Providing purchasers with information about the community

The law requires you to provide a prospective purchaser of your property a copy of the community's governing documents, including the CC&Rs, association bylaws, and rules and regulations, as well as a copy of the "Did You Know Statement." You are also required to provide a copy of the association's current year-to-date financial statement, including, without limitation, the most recent audited or reviewed financial statement, a copy of the association 's operating budget and information regarding the amount of the monthly assessment for common expenses, including the amount set aside as reserves for the repair, replacement and restoration of common elements. You are also required to inform prospective purchasers of any outstanding judgments or lawsuits pending against the association of which you are aware.

You have certain rights in a CIC guaranteed by the state

Pursuant to provision of chapter 116 of Nevada Revised Statutes, you have the right:

- To be notified of all meetings of the association and its executive board, except in cases of emergency.
- To attend and speak at all meetings of the association and its executive board, except in some cases where the executive board is authorized to meet in closed executive session.
- To request a special meeting of the association upon petition of at least 10 percent of the homeowners.
- To inspect, examine, photocopy and audit financial and other records of the association.
- To be notified of all changes in the community's rules and regulations and other actions by the association or board that affect you.

State of Nevada

OFFICE OF THE OMBUDSMAN
Nevada Real Estate Division

Department of Business and Industry
Real Estate Division

Ombudsman for Owners in Common-Interest Communities and Condominium Hotels

Telephone: 702-486-4480

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Southern Nevada
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Before You Purchase a Home in a CIC



Did You Know?

Pursuant to NRS 116.4109, prospective unit owners have the right to receive a Resale Package from the association, paid for at the seller's expense.

You generally have five days to cancel the purchase agreement

When you enter into a purchase agreement to buy a unit in a common -interest community, in most cases you should receive either a public offering statement, if you are the original purchaser of the unit, or a resale package, if you are not the original purchaser.

The law generally provides for a 5-day period in which you have the right to cancel the purchase agreement. Upon receiving a public offering statement or a Resale Package, you should make sure you are informed of the deadline for exercising your right to cancel.

In order to exercise your right to cancel, the law generally requires that you hand deliver or mail the notice of cancellation to the seller within the 5-day period. **Alternatively, if you are not the original purchaser** and received a Resale Package, you may deliver the notice of cancellation **by email** to the seller within the 5-day period.

You are agreeing to restrictions on how you may use the property

These restrictions are contained in a document known as the Declaration of Covenants, Conditions and Restrictions (CC&Rs). These CC&Rs become a part of the title to your property. They bind you and every future owner of the property whether or not you have read them or had them explained to you.

The CC&Rs, together with other "governing documents" (such as association bylaws and rules and regulations), are intended to preserve the character and value of properties in the community, but may also restrict what you can do to improve or change your property and limit how you use and enjoy your property.

By purchasing a property encumbered by CC&Rs, you are agreeing to limitations that could affect your lifestyle and freedom of choice. You should review the CC&Rs, and other governing documents before purchasing to make sure that these limitations and controls are acceptable to you. Certain provisions in the CC&Rs and other governing documents may be superseded by contrary provisions of Chapter 116 of the Nevada Revised Statutes.



Assessments

As an owner in a common-interest community, you are responsible for paying your share of expenses relating to the common elements, such as landscaping, shared amenities and the operation of any homeowners' association. The obligation to pay these assessments binds you and every future owner of the property.

Owners' assessments are usually determined by the homeowners' association and may be due monthly. You have to pay assessments whether or not you agree with the way the association is managing the property or spending the assessments.

The executive board of the association may have the power to change and increase the amount of the assessment and to levy special assessments against your property to meet extraordinary expenses. If the association is not well managed or fails to provide adequate funding for reserves to repair, replace and restore common elements, you may be required to pay special assessments to accomplish these tasks.



If you do not pay these assessments when due, the association usually has the power to collect them by selling your property in a nonjudicial foreclosure sale. If fees become delinquent, you may also be required to pay penalties and the association's costs and attorney's fees to become current. If you dispute the obligation or its amount, your only remedy to avoid the loss of your home may be to file a lawsuit and ask a court to intervene in the dispute.

The association may have the power to affect how you use and enjoy your property

In a new development, the association will usually be controlled by the developer until a specific number of units have been sold. After the period of developer control, the association may be controlled by property owners like yourself who are elected by homeowners to sit on an executive board and other boards and committees formed by the association.

The association, and its executive board, are responsible for assessing homeowners for the cost of operating and maintaining the association. Because homeowners sitting on the executive board and other boards and committees may not have the experience required to carry out the association's responsibilities properly, the association may hire professional community managers to assist in carrying out these responsibilities.

Homeowners' associations operate on democratic principles. Some decisions require all homeowners to vote, some decisions are made by the executive board or other boards or committees established by the association or governing documents.

Although the actions of the association and its executive board are governed by state laws, the CC&Rs and other governing documents, decisions made by these persons will affect your use and enjoyment of your property, your lifestyle and freedom of choice, and your cost of living in the community.

You may not agree with decisions made by the association or its governing bodies even though the decisions are ones which the association is authorized to make.

If you do not agree with decisions made by the association, its executive board or other governing bodies, your remedy is typically to attempt to use the democratic processes of the association to seek the election of members of the executive board or other governing bodies that are more responsive to your needs.



Dispute Resolution

If you have a dispute over the interpretation, application, or enforcement of the governing documents, you may be able to resolve it through the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels. To resolve some disputes, you may be required to utilize the Alternative Dispute Resolution (ADR) process. If mediation is unsuccessful, you may have to file a lawsuit and ask a court to resolve the dispute. In addition to your personal cost or to prosecute a lawsuit, you may be responsible for paying your share of the association's cost in defending against your complaint.