

Real Estate Division

Sharath Chandra
Administrator

Office of the Ombudsman

Sharon Jackson
Ombudsman

Ingrid Trillo
Editor

INSIDE THIS ISSUE

Commissioners
Woods, Henderson, 2
Ferguson

New Faces to CICH 3

Education & Training 4

Super Priority Liens 5

Community Manager
Information 6,7

Disciplinary Actions 8-9

Division Advisory
Opinion 10

Mission Statement 11

<http://red.nv.gov/>

Community Insights

Department of business & industry

FALL 2016

Ombudsman Sharon Jackson

Welcome to the Fall issue of Community Insights.

Our goal is to share information and assist homeowners and community managers in education and conflict resolution.

We are committed to accomplishing positive change and will continue to develop a sense of community and shared values within the industry.

Our mission is to provide a neutral and fair venue to assist homeowners, board members and community managers in handling issues that may arise while living in a common-interest community or condo-

minium hotel. In this issue, I am happy to share with you some of the new faces within the Division and announce recently



Sharon Jackson, Ombudsman

appointed Commissioners Doris Woods, Ryan Henderson, and reappointed Commissioner Ken Williams to the board of the Common Interest Communities and Condominium Hotels Commission.

We are excited to welcome our new Administrator of the Nevada Real Estate Division, Sharath Chandra. He previously served as the Deputy Administrator of the Nevada Housing Division.

The 79th (2017) Session of the Nevada Legislature will begin on Monday, February 6, 2017.

Wishing you a Happy Holiday Season!

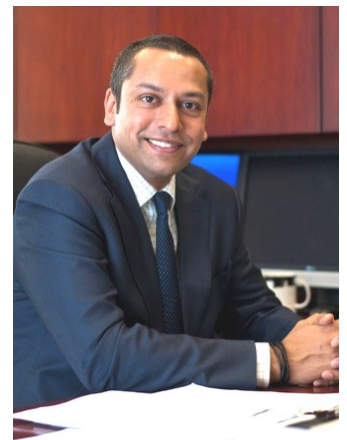
Administrator Sharath Chandra

I consider myself fortunate to be assuming the role of Administrator in a Division that remains unwavering in its service to you, the citizens of this great State.

I would like to thank everyone for the warm welcome. From the very first day I walked into this job, I have been so impressed with the work ethic and dedication of the Division staff. Their commitment to providing services and support to our constituents is truly inspirational.

We will strive to further streamline functions and service delivery, always with an eye on enhancing the customer experience. A very important area of focus in the coming years will be improving and expanding the digital delivery of services, and the multiple options.

I look forward to working with each and every one of you as we take the goal of making the Real Estate Division the best it can be.



Sharath Chandra, Administrator

Doris Woods - Homeowner Member Commissioner



Doris Woods

The Division would like to welcome Doris Woods to the Common-Interest Community and Condominium Hotels Commission. Ms. Woods serves as a homeowner member.

Ms. Woods brings her personal experience of being the Secretary/Treasurer of her homeowners association.

She is also active volunteer

for KNXT PBS and KNPR Radio.

Ms. Woods is currently employed as a Mediator for the State of Nevada Foreclosure Mediation Program and also worked on the U.S. Equal Employment Opportunity Commission.

"I am looking forward to working with the other Commissioners and the

staff of the Real Estate Division Office of the Ombudsman. I have lived in a condominium since I moved to Las Vegas in 2002 and served on that HOA Board for many years. I will bring to bear my background and previous experience in dealing with matters brought before the Commission."

Ryan Henderson - Homeowner Member Commissioner



Ryan Henderson

The Division would like to welcome Ryan Henderson to the Common-Interest Community and Condominium Hotels Commission. Mr. Henderson serves as a homeowner member.

Mr. Henderson a native Nevadan, worked in the real estate and property management industry in

Las Vegas and is currently licensed and works with family on "The Henderson Home Team" in Northern Nevada.

Mr. Henderson has worked in sales and marketing for the past 20 years. He has been a successful licensed Optician for the past 13 years, but has always had a passion

for Real Estate.

Ryan and his wife with their two sons have been very active in their community.

They volunteer and are involved in local politics. They take pride in serving the people in their community and state.

Ken Williams - Community Manager Commissioner



Ken Williams

The Ombudsman is pleased to announce that Ken Williams, Community Manager Commissioner, has been reappointed by the Governor to the Commission.

Mr. Williams moved to Las Vegas in 1982 while serving in the US Air Force, and he retired

after 20 years of Honorable Service. Shortly thereafter, he was offered a position with Howard Hughes Corporation where he got his first taste of Common Interest Community Management.

After a year with Howard Hughes Company, he was offered a position with an

up-and-coming management company called CAMCO. The rest is history.

Commissioner Williams was sworn in by Commission Chairman Barry Breslow at the November 15-17, 2016 Commission meeting.



Darik Ferguson

Chief Compliance/Audit Investigator

The Ombudsman is proud to announce the promotion of Darik Ferguson to Chief Compliance/Audit Investigator.

Darik's previous experience as a detective in law enforcement and a manager responsible for overseeing financial proposals for development projects, have

proven to be an asset to the Real Estate Division's Common Interest Communities and Condominium Hotel's Compliance Section.

New Faces to CICCH—In the Ombudsman's Office



- **Mariana Benn**, Program Manager
- **Felipe Rodriguez**, Compliance/ Audit Investigator
- **Dee Augdahl**, Compliance/ Audit Investigator
- **Amy Cravin**, Administrative Assistant
- **Reneece Jackson**, Administrative Assistant
- **Frank Rivers**, Administrative Assistant
- **Cynthia Toy**, Administrative Assistant
- **Margaret Klenk**, Accounting

Ingrid Trillo—CICCH Education & Information Officer

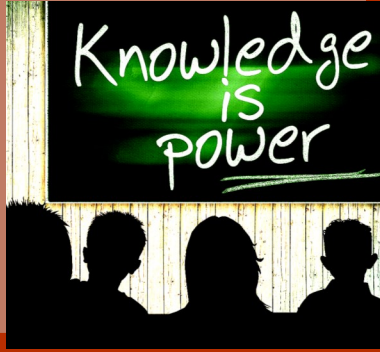
The Ombudsman is pleased to announce Ingrid Trillo as the new Education & Information Officer for the Common-Interest Communities and Condominium Hotels.

Ingrid is a long time Nevada resident and a graduate from UNLV. She has worked for the Real Estate Division since 2008 in various sections including Inspector of Structures (IOS), Timeshares



and Real Estate. In addition she has assisted the Projects' Section with Builder Developer exemptions.

She is looking forward to working with the Education Sponsors and the public in the Common-Interest Community and Condominium Hotel industry.



CE Provider/Sponsor New Education Process for Community Association Manager Courses

Good news for Education Providers/Sponsors.

At the August Commission Meeting, the Commissioners authorized the Division to approve the CAM Continuing Educa-

tion courses on behalf of the Commission.

This new process allows CAM Education courses to be reviewed with a faster turnaround.

The deadline to submit

CE courses will be the first Monday of the Month. Your course will be reviewed, and our goal will be to respond within 30 days.

Happy Holidays!

Please contact Ingrid Trillo, Education & Information Officer with any questions.

Email: itrillo@red.nv.gov Tele: (702) 486-4480.

CIC Monthly Training Classes

The Ombudsman's Office hosts educational training sessions for Nevada association's executive board members, unit owners and com-

munity managers who want to learn more about their rights and responsibilities.

All HOA residents are welcome.

The slide presentations are posted online, along with training videos and lots of other resources.

To find out more, visit us http://red.nv.gov/Content/CIC/Program_Training/Classes/

and search for "Upcoming Classes."

Please contact Stacey Spoerl, Training Program Officer, for registration and information.

Email: Stacey Spoerl at OMBClasses@red.nv.gov



NRS Monthly Training Class



*"Life always offers
you a second
chance. It's called
tomorrow."*

Anonymous

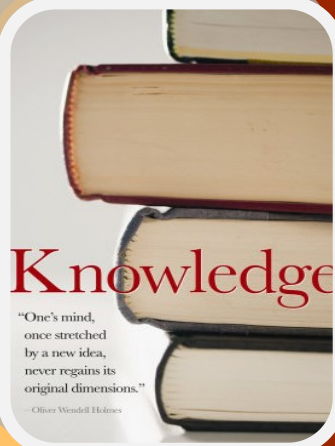
Super Priority Lien

Recently the Nevada Supreme Court, in a long awaited decision, put an end to the debate over the extent of an association's Super Priority Lien. The Nevada Supreme Court concluded that the Super Priority Lien consisted of only 9 months of assessments and abatement cost, and did not include the cost of collections. (Horizons at Seven Hills Homeowners Association v. Ikon Holdings, LLC, 132 Nev. Adv. Op. 35(2016)).

In the 2015 Legislature, NRS 116.3116, including the super priority lien

amount, was changed, but those changes were not applicable to the Horizon cases and all other cases prior to October 1, 2015. Senate Bill 306 became effective October 1, 2015, affects all HOA foreclosures from that point forward, and has added to the priority lien specific actual costs incurred by the association to enforce the lien, not to exceed the amounts as follows:

- ◇ **For an intent to record a notice of default letter, \$90.00,**
 - ◇ **For a notice of default, \$400.00, and**
 - ◇ **For a trustee's sale guaranty, \$400.00.**
- No other fees or charges may be included. SB306 also allows the association or its community manager or any agent thereof to send all notices prior to the recorded notice of default and they need not to be licensed as a collection agency.
- ◇ **For a demand or intent to lien letter, \$250.00,**
 - ◇ **For a notice of delinquent assessment, \$325.00,**



Knowledge

*"One's mind,
once stretched
by a new idea,
never regains its
original dimensions."*

— Oliver Wendell Holmes

Did You Know?

In the State of Nevada, 46% of the population lives in a Nevada Homeowners Association.

There are 3,162 HOAs that have registered with the Real Estate Division.

There are 523,442 Units in all Registered Associations.

In the last six months, over 150 people have viewed the Reserve Study videos.



Relax and enjoy the
reading.

“Knowledge
Speaks
Wisdom
Listens”
Jimi Hendrix

Information available at:
<http://red.nv.gov>

Attention Community Managers

Per NAC 116A.110, a person who wishes to obtain a certificate must follow the application requirements prescribed by the Real Estate Division. Below are the initial certification requirements.

Provisional Community Manager

1. Application Form 559.
2. Fingerprint Card: one (1) fingerprint card and a cashier's check or money order made payable to the "Department of Public Safety" OR a verification form issued by an approved Fingerprint Vendor (Form 619).
3. Education: Minimum of 60 hours of education in management of a common-interest community.
4. Original Community Manager Exam passing result dated within last 12 months.
5. Fee \$200.

Community Manager

1. Application Form 559.
2. Fingerprint Card: one (1) fingerprint card and a cashier's check or money order payable to the "Department of Public Safety" OR a verification form issued by an approved Fingerprint Vendor (Form 619).
3. Education: Minimum of 60 hours of education in management of a common-interest community.
4. Experience: Submit the completed Service Verification form located on Form 559's page #6 (Document #8) and a resume.
5. Original Community Manager exam passing result dated within last 12 months.
6. Fee \$200.

Community Manager - Temporary Certificate

1. Application Form 659.
2. Fingerprint Card: one (1) fingerprint card and a cashier's check or money order made payable to the "Department of Public Safety" OR a verification form issued by an approved Fingerprint Vendor (Form 619).
3. Experience: Submit a resume.
4. Employment offer: Attach a copy of the offer of employment.
5. Fee \$100.

HOA UNIT REGISTRATION FEE INCREASE

As of July 1, 2016, the per unit fee increased from \$3.00 to \$4.25, per unit pursuant to NRS 116.31155, amended by Section 1 of Assembly Bill No. 474.



*"We can't
help
everyone,
but everyone
can help
Someone"
Ronald Reagan*

Closed on Monday, December 26, 2016, Christmas Day

Closed on Monday, January 2, 2017, New Year's Day

Closed on Monday, January 16, 2017, Martin Luther King Day

Suggestions Welcome

We are open to suggestions. Let us know what you would like to see inside the Community Insights Newsletter!

Please contact Ingrid Trillo, Education & Information Officer, with your ideas. Email: itrillo@red.nv.gov



Season Greetings

Common-Interest Community & Condominium Hotels Commission Hearing Decisions 2016

Case Orders can be found at:

http://red.nv.gov/Content/CIC/Commission_Orders/

Name & Case No:

Anthem Highlands; Ronnie Young Filed February 2, 2016

Case No. 2015-3615; 201-2155; 2015-3100; 2015-2207

Settlement: On February 2, 2016, the Commission approved a settlement with Anthem Highlands Community Association board member, Ronnie Young. The complaint alleges Mr. Young violated his fiduciary duty by failing to attend board meetings. As part of the settlement, Mr. Young agrees not to serve on any association board for 10 years.

Name & Case No:

Rhonda Freih Filed on August 24, 2016

Case No. 2013-464

Order: On August 17th and 18th, 2016 the Commission accepted allegations against former community manager Rhonda Freih. Ms. Freih failed to exercise ordinary and reasonable care in the performance of her duties when she signed a contract on behalf of the Association without authority. And provided an unsigned executive session meeting minutes to evidence her authority to sign a contract when hiring vendors cannot be done in executive session according to NRS116A.31085 (2) and the board members deny the executive session meeting occurred.

Mr. Freih had exceeded her authority granted to her by the Association. By committing an act of professional incompetence when she failed to exercise reasonable skill and care with respect to a duty or obligation owed to the Association when she signed a contract on behalf of the Association without authority and was violated NAC 116A.355(1)(a)(3) by committing negligence or gross negligence by signing a contract on behalf of the Association without authority.

The Commission ORDERS as follows: : Ms. Freih's community manager certificate shall be suspended for a period of six months from August 18, 2016. To pay an administrative fine to the Division in the total amount of \$8,384.09, representing a fine of \$5,000 (\$833.33 for each of the 6 violations of law), and Division costs of \$3,384.09, all of which to be paid in full no later than August 18, 2017. To complete 60 hours of precertification courses no later than August 18, 2017. The education required by this section shall not be applied to any continuing education requirements for the renewal of Respondent Freih's certificate.

Allegations/Stipulations

Stipulations occur when both the respondent and the Division have agreed to a settlement.

Name & Case No:

Martin Saxon Filed February 02, 2016

Case No. 2015-3007

Settlement: On February 2, 2016, the Commission approved a settlement between the Division and community manager Martin Saxon. Mr. Saxon admitted to falsifying two annual registration forms for an association client; (submitted to the Division) that the required annual audits were completed and reserve funds were adequate. Mr. Saxon agreed to pay a fine of \$5,000 and demotion of his supervisory certificate for 2 years. The Division explained the settlement took into consideration Mr. Saxon's prior history of no violations, his cooperation with the Division, and the lack of harm to the association.

Name & Case No:

Maria Limon Filed February 1, 2016

Case No. 2015-2028

Order: On February 2, 2016, the Commission accepted allegations against former community manager Maria Limon when Ms. Limon failed to answer the complaint or provide any representation at the hearing. Ms. Limon had been providing community manager services to two associations after her license was revoked. The associations' assessments were commingled in an account controlled only by Ms. Limon and used to pay Ms. Limon's husband, various personal bills, and otherwise diverted to Ms. Limon's personal accounts, including over \$125,000 taken by wire transfers in 2014 and 2015. While Ms. Limon was serving her 6 month prison sentence on another matter, she represented to board members that she was absent due to undergoing chemotherapy for stomach cancer. The Commission ordered restitution to the associations in the amount of \$125,000 and an administrative fine of \$31,108.43. Ms. Limon's certificate is to remain revoked for no less than 10 years and until all fines and restitution ordered by the Commission having been paid in full.

Common-Interest Community & Condominium Hotels Commission Hearing Decisions

Name & Case No:

Cottonwood
Case No. IN-1620

Filed December 1, 2015

Order: On November 17, 2015, the Commission heard a case against Cottonwood Court Townhomes and its board members, Ann Tisue, Gilbert Tisue, and William Maston. The association was represented by counsel, but the board members, who together owned all the units in the association, were not present or represented. According to the association's reserve study, the association was underfunded in its reserves by over \$31,000. The owners were in the process of selling units. The Commission ordered that Ann Tisue, Gilbert Tisue, and William Maston pay \$31,897.08 to the reserves and pay an administrative fine in the amount of \$3,085.93.

Name & Case No:

White, Leslie;
Collins, Audra; Collins, Ryon
Case No. 2014-1505

Filed September 22, 2015

Settlement: On September 22, 2015, the Commission approved a settlement for 37 cases the Division brought against community managers Leslie White, Audra Collins and Ryon Collins. The complaints centered around the management of multiple associations for several years without board members. The complaint also alleged forged contracts, forged checks, sole-signed checks, and automatic transfers of funds into Ms. White's company's account. Ms. White's daughter, Audra Collins, was also involved in the management of the associations, as was her daughter's husband, Ryon Collins. Under the terms of the settlement, Ms. White and Ms. Collins surrendered their community manager certificates for no less than 10 years and Mr. Collins surrendered his certificate for no less than 5 years. The Respondents also agreed to pay an administrative fine of \$35,000, plus \$6,000 in costs.

Actions/Decisions

Decisions of the Commission for Common-Interest Communities and Condominium Hotels are published in this newsletter by the Real Estate Division, unless a stay on discipline is issued by a court, the matter is not published until the final outcome of the review.

Name & Case No:

Falcon Capital
Case No. IN-1650

Filed December 2, 2015

Settlement: On November 18, 2015, the Commission approved a settlement between the Division and a declarant Falcon Capital, LLC and prior board member Gordon R. Lane. Falcon Capital and Mr. Lane agreed to pay \$10,000 to Northwood Unit-Owners' Association for reserve deficiencies and to provide the association with plans for the construction of the buildings.

Name & Case No:

Herrera-Perez
Case No.-2013-2973

Filed June 18, 2015

Settlement: On June 17, 2015, the Commission approved a settlement between the Division and Anita Herrera-Perez who had performed the duties of a community manager without a certificate from the Division. Ms. Perez performed community manager services for Belvedere Towers Owners' Association in Reno, Nevada from 2011 to approximately June of 2014. As part of the terms of the settlement, Ms. Perez agreed to pay an administrative fine in the amount of \$74,783.

Name & Case No:

Las Brisas HOA
Case No.-2014-697

Filed September 22, 2015

Settlement: On September 22, 2015, the Commission approved a settlement between the Division and Las Brisas Homeowners Association and its board members. The self-managed association never maintained a reserve account and had a reserve deficiency of approximately \$1.7 million. As part of the settlement, the association agreed to hire a community manager, to perform audits, and collect contributions for a reserve account.

Division Advisory Opinion

No. 16-01: Capital improvement questions (October 22, 2015)

ADVISORY OPINION 16-01 REPLACES 12-02-116

QUESTIONS:

1. Is a homeowner vote required to approve a capital improvement expense?
2. Can surplus funds be used to pay for capital improvements?
3. Does the ratification of a budget which contains a capital improvement expense equate to homeowner approval of the expense?

SHORT ANSWER:

1. Is a homeowner vote required to approve a capital improvement expense?

The board may initiate capital improvements only if authorized by the governing documents. In such case, homeowner approval is only required if NRS 116.345(3) applies (disclosure to unit-owners and written consent of a majority of those owning or residing within 500 feet).

If capital improvements are not authorized by the governing documents, homeowners would need to approve an amendment to the governing documents to expand the authority of the association, in order for the board to possess that authority.

2. Can surplus funds be used to pay for capital improvements?

Yes. Although surplus funds must be distributed as set forth in NRS 116.3114, to the extent the governing documents authorize a capital improvement, and the association has satisfied the provisions of NRS 116.345(3), if applicable and NRS 116.3115(9), they can use surplus funds to pay for an authorized capital improvement. .

NOTE: To the extent the capital improvement requires an amendment to the governing documents, surplus funds may not be used for the expense absent homeowner approval for an amendment to the governing documents

3. Does the ratification of a budget which contains a capital improvement expense equate to homeowner approval of the expense?

The board may not put a capital improvement expense in the budget unless the board is authorized by the governing documents to take action regarding the improvement.. If a particular capital improvement is authorized by the governing documents, NRS 116.3115(9) requires notice of a meeting at which assessments for a capital improvement will be considered or action taken be noticed at least 21 unit-owners and majority written consent of unit-owners who own property or reside within 500 feet of the proposed location.

Ratification of a budget which includes a capital improvement expense does not satisfy the requirement for owners to approve a capital improvement through amending the governing documents, and it does not constitute compliance with NRS 116.345(3).

For additional information go to our website and take the following steps:

- Real Estate Division website at: <http://red.nv.gov/>
- Select Publications
- Select Division Advisory Opinions
- Select CIC—Division Advisory Opinions - Chapter 116

Which will bring you the following link:

http://red.nv.gov/Content/Publications/Division_Advisory_Opinions/

Nevada Real Estate Division

Our Mission

To protect the public and Nevada's real estate sectors by fairly and effectively regulating real estate professionals through licensure, registration, education and enforcement.

Office of the Ombudsman

Our Mission

To provide a neutral and fair venue to assist homeowners, board members and community managers in handling issues that may arise while living in a common-interest communities or condominium hotels.



Our Locations

LAS VEGAS OFFICE

2501 E. Sahara Ave., Suite 202
Las Vegas, Nevada 89104-4137
(702) 486-4480

STATEWIDE TOLL FREE

1-877- 829-9907

Email: CICOmbudsman@red.nv.gov

CARSON CITY OFFICE

1818 E. College Parkway Suite 110
Carson City, Nevada 89706
(775) 684-1900

<http://red.nv.gov>





Community Insights

Fall 2016

is an official publication of the

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY

Bruce Breslow

Director

REAL ESTATE DIVISION

Sharath Chandra

Administrator

OFFICE OF THE OMBUDSMAN

Sharon Jackson

Ombudsman

COMMISSION FOR
COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS

Barry Breslow, ESQ., Chairman

Attorney Member

James Rizzi, Vice Chairman

Developer Member

Richard Layton, Secretary

Certified Public Accountant Member

Scott Sibley, Commissioner

Homeowner Member

Doris Woods, Commissioner

Homeowner Member

Ryan Henderson, Commissioner

Homeowner Member

Ken Williams, Commissioner

Community Manager Member