

**ARTICLE 1**  
**GENERAL PROVISIONS**  
**Part I**

**Definitions and Other General Provisions**

**NRS 116.001 Short title.** This chapter may be cited as the Uniform Common-Interest Ownership Act.

(Added to NRS by [1991, 535](#))—(Substituted in revision for NRS 116.1101)

**NRS 116.003 Definitions.** As used in this chapter and in the declaration and bylaws of an association, the words and terms defined in [NRS 116.005](#) to [116.095](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by [1991, 535](#); A [2003, 1302, 2221](#); [2005, 2586](#); [2009, 1608](#); [2011, 2415](#))

**NRS 116.005 “Administrator” defined.** “Administrator” means the Real Estate Administrator.

(Added to NRS by [1999, 2993](#); A [2003, 1302, 2221](#))—(Substituted in revision for NRS 116.110305)

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

1. A person controls a declarant if the person:

- (a) Is a general partner, officer, director or employer of the declarant;
- (b) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the declarant;
- (c) Controls in any manner the election of a majority of the directors of the declarant; or
- (d) Has contributed more than 20 percent of the capital of the declarant.

2. A person is controlled by a declarant if the declarant:

- (a) Is a general partner, officer, director or employer of the person;
- (b) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote or holds proxies representing, more than 20 percent of the voting interest in the person;
- (c) Controls in any manner the election of a majority of the directors of the person; or
- (d) Has contributed more than 20 percent of the capital of the person.

3. Control does not exist if the powers described in this section are held solely as security for an obligation and are not exercised.

(Added to NRS by [1991, 535](#); A [2011, 2415](#))—(Substituted in revision for NRS 116.11031)

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

1. In a condominium, the undivided interest in the common elements, the liability for common expenses, and votes in the association;
2. In a cooperative, the liability for common expenses, the ownership interest and votes in the association; and
3. In a planned community, the liability for common expenses and votes in the association.

(Added to NRS by [1991, 536](#); A [2011, 2416](#))—(Substituted in revision for NRS 116.110313)

**NRS 116.011 “Association” and “unit-owners’ association” defined.** “Association” or “unit-owners’ association” means the unit-owners’ association organized under [NRS 116.3101](#).

(Added to NRS by [1991, 536](#))—(Substituted in revision for NRS 116.110315)

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

(Added to NRS by [2003, 2208](#); A [2005, 2587](#); [2007, 2268](#))

**NRS 116.015 “Commission” defined.** “Commission” means the Commission for Common-Interest Communities and Condominium Hotels created by [NRS 116.600](#).

(Added to NRS by [2003, 2208](#); A [2007, 2268](#))

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

1. In the case of:

- (a) A condominium or cooperative, all portions of the common-interest community other than the units, including easements in favor of units or the common elements over other units.
- (b) A planned community, any real estate within a planned community which is owned or leased by the association, other than a unit.

2. In all common-interest communities, any other interests in real estate for the benefit of units’ owners which are subject to the declaration.

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

**NRS 116.019 “Common expenses” defined.** “Common expenses” means expenditures made by, or financial liabilities of, the association, together with any allocations to reserves.

(Added to NRS by [1991, 536](#))—(Substituted in revision for NRS 116.11032)

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

1. “Common-interest community” means real estate described in a declaration with respect to which a person, by virtue

of the person's ownership of a unit, is obligated to pay for a share of real estate taxes, insurance premiums, maintenance or improvement of, or services or other expenses related to, common elements, other units or other real estate described in that declaration.

2. The term does not include an agreement described in [NRS 116.1209](#).

3. For purposes of this section, "ownership of a unit" does not include holding a leasehold interest of less than 20 years in a unit, including options to renew.

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

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

(Added to NRS by [2003, 2208](#); A [2007, 2268](#))

**NRS 116.025 "Complaint" defined.** "Complaint" means a complaint filed by the Administrator pursuant to [NRS 116.765](#).

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

**NRS 116.027 "Condominium" defined.** "Condominium" means a common-interest community in which portions of the real estate are designated for separate ownership and the remainder of the real estate is designated for common ownership solely by the owners of those portions. A common-interest community is not a condominium unless the undivided interests in the common elements are vested in the units' owners.

(Added to NRS by [1991, 536](#))—(Substituted in revision for NRS 116.110325)

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

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

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

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

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

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

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

1. As part of a common promotional plan, offers to dispose of the interest of the person or group of persons in a unit not previously disposed of; or

2. Reserves or succeeds to any special declarant's right.

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

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

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

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

1. Add real estate to a common-interest community;

2. Create units, common elements or limited common elements within a common-interest community;

3. Subdivide units or convert units into common elements; or

4. Withdraw real estate from a common-interest community.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. The provisions of this chapter do not invalidate or modify the tariffs, rules and standards of a public utility.
2. The governing documents of an association must be consistent and not conflict with the tariffs, rules and standards of a public utility. Any provision of the governing documents which conflicts with the tariffs, rules and standards of a public utility is void and may not be enforced against a purchaser.
3. As used in this section, “public utility” has the meaning ascribed to it in [NRS 704.020](#).

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

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

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

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

1. A building code may not impose any requirement upon any structure in a common-interest community which it would not impose upon a physically identical development under a different form of ownership.
2. In condominiums and cooperatives, no zoning, subdivision or other law, ordinance or regulation governing the use of real estate may prohibit the condominium or cooperative as a form of ownership or impose any requirement upon a condominium or cooperative which it would not impose upon a physically identical development under a different form of ownership.
3. Except as otherwise provided in subsections 1 and 2, the provisions of this chapter do not invalidate or modify any provision of any building code or zoning, subdivision or other law, ordinance, rule or regulation governing the use of real estate.

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

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

**NRS 116.1107 Eminent domain.**

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

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

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

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

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

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

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

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

**NRS 116.1108 Supplemental general principles of law applicable.** The principles of law and equity, including the law of corporations and any other form of organization authorized by law of this State, the law of unincorporated associa-

tions, the law of real property, and the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement the provisions of this chapter, except to the extent inconsistent with this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NRS 116.1118 Federal Electronic Signatures in Global and National Commerce Act superseded; exceptions.**

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

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

## **Part II Applicability**

**NRS 116.1201 Applicability; regulations.**

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

2. This chapter does not apply to:

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

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

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

(3) Shall comply with the provisions of:

(I) [NRS 116.31038](#);

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

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

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

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

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

(b) A planned community in which all units are restricted exclusively to nonresidential use unless the declaration provides that this chapter or a part of this chapter does apply to that planned community pursuant to [NRS 116.12075](#). This chapter applies to a planned community containing both units that are restricted exclusively to nonresidential use and other units that are not so restricted only if the declaration so provides or if the real estate comprising the units that may be used for residential purposes would be a planned community in the absence of the units that may not be used for residential purposes.

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

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

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

3. The provisions of this chapter do not:

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

(b) Require a common-interest community created before January 1, 1992, to comply with the provisions of [NRS 116.2101](#) to [116.2122](#), inclusive;

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

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

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

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

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

5. The Commission shall establish, by regulation:

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

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

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

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

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

(2) Facilities for flood control; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Added to NRS by [1999, 2997](#))

**NRS 116.12075 Applicability to nonresidential condominiums.**

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

(a) This entire chapter applies to the condominium;

(b) Only the provisions of [NRS 116.001](#) to [116.2122](#), inclusive, and [116.3116](#) to [116.31168](#), inclusive, apply to the condominium; or

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE 2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NRS 116.2105 Contents of declaration.**

1. The declaration must contain:

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

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

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

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

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

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

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

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

each of those rights must be exercised;

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

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

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

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

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

(l) Any restrictions:

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

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

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

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

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

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