

Declarant Transition

1. **A common-interest community may be created pursuant to NRS by:**
 - A. Clicking your heels three times
 - B. Only by recording a declaration
 - C. The declaration must be **recorded in every county** in which any portion of the common-interest community is located
 - D. B & C

2. **When defining, an “Affiliate of a declarant” which controls a declarant, are the following statements true?**
 - 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.

3. **Which of the following is not a developmental right of the declarant?**
 - A. Add real estate to a common-interest community
 - B. Create street names for the city streets surrounding the community
 - C. Create units, common elements or limited common elements within a common-interest community
 - D. Withdraw real estate from a common-interest community.

4. **Which of the following is a special right of a declarant?**
 - A. Maintain a sales office and signs advertising the common interest community.
 - B. Merge or consolidate a common-interest community
 - C. Determine who is the nicest unit owner and put a swing set in their back yard
 - D. Appoint or remove any officer of the association once unit owners control the association

5. **Which of the following is not put in the Bylaws?**
 - A. Provide procedural rules for conducting meetings of the association
 - B. Provide the number of members of the executive board and the titles of the officers of the association
 - C. Provide the number of bathrooms in a unit
 - D. Specify a method for the units’ owners to amend the bylaws

6. **Which statement below is not true about rules ?**
 - A. Must be reasonably related to the purpose for which they are adopted.
 - B. Must not be adopted to evade any obligation of the association
 - C. Must be uniformly enforced under the same or similar circumstances against all units’ owners
 - D. The association can increase assessment fee if a rule is broken.

7. **When is there a time when an employee of a declarant or an affiliate of a declarant who is a member of the executive board not vote?**
 - A. An affiliate of a declarant can never vote at any meetings
 - B. Can vote at all executive meetings
 - C. When the member stands to gain any personal profit on the matter

8. **Which situations are times when declarant control ends?**
- A. The declarant voluntarily surrenders control
 - B. Five years after all declarants have ceased to offer units for sale in the ordinary course of business
 - C. Sixty days after conveyance of 75 percent of the units
 - D. A, B, C
 - E. The declarant doesn't, his wife controls it! He never had a chance!

9. **Which of the following is not included at the time of transfer ?**
- A. Declaration
 - B. Minutes
 - C. Association money
 - D. Warranties
 - E. Reserve study
 - F. None all included in transfer

10. Are the following liabilities / obligations, which a transferor would be responsible for after transition?

- A. Misrepresentations by any previous declarant
- B. Warranties on improvements made by any previous declarant, or made before the common-interest community was created;
- D. Breach of any fiduciary obligation by any previous declarant or previous declarant's appointees to the executive board;

11. Within 2 years after the executive board elected by the units' owners pursuant to [NRS 116.31034](#) takes office, the association may terminate which of the following without penalty?

- A. Any management, maintenance, operations or employment contract,
- B. lease of recreational or parking areas or facilities
- C. Any other contract or lease between the association and a declarant
- D. All of the above
- E. None of the above

12. When is the one time a declarant is not obligated to complete and restore?

- A. Except for improvements labeled "NEED NOT BE BUILT
- B. Always obligated to complete and restore
- C. Declarant has no obligations to complete and restore**

13. If the declaration provides that a common-interest community is subject to any developmental rights, the public offering statement must disclose?

- A. The maximum number of units that may be created
- B. A statement of how many or what percentage of the units that may be created will be restricted exclusively to residential use
- C. A statement of the of what percentage of the property can be used as a dog park.
- D. General descriptions of all other improvements that may be made and limited common elements that may be created within any part of the common-interest
- E. None of the above
- F. A, B, D