STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION
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BEFORE YOU PURCHASE PROPERTY IN A COMMON-INTEREST COMMUNITY DID YOU KNOW . . .

1. YOU TYPICALLY HAVE FIVE DAYS TO BACK OUT OF THE CONTRACT?

When you sign a contract to purchase a home or unit within a shared-interest community, you'll typically receive a public offering statement if you're the first buyer, or a resale package if you're purchasing from a previous owner. By law, you usually have a five-day window to cancel the agreement. This five-day period begins on different dates based on whether you received the public offering statement or the resale package. After receiving either a public offering statement or resale package, be sure to carefully find out the exact deadline to cancel your home purchase agreement. To use your legal right to cancel, Nevada state law usually requires you to either hand-deliver your written cancellation notice to the seller within five calendar days, or send it by prepaid U.S. mail within that same time frame. If you're buying from a previous owner and received a resale package, you may also send your cancellation notice electronically, such as by email, within the five-day window. For detailed and up-to-date information on your specific cancellation rights, refer to Nevada Revised Statutes 116.4108 (for public offering statements) or 116.4109 (for resale packages).

2. YOU'RE ACCEPTING LIMITATIONS ON HOW YOUR PROPERTY MAY BE USED?

These limitations are outlined in a legal document called the Declaration of Covenants, Conditions, and Restrictions (CC&Rs). Once you purchase the property, the CC&Rs are legally attached to the title, meaning they apply to you and to all future owners—regardless of whether you've read or fully understood them. The CC&Rs, along with other "governing documents" (such as the association's bylaws and rules), are specifically designed to maintain and preserve the character and value of properties within the community. However, they may also place restrictions on any improvements or changes you can make to your property, as well as limit how you can use and enjoy it. By buying a property subject to CC&Rs,

by purchasing, you are agreeing to limitations that may impact your lifestyle and personal freedoms. It's important to carefully review the CC&Rs and other governing documents before finalizing your purchase to ensure that these restrictions and regulations align with your preferences. Some provisions in the CC&Rs and other governing documents may be overridden by conflicting provisions in Chapter 116 of the Nevada Revised Statutes. You can access the full text of the Nevada Revised Statutes online at http://www.leg.state.nv.us/nrs/.

3. YOU'LL BE RESPONSIBLE FOR PAYING OWNER ASSESSMENTS FOR THE DURATION OF YOUR PROPERTY OWNERSHIP?

As an owner in a community with shared interests, you are required to contribute your portion of the costs associated with common areas, such as landscaping, communal amenities, and the operation of the homeowners' association. This responsibility to pay assessments applies to you and any future owners of the property. Homeowners' fees are typically set by the homeowners' association and are due monthly. You must pay these fees, regardless of whether or not you agree with how the association is managing the property or utilizing the funds. The association's executive board may have the authority to modify or increase the assessment amount and impose special assessments on your property to cover unexpected costs. In certain communities, the association is responsible for maintaining and replacing significant parts of the common areas, such as roofs and private roads. If the association is poorly managed or does not allocate enough funds for reserves to repair, replace, or restore common elements, you may be required to pay substantial special assessments for these necessary repairs.

4. IF YOU FAIL TO PAY OWNER ASSESSMENTS, YOU RISK LOSING YOUR PROPERTY?

If you fail to pay these assessments on time, the association typically has authority to collect them by selling your property through nonjudicial foreclosure. If your fees become overdue, you may also be required to cover penalties, as well as the association's costs and attorney's fees to bring your account up to date. If you disagree with the obligation or amount, your only option to prevent losing your home might be to file a lawsuit and seek court intervention.

5. YOU COULD JOIN A HOMEOWNERS' ASSOCIATION THAT CAN IMPACT HOW YOU USE, MAINTAIN, AND ENJOY YOUR PROPERTY?

Many common-interest communities have a homeowners' association. In a new development, the developer typically maintains control of the association until a certain number of units are sold. Once this threshold is met and the developer's control ends, the association may be managed by property owners, like yourself, who are elected by fellow homeowners to serve on the executive board and committees formed by the association. Association and its board are responsible for charging homeowners to cover costs of running and maintaining common to shared elements of the community, as well as for the day-to-day operation and management. Since homeowners on the executive board and other committees may lack the experience or professional expertise to fulfill the association's duties properly, the association may hire professional community managers to handle these tasks. Homeowners' associations operate based on democratic principles. Some decisions require a vote from all homeowners, while others are made by the executive board or other committees established by the association or its governing documents. While the association and its executive board must adhere to state laws, the CC&Rs, and other governing documents, the decisions made by these individuals can impact how you use and enjoy your property, your lifestyle, and your freedom of choice, as well as your cost of living within the community. You might not agree with decisions made by the association or its governing bodies, even if those decisions fall within the association's authority. Some decisions made by a few individuals on the executive board or governing bodies may not reflect the views of the majority of homeowners in the community. If you disagree with decisions made by the association, its executive board, or other governing bodies, your typical recourse is to try to use the association's democratic processes to elect board members or other governing body members who are more attuned to your needs. If you have a dispute with the association, its executive board, or other governing bodies, you may be able to resolve it through the complaint, investigation, and intervention process managed by the Office of the Ombudsman for Owners in Common-Interest Communities, the Nevada Real Estate Division, and the Commission for Common Interest Communities. However, to resolve certain disputes, you may need to mediate or arbitrate, and if those processes are unsuccessful, you might have to file a lawsuit and request court intervention to resolve the matter fairly. In addition to your own costs for mediation, arbitration, or litigation, you may also be responsible for your share of the association's legal expenses in defending against your claim.

6. YOU MUST PROVIDE POTENTIAL BUYERS OF YOUR PROPERTY WITH INFORMATION ABOUT LIVING IN YOUR COMMON-INTEREST COMMUNITY?

The law mandates that you provide a prospective buyer of your property with a copy of the community's governing documents, including the CC&Rs, association bylaws, and rules and regulations, along with a copy of this document. You must also provide a copy of the association's current year-to-date financial statement, which includes, but is not limited to, the most recent audited or reviewed financial statement, the association's operating budget, and details about the monthly assessment for common expenses, including the reserves set aside for the repair, replacement, and restoration of common elements. Additionally, you must inform prospective buyers of any outstanding judgments or lawsuits pending against the association that you are aware of. For more information on these requirements, refer to Nevada Revised Statutes 116.41095.

7. YOU HAVE SPECIFIC RIGHTS RELATED TO OWNERSHIP IN A COMMON-INTEREST COMMUNITY THAT ARE GUARANTEED TO YOU BY THE STATE?

Under the provisions of Chapter 116 of the Nevada Revised Statutes, you have the right:

(a) To receive notification of all meetings held by the association and its executive board, except in emergency situations.

(b) To attend and speak at all meetings of the association and its executive board, except in cases where the executive board is permitted to meet in a closed session.

(c) To request a special meeting of the association by petitioning at least 10 percent of the homeowners.

(d) To inspect, examine, photocopy and audit financial and other records of the association.

(e) To receive notifications regarding any updates to the community's rules and regulations, as well as other decisions made by the association or board that impact you.

8. QUESTIONS?

Even though the documents may be extensive, it is important to take the time to read and fully comprehend the materials that govern your property ownership in a common-interest community. If anything is unclear, consider asking your real estate agent, attorney, or another knowledgeable individual for clarification. You may also seek help from the Office of the Ombudsman for Owners in Common-Interest Communities, Nevada Real Estate Division, at:

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or toll free at (877) 829-9907
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I/We acknowledge that I/we have received the above-information.		
Purchaser	*Date*	*Time*
Purchaser	*Date*	*Time*