

# COMMUNITY LIVING

A guide to the benefits of living  
in a community association.



*Caring for Communities...One Block at a Time.*

## COMMON INTEREST COMMUNITIES AND COMMUNITY ASSOCIATIONS

The term “Common Interest Communities” (CIC) describes a community in which home ownership provides access to common property and/or community facilities. As mandated by the Nevada Real Estate Division (NRED), a CIC also provides a system of self-governance through a homeowner association and a board of directors. All homeowners are members of this association, also known as a community association, which serves to enhance their community life by maintaining the integrity and appearance of common areas and the quality of services and/or amenities.

## THE ROLE OF THE BOARD OF DIRECTORS

As the oversight body that governs the association, the board of directors has a fiduciary responsibility that includes ensuring that the community’s governing documents are upheld, funds are properly budgeted, collected and spent, integrity of common areas is maintained, and community issues are addressed on the association’s behalf.

A community association’s governing documents may include bylaws, articles of incorporation, community guidelines and a Declaration of Covenants, Conditions and Restrictions (CC&Rs). The association’s bylaws specify the board’s composition. To ensure that the vision and integrity of the community are upheld during its formative stages, the builder and/or developer typically holds a majority of board positions during the construction and sales phases. Homeowners are encouraged to submit their candidacy for the remaining positions to ensure their voices are heard.

They are elected to the board by the association membership, and act in a volunteer capacity in service to their community.

The first annual election is held in accordance with time frames established in the bylaws and CC&Rs. As build-out of the community is completed, control of the association board transitions from the developer to the homeowners. The board schedules the frequency of its meetings in accordance NRS.116, taking into account the association’s needs. Regular meetings are open to all homeowners, with time allotted for their input. Depending on the structure of the community, there may also be opportunities for committee participation by residents in an advisory capacity.



## ASSOCIATION MEMBERSHIP AND ASSESSMENTS

Membership in a community association is an automatic and integral component of purchasing a home in a CIC.

The assessment amount is determined by NRED mandated budgetary guidelines. Prior to actual property sales, the developer is required to submit a detailed association budget to the NRED which, when approved, determines the amount of the assessment paid by residents. Once a community is built out, the board determines assessment amounts by reviewing the association’s financial needs, including contractual obligations and anticipated annual expenditures, as well as adequate reserve

sums for long-term maintenance of community property and/or community facilities.

Assessments may fluctuate under certain circumstances, including the effect of the overall economy on the cost of services, or a vote by the board or association membership. Limits on the amount by which assessments may be increased each year are detailed in the CC&Rs.

## CC&RS AND BYLAWS

CC&Rs are based on state-mandated requirements for community management and operating procedures. CC&Rs are recorded on the development, apply to all property in the CIC and, with few exceptions, can only be changed by a vote of the members of the association. Bylaws contain provisions concerning operation of the development and the association. As a rule, provisions that relate to property rights, such as membership rights and maintenance responsibilities, are found in the CC&Rs. Provisions regarding an association's internal and operating matters, including membership voting rights, procedures for electing the board of directors and definitions of their duties as association officers, are found in the bylaws.



## THE ROLE OF A PROFESSIONAL MANAGEMENT COMPANY

A professional management company takes its direction from the Board of Directors and provides support for the Board, community association and homeowners in four crucial areas:

### COMMUNICATION

- Ensuring CC&R and Governing Document compliance
- Facilitates all communication between homeowners and board members
- Relays board actions, decisions and requests to appropriate parties
- Ensures utilization of all communication tools including community website, ResidentAlert, newsletters, E-blasts
- Prepares all information for executive and board meetings and leads meetings as requested

### FINANCES

- Submitting monthly financial statements to the board of directors detailing collections, payments, assets and liabilities
- Collecting monthly assessments and monitoring account status
- Coordinating vendor invoices
- Collaborating on annual audit and tax filings with the association's certified public accountant

### MAINTENANCE AND COMPLIANCE

- Coordinating vendor activities, work orders and the bidding process for purchasing goods and services
- Acting as the association's liaison between the board, homeowners, vendors, builders, developers and others

### EMPLOYEE ADMINISTRATION

- Conducts all recruitment, hiring, background testing, pre-employment drug testing and personality index testing
- Facilitates all payroll and benefit administration
- Provides continuing education opportunities and training

## HOMEOWNER RESOURCES

Your community facilitates access to a network of resources for homeowners who have questions or requests about a number of topics, including:

### THE COMMUNITY'S COMMON AREA

The association's management company should be contacted directly for issues involving common area assets such as landscaping, slopes, pools, entry gates and other facilities.

### THE ASSOCIATION'S ANNUAL ASSESSMENT

The management company's accounting staff is available to answer questions regarding financial information such as assessment statements and account status. This information may also be available by phone via the management company's automated information system, or electronically on your Community Website.

### THE EXTERIOR OF A HOME

Because aesthetic harmony is among a community's most valued assets, homeowners must submit written requests to the board or designated committee for approval for residential, landscaping or other exterior modifications before proceeding.

### THE INTERIOR OF A HOME

During the first year, homeowners should contact the builder's customer service department for items under warranty. To ensure accurate and timely processing, it is advisable to put any communication in writing and send it by certified mail.



## THE MANY REWARDS OF COMMUNITY LIVING

Community associations enhance the lifestyle experiences of residents by providing access to well-maintained amenities, preserving community standards and, in some cases, offering opportunities for social and recreational involvement. As a resident and member of a community association, you can further enrich your experience by actively participating in your community, running for elected office or volunteering for committee service. Governing documents may lay the logistical foundation for a community, but involved homeowners are the architects of its vision and spirit.

*This brochure presents an overview of association living and is provided by RMI Management, LLC for general informational purposes. Specifics about individual CICs, their corporate structure and community governance models may vary. For details regarding a particular community, please refer to that community's CC&Rs, bylaws, articles of incorporation, community guidelines and other governing documents.*



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**RMI MANAGEMENT, LLC**  
a FirstService Residential Management company

**Looking for a proposal or bid?**

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