elections of the members of an executive board, the meetings an executive board and the meetings of the units' owners of an association; and
- (b) Educational guidelines for themforcement 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 **tienka** to common-interest communities, including, without limitation:
 - (a) The management common-interest communities;
 - (b) The sale and resaleurits within common-iterest communities;
- (c) Alternative methods that may beed to resolve disputes relating to commoninterest communities; and
- (d) The enforcement cluding by foreclosure, of the son units within common-interest communities for the interest communities for the

(Added to NRS by 2003, 22)11

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 standafor subsidizing proceings for mediation and arbitration conducted pursuant No. 38.30 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 stands for subsidizing educational programs for the benefit of units' owners, members of external boards and officers of associations;
 - 3. Accept any gifts, grants or donations; and
- 4. Enter into agreements with other ities that are required authorized to carry out similar duties in this Stater in other jurisdictions and operate with such entities to develop uniform procedures for carrying other provisions of the chapter and for accumulating information needed to carryut those provisions.

(Added to NRS b 2003, 221)2

NRS 116.675 Appointment of hearg panels; delegation of powers and duties; appeals to Commission.

- 1. The Commission may appoint corremore hearing panels. Each hearing panel must consist of one or more independent in 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 hears and other proceedings, determine violations, impose fines and petities and take other disciplinary action authorized by the provisions of this chapter.
- 3. While acting under the author of the Commission, anearing panel and its members are entitled to all privileges 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 of later than 20 days after the date that the final order is issued by the hearing paaely, party aggrieved by the final order files a written notice of appeal with the Commission.

(b) Must be reviewed and approving the Commission if, not later than 40 days after the date that the final order is issubsydthe hearing panel, the Division, upon the direction of the Chair of the Commission, provides written tince to all parties of the intention of the Commission to review the final order.

(Added to NRS b<u>2003, 221</u>0A <u>2009, 289</u>)

NRS 116.680 Use of audio or video teleconference for hearing. The Commission or a hearing panel may conducte aring by means of an audio or video teleconference to one or more location. The audio or video technology used at the hearing provides the persons present authelocation with the ability to hear and communicate with the personsepent at each other location.

(Added to NRS b2003, 221)

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 recepti "violation" means a violation of any provision of this chapter, any regulation acceptoursuant thereto or any order of the Commission or a hearing panel.

(Added to NRS by 003, 2213A 2005, 262))

NRS 116.750 Jurisdiction of Real Estate Division, Ombudsman, Commission and hearing panels.

- 1. In carrying out the provisions MRS 116.74 to 116.795 inclusive, the Division and the Ombudsman have jurisdiction it westigate and the Commission and each hearing panel has jurisdiction take appropriate action aigst any person who commits a violation, including without limitation:
 - (a) Any association and any offir, employee or agent of an association.
 - (b) Any member of an executive board.
- (c) Any community manager who lds a certificate and any other community manager.
- (d) Any person who is register**ad** a reserve study specialist, or who conducts a study of reserves, pursuantdoapter 116Aof 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 in the agreement with the unit's owner to abide by theorem documents of the assetion and the provisions of this chapter and any regulation option of the agreement with the unit's owner to abide by theorem documents of the assetion and the provisions of this chapter and any regulation of the agreement with the unit's owner if the agreement with the unit's owner if the agreement with the unit's owner to abide by the order to a second or the agreement with the unit's owner to abide by the order to a second or the agreement with the unit's owner to abide by the order to a second or the agreement with the unit's owner to abide by the order to a second or the agreement with the unit's owner to abide by the order to a second or the agreement with the unit's owner to abide by the order to a second or the agreement with the unit's owner to a second or the agreement with the agreeme
- 2. The jurisdiction set forth is ubsection 1 applies to any officer, employee or agent of an association any member of an executive and who:
- (a) Currently holds his or her officemployment, 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 heffice, employment, agency or position:
 - (1) After the commencemt of proceedings against him or her; or
- (2) Within 1 year after thviolation is discovered reasonably should have been discovered.

(Added to NRS b<u>2003</u>, 2213A 2005, 26202009, 293)

NRS 116.755 Rights, remedies amuenalties are cumulative and not exclusive; limitations on power of Commission and hearing panels regating internal activities of association.

- 1. The rights, reedies and pelities provided by NRS 116.74 fto 116.795 inclusive, are cumulative and not abrogate and are indication to any other rights, remedies and penalties that measies at law or in equity.
- 2. If the Commission, a hearing panelanother agency or officer elects to take a particular action or pursue a particular remedy or penalty authorized Rby 116.745 to 116.795 inclusive, or another specific state, that election is not exclusive and does not preclude the Commission, their paranel or another agency or officer from taking any other actions or pursuing any other medies or penalties authorized by NRS 116.745 inclusive, or another specific statute.
- 3. In carrying out the provisions MRS 116.74 to 116.795 inclusive, the Commission or a hearing anel shall not intervene in parinternal activities of an association except to the extent necessary prevent or remedy a violation.

(Added to NRS b2003, 221)

NRS 116.757 Confidentiality of reords: Certain records relating to complaint or investigation deemed confidential; certain records relating to disciplinary action deemed public records.

- 1. Except as otherwork provided in this section and 239.0115 a written affidavit filed with the Division pursuant to RS 116.760 all documents and other information filed with the written affidaviand all documents and other information compiled as a result of an investigation conted to determine whether file a formal complaint with the Commission are confidential. The Division shall not disclose any information that is confidential ursuant to this subsection, whole or in part, to any person, including, without limitation, a person is the subject of an investigation or complaint, unless and until arroal complaint is filed pursant 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 informanti considered by the Commissior a hearing panel when determining whether to impesdiscipline or take other dministrative action pursuant to NRS 116.74 to 116.795 inclusive, are public records.

(Added to NRS by 2005, 2586A 2007, 2070 2009, 290))

NRS 116.760 Right of person agigeved 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 this section, a personhor is aggrieved by an alleged violation may, not later than 1 yearfter the person discovers or reasonably should have discovered the golded violation, file with the Division a written affidavit that sets forth the facts constituting alleged violation. The affidavit may allege any actual damages suffered by the aggrieved person result of the alleged violation.
- 2. An aggrieved person may not silect an affidavit unless the aggrieved person has provided the respondent by certifiedil, mæturn receipt requested, with written notice of the alleged violation set for the affidavit. The notice must:
 - (a) Be mailed to the respondent's last known address.
- (b) Specify, in reasonable detail, **talk**eged violation, any actual damages suffered by the aggrieved person as a result of **alle**ged violation, and any corrective action proposed by the aggrieved person.
 - 3. A written affidavit filed with Division pursuant to this section must be:
 - (a) On a form perscribed by the Division.
 - (b) Be accompated by evidence that:
- (1) The respondent has beginner a reasonable opposity after receiving the written notice to correct the alleged violation; and
 - (2) Reasonable effotosresolve the allegeodolation have failed.
- 4. The Commission or a hearing panel may impose an administrative fine of not more than \$1,000 against approximately some with the Division.

(Added to NRS by 003, 2214A 2005, 262))

- NRS 116.765 Referral of affidation 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 affavit that complies with the provisions oNRS 116.760 the Division shall refer the affidavit to the Ombudsman.
- 2. The Ombudsman shall give sughidance to the parties as the Ombudsman deems necessary to assist the pattieresolve the alleged violation.
- 3. If the parties are unable to resothwe alleged violation with the assistance of the Ombudsman, the Ombudsman shall provide the Division a report concerning the alleged violation and any from the collected by the Ombudsman during his or her efforts to assist the parties resolve the alleged violation.
- 4. Upon receipt of the report finothe Ombudsman, the Division shall conduct an investigation to determine wether good cause exists toopeed with a hearing on the alleged violation.
- 5. If, after investigating the alledgeviolation, the Division determines that the allegations in the affidavit are not frivolouslyse or fraudulent and that good cause exists to proceed with a heizing on the alleged violation, the dministrator shall file a formal complaint with the Commission and schedulehearing on the complaint before the Commission or a hearing panel.

(Added to NRS b 2003, 221)

NRS 116.770 Procedure for heizing complaints: Time for holding hearing; continuances; notices; evidence; answers; defaults.

- 1. Except as otherwise provided in section 2, if the Administrator files a formal complaint with the Commission of a hearing and shall hold a hearing on the complaint not later than 90 days rather date that the omplaint is filed.
- 2. The Commission or the hearing upon its own motion or upon the written request of a prate 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 the basis of the complaint.
- 3. The Division shall give the speciment written notice of the date, time and place of the hearing on the complaint at least 30 days before date of the hearing. The notice must be:
- (a) Delivered personally to the resplent or mailed to the respondent by certified mail, return receipt requested, htiss or her last known address.
 - (b) Accompanied by:
 - (1) A copy of the complaint; and
- (2) Copies of all communations, reports, affidavits and depositions in the possession of the Division that earelevant to the complaint.
- 4. At any hearing on the complaithte Division may not persent evidence that was obtained after the notice was given to the respot 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 ter diligent investigation by the Division, before such notice was given to the respondent; and
- (b) The evidence was given or commonated 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 mailed by the Division. The answer must:
- (a) Contain an admissi or a denial of the allegationsntained in the complaint and any defenses upon which the spondent will rely; and
- 6. If the respondent does not false answer within the tienrequired by subsection 5, the Division may, after ging the respondent written notice of the default, request the Commission or the hearing panel to enternalifig of default against the respondent. The notice of the default must be delivered spenally to the respondent or mailed to the respondent by certified mail, return receipturested, to his or hearst known address.

(Added to NRS b<u></u><u></u>
<u>9</u>003, 221

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NRS 116.775 Repsentation by attorney. Any party to the complaint may be represented by an attorney at any hearing on the complaint.

(Added to NRS b2003, 221)

NRS 116.780 Decisions on complaints.

- 1. After conducting its hearings 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 plashall notify all parties to the complaint of its decision in writing by certified mail, returns ceipt requested, not later than 60 days after the date of the final hearing. The writteecision must include findings of fact and conclusions of law.

(Added to NRS b2003, 221)

- NRS 116.785 Remedial and discipling 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 hearipgnel, 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 perspect to cease and desisfrom continuing to engage in the unlawful condutated resulted in the violation.
- (b) Issue an order directing the resopent to take affirmative action to correct any conditions resulting from the violation.
 - (c) Impose an administrative fine not more than \$1,000 for each violation.
- 2. If the respondent is a member an executive board or an officer of an association, the Commission or the hearing and order the respondent removed from his or her office or position if the Commissis or the hearing panel, after notice and hearing, finds that:
 - (a) The respondehas knowingly analyillfully committed a violation; and
 - (b) The removal is in theest interest of the association.
- 3. If the respondent violates and der issued by the Commission or the hearing panel pursuant to this section, the Constitution or the hearing panel, after notice and hearing, may impose an administrative fine of 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 the hearing panel may order the respondent to pay the costs of the proceedings incurrey the Division, including without limitation, the cost of the investigation and as onable attorney's fees.
- 5. Notwithstanding any other provision of this sectionless the respondent has knowingly and willfully committed a violation; the respondent is a member of an executive board out officer of an association:
- (a) The association is liable for ah es and costs imposed against the respondent pursuant to this section; and
 - (b) The respondent may not be headsonally liable for those fines and costs. (Added to NRS b\(\)2003, 221\(\)

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, aftrectice and hearing, finds that the executive board or any person acting on **b**febfa the association has committed a violation, the Commission of the hearing panel may take any or all of the following actions:
 - (a) Order an audit of the assation, at the expense of the association.
- (b) Require the executive boatd hire a community manager who holds a certificate.
- 2. The Commission, or the Divisi with the approval of the Commission, may apply to a court of competerjurisdiction for the appointment of receiver for an association if, after notice and a hearing, Commission or a hearing officer finds that any of the following violations occurred:
- (a) The execute/board, or any memberrereof, has been guilty fraud or collusion or gross mismanagement in the conduct or control of its affairs;
- (b) The executive body or any member thereof, hasen 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 appointent of a receiver pursuant to this section, notice of a temporary appointment a receiver may be given to the association alone, by process as in the case of an applicational demporary restraining reder or injunction. The hearing thereon may be had after 5 days ice 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 carrout the business of the associati The members of the executive board who have not been guiltof negligence or active breach duty must be preferred in making the appointment.
- 5. The powers of any receiver appled pursuant to this ection may be continued as long as the court deemscessary and proper. At any temfor sufficient cause, the court may order the receivership terminated.
- 6. Any receiver appointed pursuanthis section has, among the usual powers, all the functions, powers, tenure adulties to be exercised under the direction of the court as are conferred on receivers as a provided iNRS 78.63578.640 and 78.645 whether or not the association is insolvent. Such powers include, without limitation, the powers to:
 - (a) Take charge of thetete and effects of the association;
 - (b) Appoint an agent or agents;
- (c) Collect any debts and propertyedand belonging to the sociation and prosecute and defend, in the name of the association otherwise, any civil action as may be necessary or proper for the purpose collecting debts and property;
- (d) Perform any other act in accented with the govering documents of the association and this chapter that may been sary for the association to carry out its obligations; and
- (e) By injunction, restrain the assistion from exercising any of its powers or doing business in any way except by and throagreceiver appointed by the court.

(Added to NRS b2003, 2217A 2005, 26212009, 290))

NRS 116.795 Injunctions.

- 1. If the Commission or the Divisi has reasonable cause to believe, based on evidence satisfactory to it, thanty person violated or is about to violate any provision of this chapter, any regulation depted pursuant thereto or an order, decision, demand or requirement of the Commission or Division as the aring panel, the Commission or the Division may bring an action in the districtourt for the county in which the person resides or, if the person does not residethis 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 of the violations.
- 2. The action must be brought in thame of the State of Nevada. If the action is brought in a court of this State, an orrother judgment may be entered, when proper, issuing a temporary restraining order, preliminary injurtion or final injunction. A temporary restraining order or preliminary impulsion 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 actuadamages sustained by any person.
 - (b) The filing of any bond.

(Added to NRS b2003, 2217A 2005, 262)

TAB 2

CHAPTER 117 - CONDOMINIUMS

NRS 117.010	Definitions.
NRS 117.020	Applicability; recordation, amendment and revocation of plan of project.
NRS 117.030	Conveyance of unit: Resumption of conveyance of entire condominium.
NRS 117.040	Incidents of grant.
NRS 117.050	Partition of project.
NRS 117.060	Declaration of restrictions.
NRS 117.065	Maintenance fees: Custodial accounts; records.
NRS 117.070	Assessment liens: Recording of notice of assessment; priority and expiration of lien; enforcement by
	sale.
NRS 117.075	Assessment liens: Exercise of power of sale.
NRS 117.080	Other liens.
NRS 117.090	Common personalty.
NRS 117.100	Liberal constructionof deed, declaration or plan for project.
NRS 117.103	Rules against perpetuities and unreasonable restraints on alienation.
NRS 117.105	Interest of unit owner conveyed by tax deed.
NRS 117.110	Construction of local zoning ordinances.

NRS 117.010 Definitions As used in this chapter:

- 1. "Common areas" means the entire ject excepting all units therein granted or reserved.
- 2. "Condominium" means an estate real property consting of an undivided interest in common in portions of arpal of real property together with:
- (a) A separate interest in space iresidential, industrial or commercial building or industrial and commercial buildings such real property, such as, but not restricted to, an apartment, office or store; or
- (b) A separate interest in air space onlithout any building ostructure, to be used for a mobile home.
- ¬ A condominium may include iaddition a separate interest in other portions of such real property. Such estate mayith respect to the duration of its enjoyment, be either an estate of inheritance or perpetual estate state for life, or an estate for years.
- 3. "Project" means the entire parcel refal property divided oto be divided into condominiums, including all structures thereon.
- 4. "To divide" real property means divide the ownership thereof by conveying one or more condominiums therein the state than the whole thereof.
- 5. "Unit" means the elements **a**fcondominium which are not owned in common with the owners of other condominiums in the project.

(Added to NRS by 196326; A 1967200; 1981, 990)

NRS 117.020 Applicability; recordation, amendment and revocation of plan of project.

- 1. The provisions of this chapterpay to property divided in condominiums only if there was recorded before Jaryutar 1992, in the conty in which the parperty lies a plan consisting of:
 - (a) A description or survey map of the land included within the project;
- (b) Diagrammatic flooplans of the building or buildings built or the built thereon in sufficient detail to identify eachnit, its relative location and approximate dimensions; and
- (c) A certificate consenting to the redation of the plan pulsant to this chapter signed and acknowledged by the cord owner of the propertynd by all record holders of security interests therein.
- 2. The plan may be amended or **kex** by a subsequently acknowledged recorded instrument executed by theord owner of the property and by all record holders of security interests therein. Until recordation of a revocation, the provisions of this chapter continue to apply to the property.
- 3. The term "ecord owner" as used this section includes add the record owners of the property at the time of remarkation, but does not include liders of security interests, mineral interests, easements or rights-of-way.

(Added to NRS by 963, 126A 1991, 580)

NRS 117.030 Conveyance of uni Presumption of conveyance of entire condominium. Unless otherwise expressly stated thereiny transfer or conveyance of a unit, or an apartment, office or store which is a part of a unit shall be presumed to convey the entire condominium.

(Added to NRS by 1963, 127)

NRS 117.040 Incidents of grantUnless otherwise expressly provided in the deeds, declaration of restrictions or plan, the inherits of a condominium grant are as follows:

- 1. The boundaries of the unit grantæred the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof, atmed unit includes both the portions of the buildings so described and the airspace soore passed. The following are not part of the unit: Bearing walls, columns, floors, roofs, foundatione levator equipment and shafts, central heating, central refrigeration anothtoal air-conditioning equipment, reservoirs, tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located xcept the outlets thereof when located within the unit. In interpreting deeds and plans the text physical boundaries of the unit or of a unit reconstructed substantial accordance withe original plans thereof shall be conclusively presumed to be bits undaries rather that me metes and bounds expressed in the deed or plan, regardlessetting or lateral movement of the building and regardless of minor variances between boundaries shown on the building the deed and those of the building.
- 2. The common areas are owned beyothwners of the unit as tenants in common in equal shares, one for each unit.
- 3. A nonexclusive easement fogriess, egress and support through the common areas is appurtenant to each unit and threncon areas are subject to such easements.

4. Each condominium owner shall halve exclusive right to pirat, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his or her own unit.

(Added to NRS by 1963, 127)

NRS 117.050 Partition of project.

- 1. Where several persons own conidiounns in a condominium project, an action may be brought pursuant More 39.01 (to 39.490) inclusive, by one or more of such persons for partition thereof by sale of the tire project, as if the owners of all the condominiums in such project were tenants on more in the entire project in the same proportion as their interesits the common areas, but artition shall be made only upon the showing that:
- (a) Three years fter damage or destruction to the ject which renders a material part thereof unfit for its use priothereto, the project has not been rebuilt or repaired substantially to its state prior its damage or destruction; or
- (b) Three-fourths or more of the projects been destroyed substantially damaged, and that condominium owners holding in agantegmore than 50 perot interest in the common areas are opposed to repairestoration of the project; or
- (c) The project has been in existemeexcess of 50 years, that it is obsolete and uneconomic, and that condominium ownersdimg in aggregate me than 50 percent interest in the common areas are opposed to repaistorate on of the project; or
- (d) Conditions for such partition by sale set forth irrestrictions entered into with respect to such preprit have been met.
- 2. Except as provided in subsectilorthe common areas sinaemain undivided, and there shall be no judicial partition there of the other shall be deemed to prevent partition of a cotenary on a condominium.

(Added to NRS by 1963, 127)

NRS 117.060 Declaration of restrictionsThe owner of a project may, prior to the conveyance of any condominiut nerein, record a declaration restrictions relating to such project, which restrictions shall enforceable equitable servitudes where reasonable. Such servitudes, unless otherwise provided, may be enforced, by any owner of a condominium in the project, a may provide, a may other things:

- 1. For the management of the project by one or more of the following management bodies:
 - (a) The condominium owners;
 - (b) A board of governors elected by the owners; or
- (c) A management agent elected the owners or the board or named in the declaration.
- 2. For voting majorities, quorums, notices, meeting dates and other rules governing such body or bodies.
 - 3. As to any such management body:
- (a) For the powers thereof, including power to enforce the provisions of the declaration of restrictions;

- (b) For maintenance bytof fire, casualty, liability, workers' compensation and other insurance insuring condominium owners, d for bonding of the members of any management body;
- (c) For provision by it of and paymetry it for maintenance utility, gardening and other services benefiting the common artems employment of personnel necessary for operation of the building, and legal and accounting services;
- (d) For purchase by it of materialsupplies and the like and for maintenance and repair of the common areas;
- (e) For payment by it of taxes which would be a lien upon the entire project or common areas, and for discharge by it of taxes or encumbrance levied against the entire project or common areas;
- (f) For payment by it froreconstruction of any portion portions of the project damaged or destroyed;
 - (g) For delegation by it of its powers;
- (h) For entry by it or its agentstonany unit when necessyain connection with maintenance or construction for which such body is responsible; and
- (i) For the power of the managemently to sell the entire project for the benefit of all of the owners thereof when pition of the projectmay be had under 117.050 which power shall be binding upon all the owners, whether they assume the obligations of the restrictions or not.
- 4. For amendments of such resitorious, which amendments, if reasonable and made upon vote or consent of a mailou in interest of the owners in the project given after reasonable notice, shall be binding uponers vowner and every condominium subject thereto, whether the burdens thereon are instant or decreased theory, and whether the owner of each and every condominium consents thereto or not.
 - 5. For independent audit the accounts of any management body.
- 6. For reasonable assessments tet maethorized expenditures of any management body, and for a reasonable timed for notice andevy thereof, each condominium to be assessed separately for its share of such expense in proportion (unless otherwise provided) to its owner's fractional interest in any ommon areas, and for the subordination of the liens serioug such assessments to other liens either generally or specifically described.
- 7. For the conditions upon which rtitizon may be had of the project pursuantions 117.050 Such right to partition may be conditized upon failure of the condominium owners to elect to rebuild within a certaperiod, specified inadequacy of insurance proceeds, specified damage to the building, a decision afterimator, or upon any other reasonable condition.
- 8. For restrictions upon the sevelity bof the component interests in real property which comprise a condominium such restrictions shall extend beyond the period in which the right to partition project is suspended under \$117.050\$

(Added to NRS by 1963, 128)

NRS 117.065 Maintenancéees: Custodial accounts; recordsAny person who receives fees from a purchaser of a condomirfior the maintenance of the project shall:

- 1. Immediately depits the money in a separate custodial account maintained by the person with some bank, credit union or organized depositaring this State.
 - 2. Keep records of such money deposited therein. (Added to NS by 1965, 1219; A 999, 145)

NRS 117.070 Assessmt liens: Recording of noticeof assessment; priority and expiration of lien; enforcement by sale.

- 1. A reasonable assessment upon condominium made inaccordance with a recorded declaration of restrictions permitted Nove 117.06 shall be a debt of the owner thereof at the time the assessment assessment plus any other charges there on, as interest, costs (lineding attorneys' fees), and penalties, as such may be probable for in the declaration of estrictions, shall be and become a lien upon the condominium assessment the management body causes to be recorded with the country recorder of the country in which such nacionalism is located a notice of assessment, which shall state:
- (a) The amount of such assessment such other charges thereon as may be authorized by the declaration of restrictions;
 - (b) A description of the condominium aigst which the same has been assessed; and
 - (c) The name of the record owner thereof.
- ¬ Such notice shall be signed by an autheodirepresentative of the management body or as otherwise provided in the declaration restrictions. Upon payment of the assessment and charges in connection with the bush notice has been so recorded, or other satisfaction thereof, the management by ball cause to be recorded a further notice stating the satisfaction at the release of the lien thereof.
- 2. Such lien shall be prior to all other liens recorded subsequent to the recordation of the notice of assessment exceptant the declaration of resistions may provide for the subordination thereof to any other liensdæncumbrances. Unless sooner satisfied and released or the enforcementente of initiated as provided in subsection 3, such lien shall expire and be of no further rice or effect 1 year from the date of recordation of the notice of assessment, but the 1-year perior breaextended by the management body for not to exceed 1 additional year by recording a written extension thereof.
- 3. Such lien may be enforced by staylethe management body, its agent or attorney, after failure of the owner tpay such an assessment in adapte with the terms of the declaration of restrictions. The sale shall consistent in accordance with the provisions of Covenants Nos. 6, 7 and 8 Nors 107.030 and NRS 107.09 insofar as they are consistent with the provisions of Nrs 117.075 or in any other manner permitted by law. Unless otherwise provided in the declaration of restrictions or natural person, shall have power to bid in the condominium at foreclosure sale and to hold, leasegangertand convey the same.

(Added to NRS by 963, 129; A 1975, 978)

NRS 117.075 Assessmenthise Exercise of power of sale.

- 1. The power of sale conferred NRS 117.07(shall not be exercised until:
- (a) The management bodys agent or attorney has sit executed and caused to be recorded with the recorder the county wherein the condimum is located a notice of default and election to sell the condominium cause its sale to satisfy the assessment lien; and
- (b) The condominium owner or his orrhecticessor in interestas failed to pay the amount of the lien, including sts, fees and expenses incitted its enforcement for a period of 60 days computed passescribed in subsection 2.
- 2. The 60-day period provided issubsection 1 shall commence on the first day following the day upon which the notice of default and education sell is recorded as herein provided and a copy of the notice is mailed by certified or registered mail with postage prepaid to the condomismi owner or to his or her successor in interest at his or her address if such address is known, otherwise the address of the condominium unit. The notice shall described to provided in payment.
- 3. The management body, its agentatorney shall, after piration of the 60-day period and prior to selling the condominium notice of the time and place of the sale in the manner and for a time not less that the quired by law fro the sale of real property upon execution, except that a copy the notice of sale shall be mailed on or before the first publication or posting required \text{No.2} \text{S 21.13} \text{(by certified or registered mail with postage prepaid to the condominium newor to his or her successor in interest at his or her address if such addresskinsown, otherwise to the address of the condominium unit. The sale itself may be made the office of the management body if the notice so provided, whethere condominium is locate within the same county as the office of the management body or not.
- 4. Every sale made under the provision <u>\$186 117.07</u> (vests in the purchaser the title of the condominium owner with **be**quity or right of redemption.

(Added to NRS by 1975, 977)

NRS 117.080 Other liensNo labor performed or serves or materials furnished with the consent of or at the request obadominium owner or his or her agent or his or her contractor or subcontractor shall be thasis for the filing of a lien against the condominium of any other condominium owner, against any part thereof, or against any other property of anyther condominium owner, unless such other owner has expressly consented to or requested the predict of such labor or furnishing of such materials or services. Suchpress consent shall be deemtechave been given by the owner of any condominium in the case of expressry repairs thereto. Labor performed or services or materials furnished for ethcommon areas, if duly authorized by a management body provided for in a deditara of restrictions governing the property, shall be deemed to be performed or issined with the express consent of each condominium owner. The owner of anyondominium may remove his or her condominium from a lien against two or morendominiums or any part thereof by

payment to the holder of the lien of the fraction of the lien secured by such lien which is attributable to his or her condominium.

(Added to NRS by 1963, 130)

NRS 117.090 Common personaltyUnless otherwise provided by a declaration of restrictions undeligible. The same being it is a condominium owners, tangible and intangible personal property and madispose of the same by salecotherwise; and the beneficial interest in such personal property shall be owned by the condominium owners in the same proportion as their respective interest the common areas, and shall not be transferable except with a tister of a condominium. A transfer of a condominium shall transfer to the transferee ownership of the stream or she beneficial interest in such personal property.

(Added to NRS by 1963, 130)

NRS 117.100 Liberal construction deed, declaration or plan for project. Any deed, declaration or plan for a condominiuproject shall be liberally construed to facilitate the operation of the project, and its provisions shall be presumed to be independent and severable.

(Added to NRS by 1963, 131)

NRS 117.103 Rules against perpuéties and unreasonable restraints on alienation. NRS 111.103 and the common-law rules optroperty known the rule against perpetuities and the rule restrictimogeasonable restraints alienation must not be applied to defeat any of the provisions of this chapter.

(Added to NRS by 967, 200; A 1987, 65)

NRS 117.105 Interest of untowner conveyedby tax deed. If any person acquires or is entitled to the issuance of a tax deedveying the interest frany condominium owner, such interest so acquired shall be stubgeall the provisions of this chapter and to all terms, provisions, coments, conditions and limitations interest then in force.

(Added to NRS by 1967, 200)

NRS 117.110 Construction local zoning ordinances. Unless a contrary intent is clearly expressed, local zoning ordinances the construed to treat like structures, lots or parcels in like manner regardless of whethe ownership thereof is divided by sale of condominiums or into community apartness than by lease of apartments, offices or stores.

(Added to NRS by 1963, 131)

TAB 3

TAB 4

CHAPTER 107 - DEEDS OF TRUST

GENERAL PROVISIONS

NRS 107.015 NRS 107.020 NRS 107.025	Definitions. Transfers in trust of real property to secure obligations. Estate for years: Encumbrance by deed of trust; foreclosure by exercise of power of sale.					
NRS 107.026 NRS 107.027	Priority of certain deeds of trust over other liens. Lease of dwelling unitof cooperative housing corporation: Shares in corporation appurtenant to lease; encumbrances.					
NRS 107.028	Trustees: Qualifications; linitations on powers; appointment of new trustee; duties; immunity from liability for certain good faith errors; damages in certain civil actions.					
	ADOPTION OF COVENANTS					
NRS 107.030 NRS 107.040	Adoption of covenants by reference. Adoption of covenants by reference in instrument.					
NRS 107.050	Parties may enter into different or additional covenants.					
	ASSUMPTION FEE					
NRS 107.055	Amount must be stated in instrument.					
ASSIGN	NMENTS; SUBORDINATION AND WAIVERS AS TO PRIORITY					
NRS 107.070	Recording of assignments of beneficial interests and instruments subordinating or waiving priority of deeds of trust.					
	DISCHARGE					
NRS 107.073	Marginal entries; reconveyance must be recorded if deed of trust recorded by photographic process; presentation of certificate executed by trustee or trustee's personal representative or assignee.					
NRS 107.077	Delivery of documents by breeficiary to trustee; recording by trustee; liability for failure to deliver or record documents; requirements for release of deed of trust when reconveyance not recordd; liability for improperly recording					
NRS 107.078	deed of trust; criminal penalty. Partial discharge: Delivery ofdocuments by beneficiary to trustee; recording by trustee; liability for failure to deliver or record documents; requirements					

for partial release of deed of trust when reconveyance not recorded; criminal penalty.

DEFAULT AND SALE

NRS 107.080	Trustee's power of sale: Power conferred; required notices; contents of notarized affidavits; effect of sale; circumstances in which sale must be declared void; civil actions for noncompliance with certain requirements;
NRS 107.080	duty to record; fees. [Effective through June 30, 2013.] Trustee's power of sale: Power conferred; required notices; contents of notarized affidavits; effect of sale; circumstances in which sale must be declared void; civil actions for noncompliance with certain requirements; duty to record; fees. [Effective July 1, 2013.]
NRS 107.081	Time and place of sale; agent holding sale not to be purchaser.
NRS 107.082	Oral postponement of sale.
NRS 107.083	Proceedings after purchaser refuses to pay amount bid.
NRS 107.084	Penalty for removing or defacing notice of sale.
NRS 107.085	Restrictions on trustes' power of sale concerning certain trust agreements: Applicability; service of notice; scheduling of date of sale; form of notice; judicial foreclosure not prohibited; "unfair lending practice" defined.
NRS 107.086	Additional requirements for sale of owner-occupied housing: Notice; form; election of mediation; adoption of rules concerning mediation; applicability.
NRS 107.087	Notice of default and sale in residential foreclosure: Requirements.
NRS 107.090	Request for notice of de ult and sale: Recording and contents; mailing of notice; request by homeowners' association; effect of request.
NRS 107.095	Notice of default: Mailing toguarantor or surety of debt; effect of failure to give.
NRS 107.100	Receiver: Appointment after filing notice of breach and election to sell.
NRS 107.110	Maintenance of residential property purchased at trustee's sale.
	STATEMENT FROM BENEFICIARY OF DEED OF TRUST
NRS 107.200	Contents of statement regarding debt secured by deed of trust.
NRS 107.210	Contents of statement of amount necessary to discharge debt secured by deed of trust.
NRS 107.220	Persons authorized to request statement from beneficiary; proof of identity of successor in interest.
NRS 107.230	Proof of authorization to request statement.
NRS 107.240	Grounds for refusal to deliver statement.
NRS 107.250	Reliance upon accuracy of tatement and amended statement; notification of amended statement; recovery of money by beneficiary if statement is deficient.
NRS 107.260	Copy of note or deed of trust for authorized requester.
NRS 107.270	Address to which request for statement must be mailed.
NRS 107.280	Debt to which information contained in statement is applicable.
NRS 107.290	Unclear request for statemendeemed to be request for amount necessary to discharge debt.
NRS 107.300	Penalty for failure to deliver statement; bar to recovery of certain damages.

GENERAL PROVISIONS

NRS 107.015 Definitions As used in this chapter:

- 1. "Facsimile machine" means a devirence receives and pies a reproduction or facsimile of a documentor photograph which is transmitted electronically or telephonically by telecommunications lines.
 - 2. "Title insurer" ha the meaning ascribed to it in NRS 692A .070 (Added toNRS by 1995, 1518)

NRS 107.020 Transfers in trust of real property to secure obligations. Transfers in trust of any estate in real property may made after March 29, 1927, to secure the performance of an obligation or the payment of any debt.

[Part 1:173:1927; A949, 70; 1943 NCL § 7710]

NRS 107.025 Estate for years: Enumbrance by deed of trust; foreclosure by exercise of power of saleA deed of trust may encumber an estate for years however created, including a lease of a lease of a cooperative ousing corporation, unless prohibited by the instrument creating the ates, and foreclosure may be had by the exercise of a power of sale in accordanvith the provisions of this chapter.

(Added to NRS by 1967954; A 1979,708; 1989, 506)

NRS 107.026 Priority of certain deeds of trust over other liens except as otherwise provided in NRS 104.9335 a deed of trust given to secure a loan made to purchase the real property on which the deeth useft is given has priority over all other liens created against the purchaser before the the trust as a course title to the real property.

(Added to NRS by 1995, 1522; A 999, 38)

NRS 107.027 Lease of dwelling unit cooperative housing corporation: Shares in corporation appurtenant to lease; encumbrances.

- 1. The shares which accompany asset of a dwelling unit in cooperative housing corporation are appurtenant to the lease. Aegurity interest in or lien on the lease encumbers the shares exther or not the instrument creating the interest or lien expressly includes the shares.
- 2. No security interest in or lieum shares of a cooperative unless the instrument which purpototscreate the interest lien encumbers the lease to which the shares pertain.

(Added to NRS by 1979, 708)

NRS 107.028 Trustees: Qualificatios; limitations on powers; appointment of new trustee; duties; immunity from liability for certain good faith errors; damages in certain civil actions.

- 1. The trustee under a deed of trust must be:
- (a) An attorney licensed practice law in this State;
- (b) A title insurer or title agent anothrized to do businesish this State pursuant to chapter 692 A of NRS;
 - (c) A person licensed pursuant to chapter of the RS;
- (d) A domestic or foreign entity which **lds** a current state business license issued by the Secretary of State pursuant trapter 76 of NRS;
- (e) A person who does business underlatives of this State, the United States or another state relating to banks, savings basks ings and loan associations or thrift companies;
 - (f) A person who is appointed as a fiduciary pursuant NoRS 662.245
- (g) A person who acts as a registeagent for a domestic or foreign corporation, limited-liability company, limited partnership or limited-liability partnership;
- (h) A person who acts as a trusteædfust holding real property for the primary purpose of facilitating any transaction withspect to real estate if he or she is not regularly engaged in the businessaofing as a trustee for such trusts;
- (i) A person who engages in the **ines**s of a collection agency pursuan<u>thapter</u> 649 of NRS; or
- (j) A person who engages in the besis of an escrow agency, escrow agent or escrow officer pursuant to the provisions of a factor of the secrow agency, escrow agency, escro
- 2. A trustee under a deed of trust must be the beneficiary of the deed of trust for the purposes of exercising the power of sale pursuants 107.080
 - 3. A trustee under a deed of trust must not:
- (a) Lend its name or its corporate catyato any person who isot qualified to be the trustee under a deed of trust pursuant to subsection 1.
- (b) Act individually or in concerwith any other person to circumvent the requirements of subsection 1.
- 4. A beneficiary of record may place its trustee withanother trustee. The appointment of a new trustee is not effectively the substitution of trustee is recorded in the office of the recorder of the country which the real property is located.
- 5. The trustee does not have a ficklycizabligation to the grator or any other person having an interest in the property which idoject to the deed of trust. The trustee shall act impartially and in good faith with respects the deed of trust and shall act in accordance with the laws ofishState. A rebuttably presumption that a trustee has acted impartially and in good faith exits if the trustee acts irrompliance with the provisions of NRS 107.080 In performing acts required by RS 107.080 the trustee incurs no liability for any good faith error resulting fino reliance on information provided by the beneficiary regarding the nature and taken out to the default under the obligation

secured by the deed of trust if the truster excess the good faith error not later than 20 days after discovering the error.

- 6. If, in an action brought by aagroof, a person who holdistle of record or a beneficiary in the district court in and for theounty in which the real property is located, the court finds that the trustee did not comply this section, any other provision of this chapter or any applicable provision of the court must award to the grantor, the psen who holds title of record or the beneficiary:
 - (a) Damages of \$5,000 or treble the amount of actual damages, whichever is greater;
- (b) An injunction enjoim the exercise of the power stale until the beneficiary, the successor in interest of the beneficiary or thustee complies with the requirements of subsections 2, 3 and 4; and
 - (c) Reasonable attrey's fees and costs,
- ¬ unless the court finds good cause for a different award.

(Added to NRS by 2011, 32A 2011, 17461748)

ADOPTION OF COVENANTS

NRS 107.030 Adoption of covenants by reference very deed of trust made after March 29, 1927, may adopt by reference or any of the following covenants, agreements, obligations, rights and remedies:

- 1. COVENANT No. 1. That grantor agrees to paydadischarge at maturity all taxes and assessments and all other charges and hemanaces which now are or shall hereafter be, or appear to be, a lien upon the trust issess, or any part thereof; and that grantor will pay all interest or installments due comy prior encumbrance, nd that in default thereof, beneficiary may, without demandanatice, pay the same, and beneficiary shall be sole judge of the legality or validity of such taxes assessments, charges or encumbrances, and the amount necessary to be paid in satisfaction or discharge thereof.
- 2. ©VENANT No. 2. That the grantor will at laltimes keep the buildings and improvements which are now or shall heteafbe erected upon the premises insured against loss or damage by fire, to the anticoof at least \$......, by some insurance company or companies approved by beneficitary, policies for which insurance shall be made payable, in case of loss, to beneficiaryd shall be delivered and held by the beneficiary as further security; and that diefault thereof, beneficiary may procure such insurance, not exceived the amount aforesaid, to be effect either upon the interest of trustee or upon the interest of grantor, or his or her assigns, and in their names, loss, if any, being made payable beneficiary, and may paydexpend for premiums for such insurance such sums of moneythas beneficiary may deem necessary.
- 3. COVENANT No. 3. That if, during the existence **tofie** trust, there be commenced or pending any suit or action affecting the consetypremises, or any part thereof, or the title thereto, or if any adverse claim for or against the premises, or any part thereof, be made or asserted, the trustee or beneficinary appear or intervene in the suit or action and retain counsel therein addefend same, or otherwise taken action therein as they

may be advised, and may settle or compromising or the adversome aim; and in that behalf and for any of the purposes may pany despend such sums of money as the trustee or beneficiary madeem to be necessary.

- 4. COVENANT NO. 4. That the grantor will pay to trustee and to beneficiary respectively, on demand, the amounts of athsouf money which they shall respectively pay or expend pursuant to theovisions of the implied covents of this section, or any of them, together with interest upon earththe amounts, until paid, from the time of payment thereof, at the rate...... percent per annum.
- 5. COVENANT No. 5. That in case grantor shadell and truly perform the obligation or pay or cause to be paid at maturity thetober promissory note, and all moneys agreed to be paid, and interest therefor the security of which the transfer is nade, and also the reasonable expenses of the trust in this section specified, then the titus successors or assigns, shall reconvey to the grantor all the test table premises conveyed to the trustee by the grantor. Any part of the trust properties be reconveyed at the request of the beneficiary.
- 6. COVENANT No. 6. That if default be made inethperformance of the obligation, or in the payment of the debt, interest thereon, or any pathereof, or in the payment of any of the other moneys agreted be paid, or of any interestiereon, or if any of the conditions or covenants in this section adopted by reference of breach and election to sell, required by this pter, be first recorded, then trustee, its successors or assigns, on demand by beney ticinar assigns, shall sell the above-granted premises, or such part thereof as in its discretion it shall find necessary, in order to accomplish the objects of these trusts, in the manner following, namely:

The trustees shall first give notice to time and place of such sale, in the manner provided in NRS 107.08 and may postpone such sale not more than three times by proclamation made to the persons assemble deatime and place previously appointed and advertised for such sale dawn the day of sale so adtised, or to which such sale may have been postponed, the trustee may there property so advertised, or any portion thereof, at public auction, the time and place specified time notice, at a public location in the county in which the property, or any reptanereof, to be sold is situated, to the highest cash bidder. The beneficiary, obligee, creditor, or the holder or holders of the promissory note or notes secured there they bid and purchase at such sale. The beneficiary may, after recording the notice between and election, waive or withdraw the same or any proceedings thereunder, and there to be restored to the beneficiary's former position and have and enjoy the satiglets as though such otice had not been recorded.

7. QOVENANT NO. 7. That the trustee, upon suchesshall make (without warranty), execute and, after due payment made, deliver to purchaser or purchasers, his, her or their heirs or assigns, a deed or deeds of themises so sold which shall convey to the purchaser all the title of the grantor in thestrpremises, and shall ply the proceeds of the sale thereof in payment, firstly, of the expenses of such sale, together with the

- 8. COVENANT No. 8. That in the event of a sate the premisesconveyed or transferred in trust, or any part thereof at the execution of a ded or deeds therefor under such trust, the recital therein of adds, and of recording notice of breach and election of sale, and of the plsing of the 3-month period, at of the giving of notice of sale, and of a demand by beneficial is or her heirs or assignts at such se should be made, shall be conclusive proof of such defarecording, election, elapsing of time, and of the due giving of such note, and that the sale was readly and validly made on due and proper demand by beneficial, his or her heirs and saigns; and any such deed or deeds with such recitals therein shall be defaulated and conclusive gainst grantor, his or her heirs and assigns, and all other persands the receipt for the purchase money recited or contained in any deed ecuted to the purchase readeresaid shall be sufficient discharge to such purchase manel obligation to see to the proper application of the purchase money, according to trusts aforesaid.
- 9. COVENANT No. 9. That the beneficiary or his her assigns may, from time to time, appoint another trustee, or trustees extended the trust creates the deed of trust or other conveyance in trust. A copy of resolution of the board of directors of beneficiary (if beneficiary be a corporation pertified by the secretary thereof, under its corporate seal, or an instrument executed acknowledged by the beneficiary (if the beneficiary be a natural person), shall be trustive proof of the proper appointment of such substituted trustee. Upon the recording such certified copy or executed and acknowledged instrument, the new trustee to steres shall be vestered that the title, interest, powers, duties and trusts in the premises vestered conferred upon the original trustee. If there be more than trustee, either may act alcomed execute the trusts upon the request of the beneficiary, and all of trustee's acts thereunder shall be deemed to be the acts of all trustees, and the recitating conveyance executed by such sole trustee of such request shall be conclusive evidethreereof, and of the thrustity of such sole trustee to act.

[2:173:1927; NC § 7711]—(NRS A 1967, 143<u>005, 162</u>)

NRS 107.040 Adoption of commants by reference in instrument.

1. In order to adopt by reference annythe covenants, agreements, obligations, rights and remedies iNRS 107.030 it shall only be necessary to to the test in the deed of trust the

- 2. A deed of trust or other conveyance tirst, in order to fix the amount of insurance to be carried, need notime or porate the provisions of Covenant No. 2 delas 107.030 but may merely state the following: "Covenant No. 2," and set outher eafter the amount of insurance to be carried.
- 3. In order to fix the rate of interest under Covenant No. MRG 107.030 it shall only be necessary to states uch trust deed or other convaece in trust, "Covenant No. 4," and set out thereafter the rate of the charged the reunder.
- 4. In order to fix the amount percent of counsel fees der Covenant No. 7 of 107.030, it shall only be necessary to state in such deed of trust, or other conveyance in trust, the following: "Covenant No. 7," and the thereafter the percentage to be allowed.

[3:173:1927; NCL § 7712] + [4:173:1927; NCL § 7713]

[5:173:1927; NCL § 7714]

ASSUMPTION FEE

NRS 107.055 Amount must be stated in instrument. If a party to a deed of trust, executed after July 1, 1971, sittees to charge an assumption fee for a change in parties, the amount of such charge must be clearly function in the deed of trust at the time of execution.

(Added to NRS by 1971, 314)

ASSIGNMENTS; SUBORDINATION AN D WAIVERS AS TO PRIORITY

NRS 107.070 Recording of assign**rmts** of beneficial interests and instruments subordinating or waiving priority of deeds of trust. The provisions o<u>NRS</u> 106.210and106.220apply to deeds of trust as therein specified.

[Part 1:120:1935; 1931 NLC 2122.31]—(NRS A 1965, 926)

DISCHARGE

NRS 107.073 Marginal entries; recoveyance must be recorded if deed of trust recorded by photographic process; presentation of certificate executed by trustee or trustee's personal representative or assignee.

- 1. Except as otherwise provided simbsection 2, a recorded bed of trust may be discharged by an entry onethmargin of the record thereof, signed by the trustee or the trustee's personal representative or assiginethe presence of the recorder or the recorder's deputy, acknowledgin the satisfaction of or value received for the deed of trust and the debt secured thereby. The recorder's deputy shall subscribe the entry as witness. The entry is the same effect as a reconveyance of the deed of trust acknowledged and recorded as provided by Tehre recorder shall properly index each marginal discharge.
- 2. If the deed of trust has been recorded by a finition or other photographic process, a marginal release may not beed and an acknowledge on veyance of the deed of trust must be recorded.
- 3. If the recorder or the recorded sputy is presented with a certificate executed by the trustee or the trustee's personal repretive tar assignee, specifying that the deed of trust has been paid or otherwise satisfied is charged, the record or the recorder's deputy shall discharge the otherwise trust upon the record.

(Added to NRS by 991, 1103; A 1993, 2335)

NRS 107.077 Delivery of documentsy beneficiary to trustee; recording by trustee; liability for failure to deliver or record documents; requirements for release of deed of trust when reconveyance not corded; liability for improperly recording deed of trust; criminal penalty.

- 1. Within 21 calendar days after neoneg written notice that alebt secured by a deed of trust made on or after October 1, 1991, has been paid or otherwise satisfied or discharged, the beneficiary shall deliver to thustee or the trustor the original note and deed of trust, if the beneficiary is prossession of those documents, and a properly executed request to reconverge estate in real property conveyed to the trustee by the grantor. If the beneficiary delivers the original deed of trust to the trustee or the trustee has those documents in his or pressession, the trustee shall deliver those documents to the grantor.
- 2. Within 45 calendar days after a d**sec**ured by a deed **tri**ust made on or after October 1, 1991, is paid or otherwise satisfor discharged, and a properly executed request to reconvey is receively the trustee, the trusteeall cause to be recorded a reconveyance of the deed of trust.
- 3. If the beneficiary fails to deliver to the trustee a properly executed request to reconvey pursuant to subsecti 1, or if the trustee fails cause to be recorded a reconveyance of the deed of trust pursuant to subsection 2, the beneficiary or the trustee, as the case may be, is liableaircivil action to the grantor, his or her heirs or assigns in the sum of \$1,000, plus reasonable attorn be and the costs of bringing the action, and the beneficiary or the truet liable in a civil action tany party to the deed of trust for any actual damages caused by the failure to ply with the provisions of this section and for reasonable attorney's feet the costs of bringing the action.

- 4. Except as otherwise provided instaubsection, if a recoveyance is not recorded pursuant to subsection 2 within:
- (a) Seventy-five calendar days after playment, satisfaction or discharge of the debt, if the payment, satisfaction or discharges made on or after October 1, 1993; or
- (b) Ninety calendar days after the paymentisfaction or discharge of the debt, if the payment, satisfaction or discharges made before October 1, 1993,
- a title insurer may prepare and use to be recorded a release the deed of trust. At least 30 calendar days before the recording of lease pursuant to this subsection, the title insurer shall mail, by first-class mail, page prepaid, notice of the intention to record the release of the desolutrust to the trustee, trustand beneficiary of record, or their successors in interest, at the lastword address of each such person. A release prepared and recorded pursuant this subsection shall be beened a reconveyance of a deed of trust. The title insure shall not cause a release be recorded pursuant to this subsection if the title insurer receives writtent in to the contrary from the trustee, the trustor, the owner of the land, the holoethe escrow or the owner of the debt secured by the deed of trust or his or her agent.
 - 5. The release prepared pursuant to subsection 4 must set forth:
 - (a) The name of the beneficiary;
 - (b) The name of the trustor;
 - (c) The recording reference to the deed of trust;
- (d) A statement that the debt secured by the deedtofst has been paid in full or otherwise satisfied or discharged;
 - (e) The date and amount of payinemother satisfaction or discharge; and
 - (f) The name and addresstood title insurer issuing the release.
- 6. A release prepared and recordendsuant to subsection does not relieve a beneficiary or trustee of the requirements imposed by exitions 1 and 2.
- 7. A trustee may charge a reasonable to the trustor or the owner of the land for services relating to the prepticen, execution or recordation a reconveyance or release pursuant to this section. A trustee shall noture the fees to be paid before the opening of an escrow, or earlier than 60 calendarys before the payment, satisfaction or discharge of the debt secured by the deedrust. If a fee charged pursuant to this subsection does not exceed \$100, the feerislusively presumed to be reasonable.
- 8. In addition to any other remedy provided by law, a ititserer who improperly causes to be recorded a release of a detatust pursuant to this section is liable for actual damages and for a reasonable attorney's fee and the costs of bringing the action to any person who is juried because of the improper recordation of the release.
 - 9. Any person who willfully violets this section is guilty of a misdemeanor. (Added to NRS by 1991,103; A 1993, 236; 1995, 1522,1999, 57, 2011, 330,1748)

NRS 107.078 Partial discharge: Delery of documents by beneficiary to trustee; recording by trustee; liability for failure to deliver or record documents;

requirements for partial release of deed of trust when reconveyance not recorded; criminal penalty.

- 1. If a deed of trust made on otemfOctober 1, 1995, authorizes the grantor to discharge in part the debt seed by the deed of trust and the ded of trust authorizes a partial reconveyance of the estate in real proprince consideration of a partial discharge, the beneficiary shall, within a calendar days after receign notice that the debt secured by the deed of trust has been partially colliarged, deliver to the trustee a properly executed request for a partial reconveyance extention real property conveyed to the trustee by the grantor.
- 2. Within 45 calendar days after a dsecured by a deed to fust made on or after October 1, 1995, is partially discharged an properly executed request for a partial reconveyance is received the trustee, the trustee that is the function of the deed of trust.
- 3. If the beneficiary fails to delive the trustee a properly executed request for a partial reconveyance pursuant to subsection or 1 if the trustee fails to cause to be recorded a partial conveyance of the deed of trusursuant to subsection 2, the beneficiary or the trustee, as the case may be, is liable in a civil action to the grantor, the grantor's heirs or assigns in the amount of plus reasonable attorney's fees and the costs of bringing the action, and the beneficiarry rustee is liable in a civil action to any party to the deed of trust for any actual reasonable attorney's fees the costs of bringing the action.
- 4. Except as otherwise provided instabusection, if a partial reconveyance is not recorded pursuant to subsection within 75 calendar days aften partial satisfaction of the debt and if the satisfaction was madeopafter October 1, 1995, a title insurer may prepare and cause to be recordendartial release of the deedtrust. At least 30 calendar days before the recording of partial release pursuant to this besection, the title insurer shall mail, by first-class mail, postage prepariodice of the intention record the partial release of the deed of trust to the trustees tor and beneficiary of record, or their successors in interest, at these known address of each such person. A partial release prepared and recorded pursuant to this subsection shalled partial reconveyance of a deed of trust. The title insurer shall not see a partial release to be recorded pursuant to this subsection if the title insurer receivers ten instructions to the contrary from the trustee, trustor, owner of the land, holdet the escrow or owner of the debt secured by the deed of trust or his or her agent.
 - 5. The release prepared pursuant to subsection 4 must set forth:
 - (a) The name of the beneficiary;
 - (b) The name of the trustor;
 - (c) The recording reference to the deed of trust;
- (d) A statement that the debt sedultey the deed of trust has been partially discharged;

- (e) The date and amount of partial paymer other partial satisfaction or discharge;
- (f) The name and address of the fithsurer issuing theartial release; and
- (g) The legal description of thetate in real property which is reconveyed.
- 6. A partial release prepared and **reed** pursuant to substem 4 does not relieve a beneficiary or trustee of the requirements imposed by extions 1 and 2.
- 7. A trustee may charge a reasonable to the trustor or the owner of the land for services relating to the preparation, execution recordation of a praial reconveyance or partial release pursuant to this section. Astree shall not require the fees to be paid before the opening of an escrow or earlinean 60 calendar days before the partial payment or partial satisfaction or discharge the debt secured by the deed of trust. If a fee charged pursuant to this subsection droots exceed \$100, the fee is conclusively presumed to be reasonable.
- 8. In addition to any other remedy provided by law, a itilister who improperly causes to be recorded a partial release of a **ofete** dst pursuant to this section is liable for actual damages and for a **remas** ble attorney's efe and the costs **b** finging the action to any person who is injured bause of the improper recotion of the partial release.
 - 9. Any person who willfully violæts this section is guilty of a misdemeanor. (Added to NRS by 1995, 1521; A1999, 58 2011, 331 1748)

DEFAULT AND SALE

NRS 107.080 Trustee's power ofsale: Power conferred; required notices; contents of notarized affidavits; effect of sale; circumstances in which sale must be declared void; civil actions for noncompliance with certain requirements; duty to record; fees. [Effective through June 30, 2013.]

- 1. Except as otherwise provided NRS 106.210107.085 and 107.086 if any transfer in trust of any estate in real protypes made after Marc 129, 1927, to secure the performance of an obligation or the paymentary debt, a power of sale is hereby conferred upon the trustee to be exerc is seed a breach of the bigation for which the transfer is security.
 - 2. The power of sale must not be exercised, however, until:
- (a) Except as otherwise provided in approach (b), in the case of any trust agreement coming into force:
- (1) On or afteJuly 1, 1949, and before July 11957, the granto the person who holds the title of record, a beneficiary undersubordinate deed offust or any other person who has a subordinate lien or encrambe of record on the property has, for a period of 15 days, computed possescribed in subsection sailed to make good the deficiency in performance or payment; or
- (2) On or after July 1, 1957 grantor, the person wholds the title of record, a beneficiary under a subordinate of trust or any others on who has a subordinate

lien or encumbrance of recommend the property has, for a period of 35 days, computed as prescribed in subsection 3ailed to make good the deficiency in performance or payment.

- (b) In the case of any trust agreemn which concerns owneccupied housing as defined in NRS 107.086 the grantor, the preson who hold the title of record, a beneficiary under a subordinate ed of trust or any otherson who has a subordinate lien or encumbrance of record on the properays, for a period that commences in the manner and subject to the requirements rities to in subsection and expires 5 days before the date of sale, failed to make gthreeddeficiency in performance or payment.
- (c) The beneficiary, the successor in interest of the beneficiary or the trustee first executes and causes to be reedrigh the office of the recoverd of the county wherein the trust property, or some part thereof, is situated notice of the breach and of the election to sell or cause to be sold the property trissistante obligation which, except as otherwise provided in this paragraph, includes a naterali affidavit of authority to exercise the power of sale stating, based on personal/wikedoge and under threenalty of perjury:
- (1) The full name and business dress of the trustee or the trustee's personal representative or assignee, the current holdereof the secured by the current beneficiary of recording the servicers of the obligan or debt secured by the deed of trust:
- (2) The full name and sta known business address of every prior known beneficiary of the deed of trust;
- (3) That the beneficiary under the deed of trust, the scressor in interest of the beneficiary or the trustee is in actual **ons**tructive possession of the note secured by the deed of trust;
- (4) That the trustee has the aulthor exercise the power of sale with respect to the property pursuant to the instruction of the efficiency of record and the current holder of the note secured the deed of trust;
- (5) The amount in default,ethprincipal amount of the digation or debt secured by the deed of trust, a good faith estimatalofees imposed and to be imposed because of the default and the costs and fees chargebole debtor in connection with the exercise of the power of sale; and
- (6) The date, recordation number or other unique deisign at the instrument that conveyed the interest each beneficiary and a destrion of the instrument that conveyed the interest of each beneficiary.
- The affidavit described in this paraghaps not required for the exercise of the trustee's power of sale with respect to a frust agreement which oncerns a time share within a time share plan created pursuand that a fit is being exercised for the initial beneficiary und deed of trust or an affiliate of the initial beneficiary.
 - (d) Not less than 3 months hælæpsed after the recording of the notice.

- 3. The 15- or 35-day period provided paragraph (a) of substion 2, or the period provided in paragraph (b) of subsection 2 mmences on the first day following the day upon which the notice of default and electionsell is recorded in the office of the county recorder of the ounty in which the property is located and oppy of the notice of default and election to sell is mailed by gistered or certified mail, return receipt requested and with postage prepaid to the total record, to the person who holds the title of record on the date the notice of default aelection to sell is corded, and, if the property is operated assfacility licensed under that 44 of NRS, to the State Board of Health, at their respective addresses, ib wan, otherwise to the address of the trust property. The notice of default and election to sell must:
- (a) Describe the deficiency in perforance or payment and may contain a notice of intent to declare the entire unpaid balandue if acceleration permitted by the obligation secured by the deedtrust, but acceleration mustot occur if the deficiency in performance or payment is cheagood and any costs, feets despenses incident to the preparation or recordation the notice and incident to threaking good of the deficiency in performance or paymenteepaid within the time specified in subsection 2; and
- (b) If the property is a residential recolorure, comply with the provisions MRS 107.087
- 4. The trustee, or other person authout to make the sale under the terms of the trust deed or transfer in trust, shall, aftexperation of the 3-month period following the recording of the notice of breacand election to sell, and before the making of the sale, give notice of the time and place thereof by recording the notice of sale and by:
- (a) Providing the notice to each trurstany other person entitled to notice pursuant to this section and, if the property operated as a facility licensed undeapter 44% of NRS, the State Board of latenth, by personal servicer by mailing the notice by registered or certified mail tune last known address of etherustor and any other person entitled to such notice pursuant to this section;
- (b) Posting a similar notice partially describing the paperty, for 20 days successively, in a public place in those unty where the property is situated;
- (c) Publishing a copy of the notitheree times, once each whefor 3 consecutive weeks, in a newspaper of general circulation the county where the property is situated or, if the property is a time whe, by posting a copy of the notice on an Internet website and publishing a statement in a newspaippethe manner required by subsection 3 of NRS 119A.560 and
- (d) If the property is a resident falreclosure, complying with the provisions o NRS 107.087.
- 5. Every sale made under the provision this section and other sections of this chapter vests in the purchaster title of the grantor and successors in interest without equity or right of relemption. A sale made pursuant to this section must be declared void by any court of competentisticion in the county where the sale took place if:

- (a) The trustee or other person authorized to make the sale does not substantially comply with the provisions of this section or any applicable provision 107.086 and 107.087.
- (b) Except as otherwise provided in subsection 6, an action is commenced in the county where the sate ok place within 90 days aften date of the sale; and
- (c) A notice of lis pendens providing invent of the pendency of the action is recorded in the office of the coutry recorder of the coutry where the sale tooksace within 30 days after commencement of the action.
- 6. If proper notice is not provided repuant to subsection of paragraph (a) of subsection 4 to the grantor, those person who holds the tither record on the date the notice of default and election to sell is recorded and trustor or to any other person entitled to such notice, the person who did recorded such proper notice may commence an action pursuant to subsection within 120 days after the date on which the person received actual notice of the sale.
- 7. If, in an action brought by the grantor or the person who holds titleecord in the district court in and for the county in whiche real property is located, the court finds that the beneficiary, the successor in interest of the beneficiary or the trustee did not comply with any requirement of subsection 2, 3 or 4, the court must award to the grantor or the person who holds title of record:
 - (a) Damages of \$5,000 or treble the amount of actual damages, whichever is greater;
- (b) An injunction enjoim the exercise of the power sale until the beneficiary, the successor in interest of the beneficiary or thustee complies with the requirements of subsections 2, 3 and 4; and
 - (c) Reasonable attrey's fees and costs,
- ¬ unless the court finds good cause for a diffile award. The remedy provided in this subsection is in addition to themedy provided insubsection 5.
- 8. The sale of a lease of a dwellimigt of a cooperative hours corporation vests in the purchaser title to the sales in the corporation with accompany the lease.
 - 9. After a sale of property is condend pursuant to this steon, the trustee shall:
- (a) Within 30 days aftethe date of the sale, record threstee's deed upon sale in the office of the county recordent the county in which property is located; or
- (b) Within 20 days aftethe date of the sale, deliver threstee's deed upon sale to the successful bidder. Within 10 days after the datelivery of the deed by the trustee, the successful bidder shall record the trustee's ddepon sale in the ffice of the county recorder of the county in which the property is located.
- 10. If the successful bidder fails **teco**rd the trustee's deexpon sale pursuant to paragraph (b) of subsection the successful bidder:
- (a) Is liable in a civil action to any pathat is a senior lienholder against the property that is the subject of the sale a sum of up to \$500 arfdr reasonable attorney's fees and the costs of bringing the action; and

- (b) Is liable in a civil action for anaectual damages caused the failure to comply with the provisions of subsection 9 and for reasonable attorney's fees and the costs of bringing the action.
- 11. The county recordehall, in addition to any othere, at the time of recording a notice of default and election to sell collect:
 - (a) A fee of \$150 fodeposit in the State General Fund.
- (b) A fee of \$6 for deposit in the Account for Foolesure Mediation, which is hereby created in the State General Fund. The Account be administered by the Court Administrator, and the money in the Accrot may be expended for the purpose of supporting a program of foreclosure mediatestablished by Supreme Court Rule or for any other purpose authorized by the Legislature.
- (c) A fee of \$5 to be paid over to the unty treasurer on derefore the fifth day of each month for the precedingle padar month. The county recorder may direct that 1.5 percent of the fees collected the county recorder paurant to this paragraph be transferred into a special account for use by the office of the county recorder. The county treasurer shall remit quarterly to the organtion operating the prografor legal services that receives the fees charged pursuant 19.03 for the operation of programs for the indigent all the money received from the notion recorder pursuant to this paragraph.
- 12. The fees collected pursuant toappeaphs (a) and (b) collection 11 must be paid over to the county treasurer by the county or before the fifth day of each month for the preceding calendar month, and, exceptitizes wise provided in this subsection, must be placed to the credither State General Fund or the Account for Foreclosure Mediation as preished pursuant to subsection. The county ecorder may direct that 1.5 percent of theese collected by the county county treasurer shall, on or before the 15th day of each onth, remit the fees deposited by the county recorder pursuant to this subsection to the State Collected to the State General Fund or the Account as prescribed in subsection 11.
- 13. The beneficiary, the successoriniterest of the benefizing or the trustee who causes to be recordente notice of default and election stell shall not charge the grantor or the successor in interest of the grantor portion of any fee required to be paid pursuant to subsection 11.
 - 14. As used in this section:
- (a) "Residential foreclosure" meathse sale of a single family residence under a power of sale granted by thisection. As used in this paragraph, "single family residence":
 - (1) Meana structure that is comprised not more than four units.
- (2) Does not include vacated or any time share or other property regulated under chapter 119 af NRS.
 - (b) "Trustee" meanthe trustee of record.

[Part 1:173:1927; A 1949, 70; 1948CL § 7710]—(NRS A \$57, 631; 1959, 10; 1961, 23; 1965, 61,11242; 1967, 198; 1979, \$0,1987, 1644; 1989, 177003, 2893, 2005, 1623, 2007, 2447, 2009, 1003, 1755, 2481, 2789, 2010, 26th Special Session, 7,72011, 332,1748, 3509, 3535, 3654)

NRS 107.080 Trutsee's power of sale: Power conferred; required notices; contents of notarized affidavits; effect of sale; circumstances in which sale must be declared void; civil actions for noncompliance with certain requirements; duty to record; fees. [Effective July 1, 2013.]

- 1. Except as otherwise provided <u>NRS 106.210107.085</u> and <u>107.086</u> if any transfer in trust of any estate in real proposis made after Marc 19, 1927, to secure the performance of an obligation or the paymentany debt, a power of sale is hereby conferred upon the trustee to be exercisited a breach of the bigation for which the transfer is security.
 - 2. The power of sale must not be exercised, however, until:
- (a) Except as otherwise provided in approach (b), in the case of any trust agreement coming into force:
- (1) On or afteJuly 1, 1949, and before July 11957, the granto the person who holds the title of record, a beneficiary undersubordinate deed of ust or any other person who has a subordinate lien or engrammer of record on the property has, for a period of 15 days, computed possescribed in subsection subsection spiled to make good the deficiency in performance or payment; or
- (2) On or after July 1, 1957 grantor, the person wholds the title of record, a beneficiary under a subordinateed of trust or any otherson who has a subordinate lien or encumbrance of record the property has, for a period of 35 days, computed as prescribed in subsection 3ailed to make good the deficiency in performance or payment.
- (b) In the case of any trust agreement which concerns owneccupied housing as defined in NRS 107.086 the grantor, the preson who hold the title of record, a beneficiary under a subordinate ed of trust or any otherson who has a subordinate lien or encumbrance of record on the properties, for a period that commences in the manner and subject to the requirements rities in subsection and expires 5 days before the date of sale, failed to make growth deficiency in performance or payment.
- (c) The beneficiary, the successor in interest of the beneficiary or the trustee first executes and causes to be reedrish the office of the recover of the county wherein the trust property, or some part thereof, is situated notice of the breach and of the election to sell or cause to be sold the property tissistence obligation which, except as otherwise provided in this paragraph, includes a notice of authority to exercise the power of sale stating, based on personal where and under the property of the beneficiary or the trustee first executes and causes to be reedrish the office of the beneficiary or the trustee first executes and causes to be reedrish the office of the beneficiary or the trustee first executes and causes to be reedrish the office of the breach and of the election to sell or cause to be sold the property tissistence of the breach and of the election to sell or cause to be sold the property tissistence of the breach and of the election to sell or cause to be sold the property tissistence of the breach and of the election to sell or cause to be sold the property tissistence of the breach and of the election to sell or cause to be sold the property tissistence of the breach and of the election to sell or cause to be sold the property tissistence of the breach and of the election to sell or cause to be sold the property tissistence of the breach and of the election to sell or cause to be sold the property tissistence of the breach and the election to sell or cause to be sold the election to sell or cause to be sold the property tissistence of the breach and the election to sell or cause to be sold the election to sell or cause to be sold the election to sell or cause to be sold the election to sell or cause to be sold the election to sell or cause to be sold the election to sell or cause to be sold the election to sell or cause to be sold the election to sell or cause to be sold the election to sell or cause to be sold the election to sell or cause to be sold the election to sell or cause to be so
- (1) The full name and business dress of the trustee or the trustee's personal representative or assignee, the current holder continue secured by the trustee of trust, the

current beneficiary of recording the servicers of the obligation or debt secured by the deed of trust;

- (2) The full name and sla known business address of every prior known beneficiary of the deed of trust;
- (3) That the beneficiary under tideed of trust, the scressor in interest of the beneficiary or the trustee is in actual **ons**tructive possession of the note secured by the deed of trust;
- (4) That the trustee has the aulthor exercise the power of sale with respect to the property pursuant to the instruction of the efficiency of record and the current holder of the note secured the deed of trust;
- (5) The amount in default,ethprincipal amount of the dightion or debt secured by the deed of trust, a good faith estimatallofees imposed and to be imposed because of the default and the costs and fees chargebole debtor in connection with the exercise of the power of sale; and
- (6) The date, recordation number or other unique designoaft the instrument that conveyed the interest each beneficiary and a destrion of the instrument that conveyed the interest of each beneficiary.
- ¬ The affidavit described in this paraghaps not required for the exercise of the trustee's power of sale with respect to a trust agreement which oncerns a time share within a time share plan created pursuand that a plan of NRS if the power of sale is being exercised for the initial beneficiary und deed of trust or an affiliate of the initial beneficiary.
 - (d) Not less than 3 months hælepsed after the recording of the notice.
- 3. The 15- or 35-day period provided paragraph (a) of substion 2, or the period provided in paragraph (b) of subsection 2 mmences on the first day following the day upon which the notice of default and electionsell is recorded in the office of the county recorder of the ounty in which the property is located and oppy of the notice of default and election to sell is mailed by satisfied or certified mail, return receipt requested and with postage prepaid to the total record, to the person who holds the title of record on the date the notice of default all election to sell is content, and, if the property is operated assfacility licensed under hapter 44 of NRS, to the State Board of Health, at their respective addresses, in when, otherwise to the address of the trust property. The notice of default and election to sell must:
- (a) Describe the deficiency in perforance or payment and may contain a notice of intent to declare the entire unpaid balandue if acceleration permitted by the obligation secured by the deedtrust, but acceleration mustot occur if the deficiency in performance or payment is cheagood and any costs, feets deepenses incident to the preparation or recordation the notice and incident to threaking good of the deficiency in performance or paymenteepaid within the time specified in subsection 2; and
- (b) If the property is a residential recolorure, comply with the provisions MRS 107.087

- 4. The trustee, or other person authout to make the sale under the terms of the trust deed or transfer in trust, shall, afterperation of the 3-month period following the recording of the notice of breacand election to sell, and before the making of the sale, give notice of the time and place thereofreprording the notice of sale and by:
- (a) Providing the notice to each trusteny other person entitled to notice pursuant to this section and, if the property experated as a facility licensed undeapter 449of NRS, the State Board of leth, by personal servicer by mailing the notice by registered or certified mail the last known address of etherustor and any other person entitled to such notice pursuant to this section;
- (b) Posting a similar notice partially describing the paperty, for 20 days successively, in a public place in those unty where the property is situated;
- (c) Publishing a copy of the notitheree times, once each whefor 3 consecutive weeks, in a newspaper of general circulation the county where the property is situated or, if the property is a time whe, by posting a copy of the notice on an Internet website and publishing a statement in a newspaip the manner required by subsection 3 of NRS 119A.560 and
- (d) If the property is a resident falreclosure, complying with the provisions o NRS 107.087
- 5. Every sale made under the provision this section and other sections of this chapter vests in the purchastere title of the grantor and successors in interest without equity or right of retemption. A sale made pursuant to this section must be declared void by any court of competentisticion in the county where the sale took place if:
- (a) The trustee or other person authorized to make the sale does not substantially comply with the provisions of this section or any applicable provision NRS 107.086 and 107.087,
- (b) Except as otherwise provided in subsection 6, an action is commenced in the county where the sale place within 90 days aften date of the sale; and
- (c) A notice of lis pendens providing invext of the pendency of the action is recorded in the office of the country recorder of the country where the sale toopstace within 30 days after commencement of the action.
- 6. If proper notice is not provided repuant to subsection or paragraph (a) of subsection 4 to the grantor, those person who holds the tither record on the date the notice of default and election to sell is recorded trustor or to any other person entitled to such notice, the person who did recorded such proper notice may commence an action pursuant to subsect within 120 days after the date on which the person received actual notice of the sale.
- 7. If, in an action brought by the grantor or the person who holds titleecord in the district court in and for the county in whithe real property is located, the court finds that the beneficiary, the successor in interest of the beneficiary or the trustee did not

comply with any requirement of subsection 2, 3 or 4, the court must award to the grantor or the person who hads title of record:

- (a) Damages of \$5,000 or treble the amount of actual damages, whichever is greater;
- (b) An injunction enjoim the exercise of the power stale until the beneficiary, the successor in interest of the beneficiary or thustee complies with the requirements of subsections 2, 3 and 4; and
 - (c) Reasonable attrey's fees and costs,
- ¬ unless the court finds good cause for a diffile award. The remedy provided in this subsection is in addition to threemedy provided insubsection 5.
- 8. The sale of a lease of a dwelling of a cooperative hours corporation vests in the purchaser title to the sales in the corporation with accompany the lease.
 - 9. After a sale of property is condend pursuant to this steon, the trustee shall:
- (a) Within 30 days aftethe date of the sale, record threstee's deed upon sale in the office of the county recordent the county in which the property is located; or
- (b) Within 20 days aftethe date of the sale, deliver threstee's deed upon sale to the successful bidder. Within 10 days after the datelivery of the deed by the trustee, the successful bidder shall record the trustee's ddepon sale in the ffice of the county recorder of the county in which the property is located.
- 10. If the successful bidder fails tecord the trustee's deemon sale pursuant to paragraph (b) of subsection the successful bidder:
- (a) Is liable in a civil action to any pathat is a senior lienholder against the property that is the subject of the sale a sum of up to \$500 arfdr reasonable attorney's fees and the costs of bringing the action; and
- (b) Is liable in a civil action for anactual damages caused the failure to comply with the provisions of subsection 9 and for reasonable attorney's fees and the costs of bringing the action.
- 11. The county recordehall, in addition to any othere, at the time of recording a notice of default and election to sell collect:
 - (a) A fee of \$150 fodeposit in the State General Fund.
- (b) A fee of \$5 for deposit in the Account for Foodesure Mediation, which is hereby created in the State General Fund. The Accountable administered by the Court Administrator, and the money in the Accountable be expended on for the purpose of supporting a program of foreclosure meticin established by Supreme Court Rule.
- (c) A fee of \$5 to be paid over to the unty treasurer on direct the fifth day of each month for the precedingle and ar month. The county recorder may direct that 1.5 percent of the fees collected the county recorder paurant to this paragraph be transferred into a special account for use by the office of the county recorder. The county treasurer shall remit quarterly to the organtion operating the prografor legal services that receives the fees charged pursuant to the operation of programs for the indigent all the money received from the notion recorder pursuant to this paragraph.

- 12. The fees collected pursuant toappaaphs (a) and (b) collection 11 must be paid over to the county treasurer by the county or or before the fifth day of each month for the preceding calendar month, and, exceptitizes wise provided in this subsection, must be placed to the credither State General Fund or the Account for Foreclosure Mediation as preisberd pursuant to subsection. The county ecorder may direct that 1.5 percent of three collected by the county county treasurer shall, on or before the 15th day of each onth, remit the fees deposited by the county recorder pursuant to this subsection to the State Collected to the State General Fund or the Account as prescribed in subsection 11.
- 13. The beneficiary, the successor interest of the beneficiary or the trustee who causes to be recordence notice of default and election stell shall not charge the grantor or the successor in interest of the grantor portion of any fee required to be paid pursuant to subsection 11.
 - 14. As used in this section:
- (a) "Residential foreclosure" meathse sale of a single family residence under a power of sale granted by thisection. As used in this paragraph, "single family residence":
 - (1) Meana structure that is comprised not more than four units.
- (2) Does not include vacatand or any time share or other property regulated under chapter 119 ft NRS.
 - (b) "Trustee" meanthe trustee of record.

[Part 1:173:1927; A 1949, 70; 1948CL § 7710]—(NRS A \$57, 631; 1959, 10; 1961, 23; 1965, 61,11242; 1967, 198; 1979, \$0,1987, 1644; 1989, 177003, 2893, 2005, 16232007, 24472009, 10031755, 2481, 2789, 2010, 26th Special Session, 7,72011, 332,1748, 3509,3535, 3654, effective July 1, 2013)

NRS 107.081 Time and place of lsa agent holding sale not to be purchaser.

- 1. All sales of property pursuant <u>McS 107.08</u> must be made at auction to the highest bidder and must be made between hours of 9 a.mand 5 p.m. The agent holding the sale must not become a purchastereastale or be interested in any purchase at such a sale.
 - 2. All sales of real property must be made:
- (a) In a county with population of less than 100,000,tate courthousen the county in which the property or some art thereof is situated.
- (b) In a county with a population of 100,000 or more, at the public location in the county designated by the governing bootythe county forthat purpose.

(Added to NRS by 2005, 16)20

NRS 107.082 Oral postponement of sale.

1. If a sale of property pursuant NES 107.080's postponed by oral proclamation, the sale must be postponed to a late at the same time and location.

2. If such a sale has been post**plologe** oral proclamation three times, any new sale information must be provided by notice as provide <u>blacks 107.08</u>0

(Added to NRS by 2005, 16)21

NRS 107.083 Proceedings aftpurchaser refusesto pay amount bid.

- 1. If a purchaser refuses to pay atmeount the purchaser bid for the property struck off at a sale pursuant <u>toRS 107.08</u>0 the agent may again selbtproperty to the highest bidder, after again giving the notice previously provided.
- 2. If any loss is incurred from the purce passefusing to pay the amount of the bid, the agent may recover the amount of the loss, with costs, for the benefit of the party aggrieved, by motion upon previous notice of 5 days to the pataser, before any court of competent jurisdiction.
- 3. The court shall proceed in ammaary manner in the height and disposition of such a motion, and give judgment and is some cution therefor followith, but the refusing purchaser may request a jury. The same continuous may be had asignst any subsequent purchaser who refuses to pay, and the agreent, in the agent's discretion, thereafter reject the bid of amperson so refusing.
- 4. An agent is not liable for any aunt other than the amoubid by the second or subsequent purchaser and the amount collected the purchaser who refused to pay. (Added to NRS by 2005, 16)21

NRS 107.084 Penalty for remoing or defacing notice of sale. It is unlawful for a person to willfully remove or deface a notice posted speam to subsection 4 MRS 107.080 if done before the sale or, if the defais satisfied before the sale, before the satisfaction of the default. In addition toyanther penalty, any poson who violates this section is liable in the amount of \$5000 any person aggrieved by the removal or defacing of the notice.

(Added to NRS by 2005, 16,2A) 2009, 279)

NRS 107.085 Restrictions on trustes power of sale concerning certain trust agreements: Applicability; service of notice; scheduling of date of sale; form of notice; judicial foreclosure not prohibited; "unfair lending practice" defined.

- 1. With regard to a transfer in **truss** an estate in real property to secure the performance of an obligation or the paymenta debt, the provisions of this section apply to the exercise of a power of sale pursuanted 107.080 only if:
- (a) The trust agreement becomes eiffecton or after Octobre1, 2003, and, on the date the trust agreement is made, the trustemment is subject to the provisions of § 152 of the Home Ownership and Equity ProtentiAct of 1994, 15 U.S.C. § 1602(bb), and the regulations adopted by the Board of vertical Reserve System pursuant thereto, including, without itation, 12 C.F.R. § 226.32; or
 - (b) The trust agreement conceonumer-occupied hours as defined in NRS 107.086
 - 2. The trustee shall not exercise a power of sale pursula Rtsd 07.08 Junless:

- (a) In the manner required by subsection 3, not later than 60betays the date of the sale, the trustee causes to be served three ograntor or the poson who holds the title of record a notice in the forotescribed in subsection 3; and
- (b) If an action is filed in a court **o**bmpetent jurisdiction claiming an unfair lending practice in connection with theutst agreement, the date of the less than 30 days after the date the most recent such action is filed.
 - 3. The notice described in subsection 2 must be:
 - (a) Served upon the grantor or the person witholds the title of record:
- (1) Except as otherwise prostidin subparagraph (2), topersonal service or, if personal service cannot be timely effected, but nother manner as a court determines is reasonably calculated to afformatice to the grantor or the person who hathats title of record: or
- (2) If the trust agreement owner-occupied housing as define 107.086
 - (I) By personal service;
- (II) If the grantor or the person who holds tittle of record is absent from his or her place of residence or from his or beual place of business, by leaving a copy with a person of suitable agand discretion at either apple and mailing a copy to the grantor or the person who holds the title of relocat his or her place of residence or place of business; or
- (III) If the place of residence or business cannot desertaisned, or a person of suitable age or discretion can those found there, by posting capy in a conspicuous place on the trust property, delivering copy to a person there since in the person can be found and mailing a copy to those antor or the person who held the title of record at the place where the trust property is situated; and
- (b) In substantially the following formwith the applicable elephone numbers and mailing addresses provided on the notice and, except as otherwise provided in subsection 4, a copy of the promisson te attached to the notice:

NOTICE YOU ARE IN DANGER OF LOSING YOUR HOME!

YOU MAY HAVE A RIGHT TO PARTICIPATE IN THE STATE OF NEVADA FORECLOSURE MEDIATION PROGRIM IF THE TIME TO REQUEST MEDIATION HAS NOT EXPIRED!

Your home loan is being foreclosed. not less than 60 days your home may be sold and you may be forced move. For help, call:

State of Nevada Foreclosure Mediation Prog	ram
Consumer Credit Couseling	

The Attorney Genral	
The Division of Mortgage Lending	
The Division of Financialnstitutions	
Legal Services	
Your Lender	
Nevada Fair Housing Center	

- 4. The trustee shall cause all social security numbers to be redacted from the copy of the promissory note before it is attached to the notions uant to paragraph (b) of subsection 3.
 - 5. This section does not only it is judicial foreclosure.
- 6. As used in this section, "unfaint nding practice" means aumfair lending practice described in NRS 598D.01 (to 598D.150) inclusive.

(Added to NRS by 2003, 28,9\) 2009, 17572791, 2011, 16812031)

NRS 107.086 Additional requiremets for sale of owner-occupied housing: Notice; form; election of mediation; adoption of rules concerning mediation; applicability.

- 1. In addition to the requirements NORS 107.085 the exercise of the power of sale pursuant to NRS 107.080 with respect to any trust agreement which concerns owner-occupied housing is subject to the total concerns of this section.
- 2. The trustee shall not exist a power of sale pursuant to 107.08 unless the trustee:
- (a) Includes with the notice of defta and election to sell which is mailed to the grantor or the person who holds the title of recordersuired by subsection 3 oNRS 107.080
- (1) Contact information whidthe grantor or the personnho holds the title of record may use to reach a person withhautty to negotiate a loan modification on behalf of the beneficiary of the deed of trust;
- (2) Contact information for at least one local housing sceling agency approved by the United States Department Housing and Uran Development:
- (3) A notice provided by the Mation Administrator indiating that the grantor or the person who holds the title record has the right toesk mediation pursuant to this section; and
- (4) A form uporwhich the grantor of the person who holds thitle of record may indicate an election to enter into mediation waive mediation pursuant to this section and one envelope addressed to the trustlesse envelope addressed to the Mediation Administrator, which the grantor the person who holds thitle of record may use to comply with the provisions of subsection 3;
 - (b) Serves a copy of the notions on the Mediation Administrator; and

- (c) Causes to be recorded in the officehe recorder of theorement in which the trust property, or some part thereof, is situated:
- (1) The certificate provided those trustee by the Mediation Administrator pursuant to subsection 3 or Which provides that no mediations required in the matter; or
- (2) The certificate provided the trustee by the Mediation Administrator pursuant to subsection 7 which proved that mediation has been completed in the matter.
- 3. The grantor or the person who hathas title of record shall, not later than 30 days after service of the notice in the manner required 107.080 complete the form required by subparagraph (4) postragraph (a) of subsectional dreturn the form to the trustee by certified mail, return receipt reques If the grantor of the person who holds the title of record indicates on the form a mecesion to enter into notication, the trustee shall notify the beneficiary of the deed of trand every other person with an interest as defined in NRS 107.090 by certified mail, return receipt requested, of the election of the grantor or the person who holdse title of record to enter into mediation and file the form with the Mediation Admiistrator, who shall assign the matter to a senior justice, judge, hearing master or other designees whe dule the matter for mediation. No further action may be taken texercise the power of sale untiltbompletion of the mediation. If the grantor or the person whole the title of record indicate on the form an election to waive mediation or fails to retto the form to the trustee as required by this subsection, the trustee shall execute an affidavit attesting to that fact undaltypef perjury and serve a copy of the affidavit, together with e waiver of mediation by the grantor or the person who holds the title of record, or prob service on the grantor or the person who holds the title of record of the notice remed by subsection 2 of this section and subsection 3 of RS 107.080 upon the Mediation Administrator. Upon receipt of the affidavit and the waiver or proof of servide Mediation Administator shall provide to the trustee a certificate whichovides that no mediation is required in the matter.
- 4. Each mediation required by this section must be conducted by a senior justice, judge, hearing master or other designersuant to the rules dopted pursuant to subsection 8. The beneficiary the deed of trust or representative shall attend the mediation. The grantor or apresentative shall attend the mediation if the person who holds the title of record or a representative shall attend the mediation if the person who holds the title of ordered to enter into mediation. The beneficiary of the deed of trust shall bring the mediation the original or a certified copy of the deed of trust, then the deed of trust is represented at the mediation by another person that person must have authority to negotiate a loan modification on behalf of the beneficiary of the deed of trust or have access at all times during the mediation to a person with such authority.
- 5. If the beneficiary of the deed to fust or the representative fails to attend the mediation, fails to participate in the mediation in good faith or des not bring to the mediation each document required by subsect or does not have authority or

access to a person with the authy required by subsection the mediator shall prepare and submit to the Mation Administrator a petitioand recommendation concerning the imposition of sanctions againstet beneficiary of the deed of trust or the representative. The court may issue an order imposing such sanctions against the beneficiary of the deed of trust or the representative as the code termines appropriate, including, without limitation, requiring a loan modification in the manner determined proper by the court.

- 6. If the grantor or the person who drsolthe title of record elected to enter into mediation and fails to attendethmediation, the Mediation Andinistrator shall provide to the trustee a certificate which states throatmediation is required in the matter.
- 7. If the mediator determines that precise, while acting ingood faith, are not able to agree to a loan modification, the mediator shall prepare and submit to the Mediation Administrator a recommendation that the matter be terminated. The Mediation Administrator shall provide to the truster extificate which provides that the mediation required by this section has en completed in the matter.
- 8. The Supreme Court shall adopt rulesessary to carry outethprovisions of this section. The rules must, with blimitation, include provisions:
- (a) Designating an entity to serve the Mediation Administrator pursuant to this section. The entities that may be sosignated include, without limitation, the Administrative Office of the Courts, the districtourt of the country which the property is situated or any other judicial entity.
 - (b) Ensuring that mediations occur in an orderly and timely manner.
- (c) Requiring each party to a mediatton provide such information as the mediator determines necessary.
- (d) Establishing procedures to protter mediation process from abuse and to ensure that each party to the mediation acts in good faith.
- (e) Establishing a total fee of not mothern \$400 that may be charged and collected by the Mediation Administrator for mediati services pursuant to this section and providing that the resonsibility for payment of the feenust be shared equally by the parties to the mediation.
- 9. Except as otherwise provided in sauthison 11, the provisions of this section do not apply if:
- (a) The grantor or the person wholds the title of record has surrendered the property, as evidenced a letter confirming the surrender delivery of the keys to the property to the trustee, the beneficiary the deed of trust or the mortgagee, or an authorized agent thereof; or
- (b) A petition in bankruptchas been filed with respett the grantor or the person who holds the title of record undchapter 7, 11, 12 or 13 oftle 11 of the United States Code and the bankruptcy court has not enteredrder closing or dimissing the case or granting relief from a stay of foreclosure.
 - 10. A noncommercial lender is noteleded from the application of this section.

- 11. The Mediation Administrator and earnbediator who acts pursuant to this section in good faith and without gress negligence are immune from il liability for those acts.
 - 12. As used in this section:
- (a) "Mediation Administrator" mearts entity so designated pursuant to subsection 8.
- (b) "Noncommercial lender" means a lendenich makes a loan seered by a deed of trust on owner-occupied housing which is not a bank, number institution or other entity regulated pursuant tible 55 or 56 of NRS.
- (c) "Owner-occupied housing" meansulsing that is occupied an owner as the owner's primary residence. The term does include vacant land or any time share or other property regulated underapter 119 Aof NRS.

(Added to NRS b2009, 1752A 2011, 16832033 3538)

NRS 107.087 Notice of default and spain residential foreclosure: Requirements.

- 1. In addition to the requirements <u>NORS 107.08</u>0 if the sale of property is a residential foreclosure, a copy of the noticedefault and election to sell and the notice of sale must:
 - (a) Be posted in a conspicuousce on the property not later than:
 - (1) For a notice of default anedion to sell, 100 days before the date of sale; or
 - (2) For a notice of sale, 15 days before the date of sale; and
 - (b) Include, without limitation:
 - (1) The physal address of the property; and
- (2) The contact information **tofe** trustee or the pers**co**nducting the foreclosure who is authorized to provide information relating to the foreclosure status of the property.
- 2. In addition to the requirements Notes 107.08,4 the notices must not be defaced or removed until the transfer of title is recorded or the property of the sale, whichever is earlier.
- 3. A separate notice must be posted in a conspicuous place on the property and mailed, with a certificate of mailing issued **thye** United States Postal Service or another mail delivery service, to any tenant or substem if any, other than the grantor or the grantor's successor in interest, in actualcupcation of the premises not later than 3 business days after the notice of the salegiven pursuant to subsection $4 \, \underline{\text{MRS}}$ $\underline{107.080}$ The separate notice must besimbstantially the following form:

NOTICE TO TENANTS OF THE PROPERTY

Foreclosure proceedings against this property estarted, and a notice of sale of the property to the highest bidder has been issued.

You may either: (1) terminate your leaser **e**ntal agreement and move out; or (2) remain and possibly be subjetct eviction proceedings und<u>elnapter 4</u>0of the

Nevada Revised Statutes. Any subt**es**amay also be subject to eviction proceedings.

Between now and the date of the sale, you breaevicted if you fail to pay rent or live up to your other obligations to the landlord.

After the date of the sale, you may be **texib**cif you fail to pay rent or live up to your other obligations to the successful bidder, inaccordance with the Nevada Revised Statutes.

Under the Nevada Riesed Statutes eviction proceinents may be gri against you after you have been given a notice to quit.

If the property is sold and you pay rent by threek or another period of time that is shorter than 1 month, you should gertly receive notice after not less than the number of days in that period of time.

If the property is sold anylou pay rent by the month any other period of time that is 1 month or longer, you should greatly receive notice at least 60 days in advance.

Under Nevada Revised Stætst 40.280, notice must generally be served on you pursuant to chapter 40of the Nevada Revised Stæts and may be served by:

- (1) Delivering a copy to yoppersonally in the presence of a witness;
- (2) If you are absent from your person residence or usual place of business, leaving a copy with a person of suitable and discretion at either place and mailing a copy to you at your place f residence or business; or
- (3) If your place of residence **bu**siness cannot be ascertained, or a person of suitable age or discretion cannot be fouther, posting a copy in a conspicuous place on the leased property indering a copy to a person residing there, if a person can be found, and mailing a copy to youthest place where the leased property is.

If the property is sold and a landlord, csessful bidder or subsequent purchaser files an eviction action against you in courson will be served with a summons and complaint and have the opportunity tespond. Eviction actions may result in temporary evictions, permanent evictions awarding of damages pursuant to Nevada Revised Statutes 40.36 come combination of those results.

Under the Justice Court Rules of Civil Procedure:

(1) You will be given at least0 days to answersaummons and complaint;

- (2) If you do not file an ansaw, an order evicting you by default may be obtained against you;
- (3) A hearing regarding a temporærviction may be called as soon as 11 days after you are served with the summons and complaint; and
- (4) A hearing regarding a permanemiction may be called as soon as 20 days after you are served with the summons and complaint.
- 4. The posting of a notice required this section must be completed by a process server licensed pursuant <u>atbapter 64</u> for NRS or any constable or sheriff.
- 5. As used in this section, "residial foreclosure" has themeaning ascribed to it in $\frac{NRS}{107.080}$

(Added to NRS by 2009, 27,84 2011, 354))

NRS 107.090 Request for notice of efault and sale: Reording and contents; mailing of notice; request by homeownes' association; effect of request.

- 1. As used in this section, "perswith an interest" measurany person who has or claims any right, title or interest in, or lien charge upon, the real property described in the deed of trust, as evidenced by any documents trument record in the office of the county recorder of the county in which any part of the real property is situated.
- 2. A person with an interest or antheort person who is or may be held liable for any debt secured by a lien on theoperty desiring a copy of natice of default or notice of sale under a deed of trust with power of sale upon respleptly may at any time after recordation of the deed of trust record in the trust record in the county recorder of the county in which any part of the real prepty is situated an acknowledge request for copy of the notice of default or of sale. The request must state the name and address of the person requesting copies of the notices didentify the deed ftrust by stating the names of the parties thereto, the date of recordation the book and page where it is recorded.
- 3. The trustee or person authorized toord the notice of desult shall, within 10 days after the notice of default is recorded and mailed pursual 107.08 Cause to be deposited in the United States and an envelope, registered or certified, return receipt requested and with postage prepaid, containing a copy of the notice, addressed to:
 - (a) Each person who has recorderequest for a copy of the notice; and
- (b) Each other person with interest whose interest daimed interest is subordinate to the deed of trust.
- 4. The trustee or person authorize that the sale shall, betast 20 days before the date of sale, cause to be deposited in the ted States mail an envelope, registered or certified, return receipt requested and with the stage prepaid, containing a copy of the notice of time and place of sale, addressee that person describe subsection 3.
- 5. An association may record in the digest of the county regreder of the county in which a unit governed by the sociation is situated an acknowledged request for a copy

of the deed upon sale of the unit pursuanta todeed of trust. A request recorded by an association must include, without limitation:

- (a) A legal description of the unit the assessor's parcel number of the unit;
- (b) The name and address of the association; and
- (c) A statement that theoreest is made by an association.
- 6. A request recorded by an axistion pursuant to substion 5 regarding a unit supersedes all previous requests recorded the association pursuant to subsection 5 regarding the unit.
- 7. If a trustee or person authorized toord a notice of detalt records the notice of default for a unit regarding which an association has recorded a request pursuant to subsection 5, the trustee orthanized person shall mail to a association a copy of the deed upon the sale of the unit pursuant to a deed trust within 15 days after the trustee records the deed pon the sale of the unit.
- 8. No request recorded pursuant temphovisions of subsection 5 affects the title to real property, and failure to mail a copythe deed upon the sale of the unit after a request is made by an association pursuant basection 5 does not feet the title to real property.
 - 9. As used in this section:
 - (a) "Association" hathe meaning ascribed to it MRS 116.01.1
 - (b) "Unit" has themeaning ascribed to it MRS 116.093

(Added to NRS by 1961, 74A 1969, 42, 95; 1989, 644, 17722)01, 175,12009, 1012)

NRS 107.095 Notice of default: Mailingo guarantor or surety of debt; effect of failure to give.

- 1. The notice of default required NRS 107.080 must also be sent by registered or certified mail, return receipt requested anidhwpostage prepaid peach guarantor or surety of the debt. If the address of the guarant surety is unknown, the notice must be sent to the address of the trust property. Faito give the notice, except as otherwise provided in subsection 3, releases the guarantor or surentyhisoor her obligation to the beneficiary, but does not affect the lidity of a sale conducted pursuant NRS 107.080 or the obligation of any guarantor or surety to whom the notice was properly given.
- 2. Failure to give the notice of default required 107.090 except as otherwise provided in subsection 3, releases the obligation to the ibiamy of any person who has complied with 107.09 and who is or may otherwise beld liable for the debt or other obligation secured by the edeof trust, but such a failure on the validity of a sale conducted pursuant 107.08 for the obligation of any person to whom the notice was properly given pursuant to this section or to 107.08 for 107.090
 - 3. A guarantor, surety or other obligion not released pursuant to this section if:
 - (a) The required notice is givenleast 15 days before the later of:

- (1) The expiration of the 15 or 35-day period described in paragraph (a) of subsection 2 of NRS 107.080
- (2) In the case of any truzgreement which concerps wher-occupied housing as defined in NRS 107.08 the expiration of the periodescribed in paragraph (b) of subsection 2 of NRS 107.08 or
 - (3) Any etension of the applicable ped by the beneficiary; or
 - (b) The notice is rescinderefore the sale is advertised.

(Added to NRS by 1989, 1770; £2009, 175)

NRS 107.100 Receive Appointment after filing notice of breach and election to sell.

- 1. At any time after the filing of a time of breach and election to sell real property under a power of sale contained airded of trust, the truster beneficiary of the deed of trust may apply to the district court for the property in which the property any part of the property is located for appointment of a receiver of such property.
- 2. A receiver shall be appointed white responsible to the deed of trust is in danger being lost, removed, materially juried or destroyed, that real property subject to the deed to tist is in danger of substantial waste or that the income therefrom is in danger of being lost, or the property is or make come insufficient to discharge the debt which it secures.

(Added to NRS by 1965, 252)

NRS 107.110 Maintenance of reside al property purchased at trustee's sale.

- 1. Any vacant residential propertyrphased or acquired by a person at a trustee's sale pursuant to 107.080 must be maintained by that person in accordance with subsection 2.
- 2. In addition to complying with any othe ordinance or rule as required by the applicable governmental entity, the purchase all strare for the exterior of the property, including, without limitation:
- (a) Limiting the excessive growth of foliage which would otherwise diminish the value of that property or of the surrounding properties;
 - (b) Preventing trespassers remaining on the property;
 - (c) Preventing mosquito larvarem growing in standing water; and
 - (d) Preventing any other cotton that creates a public nuisance.
- 3. If a person violates subsectionthe applicable governmententity shall mail to the last known address of the person, by certified mail, a notice:
 - (a) Describing the violation;
- (b) Informing the person that a civil penalty may becised pursuant to this section unless the person acts to correction within 14 days fter the date of receipt of the notice and completes the correction within 30 dates the date of receipt of the notice; and

- (c) Informing the person that he she may contest the allegation pursuant to subsection 4.
- 4. If a person, within 5 days afte notice is mailed to the person pursuant to subsection 3, requests a hearing to contest the allegation of subsection 2, the applicable governmental tiens shall apply for a hearing efore a court of competent jurisdiction.
- 5. Except as otherwise provided in section 8, in addition teny other penalty, the applicable governmental entity may imposeival penalty of notmore than \$1,000 per day for a violation of subsection 2:
- (a) Commencing on the day following the expiration of time described in subsection 3; or
- (b) If the person requested a heapingsuant to subsection 4, commencing on the day following a determination by the court invitor of the applicable governmental entity.
- 6. The applicable governmental tity may waive or extend the period of time described in subsection 3 if:
- (a) The person to whom a notice integeursuant to subsection makes a good faith effort to correct the violation; and
 - (b) The violation cannot be corrected in period of time described in subsection 3.
- 7. Any penalty collected by the palicable governmental entity pursuant to this section must be directed to local nuisance abatement programs.
- 8. The applicable governmental entitipay not assess any penalty pursuant to this section in addition to any pelipaprescribed by a local ordinae. This section shall not be deemed to preempt any local ordinance.
- 9. If the applicable governmental entity assesses any penaltrantum such is section, any lien related thereto must be recordethe office of the county recorder.
 - 10. As used in this section applicable governmental entity" means:
- (a) If the property is in the boundaries of a citythe governing bodyof the city; and
- (b) If the property is not within the boundaries of city, the board of county commissioners of the county withich the property is located.

(Added to NRS by 2009, 27)87

STATEMENT FROM BENEFICIARY OF DEED OF TRUST

NRS 107.200 Contents of stateent regarding debt secured by deed of trust. Except as otherwise provided NRS 107.230 the beneficiary of a deed of trust secured on or after October 1, 1995, shall, within 21 days after receiving a request from a person authorized to make such a request pursual to 107.220 cause to be mailed, postage prepaid, or sent by facsimile miaetho that person a statement regarding the debt secured by the deed of str. The statement must include:

- 1. The amount of the unpaid balancether debt secured by the deed of trust, the rate of interest on the unpaid barace and the total amount of principal and interest which is due and has not been paid.
 - 2. The amount of the periodicypaents, if any, required under the note.
 - 3. The date the payment of the debt is due.
- 4. The period for which real estates and special assessments have been paid, if that information is known to the beneficiary.
- 5. The amount of property insurancovering the real property and the term and premium of that insurancie, that information is known to the beneficiary.
- 6. The amount in an account, if anyaintained for the accumulation of money for the payment of taxes and insurance premiums.
- 7. The amount of any additional chargessts or expenses paid or incurred by the beneficiary which is a lien on the reabperty described in the deed of trust.
- 8. Whether the debt secured by the deed of trust may be trads a person other than the grantor.

(Added tdNRS by 1995, 1519)

NRS 107.210 Contents of statement amount necessary to discharge debt secured by deed of trust. Except as otherwise provided NHRS 107.23 (and 107.240) the beneficiary of a deed of trust securedoonafter October 11995, shall, within 21 days after receiving a request from a persothorized to make such a request pursuant to NRS 107.220 cause to be mailed, postage preparids ent by facsimile machine to that person a statement of the amount necessarise to debt secured by the deed of trust. The statement must set forth:

- 1. The identity of the trustee or the trustee's personner presentative or assignee, the current holder of the note secured by the defendust, the beneficiary of record and the servicers of the obligation or destateured by the deed of trust;
- 2. The amount of money necessary sochdarge the debt secured by the deed of trust on the date the statement is pared by the beneficiary;
- 3. The information excessary to determine the amountmoney required to discharge the debt on a per diem basis for a period, too exceed 30 days, fter the statement is prepared by the beneficiary; and
- 4. If the debt is in default, the mount in default, the principal amount of the obligation or debt secured the deed of trust, the interest accrued and unpaid on the obligation or debt secured the deed of trust, all feets posed because of the default and the costs and fees charged to the denotes more tion with the exercise of the power of sale.

(Added to NRS by 1995, 1519; A2011, 3361748)

NRS 107.220 Personauthorized to request statement from beneficiary; proof of identity of successor in interest.

1. A statement describedNiRS 107.200 r 107.210 may be requested by:

- (a) The grantor of, or a successor in interest in, the pyopobich is the subject of the deed of trust;
- (b) A person who has a subordinate limenencumbrance of record on the property which is secured by the deed of trust;
 - (c) A title insurer; or
 - (d) An authorized agent of anyrsen described in parægrh (a), (b) or (c).
- ¬ A written statement signed by any personadioned in paragraph (a), (b) or (c) which appoints a person to serve a senatogif delivered personally to be beneficiary or delivered by mail, return receipt requested pissof of the identity of an agent.
- 2. For the purposes of paragraph of subsection 1, a toy of title insurance, preliminary report issued by a title company, certified copyletters testamentary or letters of guardianship, or an original photographic copy of a deed, if delivered personally to the beneficiary delivered by mail, return requirequested, is proof of the identity of a successor interest of the grator, if the person demained the statement is named as successor in irrets in the document.

(Added tdNRS by 1995, 1519)

NRS 107.230 Proof of aborization to request statement. A beneficiary may, before mailing a statement described 107.20 for 107.210 require the person who requested the statement to proble the person is authorized request that statement pursuant to 107.220 If the beneficiary requires surproof, the beneficiary must mail the statement within 21 days afteceiving proof from the requester.

(Added toNRS by 1995, 1520)

NRS 107.240 Grounds forefusal to deliver statement. If the debt secured by a deed of trust for which a statement describe 107.21 has been requested is subject to a recorded notice of default a priled complaint commencing a judicial foreclosure, the beneficiary may refuse to deliver the statement unless the written request for the statement is received before the publica of a notice of sale or the notice of the date of sale established by a court.

(Added toNRS by 1995, 1520)

NRS 107.250 Reliance upon acracy of statement and amended statement; notification of amended statement; recovery of money by beneficiary if statement is deficient.

1. A person who receives a statement pursual 107.20 for 107.21 may rely upon the accuracy of the formation contained in the statement. If the beneficiary notifies the person who requested the statement amendment to the statement, the amended statement may be relied upon by the atom in the same manner as the original statement.

- 2. If notification of an amendmetrot a statement is not voting in writing, a written amendment to the statement stribe delivered to the pers who requested the original statement not later than the next siness day after notification.
- 3. If a statement prepared by the beneficiary pursual 107.20 does not contain the entire amount necessisto discharge the debt care by the deed of trust and:
- (a) A transaction has occurred which hemsulted in the transfer of title or recordation of a lien; or
 - (b) A trustee's sale or a sale pervised by a court has taken place,
- ¬ the beneficiary may recover that moneya as unsecured debt the grantor pursuant to the terms of the note.

(Added toNRS by 1995, 1520)

NRS 107.260 Copy of note ored of trust for authorized requester. If a person who is authorized pursuant NRS 107.220 request a statement described NRS 107.220 or 107.210 includes in the request for such statement a request for a copy of the note or deed of trust, the note or deed of trust with the statement at no additional charge.

(Added tdNRS by 1995, 1520)

NRS 107.270 Address to which request for statement must be mailed. If the beneficiary has more than one place of increases, a request for a statement described in NRS 107.20 for 107.210 must be made to the address to which the periodic payments under the note are made. If no periodic paymente made under the note, the request must be mailed to the address of the beinerity listed on the note or deed of trust.

(Added to NRS by 1995, 1520)

NRS 107.280 Debt to which information contained in statement is applicable. Except as otherwise provided in a statement describe 107.200 or 107.210 the information contained in the tatement applies only to the debt secured by the deed of trust which is page at the address to which the periodic payments are made. If periodic payments not made under the note, the statement applies only to the entire debt secured by the deed of trust.

(Added tdNRS by 1995, 1520)

NRS 107.290 Unclear request for astement deemed to be request for amount necessary to discharge debtlif a person requests a statement described 107.200 or 107.210 and it is not clear from the request hich statement is requested, the request shall be deemed a request for the amount necessary to discharge the debt secured by a deed of trust.

(Added tdNRS by 1995, 1521)

NRS 107.300 Penaltfor failure to deliver statement; bar to recovery of certain damages.

- 1. A beneficiary who willfully fails o deliver a statement requested pursuanted 107.200 or 107.210 within 21 days after it is requested is liable to the person who requested the statement in an amount 600\$3 nd any actual damages suffered by the person who requested the statement.
- 2. A judgment awarded to a repen who requested statement pursuant More 107.200 or 107.210 for failure to deliver a statement bars recovery of damages for any other failure to deliver that statement pursuten a demand made within 6 months before or after the demand for which the judgment was awarded.
- 3. As used in this section, "willfullymeans an intentional faile to comply with the requirements oNRS 107.20 for 107.21 owithout just cause.

 (Added toNRS by 1995, 1521)

NRS 107.310 Fefor furnishing statement. The beneficiary may charge a fee of not more than \$60 for each startent furnished pursuant to NRS 107.200007.210 (Added to NRS by 1995, 1521)

NRS 107.311 Applicability of NRS 107.310 The provisions of NRS 107.310 do not apply to deeds of trust insured by the Fedderausing Administrator or guaranteed by the Secretary of Veterans Affairs.

(Added tdNRS by 1995, 1518)

TAB 5

CHAPTER 38 - MEDIATION AND ARBITRATION

UNIFORM ARBITRATION ACT OF 2000

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NIDO 00 545	proceedings. [Effective January 1, 2013.]	
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UNIFORM ARBITRATION ACT OF 2000

NRS 38.206 Short title. NRS 38.20 to 38.248 inclusive, may be cited as the Uniform Arbitration Act of 2000.

(Added to NRS b<u>2001, 127</u>)

NRS 38.207 Definitions. As used in NRS 38.20 to 38.248 inclusive, the words and terms defined in RS 38.20 to 38.213 inclusive, have the meanings ascribed to them in those sections.

(Added to NRS b<u>§001, 127</u>)

NRS 38.208 "Arbitral organization" defined. "Arbitral organization" means an association, agency, boardommission or other entity that is neutral and initiates, sponsors or administers an arbitral proceed to r is involved in the appointment of an arbitrator.

(Added to NRS b 2001, 127)

NRS 38.209 "Arbitrator" defined. "Arbitrator" means an individual appointed to render an award, alone or with othersa icontroversy that is subject to an agreement to arbitrate.

(Added to NRS b 2001, 127)

NRS 38.211 "Court" defined. "Court" means the district court. (Added to NRS b<u>§001, 127</u>)

NRS 38.212 "Knowledge" defined. "Knowledge" means actual knowledge. (Added to NRS b $\underline{\$001, 127}$).

NRS 38.213 "Record" defined. "Record" means information that is inscribed on a tangible medium or that is stored in aectronic or other medium and is retrievable in perceivable form.

(Added to NRS b<u>§001, 127</u>)

NRS 38.214 Notice.

- 1. Except as otherwise provided NRS 38.20 to 38.248 inclusive, a person gives notice to another person by taking action that easonably necessate inform the other person in ordinary course, whether or not the other peasequires knowledge of the notice.
- 2. A person has notice if the persons knowledge of the notice or has received notice.
- 3. A person receives notice whereomes to the person's attention or the notice is delivered at the person's place of residence of business, or at another location held out by the person as a place of delivery of such communications.

(Added to NRS b<u>§001, 127</u>)

NRS 38.216 Applicability.

- 1. NRS 38.20 to 38.248 inclusive, govern an agreemt to arbitrate made on or after October 1, 2001.
- 2. NRS 38.20 to 38.248 inclusive, govern an agreemt to arbitrate made before October 1, 2001, if all the parties to the augment or to the arbitratroceeding so agree in a record.
- 3. On or after October 1, 2003RS 38.20 to 38.248 inclusive, govern an agreement to arbite whenever made.

(Added to NRS b2001, 1275)

NRS 38.217 Waiver of requirements or variance of effects of requirements; exceptions.

- 1. Except as otherwise providedsinds and 3, a party to an agreement to arbitrate or to an arbitral paceeding may waive, or the pies may vary the effect of, the requirements of NRS 38.20 to 38.248 inclusive, to the extent permitted by law.
- 2. Before a controversy arises that ubject to an agreement to arbitrate, a party to the agreement may not:
- (a) Waive or agree to vary the et of the requirements of subsection 1 Notes 38.218 subsection 1 of 188 38.219 NRS 38.222 subsection 1 or 2 of 188 38.233 NRS 38.244 or 38.247
- (b) Agree to unreasably restrict the right under 38.223 no notice of the initiation of an arbitral proceeding;
- (c) Agree to unreasonably restrict the right unbles 38.227 to disclosure of any facts by a neutral arbitrator; or
- (d) Waive the right under 38.232 of a party to an agreemt to arbitrate to be represented by a lawyer at yamproceeding or hearing under 38.20 to 38.248 inclusive, but an employer and a labor organion may waive the 19th to representation by a lawyer in a labor arbitration.
- 3. A party to an agreement to addier or arbitral proceeding may not waive, or the parties may not vary the effect, the requirements of this ection or subsction 1 or 3 of NRS 38.216NRS 38.22,138.229 38.234 subsection 3 or 4 of NRS 38.237NRS 38.239 38.241, 38.242 subsection 1 or 2 of NRS 38.243NRS 38.248 or 38.330 (Added to NRS by 001, 1275A 2003, 35 42)

NRS 38.218 Application for judicialrelief; service of notice of initial motion.

- 1. Except as otherwise provided NRS 38.247 an application for judicial relief under NRS 38.20 to 38.248 inclusive, must be made by them to the court and heard in the manner provided by rule of the office of the manner provided by rule of the manner
- 2. Unless a civil action involving that remember to arbitrate bending, notice of an initial motion to the court under RS 38.20 to 38.248 inclusive, must be served in the manner provided by rule of court for the service of a summons in a civil action. Otherwise, notice of the motion ust be given in the manner provided by rule of court for serving motions in pending cases.

(Added to NRS b2001, 1275)

NRS 38.219 Validity of agreement to arbitrate.

- 1. An agreement contained in acond to submit to arbitration any existing or subsequent controversayising between the parties toetagreement is valid, enforceable and irrevocable except upon a ground that exists wor in equity for the revocation of a contract.
- 2. The court shall decide whether agreement to arbitrate exists or a controversy is subject to an agreement to arbitrate.
- 3. An arbitrator shall decide whet a condition precedent to arbitrability has been fulfilled and whether a contract containing add agreement to airbate is enforceable.
- 4. If a party to a judicial proceeding challenges the existeringer claims that a controversy is not subject to, an agreemtentarbitrate, the arbitral proceeding may continue pending final resolution of the issby the court, unless the court otherwise orders.

(Added to NRS b<u>2001</u>, 127

NRS 38.221 Motion compel or stay arbitration.

- 1. On motion of a person showing agreement to arbitrate and alleging another person's refusal to arbitrate and to the agreement:
- (a) If the refusing party does not eap or does not opposte motion, the court shall order the parties to arbitrate; and
- (b) If the refusing party opposes timetion, the court shall proceed summarily to decide the issue and order the partiesatbitrate unless it finds that there is no enforceable agreement arbitrate.
- 2. On motion of a person allegingathan arbitral proceeding has been initiated or threatened but that there is agreement to arbitrate, theurt shall proceed summarily to decide the issue. If the cotintds that there is an enforted agreement to arbitrate, it shall order the parties to arbitrate.
- 3. If the court finds that there is enforceable agreement, may not, pursuant to subsection 1 or 2, order the parties to arbitrate.
- 4. The court may not refuse to order arbitration bectheseclaim subject to arbitration lacks merit or grounds fibre claim have not been established.
- 5. If a proceeding involving a aid referable to arbitration under an alleged agreement to arbitrate is pending in coart notion under this section must be made in that court. Otherwise, a motion under this tissen may be made in provided in NRS 38.246
- 6. If a party makes a motion to the too order arbitration, the court on just terms shall stay any judicial proceeding that involves a claim alleged to be subject to the arbitration until the court renders a final decision under this section.
- 7. If the court orders arbitration court on just terms shall stay any judicial proceeding that involves a ability subject to the arbitration. If a claim subject to the arbitration is severable, the country limit the stay to that claim.

(Added to NRS b2001, 127)

NRS 38,222 Provisional remedies.

- 1. Before an arbitrator is appointent as authorized and able act, the court, upon motion of a party to an arbitral proceed angle for good cause shown, may enter an order for provisional remedies to protect the effectivess of the arbitral proceeding to the same extent and under the same conditions abbeing controversy were the subject of a civil action.
 - 2. After an arbitrator is apipoted and is authorized and able to act:
- (a) The arbitrator may issue suchleurs for provisional remedies, including interim awards, as the arbitrator finds necessarypitotect the effectiveness of the arbitral proceeding and to promote their fand expeditious resolution the controversy, to the same extent and under the same condition that the controversy were the subject of a civil action; and
- (b) A party to an arbitral proceed may move the court for a provisional remedy only if the matter is urgent and the arbitral mot able to act timely or the arbitrator cannot provide an adequate remedy.
- 3. A party does not waive agmit of arbitration by making a motion under subsection 1 or 2.

(Added to NRS b\(\overline{9}001, 127\)

NRS 38.223 litiation of arbitration.

- 1. A person initiates an arbitrabpeeding by giving notice in a record to the other parties to the agreement tobitarate in the agreed mannlesetween the parties or, in the absence of agreement, by certified or stegred mail, return receipt requested and obtained, or by service as authorized the commencement of avidiaction. The notice must describe the nature of the introversy and the remedy sought.
- 2. Unless a person objects for lawkinsufficiency of notice under subsection 3 of NRS 38.23 not later than the beginning of the barration hearing, by appearing at the hearing the person waive syaobjection to lack of oinsufficiency of notice.

(Added to NRS b<u>2001, 127</u>)

NRS 38.224 Consolidation separate arbitration proceedings.

- 1. Except as otherwise provided subsection 3, upon rtion of a party to an agreement to arbitrate or ton arbitral proceeding, theourt may order consolidation of separate arbitral proceedings as to respect to a separate arbitral proceedings as to respect to the claims if:
- (a) There are separate agreements arbitrate or separate arbitral proceedings between the same persons or one of thempiants to a separate agreement to arbitrate or a separate arbitral process with a third person;
- (b) The claims subject to the agreements rbitrate arise is ubstantial part from the same transaction or series related transactions;
- (c) The existence of a common is soft law or fact creats the possibility of conflicting decisions in the separate arbitral proceedings; and
- (d) Prejudice resulting from a failure consolidate is not outsighed by the risk of undue delay or prejudice to the rights of parties opposing consolidation.
- 2. The court may order consolidation separate arbitral proceedings as to some claims and allow other claims to be resolved in separate arbitral proceedings.

3. The court may not order consolidatof the claims of a party to an agreement to arbitrate if the agreementohibits consolidation.

(Added to NRS b<u>2001, 127</u>)

NRS 38.226 Appointment of abitrator; service as neutral arbitrator.

- 1. If the parties to an agreementatoitrate agree on a method for appointing an arbitrator, that method must be followed. It is the method fails. If the parties have not agreed on a method, the agreed method fails, or an arbitrator appointed fails or is unable to act and a successor has been appointed, the court, on motion of a party to the arbitral proceeding, shall appoint the arbitratAn arbitrator so appointed has all the powers of an arbitrator designated in the agreement to arbitratopointed pursuant to the agreed method.
- 2. An individual wb has a known, direct and materizaterest in the outcome of the arbitral proceeding or a knowexisting and substantial relianship with a party may not serve as an arbitrator required any agreement to be neutral.

(Added to NRS b2001, 127)

NRS 38.227 Disclosure by arbitrator.

- 1. Before accepting appointment, iadividual who is requisted to serve as an arbitrator, after making a reasonable inquiry, shall disclose to all parties to the agreement to arbitrate and arbitral proceeding andatoy other arbitratorsnown known facts that a reasonable person would considerely to affect the impartitaty of the arbitrator in the proceeding, including:
 - (a) A financial or personal interest the outcome of the laitral proceeding; and
- (b) An existing or past relationshippith any of the partise to the agreement to arbitrate or the arbitral proceeding, their unsel or representatives, a witness or another arbitrator.
- 2. An arbitrator has a continuing bligation to disclose to all parties to the agreement to arbitrate and arbitral proceeding to any other arbitrators any facts that the arbitrator learns after accepting paintment which a reasonable person would consider likely to affect the impartiality of the arbitrator.
- 3. If an arbitrator discloses a facequired by subsection 1 2 proto be disclosed and a party timely objects to the appointment or trouved service of the arbitrator based upon the fact disclosed, the objection may be graund under paragrap (b) of subsection 1 of NRS 38.241 for vacating an award rde by the arbitrator.
- 4. If the arbitrator did not disclose a fact as required ubsection 1 or 2, upon timely objection by a party, the court underdparagraph (b) of subsection 1 Notes 38.241 may vacate an award.
- 5. An arbitrator appointed as autral arbitrator who does not disclose a known, direct and material interest in the outcometheef arbitral proceeding or a known, existing and substantial relationisp with a party is persumed to act with extent partiality for the purposes of paragraph) (of subsection 1 of RS 38.241
- 6. If the parties to an arbitral peopeding agree to the peodures of an arbitral organization or any other procedures for learning to arbitrators before an award is

made, substantial compliance with those petures is a condition precedent to a motion to vacate an award on that ground unputeragraph (b) of ubsection 1 of NRS 38.241

(Added to NRS b<u>2001, 127</u>)

NRS 38.228 Action by majority. If there are two or more arbitrators, the powers of an arbitrator must be exercised by a major the arbitrators, but all of them shall conduct the hearing der subsection 3 of RS 38.231

(Added to NRS b2001, 127)

NRS 38.229 Immunity of arbitrator, competency to testify; attorney's fees and costs.

- 1. An arbitrator or an arbitral organization acting in **taxpt**acity is immune from civil liability to the same extent as a judge a court of this State acting in a judicial capacity.
- 2. The immunity afforded by this ection supplements any immunity under other law.
- 3. The failure of an aitbator to make a disclosure required MRS 38.227does not cause any loss of immunity under this section.
- 4. In a judicial, administrative similar proceeding, an arbitrator or representative of an arbitral organization is not competentestify, and may not be required to produce records as to any statement, conduct, silenci or ruling occurring during the arbitral proceeding, to the same extent a judge of a court of ith State acting in a judicial capacity. This subsection does not apply:
- (a) To the extent necessary totednesine the claim of anarbitrator, arbitral organization or representative of the arbitral proceeding; or
- (b) To a hearing on a motion to vacate an award under paragraph (a) or (b) of subsection 1 oNRS 38.24 if the movant establishes prima facie that a ground for vacating the award exists.
- 5. If a person commences a civil actagrainst an arbitrator, batral organization or representative of an arbitral organization from the services of the arbitrator, organization or representative or if a poersseeks to compel an arbitrator or a representative of an arbitral organization testify or produce records in violation of subsection 4, and the court decides that arbitrator, arbitral organization or representative is immune from civil liability that the arbitrator or representative is not competent to testify, the court shall award the arbitrator, organization or representative reasonable attorney's fees and other sonable expenses of litigation.

(Added to NRS b2001, 127)

NRS 38.231 Arbitration process.

1. An arbitrator may conduct autribitration in such manner as the arbitrator considers appropriate for fair and expeditious dispition of the proceeding. The authority conferred upon the arbitrator includes the power to hold conferences with the

parties to the arbitral proceeding before **thearing** and, among other matters, determine the admissibility, relevance, materiality and weight of any evidence.

- 2. An arbitrator may decide request for summary **pis**sition of a claim or particular issue:
 - (a) If all interested parties agree; or
- (b) Upon request of or party to the arbitral proceeding if that party gives notice to all other parties to the proceeding, and three parties have a reasonable opportunity to respond.
- 3. If an arbitrator orders a hearithge arbitrator shall set a time and place and give notice of the hearing not less than 5 days therefore hearing begins. Unless a party to the arbitral proceeding makes an objection to lacknown disciency of notice not later than the beginning of the hearing, the party's appearance at the arbitrate waives the objection. Upon request of a party to the arbitrator may adjourn the hearing makes an eccessary but may not postpother hearing to a time late than that fixed by the agreement to arbitrate for makes the award unless the parties to the arbitral proceeding consent to a later date. The arbitratorynham and decide the controversy upon the evidence produced althe a party who was duly notified the arbitral proceeding did not appear. The court, on request, may end in the arbitrator to conduct the hearing promptly and render a timely decision.
- 4. At a hearing held under subsection 3, a partyetantbitral proceeding has a right to be heard, to present interpretation to the control and to cross-examine witnesses appearing at the hearing.
- 5. If an arbitrator ceases or usable to act during an arbitral proceeding, a replacement arbitrator must be pointed in accordance will 188 38.22 to continue the proceeding and to resolve the controversy.

(Added to NRS b2001, 127)

NRS 38.232 Refresentation by lawyer. A party to an arbitral proceeding may be represented by a lawyer.

(Added to NRS b<u>2001, 127</u>)

NRS 38.233 Witnessesubpoenas; depositions; discovery.

- 1. An arbitrator may issue a solepa for the attendance of a witness and for the production of records and other evidence at lateraring and may administer oaths. A subpoena must be served in the manner for service of subpoenas in a civil action and, upon motion to the court by party to the arbitral proceeding or the arbitrator, enforced in the manner for enforcement subpoenas in a civil action.
- 2. To make the proceedings faircpeditious and cost effective, upon request of a party to or a witness in aerbitral proceeding, an arbitror may permit deposition of any witness to be taken for use as evident the hearing, including a witness who cannot be subpoensed for or is unable to attend a hearing garbitrator shall determine the conditions under which deposition is taken.

- 3. An arbitrator may permit such discovery as the arbitratoides is appropriate in the circumstances, taking into account theeds of the partieto the arbitral proceeding and other affected spans and the desirability of making the perecting fair, expeditious and cost effective.
- 4. If an arbitrator permits discoverinder subsection 3, therebitrator may order a party to the arbitral proceeding to comply will arbitrator's orders related to discovery, issue subpoenas for the attendance of aexistrand for the production of records and other evidence at a proceeding for discovered take action against a noncomplying party to the extent a court could if the continuous every every the subject of a civil action in this State.
- 5. An arbitrator may issue a protite order to prevent the isclosure of privileged information, confidential information, trade secrets and net information protected from disclosure to the extent a court could if the troversy were the subject of a civil action in this State.
- 6. All laws compelling a person under subpoena to testify and all fees for attending a judicial proceeding, a deposition or a proceeding for discovery as a witness apply to an arbitral proceeding as if the controversy where subject of a civil action in this State.
- 7. The court may enforce a probena or order related to discovery for the attendance of a witness with this State and for the proction of records and other evidence issued by an arbitrator in connection with an arbitral proceeding in another state upon conditions determined by the court so as to make the arbitral proceeding fair, expeditious and cost effective. Subpoena or order related discovery issued by an arbitrator in another state must be served in the manner provided by rule of court for service of subpoenas in a civil action in the transfer and, upon motion the court by a party to the arbitral proceeding the arbitrator, enforced in manner provided by rule of court for enforcement of subpoenia a civil action in this State.

(Added to NRS b2001, 1279)

NRS 38.234 Judicial enforcement of preaward ruling by arbitrator. If an arbitrator makes a preaward ruling in favoractory to an arbitral proceeding, the party may request the arbitrator to incorpte the ruling into an award under 38.236 A prevailing party may make a rition to the court for an explited order to confirm the award under 38.239 in which case the court shall summarily decide the motion. The court shall issue an order confirm the award unless through vacates, modifies or corrects the award under NRS 38.20138.242

(Added to NRS b2001, 128))

NRS 38.236 Award.

- 1. An arbitrator shall make a rectoof an award. The record must be signed or otherwise authenticated by arbitrator who concurs with the ward. The arbitrator or the arbitral organization shall give notice of the arbitral organization shall give notice of the arbitral proceeding.
- 2. An award must be made within time specified by the greement to arbitrate or, if not specified therein within the time ordered by the ort. The court may extend or

the parties to the arbitral proceeding may aginea record to extend the time. The court or the parties may do so within after the time specified corrdered. A party waives any objection that an award was not timely dreaunless the party gives notice of the objection to the arbitrator beforeceiving notice of the award.

(Added to NRS b2001, 128))

NRS 38.237 Change of award by arbitrator.

- 1. On motion to an arbitrator by attydo an arbitral proceeding, the arbitrator may modify or correct an award:
 - (a) Upon a ground statedparagraph (a) or (c) subsection 1 dNRS 38.242
- (b) Because the arbitrator has **not**de a final and definite award upon a claim submitted by the parties tootharbitral proceeding; or
 - (c) To clarify the award.
- 2. A motion under subsection 1 mbetmade and notice given to all parties within 20 days after the movant receives notice of the award.
- 3. A party to the arbitral procendimust give notice of any objection to the motion within 10 days after receipt of the notice.
- 4. If a motion to the court is pending und <u>bIRS 38.23938.241</u> or <u>38.242</u> the court may submit the claim to the arbitrator to coesin the to modify or correct the award:
 - (a) Upon a ground statedparagraph (a) or (c) subsection 1 dNRS 38.242
- (b) Because the arbitrator has **not**de a final and definite award upon a claim submitted by the parties tootharbitral proceeding; or
 - (c) To clarify the award.
- 5. An award modified or corrected sputant to this section is subject to subsection 1 of NRS 38.23@and to NRS 38.23938.241and 38.242

(Added to NRS b 2001, 128)

NRS 38.238 Remedies; feasd expenses of arbitration proceeding.

- 1. An arbitrator may award remable attorney's feesand other reasonable expenses of arbitration if such an awardaushorized by law in civil action involving the same claim or by the agreement efpharties to the arbitral proceeding.
- 2. As to all remedies other than ste authorized by subsection, an arbitrator may order such remedies as the arbitratoonsiders just and appropriate under the circumstances of the arbitral proceeding. Takes that such a remedy could not or would not be granted by the court is not a groton drefusing to confirm an award under \$\frac{1}{28.239}\$ or for vacating an award under \$\frac{1}{28.239}\$ or f
- 3. An arbitrator's expenses and fetegether with other expenses, must be paid as provided in the award.

(Added to NRS b\(\)2001, 128)

NRS 38.239 Confirmation of award. After a party to an arbitral proceeding receives notice of an award, the party may make a motion to the court for an order confirming the award at which time the coshall issue a confirming order unless the

award is modified or corrected pursuan NBS 38.237 or 38.242 or is vacated pursuant to NRS 38.241

(Added to NRS b<u>§001, 128</u>)

NRS 38.241 Vacating award.

- 1. Upon motion to the court by arterior an arbitral proceeding, the court shall vacate an award made in the arbitral proceeding if:
 - (a) The award was procured corruption, fraud or other undue means;
 - (b) There was:
 - (1) Evident partiality by aurbitrator appointed as a neutral arbitrator;
 - (2) Corruption by an arbitrator; or
- (3) Misconduct by an arbitratprejudicing the rights of a party to the arbitral proceeding;
- (c) An arbitrator flessed to postpone the hearing pupshowing of sufficient cause for postponement, refused to conscidevidence material to the controversy, or otherwise conducted the hearing contrary NES 38.23,1 so as to prejudice bestantially the rights of a party to the arbitral proceeding;
 - (d) An arbitratoexceeded his or her powers;
- (e) There was no agreement to arbitrathess the movant pariticated in the arbitral proceeding without raising the jet tion under subsection 3 of NRS 38.23 not later than the beginning of the arbitral hearing; or
- (f) The arbitration was conducted through proper notice of the initiation of an arbitration as required in RS 38.223 so as to prejudice substantially the rights of a party to the arbitral proceeding.
- 2. A motion under this section mulse made within 90 days after the movant receives notice of the award pursuanings 38.23 for within 90 days after the movant receives notice of a modified or corrected award pursuaints 38.237 unless the movant alleges that the award was procured days after the ground or other undue means, in which case the motion must be deawithin 90 days after the ground is known or by the exercise of reasonable care would have been known by the movant.
- 3. If the court vacates an awardæground other than that set forth in paragraph (e) of subsection 1, it may once rehearing. If the award vacated on a ground stated in paragraph (a) or (b) of subsection 1, the areing must be before a new arbitrator. If the award is vacated on a ground stated in paragraph (c)pr(f) of subsection 1, the rehearing may be before the biarator who made the award thre arbitrators successor. The arbitrator must render the cision in the rehearing with the same the as that provided in subsection 2 of RS 38.23 for an award.
- 4. If the court denies a motion to water an award, it shall confirm the award unless a motion to modify or correct the award is pending.

(Added to NRS b2001, 128)

NRS 38.242 Modification or correction of award.

1. Upon motion made within 90 day/ster the movant receives notice of the award pursuant to NRS 38.23 for within 90 days after the movareceives notice of a modified

or corrected award pursuant <u>McS 38.237</u> the court shall modify or correct the award if:

- (a) There was an evident mathematinoistical culation or an evident mistake in the description of a persorthing or property referred to in the award;
- (b) The arbitrator has made an adwan a claim not submitted to the arbitrator and the award may be corrected without affecting merits of the decision upon the claims submitted; or
- (c) The award is imperfect in a mattleform not affecting the merits of the decision on the claims submitted.
- 2. If a motion made under subsection 1 is granted, the court shall modify or correct and confirm the award as motion to vacate is pending, the court shall confirm the award.
- 3. A motion to modify or correct ænward pursuant to this section may be joined with a motion to vacate the award.

(Added to NRS b<u>2001, 128</u>2)

NRS 38.243 Judgment on awardattorney's fees and litigation expenses.

- 1. Upon granting an order confing, vacating without directing a rehearing, modifying or correcting an award, the coughall enter a judgment in conformity therewith. The judgment may be recorded, ketted and enforced as any other judgment in a civil action.
- 2. A court may allow reasonablests of the motion and subsequent judicial proceedings.
- 3. On application a prevailing party to a contest judicial proceeding und NRS 38.239 38.241 or 38.242 the court may add reasonable attorney's fees and other reasonable expenses it in a judicial proceeding after the award is made to a judgment confirming, vacating without ditient a rehearing, ordifying or correcting an award.

(Added to NRS b<u>§001, 128</u>)

NRS 38.244 Jurisdiction.

- 1. A court of this state having jsxdiction over the controvsey and the parties may enforce an agreemento arbitrate.
- 2. An agreement to arbitrate providing arbitration in this state confers exclusive jurisdiction on the court to enteudgment on an award under 38.20 to 38.248 inclusive.

(Added to NRS b2001, 128)

NRS 38.246 Venue. A motion pursuant to IRS 38.218 must be made in the court of the county in which the agreementato itrate specifies the rbitration hearing is to be held or, if the hearing as been held, in the court to county in which it was held. Otherwise, the motion may be made in the total party county in which an adverse party resides or has a place of business or, if no adverse party has a residence or place of

business in this State, in the court of anying in this State. All subsequent motions must be made in the court hearing the initial motion unless the court otherwise directs.

(Added to NRS b2001, 128)

NRS 38.247 Appeals.

- 1. An appeal may be taken from:
- (a) An order denying motion to compel arbitration;
- (b) An order granting a motion to stay arbitration;
- (c) An order confirming or denying confirmation of an award;
- (d) An order modifying or correcting an award;
- (e) An order vacating an award without directing a rehearing; or
- (f) A final judgment entered pursuant \(\lambda \text{S} \) 38.20 (to \(\frac{38.248}{28} \) inclusive.
- 2. An appeal under this section must be taken as from an order or a judgment in a civil action.

(Added to NRS b\(\frac{9}{2}001, 128\)

NRS 38.248 Uniformity of application and construction. In applying and construing this Uniform Act, consideration must be given to the need to promote uniformity of the law with respect to issubject matter among states that enact it.

(Added to NRS b2001, 1283)

ARBITRATION OF ACTIONS IN DISTRICCT COURTS AND JUSTICE COURTS

NRS 38.250 Nonbinding arbitration of certain civil actions filed in district court required; nonbinding arbitration of certain civil actions filed in justice court authorized; effect of certain agreements by parties to use other alternative methods of resolving disputes.

- 1. Except as otherwise provided in NRS 38.310
- (a) All civil actions filed in district or damages, if the case of action arises in the State of Nevada and the amount saue does not exceed \$50,000 per plaintiff, exclusive of attorney's fees, interest arount costs, must be submitted to nonbinding arbitration in accordance in the provisions oNRS 38.250 to 38.259 inclusive, unless the parties have agreed or are otherwise required to submit the action to an alternative method of resolving disputes establish by the Supreme Ord pursuant toNRS 38.258 including, without limitation, a settlement rote rence, mediation or a short trial.
- (b) A civil action for damages file in justice court may be ubmitted to binding arbitration or to an alternate vmethod of resolving disputes cluding, without limitation, a settlement conference or mediation the parties agree to the submission.
 - 2. An agreement enteredoirpursuant to this section must be:
- (a) Entered into at the time of the politie and not be a part only previous agreement between the parties;
 - (b) In writing; and
 - (c) Entered internowingly and voluntarily.

- ¬ An agreement entered into rsuant to this section that oes not comby with the requirements set forth in this subsection is void.
- 3. As used in this section, "shorrial" means a trial thats conducted, with the consent of the parties to tlaction, in accordance with procedures designed to limit the length of the trial, including, without limitatin, restrictions on the amount of discovery requested by each party, the worst a jury composed of notione than eight persons and a specified limit on the amount of which each party may use to present the party's case.

(Added to NRS by 991, 1343 A 1993, 5561024 1995, 14192537, 2538 1999, 852, 1379 2003, 851 2005, 39)

NRS 38.253 Adoption of rules by supreme Court; training; administration by district courts; fees; arbitrator deemed employee of court for certain purposes.

- 1. The Supreme Court shall adopt rules to provide for the establishment of a program of arbitration pursuant MRS 38.250
- 2. The Supreme Court, in association with the State Bar of Nevada or other organizations, shall provide training irbitration for attorneys and nonattorneys.
- 3. The district courts in each judicidistrict shall administrement the program in their respective districts in accordance with the rule spaced by Supreme Court.
 - 4. The Supreme Court may:
 - (a) Charge each person who applies rationing as an arbitrator an application fee.
 - (b) Charge a fee to cover the cost of the training programs.
- 5. For the purposes MRS 41.030 to 41.039 inclusive, a person serving as an arbitrator shall be deemed an employeether court while in the performance of the person's duties under the program.

(Added to NRS by 991, 1343A 1993, 102)

NRS 38.255 Guidelines for establement of programs for arbitration; duty of Supreme Court to submit report concerning programs.

- 1. The rules adopted by the Supreme Court pursuall \$\frac{1}{20}\$ 38.25 to provide guidelines for the establishmetry a district court of a program must include provisions for a:
 - (a) Mandatory progm for the arbitration of civil actions pursuanted 38.250
- (b) Voluntary program for the arbitration civil actions if the cause of action arises in the State of Nevada and the mount in issue exceeds \$500,0 per plaintiff, exclusive of attorney's fees, interest and court costs.
 - (c) Voluntary program for the use of binding arbitration in all civil actions.
- 2. The rules must provide that this trict court of any judicial district whose population is 100,000 or more:
 - (a) Shall establish programs pursutantaragraphs (a), (b) and (c) of subsection 1.
- (b) May set fees and charge parfices arbitration if the arount in issue exceeds \$50,000 per plaintiffexclusive of attorney's fees terest and court costs.
- ¬ The rules may provide for similar programs for the other judicial districts.
 - 3. The rules must exclude the follog from any program of mandatory arbitration:

- (a) Actions in which amount in issue, excluding arttey's fees, interest and court costs, is more than \$50,000 or less than the maximuls dijutional amounts specified in NRS 4.370 and 73.010
 - (b) Class actions;
 - (c) Actions in equity;
 - (d) Actions concerning the title to real estate;
 - (e) Probate actions;
 - (f) Appeals from courts of limited jurisdiction;
 - (g) Actions for declaratory relief;
 - (h) Actions involving divore or problems of domestic relations;
 - (i) Actions brought for lief based on any extraordinary writs;
 - (j) Actions for the judicialeview of an administrative decision;
- (k) Actions in which the parties, psumant to a written agreement executed before the accrual of the cause of action or pursuanitules adopted by the supreme Court, have submitted the controversy to arbitration only aother alternative nuleod for resolving a dispute;
- (I) Actions that present unusual **cinc**stances that constitute good cause for removal from the program;
 - (m) Actions in which any of the parties is incarcerated; and
 - (n) Actions submitted to mediationrpuant to rules adopted the Supreme Court.
 - 4. The rules must include:
- (a) Provisions for the payment of feess to arbitrator who is appointed to hear a case pursuant to the rules. The rules provide that an arbitrat must be compensated at a rate of \$100 per hour, to a maximum of \$00 per case, unless otherwise authorized by the arbitration commissioner for good cause shown.
- (b) Guidelines for the award of **atte**y's fees and maximum limitations on the costs to the parties of the arbitration.
 - (c) Disincentives to appeal.
- (d) Provisions for trial upon the exerctise either party of the party's right to a trial anew after the arbitration.
- 5. The Supreme Court shall, onbesfore February 1 of each odd-numbered year, submit a report to the Directors the Legislative Couns Bureau for transmittal to the Chairs of the Assembly and Senate Stago Committees on Judiciary. The report must include, for the period since the prious such report, if any:
- (a) A listing of the number of actionwhich were submitted to arbitration or other alternative methods of relsong disputes pursuant to RS 38.25 for 38.258 and their manner of disposition;
- (b) A statement of the amount of monte lected in each judicial district pursuant to NRS 19.0315 and a summary of the manner inior the fees were expended; and
- (c) Any recommendation is legislation or other infromation regarding the programs on arbitration deemed relevably the Supreme Court.

(Added to NRS by 1983, 1232;1891, 1344, 1995, 2537, 2001, 542, 2005, 39)

NRS 38.258 Use of other alternative methods of resolving disputes; adoption of rules by Supreme Court.

- 1. The Supreme Court may authorithe use of settlement conferences and other alternative methods of resorting disputes, including, without imitation, mediation and a short trial, that are available in the court which a district court is located:
- (a) In lieu of submitting an acti to nonbinding airbration pursuant to NRS 38.250 or
- (b) During or following such nonbinding bitration if the parties agree that the use of any such alternative methods resolving disputes would aist in the resolution of the dispute.
- 2. If the Supreme Court authorizies use of an alternative method of resolving disputes pursuant to subsection 1, the Supremurt shall adopt rules and procedures to govern the use of any such method.
- 3. As used in this section, host trial" has the meaning ascribed to it in NRS 38.250

(Added to NRS by 991, 1344A 1999, 1380 2005, 39)

NRS 38.259 Certain written findings concerning arbitration required; admissibility of such findings at trial anew before jury; instructions to jury.

1. If an action is submitted to arbitration in accordance with the provision 38.250 to 38.259 inclusive, the arbitrator or panel afbitrators shall, in addition to any other written findings of fact or conclusions of law, make written findings in accordance with this subsection concerning ch cause of action. Therefitten findings must be in substantially the following from, with "panel of arbitrators" being substituted for "arbitrator" when appropriate:

- 2. If an action is submitted to arbitration in accordance with the provision 38.250 to 38.259 inclusive, and, after arbitration, party requests a trial anew before a jury:
- (a) The written findings made by the imator or the panel of arbitrators pursuant to subsection 1 must be admitted total. The testimony of the arbitrator or arbitrators, whenever taken, must not be maited at trial, and the arbitrator arbitrators must not be deposed or called to testify recerning the arbitration. By other evidence concerning the arbitration must not be admittent trial, unless the admission such evidence is required by the Constitution of this State three Constitution of the United States.
- (b) The court shall give the followingstruction to the jury concerning the action, substituting "panel of arbitrators" when appropriate:

3. The court shall give a separiate truction pursuant to pagraph (b) of subsection 2 for each such cause of actionat is tried before a jury.

(Added to NRS by 999, 85)

MEDIATION AND ARBITRATION OF CLAIMS RELATING TO RESIDENTIAL PROPERTY WITHIN COMMON-INTEREST COMMUNITY

NRS 38.300 Definitions. As used in NRS 38.30 (to 38.360) inclusive, unless the context otherwise requires:

- 1. "Assessments" means:
- (a) Any charge whica an association may impose angual an owner of residential property pursuant to a decataion of covenants, conditionand restrictions, including any late charges, interest and coost collecting the charges; and
- (b) Any penalties, fines, fees danother charges which mabe imposed by an association pursuant to paragraphs t(j) (n), inclusive, of subsection 1 MRS 116.3102 or subsections 10, 11 and 12 MRS 116B.420
 - 2. "Association" hathe meaning ascribed to it in NRS 116.01 116B.030
- 3. "Civil action" includes an action for money damages equitable relief. The term does not include an action in equity for imputive relief in which there is an immediate threat of irreparable harm, or an action relating to the titlestimential property.
- 4. "Division" means the Real EtaaDivision of the Department of Business and Industry.
- 5. "Residential property" includes, bisitnot limited to, real estate within a planned community subject to the provisions of the provision

(Added to NRS by 995, 1416A 2003, 2251 2274, 2007, 227)

NRS 38.310 Limitations or commencement of certain civil actions.

1. No civil action based upon a claim relating to:

- (a) The interpretation, application **em**forcement of any covenants, conditions or restrictions applicable to residential propert any bylaws, rules or regulations adopted by an association; or
- (b) The procedures used for crieasing, decreasing or imposing additional assessments upon residential property,
- nediation or arbitration pursant to the provisions of the civil action concess real estate within a prized community subject to the provisions of the civil action concess real estate within a prized community subject to the provisions of the civil action concess real estate within condominium hotel subject to the provisions of the civil action concess real estate within condominium hotel subject to the provisions of the civil action of the civil action of the provisions of the civil action of the civil action of the civil action of the provisions of the civil action of the civil action of the provisions of the civil action of the civil action of the provisions of the civil action of the civil action of the provisions of the civil action of the provisions of the civil action of the provisions of the civil action of the civil action of the provisions of the civil action of the provisions of the civil action of the provisions of the civil action of the civil action of the provisions of the civil action of the civil acti
- 2. A court shall dismiss any civalition which is commenced in violation of the provisions of subsection 1.

(Added to NRS by 995, 1417A 1997, 5262007, 227)

NRS 38.320 Submission of clainfor mediation or arbitration; contents of claim; fees; service of claim; written answer.

- 1. Any civil action described MRS 38.31 must be submitted for mediation or arbitration by filing a written claim with Division. The claim must include:
 - (a) The complete name addresses and telephone numberall parties to the claim;
 - (b) A specific statement the nature of the claim;
- (c) A statement of whether the poerrswishes to have the claim submitted to a mediator or to an arbitrator and, if thersoen wishes to have the claim submitted to an arbitrator, whether the person agrees to binding arbitration; and
 - (d) Such other information as the Division may require.
- 2. The written claim must be accomped by a reasonable fee determined by the Division.
- 3. Upon the filing of the written chai, the claimant shall see a copy of the claim in the manner prescribed Rule 4 of the Nevada Rules of Civil Procedure for the service of a summons and complaint. The claim so served must companied by a statement explaining the procedures for metion and arbitration set forth NinRS 38.30 (to 38.360) inclusive.
- 4. Upon being served pursuant tbscaction 3, the persorpoun whom a copy of the written claim was served shalk; ithin 30 days after the date of service, file a written answer with the Division. Ten answer must be accompathibly a reasonable fee as determined by the Division.

(Added to NRS by 995, 141)

NRS 38.330 Procedure for mediation or arbitration of claim; payment of costs and fees upon failure to obtain a moréavorable award or judgment in court.

1. If all parties named in a written claim filed pursual 1865 38.32 (agree to have the claim submitted for mediation, the parties shall reduce the agreement to writing and shall select a mediator from this of mediators maintain to the Division pursuant

- to NRS 38.340 Any mediator selected must be identale within the geographic area. If the parties fail to agree upon a mediatore, Drivision shall appoint a mediator from the list of mediators maintained by the Division mediator appointed must be available within the geographicarea. Unless otherwise provided by an agreement of the parties, mediation must be completentithin 60 days after the ptages agree to mediation. Any agreement obtained through mediation conducted pursuarist to the mediator and a copy thereof provided to each that The agreement may be enforced as any other written agreement. Except as otherwise provided instaistion, the parties are responsible for all costs of mediation conducted instaistion.
- 2. If all the parties named in theairs do not agree to median, the parties shall select an arbitrator from the list of arbitrators maintained by Dhivision pursuant to NRS 38.340 Any arbitrator selected must be available within the geographic area. If the parties fail to agree upcam arbitrator, the Division shall appoint an arbitrator from the list maintained by Division. Any arbitrator appoined must be available within the geographic area. Upon appointing an arbitrator, the Division shall provide the name of the arbitrator to each party. Antibitrator shall, not later that days after the arbitrator's selection or appointment pursuant to this besettion, provide to the parties an informational statement relating to the arbitrar of a claim pursuant to this section. The written informational statement:
 - (a) Must be written in plain English;
- (b) Must explain the procedures applicable law relating to the arbitration of a claim conducted pursuant toistheection, including, withdulimitation, the procedures, timelines and applicable law relating transfirmation of an award pursuant Ness 38.239 vacation of an award pursuant Ness 38.241 judgment on an award pursuant to NRS 38.243 and any applicable statute or coultergoverning the award of attorney's fees or costs to any party; and
- (c) Must be accompanied by a statementic form acknowledging that the party has received and read the informational statementic flow from use the returned to the arbitrator by the party not later than 10 days after receipt of the institutional statement.
- 3. The Division may provide for the payment of the fees for a mediator or an arbitrator selected or appointed pursultanthis section from the Account for Common-Interest Communities and Comminium Hotels created by 116.630 to the extent that:
- (a) The Commission for Commontenest Communities and Condominium Hotels approves the payment; and
 - (b) There is money available in the Account for this purpose.
- 4. Except as otherwise provided instruction and except where inconsistent with the provisions of NRS 38.30 to 38.360 inclusive, the arbitration of a claim pursuant to this section must be conducted inccordance with the provisions NRS 38.231, 38.232, 38.233, 38.236 to 38.239 inclusive, 38.242 and 38.243. At any time during the arbitration of a chair relating to the interpretation, application or enforcement of any covenants, conditions overstrictions applicable to residential property or any

bylaws, rules or regulations adopted by **aso**ciation, the arbitrator may issue an order prohibiting the action upowhich the claim is based. An award must be made within 30 days after the conclusion of arbitration, unless a shoetened upon by the parties to the arbitration.

- 5. If all the parties have agreed nonbinding arbitration, any party to the nonbinding arbitration may, within 30 dayster a final decision and award which are dispositive of any and all issues of the claim which werternistuded to nonbinding arbitration have been serveryon the parties, commence validaction in the proper court concerning the claim which was submitted fooritateion. Any complaint filed in such an action must contain a sworn statement ciating that the issues addressed in the complaint have been arbitrated pursuant to the provision state of 38.30 to 38.360 inclusive. If such an action is not commend within that period, any party to the arbitration may, within 1 yearfter the service of the award ply to the proper court for a confirmation of the award pursuant state.
- 6. If all the parties agree in writing binding arbitration, the arbitration must be conducted in accordance with the provisions of this tetraph award procured pursuant to such binding arbitration make vacated and a rehearing ingred upon application of a party pursuant to the provisions of NRS 38.241
 - 7. If, after the conclusion of binding arbitration, a party:
- (a) Applies to have an awardcated and a rehearing ranted pursuant to RS 38.241, or
- (b) Commences a civil action bdsepon any claim which was the subject of arbitration,
- The party shall, if the partials to obtain a more favorable ward or judgment than that which was obtained in the initial binding betaration, pay all costs and reasonable attorney's fees incurred by thopposing party after the palication for a rehearing was made or after the complaint the civil action was filed.
- 8. Upon request by a party, the vision shall provide a atement to the party indicating the amount of the fees for a mediation arbitrator selected or appointed pursuant to this section.
- 9. As used in this section, "geographic area" meanseanwaithin 150 miles from any residential property or association whis the subject of a written claim submitted pursuant to NRS 38.320

(Added to NRS by 995, 1418 A 1999, 30162001, 12832003, 3539, 2251, 2007, 2009, 29042011, 80)

- NRS 38.340 Duties of Division: Maintenance of list of mediators and arbitrators; establishment of explanatory document. For the purposes <u>MRS</u> 38.300 to 38.360 inclusive, the Division still establish and maintain:
- 1. A list of mediators and arbitroats who are available fornediation and arbitration of claims. The list must include mediators datarbitrators who, as determined by the Division, have received training and experience in medianti or arbitration and in the resolution of disputes concerning as actions, including, without limitation, the

interpretation, application alnenforcement of covenants onditions and restrictions pertaining to residential property and taticles of incorporation, bylaws, rules and regulations of an association. In establishs and maintaining the list, the Division may use lists of qualified persons maintained by any organization provides mediation or arbitration services. Before including a metoir or arbitrator on a list established and maintained pursuant to this section, the Divisimay require the mediator or arbitrator to present proof satisfactory toeth Division that the mediator or arbitrator has received the training and experience required for mediator arbitrators pursuant to this section.

2. A document which contains aithen explanation of the pcedures for mediating and arbitrating claims pursuant NGRS 38.30(to 38.36) inclusive.

(Added to NRS by 995, 141)

NRS 38.350 Statute of limitations tolled. Any statute of limitations applicable to a claim described iNRS 38.310s tolled from the time the claim is submitted for mediation or arbitration pursuant Ntors 38.320until the conclusion of mediation or arbitration of the claim and the pedi for vacating the award has expired.

(Added to NRS by 995, 141)

NRS 38.360 Administration oprovisions by Division; regulations; fees.

- 1. The Division shall administer the provision <u>NetS 38.30</u> to <u>38.360</u> inclusive, and may adopt such regulations as <u>agreens</u> sary to carry out those provisions.
- 2. All fees collected by the Division pursuant to the provisions MRS 38.300to 38.360 inclusive, must be accounted factorisately and may only be used by the Division to administer the provisions MRS 38.300to 38.360 inclusive. (Added to NRS by 995, 141)

COLLABORATIVE LAW (UNIFORM ACT)

NRS 38.400 Short title. [Effective January 1, 2013.]NRS 38.40(to 38.575 inclusive, may be cited asetl/Uniform Collaborative Law Act.

(Added to NRS by 2011, 18 effective January 1, 2013)

NRS 38.405 Definition. [Effective January 1, 2013.] As used in NRS 38.400 to 38.575 inclusive, unless the context of the requires, the words and terms defined in NRS 38.410 to 38.480 inclusive, have the meaning scribed to them in those sections.

(Added to NRS b<u>§011, 184</u> effective January 1, 2013)

NRS 38.410 "Collaborative law communication" defined. [Effective January 1, 2013.] "Collaborative law communication" means statement, whether oral or in a record, or verbal or nonverbal, that:

- 1. Is made to conduct, participate in, continue or reconvene a collaborative law process; and
- 2. Occurs after the parties signcollaborative law participation agreement and before the collaborative vaprocess is concluded.

(Added to NRS by 011, 184 effective January 1, 2013)

NRS 38.415 "Collaborative law participation agreement" defined. [Effective January 1, 2013.] "Collaborative law participation agement" means an agreement by persons to participate in collaborative law process.

(Added to NRS b<u>2011</u>, 184 effective January 1, 2013)

NRS 38.420 "Collaborative law process" defined. [Effective January 1, 2013.] "Collaborative law process" erans a procedure intended essolve a collaborative matter without intervention by a illumnal in which persons:

- 1. Sign a collaborate wlaw participation agreement; and
- 2. Are represented by collaborative lawyers.

(Added to NRS by 011, 184 effective January 1, 2013)

NRS 38.425 "Collaborative lawyer" defined. [Effective January 1, 2013.] "Collaborative lawyer" means a lawyer who represents at in a collaborative law process.

(Added to NRS by 011, 184 effective January 1, 2013)

NRS 38.430 "Collaborative matter" defined. [Effective January 1, 2013.] "Collaborative matter" means a dispute artsaction, claim, problem or issue for resolution, including a dispute, claim osuse in a proceeding which is described in a collaborative law participation agreement.

(Added to NRS by 2011, 18 effective January 1, 2013)

NRS 38.435 "Law firm" defined. [Effective January 1, 2013.] "Law firm" means:

- 1. Lawyers who practice law togethera partnership, **pf**essional corporation, sole proprietorship, limited-liability company or association; and
- 2. Lawyers employed in a legal siees organization, the gal department of a corporation or other organization, or ethlegal department of a government or governmental subdivision, agency or instrumentality.

(Added to NRS b<u>2011</u>, 184 effective January 1, 2013)

NRS 38.440 "Nonparty participant" defined. [Effective January 1, 2013.] "Nonparty participant" means a person, otthern a party and the collaborative lawyer of a party, that participates incollaborative law process.

(Added to NRS by 2011, 1,8 effective January 1, 2013)

NRS 38.445 "Party" defined. [Effective January 1, 2013.] "Party" means a person that signs a collaborative law paptation agreement and whose consent is necessary to resolvecollaborative matter.

(Added to NRS b<u>2011, 184</u> effective January 1, 2013)

NRS 38.450 "Person" defied. [Effective January 1, 2013.] "Person" means an individual, corporation, busiess trust, estate, trust, partnership, limited-liability company, association, joint venture, public poration, government or governmental subdivision, agency instrumentality, or any ber legal or commercial entity.

(Added to NRS b<u>2011, 184</u> effective January 1, 2013)

NRS 38.455 "Proceeding'defined. [Effective January 1, 2013.] "Proceeding" means:

- 1. A judicial, administrative, arbitrar other adjudicative process before a tribunal, including related prehearing motions, centences and discovery; or
 - 2. A legislative hearing or similar process.

(Added to NRS by 2011, 1,8effective January 1, 2013)

NRS 38.460 "Prospective party" defined. [Effective January 1, 2013.] "Prospective party" means a person that coisses with a proscrive collaborative lawyer the possibility of signing a collaborative law participation agreement.

(Added to NRS by 011, 185 effective January 1, 2013)

NRS 38.465 "Record" dened. [Effective January 1, 2013.] "Record" means information which is inscribed a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

(Added to NRS by 2011, 1,8effective January 1, 2013)

NRS 38.470 "Related to a collaborative matter" defined. [Effective January 1, 2013.] "Related to a collaborative matter" means involving the parties, transaction or occurrence, nucleus of operative fact, dispute, claim or issue as the collaborative matter.

(Added to NRS by 2011, 1,8effective January 1, 2013)

NRS 38.475 "Sign" defied. [Effective January 1, 2013.] "Sign" means, with present intent to authenticate or adopt a record:

- 1. To execute oardopt a tangible symbol; or
- 2. To attach to or logically associate with the recordectrohic symbol, sound or process.

(Added to NRS b<u>2011, 185</u> effective January 1, 2013)

NRS 38.480 "Tribunal" defined. [Effective January 1, 2013.] "Tribunal" means:

- 1. A court, arbitrator, administrativagency or other bodycting in an adjudicative capacity which, after presentation of evidenor legal argument, has jurisdiction to render a decision affecting a party's interests in a matter; or
 - 2. A legislative body contacting a hearing or similar process. (Added to NRS b<u>§011</u>, 185 effective January 1, 2013)

NRS 38.485 Requirements for collaborative law participation agreement; additional provisions authorized. [Effective January 1, 2013.]

- 1. A collaborative law participation agreement must:
- (a) Be in a record;
- (b) Be signed by the parties;
- (c) State the intention of the piets to resolve a collaborative matterthrough a collaborative law process under NRS 38.4608.575 inclusive;
 - (d) Describe the natured scope of the collaborative matter;
- (e) Identify the collaborative lawyerho represents each party in the collaborative law process; and
- (f) Contain a statement by eachllaborative lawyer onfirming the lawyer's representation of a party in the collaborative law process.
- 2. The parties may agree to include in a collaborative law participation agreement additional provisions not inconsistent with NRS 38.4008.575 inclusive.

(Added to NRS b<u>2011</u>, 185 effective January 1, 2013)

NRS 38.490 Collaborative May process: Commencement; participation; conclusion; termination; withdrawal of collaborative attorney; continuation after discharge or withdrawal of collaborative lawyer. [Effective January 1, 2013.]

- 1. A collaborative law process begins when the parties sign a collaborative law participation agreement.
- 2. A tribunal may not order a pattyparticipate in a collaporative law process over the objection of that party.
 - 3. A collaborative process is concluded by a:
 - (a) Resolution of a collaborativnatter as evidenced a signed record;
- (b) Resolution of a part of the collaborative matter, evidenced a signed record, in which the parties agree that the remaining parts of the collaborative matter will not be resolved in the collaborative law process; or
 - (c) Termination of the collaborative law process.
 - 4. A collaborative law process terminates:
- (a) When a party gives notice to ortiparties in a record the the collaborative law process is ended;
 - (b) When a party:
- (1) Begins a proceeding related to a collaborative maithout the agreement of all parties; or
 - (2) In a pending preeding related to the collaborative matter:
- (I) Initiates a pleiand, motion, order to show cause or request for a conference with the tribunal;
 - (II) Requests that the proceeding be put on the tribunal's active calendar; or
 - (III) Takes similar action requiring notice be sent to the parties; or
- (c) Except as otherwise provided strubsection 7, when a party discharges a collaborative lawyer or a collaborative lawyeithdraws from further representation of a party.

- 5. The collaborative lawyer of a pastyall give prompt notice to all other parties in a record of the discharge or withawal of the collaborative lawyer.
 - 6. A party may terminate a collarative law process with or without cause.
- 7. Notwithstanding the discharger withdrawal of a collaborative lawyer, a collaborative law process continues if, not lathern 30 days after that the notice of the discharge or withdrawal of a collabitorn lawyer required by subsection 5 is sent to the parties:
 - (a) The unrepresented partygages a successor collaborative lawyer; and
 - (b) In a signed record:
- (1) The parties consent dontinue the process by affirming the collaborative law participation agreement;
- (2) The agreement is anded to identify the sucseor collaborative lawyer; and
- (3) The sacessor collaborative lawyer confirms the lawyer's representation of a party in the collaborative process.
- 8. A collaborative law process does **cont**clude if, with the consent of the parties, a party requests a tribunal to approve alreison of the collaborative matter or any part thereof as evidenced by a signed record.
- 9. A collaborative law participati agreement may provided ditional methods of concluding a collaborative law process.

(Added to NRS b<u>2011</u>, 185 effective January 1, 2013)

NRS 38.495 Participation agreemently persons in proceeding pending before tribunal; notice of conclusion; status repot; effect of participation on proceeding. [Effective January 1, 2013.]

- 1. The persons in a proceed pregnding before a tribunal may sign a collaborative law participation agreement to the proceeding. The parties to collaborative law participation agreement shall file promptly with the tribunal a notice of the agreement after it is signed. Subject to subsection 3 and 38.50 and 38.50 the filing operates as an application for a stay of the proceeding.
- 2. The parties shall file promptly ith the tribunal notice in a record when a collaborative law process concludes. The sataly he proceeding used subsection 1 is lifted when the notice is filed. The notice saturnot specify any reason for termination of the process.
- 3. A tribunal inwhich a proceeding is stayed undebsection 1 may require parties and collaborative lawyers to provide a statesort on the collaborative law process and the proceeding. A status report must include information on whether the process is ongoing or concluded. It must not clude a report, assessment, evaluation, recommendation, finding or other communicative garding a collaborative law process or collaborative law matter.
 - 4. A tribunal may not conside cammunication made in viation of subsection 3.

5. A tribunal shall provide the pixes with notice and an **op**rtunity to be heard before dismissing a proceediing which a notice of collabative law process is filed based on delay or failure to prosecute.

(Added to NRS b<u>2011</u>, 186 effective January 1, 2013)

NRS 38.500 Emergency der. [Effective January 1, 2013.] During a collaborative law process, a tribunal may issue emergency orders to protect the health, safety, welfare or interest of a party or a member of the family or the household of a party.

(Added to NRS b<u>2011</u>, 187 effective January 1, 2013)

NRS 38.505 Approval of agreemerby tribunal. [Effective January 1, 2013.] A tribunal may approve an agreemerbuleing from a collaborative law process.

(Added to NRS b<u>2011, 187</u> effective January 1, 2013)

NRS 38.510 Disqualification of daborative lawyer and lawyers in associated law firm in certain related proceedings. [Effective January 1, 2013.]

- 1. Except as otherwise provided subsection 3, a collaborative lawyer is disqualified from appearing befter a tribunal to represent a party in a proceeding related to the collaborative matter.
- 2. Except as otherwise provided in subsection 3Named 38.515 and 38.520 a lawyer in a law firm with which the collaborative lawyer is associated is disqualified from appearing before a tribunal to represenparty in a proceeding related to the collaborative matter if the collaborative lawy is disqualified from doing so under subsection 1.
- 3. A collaborative lawyer or a lawyin a law firm withwhich the collaborative lawyer is associated may represent a party:
- (a) To ask a tribunal to approxe agreement resulting from the collaborative law process; or
- (b) To seek or defend an emergency to protect the help, safety, welfare or interest of a party, or a member of the illamor the household of a party, if a successor lawyer is not immediately available to represent that person.
- 4. A collaborative lawyer or a lawyin a law firm withwhich the collaborative lawyer is associated may represent a party, romember of the family or the household of a party, under paragraph (b) subsection 3 only until thaterson is represented by a successor lawyer or reasonable assures are taken to protect the alth, safety, welfare or interest of that person.

(Added to NRS b<u>§011, 187</u> effective January 1, 2013)

NRS 38.515 Applicability of disquirication of collaborative lawyer or lawyer in associated law firm with respect to low-income parties. [Effective January 1, 2013.]

1. The disqualification of **a**collaborative lawyer under subsection 1 Notes 38.510 applies to a collaborative lawyer representing a party with or without fee.

- 2. After a collaborative law processnotludes, another lawyer in a law firm with which a collaborative lawyer who issisqualified undersubsection 1 of NRS 38.51 associated may represent a party without fee in the collaborative matter or a matter related to the collaborative matter if:
- (a) The party has an annual innex that qualifies the party for free legal representation under the criteria establishethbylaw firm for free legal representation;
 - (b) The collaborative law participation agreemsen provides; and
- (c) The collaborative lawyer is isobed from any participition in the collaborative matter or a matter related to the collaborativatter through procedures within the law firm which are reasonably calculated itsolate the collaborative lawyer from such participation.

(Added to NRS b<u>2011</u>, 187 effective January 1, 2013)

NRS 38.520 Applicability of disquarification of collaborative lawyer or lawyer in associated law firm with respect to party that is governmental entity. [Effective January 1, 2013.]

- 1. The disqualification of **a**collaborative lawyer under subsection 1 Notes 38.510 applies to a collaborative lawyer repeting a party that is a government or a governmental subdivision, agency or instrumentality.
- 2. After a collaborative law processnotudes, another lawyer in a law firm with which the collaborative lawyer is assated may represent a government or a governmental subdivision, agoy or instrumentality in the collaborative matter or a matter related to the collaborative matter if:
 - (a) The collaborative law ptatipation agreements provides; and
- (b) The collaborative lawyer is isobed from any participation in the collaborative matter or a matter related to the collaborativatter through procedures within the law firm which are reasonably calculated issolate the collaborative lawyer from such participation.

(Added to NRS b<u>§011, 18</u>8 effective January 1, 2013)

NRS 38.525 Disclosure of information during process. [Effective January 1, 2013.] Except as otherwise provided by specific statute, during the collaborative law process, on the request of another partyparty shall make timely, full, candid and informal disclosure of information related to the collaborative matter without formal discovery. A party also shall promptly updateviously disclosed information that has materially changed. The parties may defi the scope of disclosure during the collaborative law process.

(Added to NRS b<u>2011</u>, 188 effective January 1, 2013)

NRS 38.530 Obligations and **st**hdards of professional responsibility and mandatory reporting not affected [Effective January 1, 2013.] The provisions of NRS 38.40(to 38.575 inclusive, do not affect:

1. The professional responsibilitylightions and standardsplaticable to a lawyer or other licensed professional; or

2. The obligation of a person to report abuse or neglect, abandonment or exploitation of a child or adultnder the laws of this State.

(Added to NRS b<u>2011</u>, 188 effective January 1, 2013)

- NRS 38.535 Required assessmentand disclosures regarding process by prospective collaborative lawyer. [Effective January 1, 2013.] Before a prospective party signs a collaborative law participanti agreement, a prospective collaborative lawyer shall:
- 1. Assess with the prospectivertpafactors that the lawyer reasonably believes relate to whether a collaborative law processappropriate for the prospective party's matter;
- 2. Provide the prospective partwith information that the lawyer reasonably believes is sufficient for the prospective parto make an informed decision about the material benefits and risks of a collaboratilaw process as compared to the material benefits and risks of other reasonably available alternatives for resolving the proposed collaborative matter, such as litigation, mediațiarbitration or expert evaluation; and
 - 3. Advise the prospective party that:
- (a) After a collaborative law particition agreement is signed, the collaborative law process terminates if a party initiates a **prest**ing or seekthe intervention of a tribunal in a pending proceeding relates the collaborative matter;
- (b) Participation in a collaborative w process is voluntary and any party has the right to terminate unilaterally a collaborative law process with or without cause; and
- (c) The collaborative lawyer analy lawyer in a lawfirm with which the collaborative lawyer is associated not appear before a tribunal to represent a party in a proceeding related to the collaborative matter, exceptutes orized by subsection 3 of NRS 38.510 subsection 2 of NRS 38.510 subsecti

(Added to NRS b<u>§011, 18</u>8 effective January 1, 2013)

NRS 38.540 Prospective collabotise lawyer to make certain inquiries and assessments concerning relianship of parties. [Effective January 1, 2013.]

- 1. Before a prospective party signa collaborative law participation agreement, a prospective collaborative lawyer must make reasonable inquiry into whether the prospective party has a history of a coercive or violent **celsiti** with another prospective party.
- 2. Throughout a **da**borative law process, a collaborative lawyer reasonably and continuously shall assess whether the party collaborative lawyer represents has a history of a coercive or violent relationship with another party.
- 3. If a collaborative lawyer reasonabelieves that the party the lawyer represents or the prospective party who consults the lawkas a history of accretive or violent relationship with another partor prospective party, the wyer shall not begin or continue a collaborative law process unless:
- (a) The party or the prospective requests beginning or continuing the collaborative law process; and

(b) The collaborative lawyer reasonyablelieves that the safety of the party or prospective party can be protected equately during the process.

(Added to NRS b<u>2011</u>, 188 effective January 1, 2013)

NRS 38.545 Confidentiality of collaborative law communication. [Effective January 1, 2013.] A collaborative law communication isonfidential to the extent agreed by the parties in a signed records provided by specific statute.

(Added to NRS b<u>2011, 189</u> effective January 1, 2013)

NRS 38.550 Privilege against stillosure of collaborativelaw communication; admissibility; discovery. [Effective January 1, 2013.]

- 1. Except as otherwise provided NRS 38.55 and 38.560 a collaborative law communication is privileged und subsection 2, is not subjeto discovery and is not admissible in evidence.
 - 2. In a proceedinthe following privileges apply:
- (a) A party may refuse to disse, and may prevent any other person from disclosing, a collaborative law communication; and
- (b) A nonparty partipant may refuse to disclose, and may prevent any other person from disclosing, a collaborative law common of the nonparty participant.
- 3. Evidence or information that ishetwise admissible or bject to discovery does not become inadmissible or protected from object solely because of disclosure or use in a collaborative law process.

(Added to NRS b<u>2011</u>, 189 effective January 1, 2013)

NRS 38.555 Waier and preclusion of privilege [Effective January 1, 2013.]

- 1. A privilege unde<u>MRS 38.550</u> may be waived in a record or orally during a proceeding if it is expressly waived by all **tiess**, and in the case of the privilege of a nonparty participant, it is also expressly waived by the norappty participant.
- 2. A person that makes a dischesor representation about a collaborative law communication which prejudices anotherrspoen in a proceeding may not assert a privilege under NRS 38.550 but this preclusion applies onto the extent necessary for the person prejudiced to respond to the disclosure or representation.

(Added to NRS b<u>§011, 189</u> effective January 1, 2013)

NRS 38.560 Limits oprivilege. [Effective January 1, 2013.]

- 1. There is no privilege under 38.55 for a collaborative law communication that is:
- (a) Available to the public undernapter 23 of NRS or made during a session of a collaborative law process that is open, are spuired by law to be pen, to the public;
- (b) A threat or statement of a plan inflict bodily injury or commit a crime of violence;
- (c) Intentionally used to plan a crime, commit or attempt to commit a crime, or conceal an ongoing crime **on**going criminal activity; or

- (d) Set forth in an agreement **rleisng** from the collaborative law process, evidenced by a record signed by all **pizes** to the agreement.
- 2. The privileges und <u>MRS 38.55</u> (for a collaborative <u>MR</u> communication do not apply to the extent that the communication is:
- (a) Sought or offered to prove **disprove** a claim or complaint of professional misconduct or malpractice arising from **olate**d to a collaborative law process; or
- (b) Sought or offered to prove observe abuse, needs, abandonment or exploitation of a child or adit, unless an agency which pirdes child welfare services, as defined in NRS 432B.030 or the Aging and Disability Services Division of the Department of Health and Human Services is arty to or otherwise participates in the collaborative law process.
- 3. There is no privilege und \$\overline{\text{RS}}\$ 38.55 (if a tribunal finds, after a hearing in camera, that the party send idiscovery or the propone of the evidence has shown the evidence is not otherwise availe, the need for the evidence substantially outweighs the interest in protecting confidentiality and the collaborative law communication is sought or offered in:
 - (a) A court proceeding involving a felony or misdemeanor; or
- (b) A proceeding seeking rescission reformation of a contract arising out of the collaborative law process or in which a defents avoid liability on the contract is asserted.
- 4. If a collaborative law communication subject to an exception under subsection 2 or 3, only the part of the communication assary for the application of the exception may be disclosed or admitted into evidence.
- 5. Disclosure or admission of evidence excepted fithe privilege under subsection 2 or 3 does not make theidence or any other collaborative law communication discoverable or admissible for any other purpose.
- 6. The privileges under 38.55 do not apply if the paies agree in advance in a signed record, or if a record of a proceeding agreement by the parties, that all or part of a collaborative law process is not beigned. This subsection on apply to a collaborative law communication made by a pershat did not receive actual notice of the agreement beforeal communication was made.

(Added to NRS b<u>2011, 189</u> effective January 1, 2013)

NRS 38.565 Authority of tribural in case of nonompliance. [Effective January 1, 2013.]

- 1. If a collaborative law participation agreement fails to meet the requirements of NRS 38.485 or if a prospective collaborate lawyer fails to comply with NRS 38.535 or 38.540 a tribunal may nonetheless find that parties intendet enter into a collaborative law participation agreement if the parties:
- (a) Signed a record indicating aimtention to enter it a collaborative law participation agreement; and
 - (b) Reasonably believed they wpærticipating in a collaborative law process.

- 2. If a tribunal makes the finding specified in subsection and the interests of justice require, the tribunal may:
- (a) Enforce an agreement evidenced begreard resulting from the process in which the parties participated;
 - (b) Apply the disqalification provisions oNRS 38.51038.515and38.520 and
 - (c) Apply the privileges under 38.550

(Added to NRS by 011, 190 effective January 1, 2013)

NRS 38.570 Applying and consuming Uniform Act to promote uniformity. [Effective January 1, 2013.] In applying and construing the Uniform Collaborative Law Act, consideration must be with the need to promeotiniformity of the law with respect to its subject mattermong states that enact it.

(Added to NRS by 2011, 1,9effective January 1, 2013)

NRS 38.575 Relation to Electronic Signatures in Global and National Commerce Act. [Effective January 1, 2013.] NRS 38.40(to 38.575) inclusive, modify, limit and supersede the federalectronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., doubtot modify, limit or supersede Section 101(c) of that act, 15 U.S.C. § 7001(c), authorize electronic delivery of any of the notices described in Section 103(db)that act, 15 U.S.C. § 7003(b).

(Added to NRS b<u>2011, 191</u> effective January 1, 2013)

TAB 6

TAB 7