

Community Insights

Winter
2025

A NEWSLETTER FROM THE COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS
PROGRAM

DEPARTMENT OF BUSINESS & INDUSTRY
REAL ESTATE DIVISION



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A Message from the Ombudsman



Welcoming the New Year: Become an Executive Board Member!

With 2025 here, I sincerely hope you had a wonderful holiday season. As we look ahead, my office is committed to providing assistance regarding common-interest community (CIC) living.

When starting a new year, people tend to make resolutions of what they plan to accomplish in the upcoming year. What if this year, one of your resolutions was to become more active in your community? Did you know that your association is required to have an executive board of directors of not less than three members? Having a board is very important and becoming involved as a board member is one of the most impactful ways you can contribute to your community, as it provides you with the opportunity to ensure your community's needs are met, decisions are made with transparency, and resources are managed wisely.

Some may think that as a board member you only need to attend meetings or that being a board member isn't that important. Attending board meetings is part of the job, in addition to becoming a voice for your community, upholding shared values, and ensuring that your association remains a great place to live. Whether you bring financial insight, a knack for problem-solving, or simply the desire to make a difference, your contribution matters. Don't just live in your association - help shape it and foster a sense of community! By contributing your time, skills and expertise you become part of a community to be enjoyed by all.

If you would like to serve on your board of directors, please make sure to submit a nomination form during the election process. Also, you can contact the community manager or board and indicate your desire to fill any vacancy that may exist. While being a board member may not be the most prestigious volunteer job, it carries significant importance that can be a rewarding experience for both you and the community. The goal is to act now and not wait for someone else to do it.

In this issue, we have exciting updates, upcoming events, and fresh initiatives to help you start the new year and assist you in actively participating in your community. Let's work together to foster stronger communities as your voice and actions are invaluable. We're excited to see what we can accomplish together in 2025!

Please make sure to visit our website at <https://red.nv.gov/Content/CIC/Program Training/Presentations/> for resources in understanding CIC living and serving on the board. Additionally, online education classes are in full swing and you can register at <https://red.nv.gov/Content/CIC/Program Training/>.

Best wishes,

Sonya Meriweather

Unit Owners Roles, Rights and Responsibilities



Living in an HOA community comes with unique opportunities and challenges. As an owner, you help to shape your community while enjoying shared benefits. This does require you to know and understand your role, rights, and responsibilities. Below are some key points to help you thrive as an HOA member.

Educate Yourself About Your Rights

As a unit owner there are certain protections under NRS and NAC 116, 116A, and 116B. These laws govern HOAs and define your entitlements, such as accessing association records, voting, and serving on the board. To stay informed:

- Attend HOA educational classes or workshops.
- Regularly review NRS/NAC 116, 116A and 116B.
- Seek resources from your HOA or the Nevada Real Estate Division.

Familiarize Yourself with the Governing Documents

HOAs in Nevada are governed by a set of documents, including the CC&Rs, bylaws, and rules and regulations. These documents outline the standards for community living and guide the association's operations. Understanding these documents is crucial for avoiding conflicts and facilitating a harmonious living experience. Please take the time to review them thoroughly, and do not hesitate to seek clarification if needed.

Comply with the Governing Documents

Compliance with the HOA's documents assists in ensuring a cohesive community. Adhering to the CC&Rs, rules and regulations, architectural guidelines, etc. of the community, such as following the parking restrictions, ARC guidelines, and maintaining the appearance of your property as outlined in the association's guidelines may reduce the need for dispute resolution.

Paying Assessments

Timely payment of assessments is one of the most fundamental responsibilities of unit owners. These funds are used to maintain common areas, provide services, and uphold property values. Delinquency in assessments may lead to reduced property values, liens, or even legal action.

Engage in Your Community

Active participation helps build a stronger community. We encourage unit owners to serve on the board, volunteer for committees, attend meetings and events, and voice their opinions constructively. Engagement ensures that your voice is heard while fostering collaboration among residents.

Inspect Association Records

You have the right to access your HOA's records, including financial reports, meeting minutes, governing documents and the reserve study (NRS 116.31175). This transparency helps you stay informed about the association's decisions

and financial health, enabling you to participate meaningfully and to assist in understanding board decisions.

Attend and Speak at Executive Board Meetings

HOA meetings provide a platform to stay updated on community matters. As a unit owner, you have the right to attend and speak at these meetings during the unit owner forum, respectfully voicing your opinions. This provides the opportunity for you to have a voice before the board votes on agenda items.

Exercise Your Right to Vote (NRS 116.311)

Voting is a great way to influence and affect change in your HOA. Whether it is electing board members, ratifying budgets, voting on a capital improvement, your vote shapes the community's future. Stay informed about voting opportunities and actively participate.



Maintain Your Property

Proper maintenance of your property contributes to the overall appeal and value of the community. Address repairs promptly and adhere to architectural guidelines, while complying with HOA standards and CC&Rs.

Final Thoughts

Being a unit owner in an HOA is more than just owning a property; it's about being part of a collective effort to create a thriving, well-managed community. By understanding your roles, rights, and responsibilities, you can actively contribute to the success of your association while protecting your interests.

Commissioner Reappointment

During the December 2024 CICCH Commission Meeting, Phyllis Tomasso was sworn in for another term. Tomasso will continue to serve as Chairman for the seven-member commission.

Thank you, Commissioner Tomasso, for continuing to serve!



Increased Assessments Can They Really Do That?

Recent headlines have highlighted the financial strain some HOAs are experiencing due to inflation, rising insurance premiums, and underfunded reserves. As a response to these challenges some associations have implemented increases or special assessments leaving some unit owners questioning the legitimacy and/or justification of the increases. When asking whether the board has the authority to implement such an increase, always look at the governing documents and the law. The governing documents may include language regarding the board's right to increase assessments by a specified percentage without a vote of the unit owner. If the board does have the power, it can increase the assessments. However, these increases should relate to the cost of properly administering the affairs of the association. Whereas, if the increase of assessments is due to the reserve account being underfunded, the board has an obligation, pursuant to Nevada Revised Statutes (NRS) 116.3115, to properly fund the reserve account for maintenance of the common area within the community. In these cases, the board is not required to obtain the vote of unit owners. However, increases must be in accordance with the association's governing documents and NRS/NAC 116. Let us now explore the powers, restrictions, and processes surrounding assessment increases, alongside the potential implications for both the HOA and homeowners.

The Power to Increase Assessments

Under **NRS 116.3115**, the HOA board has the authority to establish and collect assessments necessary to maintain, repair, and replace common elements and fulfill the association's obligations. This authority extends to increasing assessments when necessary to cover rising costs, ensure adequate reserves, or address unforeseen expenses.

Boards are required to act in good faith and within the scope of their fiduciary duty to behave in the best interests of the community. Their actions are guided by the governing documents, which may outline specific processes or limitations for adjusting assessments. Assessments are to ensure the proper maintenance, upkeep and repairs of common elements.



Restrictions and Limitations

While boards have some latitude, they must operate within the legal framework established by **NRS 116** and **NAC 116**:

- Budget Approval and Notification:**
 - Homeowners must be provided with a copy of the proposed budget at least 21 days prior to ratification by the unit owners.
 - A budget must be prepared and adopted annually. The budget must include projected revenues and expenses as well as any contributions to be made to the reserve account to provide adequate funding [**NRS 116.31151**].
- Assessment Limits:**
 - Governing documents may set a limit on how much assessments can be increased annually without a vote of the unit owners.
- Reserve Study:**
 - Under **NRS 116.31152**, associations must conduct a reserve study at least every five years to evaluate whether the reserves are sufficient to cover future repair and replacement costs. If reserves are underfunded, boards may need to increase assessments or **impose special reserve assessments** to address the shortfall.
- Transparency:**
 - Boards must ensure that financial decisions, including any assessment increases, are made at a properly noticed executive board meeting where unit owners have an opportunity to hear and speak on the Board's rationale for the proposed increases (**NRS 116.31083**).

Decision to Increase Assessments

A good decision tends to weigh the consequences of the decision. For example increasing assessments impacts the entire community and individual unit owners in different ways; therefore some key factors to consider are:

- **Operational Costs:** Rising costs of maintenance, utilities, and insurance often necessitate higher assessments.
- **Reserve Funding:** The Study of the Reserves may reveal deficiencies that require immediate action to prevent future financial instability and hefty special reserve assessments.
- **Unexpected Expenses:** Emergency repairs or legal liabilities could cause the board to seek additional funds.
- **Economic Trends:** Inflation and other market conditions can increase the cost of services and materials, negatively impacting the association's budget.

Pros and Cons of Increasing Assessments

Pros:

- **Financial Stability:** Increasing assessments could be the difference between the association being able to meet its financial obligations or not.
- **Preventing Deterioration:** Adequate funding allows for timely repairs and upkeep of common areas and helping to maintain property value.
- **Avoiding Special Assessments:** Incremental increases in regular assessments may reduce the need for sudden, large special assessments.

Cons:

- **Financial Burden on Homeowners:** Increases may strain homeowners on fixed incomes or those already struggling financially.
- **Potential Backlash:** Homeowners could feel disenfranchised or lose trust in the board if increases are perceived as unjustified amid wasteful spending.

The reality is that no one is ever excited to receive an increase in assessments yet increases may be necessary and needed. Failure to raise assessments when required may lead to long-term consequences such as opening the association to being vulnerable to financial crisis, higher repair and replacement costs in the future, decline of property value due to poor or lack of maintenance and potentially-substantial special assessments.

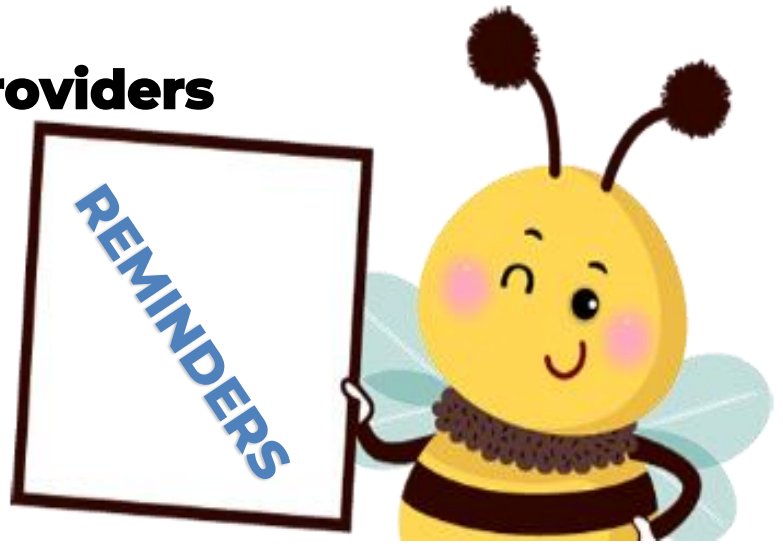
What Homeowners Can Do

If you're concerned about an assessment increase:

1. **Review the Budget:** Review the proposed budget to understand the rationale behind the increase.
2. **Attend Meetings:** Participate in board meetings and take the opportunity to speak during the allotted time (please note the board is not obligated to answer questions during meetings).
3. **Know Your Rights:** Familiarize yourself with your governing documents and relevant statutes, including **NRS 116** and **NAC 116**.
4. **Communicate with the Board:** Express concerns or suggestions to the board in writing; often these requests must go through the Community Manager.

In conclusion, under NRS 116.3115 the board has the authority to collect assessments that are necessary for the maintenance, repair, and replacement of common elements of the community. The board may need to increase assessments (in accordance with the governing documents) and levy special assessments to ensure the financial health and stability of the HOA. By understanding the legal framework and the factors influencing assessment decisions, homeowners can actively participate in their community's financial planning and help ensure that decisions are made fairly and responsibly.

Sponsors – CE Course Providers



Roster:

The roster must be submitted in a format approved by the Division. Use **Form 785A-CAM** [[Download here](#)].

Tips to Prevent Common Errors:

- Ensure license numbers are formatted: **CAM.1234**.
- Only include the **last name** of the licensee, without suffixes.
- Include the correct course number format: **CE.123456-CAM** (ensure the period and dash are included).
- List course dates in the proper format: **MM/DD/YYYY**.
- Double-check all roster details for accuracy before submitting to the Division.

Renewals:

Notice Timing: Renewal notices are sent 45 days before the course expiration date.

Application Deadline: Renewal applications must be submitted at least two weeks before the course expiration date.

Teaching Requirement: The course must have been taught within the last renewal period, as per **NAC 116A.230**.

Request:

- The Division is requesting all sponsors to publish/make it clear that classes are open to non-CAMs.
- Inform communities, board members and homeowners of Division-approved classes to help educate themselves on matters related to living in a CIC.

CTA: New CE Course



Do you have a course that can make a difference? Submit your CE course proposal today and empower CAM and stakeholders with the knowledge and tools they need to succeed. **Submit your application today!**

For anyone wishing to submit a course for approval please review the guidelines prior to submitting your application; the guidelines can be found on the Nevada Real Estate

Division website:

https://red.nv.gov/Content/CIC/Community_Managers/

What Happened at Commission?

ALLEGATIONS/STIPULATIONS

Stipulations occur when both the Respondent and the Division have agreed to conditions reviewed and accepted by both sides. A stipulation may or may not be an admission of guilt.

ACTIONS/DECISIONS

Acts of the Commission for Common-Interest Communities and Condominium Hotels are not published until after the 30-day period allowed for filing under Judicial Review. If a stay on discipline is issued by the court, the matter is not published until the final outcome of the review.

NRED V. TURNBERRY TOWERS EAST UNIT OWNERS' ASSOCIATION, TONY RECTOR, JAMES ORR, LAWRENCE KARP MANU SETHI and TAMRA TRAINER – Settlement Rector

CASE NUMBER	2023-309	TYPE OF RESPONDENT	Association & Board Members
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ALLEGATIONS/VIOLATIONS

Respondent Tony Rector violated NRS 116.3103 by acting for reasons of self-interest and gain, repeatedly using Association's funds for his personal benefit, unrelated to Association business.

Respondent Board Members violated NRS 116.3103 pursuant to NAC 116.405(8)(i) by failing to exercise ordinary and reasonable care by establishing policies and procedures to provide reasonable assurances regarding the accuracy of the Association's petty cash disbursements and other financial records.

Respondent Tony Rector willfully and knowingly violated NRS 116.3103 pursuant to NAC 116.405(8)(i) by acting for reasons of self-interest in using the Association's petty cash disbursements for his personal use.

Respondent Board Members violated NRS 116.31144, NRS 116.3103 pursuant to NAC 116.405 and NAC 116.457 by failing to exercise ordinary and reasonable care when they failed to ensure the financial statements of the Association were audited by a CPA for fiscal years 2020 and 2021, and the final audits were not timely provided to the Division within 210 days of the end of each fiscal year.

DISCIPLINARY ACTIONS

Respondent Tony Rector is removed from any director/officer position presently held with Turnberry Towers East and or any executive board, prohibited from serving for a period of 10 years; pay the Division \$3,798.96 consisting of \$1,000.00 administrative fine and the Division's pro-rated costs of \$2,798.96; pay Turnberry Towers East Unit Owners' Association \$6,500.00

NRED V. RIO VISTA HOMEOWNERS ASSOCIATION

CASE NUMBER	2024-638	TYPE OF RESPONDENT	Association
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ALLEGATIONS/VIOLATIONS

Respondent violated NRS 116.31034(1) by failing to elect a minimum of three executive board members in registration years 2022 and 2024.

DISCIPLINARY ACTIONS

Respondent shall pay \$1,205.81, consisting of the Division's pre-hearing costs and fees in the amount of \$499.13 and pre-hearing attorney's fees in the amount of \$706.68. The amount due shall be payable to the Division in full within 60 days of the date of the order.

NRED V. TURNBERRY TOWERS EAST UNIT OWNERS' ASSOCIATION, TONY RECTOR, JAMES ORR, LAWRENCE KARP, MANU SETHI and TAMRA TRAINER – Settlement Trainer

CASE NUMBER 2023-309 **TYPE OF RESPONDENT** Association & Board Members

ALLEGATIONS/VIOLATIONS

Respondent Tony Rector violated NRS 116.3103 pursuant to NAC 116.405 by actively commingling of funds in various association bank accounts, against the advice of Association management.

Respondent Board Members violated NRS 116.3103 pursuant to NAC 116.405(8)(i) by failing to exercise ordinary and reasonable care by establishing policies and procedures to provide reasonable assurances regarding the accuracy of the Association's petty cash disbursements and other financial records.

Respondent Tony Rector willfully and knowingly violated NRS 116.3103 pursuant to NAC 116.405(8)(i) by acting for reasons of self-interest in using the Association's petty cash disbursements for his personal use.

Respondent Board Members violated NRS 116.31144, NRS 116.3103 pursuant to NAC 116.405 and NAC 116.457 by failing to exercise ordinary and reasonable care when they failed to ensure the financial statements of the Association were audited by a CPA for fiscal years 2020 and 2021, and the final audits were not timely provided to the Division within 210 days of the end of each fiscal year.

DISCIPLINARY ACTIONS

The Settling Respondent agree to pay the Division a total amount of \$1,902.64 consisting of the Division's prehearing costs and fees in the amount of \$260 and pro-rated pre-hearing attorney's fees in the amount of \$1,642.64. The amount due shall be payable to the Division in full within 60 days of the date of the order.

**NRED V. QUADRO HOMEOWNERS' ASSOCIATION, HAMRICK, LUNGU, GREISENAUER, NEWPORT, MARCUS
Settlement Greisenauer**

CASE NUMBER 2023-580 **TYPE OF RESPONDENT** Association & Board Members

ALLEGATIONS/VIOLATIONS

Respondents violated NRS 116.31083 and NRS 116.3103 by not properly noticing one or more executive board meetings held.

Board member Greisenauer violated NRS 116.3103 by acting for reasons of self interest and gain, when he made a motion for an executive board vote to pay him out of Association funds for repairs to his unit and relocation expenses.

Respondents violated NRS 116.3103 by committing an act which amounts to incompetence, negligence by unanimously voting in favor of paying board member Greisenauer out of the Association funds for his sole and primary benefit.

DISCIPLINARY ACTIONS

Respondent Greisenauer shall pay \$4,682.99, consisting of the \$3,000.00 in administrative fines plus the Divison's pro-rated fees and costs in the amount of \$1,682.99. The amount due shall be payable to the Division in full within 60 days of the date of the order.

Respondent Greisenauer is removed from any board member position with the Association and barred from serving as an association board member for any common interest community within the state for 10 years.

Settlement Board Members

CASE NUMBER 2023-580 **TYPE OF RESPONDENT** Association & Board Members

ALLEGATIONS/VIOLATIONS

Respondents violated NRS 116.31083 and NRS 116.3103 by not properly noticing one or more executive board meetings held.

Board member Greisenauer violated NRS 116.3103 by acting for reasons of self-interest and gain, when he made a motion for an executive board vote to pay him out of Association funds for repairs to his unit and relocation expenses.

Respondents violated NRS 116.3103 by committing an act which amounts to incompetence, negligence by unanimously voting in favor of paying board member Greisenauer out of the Association funds for his sole and primary benefit.

DISCIPLINARY ACTIONS

Respondent board members Hamrick, Lungu, Newport and Marcus shall pay \$7,731.96, consisting of the \$1,000.00 in administrative fines, the Division's pro-rated fees and costs in the amount of \$576.00 and \$6,155.96 pro-rated pre-hearing attorney's fees. The amount due shall be payable to the Division in full within 60 days of the date of the order.

Respondent board members Hamrick, Lungu, Newport and Marcus to complete 10 hours of NRED board member training and or Community Association Manager continuing education classes with proof of completion provided to the Division within 12 months of the effective date of the order.

NRED V. REGENCY VILLAGE ASSOCIATION INC, GLOVER, CRAMER and MCANNALY

CASE NUMBER 2023-713 **TYPE OF RESPONDENT** Association & Board Members

ALLEGATIONS/VIOLATIONS

Respondents violated NRS 116.3103 by failing to timely perform its required quinquennial Reserve Study; Failure to submit Reserve Study Form (Form 609) to the Division; Failure to exercise ordinary and reasonable care by establishing policies and procedures to provide reasonable assurances regarding the accuracy of the Association's petty cash disbursements; Failure to exercise ordinary and reasonable care in not seeking reputable service providers who possess proper licensing before purchasing such service for use by the Association; Failure to exercise reasonable and ordinary care in allowing a single board member to sign off on approximately 50 association checks without the required counter signature.

Respondents violated NRS 116.3108 by failing to provide accurate and specific details regarding actions taken, topics discussed, including but not limited to, approvals for bids on association projects, petty cash and debit card transactions.

DISCIPLINARY ACTIONS

Respondent shall pay the Division \$7,271.92 within 60 days of entry of Order.

Any Respondent board members currently serving at the time of the effective date of the Order is required to take six hours of NRED board member unit training and or Community Manager Association continuing education with at least 3 hours of instruction in board finances and or reserve study with proof of completion to be submitted to the Division within 6 months of the effective date of the Order.

NRED V. TURNBERRY TOWERS EAST UNIT OWNERS' ASSOCIATION, TONY RECTOR, JAMES ORR, LAWRENCE KARP, MANU SETHI and TAMRA TRAINER – Settlement Orr, Karp & Sethi

CASE NUMBER 2023-309 **TYPE OF RESPONDENT** Association & Board Members

ALLEGATIONS/VIOLATIONS

Respondent Tony Rector violated NRS 116.3103 pursuant to NAC 116.405 by actively commingling of funds in various association bank accounts, against the advice of Association management.

Respondent Board Members violated NRS 116.3103 pursuant to NAC 116.405(8)(i) by failing to exercise ordinary and reasonable care by establishing policies and procedures to provide reasonable assurances regarding the accuracy of the Association's petty cash disbursements and other financial records.

Respondent Tony Rector willfully and knowingly violated NRS 116.3103 pursuant to NAC 116.405(8)(i) by acting for reasons of self-interest in using the Association's petty cash disbursements for his personal use.

Respondent Board Members violated NRS 116.31144, NRS 116.3103 pursuant to NAC 116.405 and NAC 116.457 by failing to exercise ordinary and reasonable care when they failed to ensure the financial statements of the Association were audited by a CPA for fiscal years 2020 and 2021, and the final audits were not timely provided to the Division within 210 days of the end of each fiscal year.

DISCIPLINARY ACTIONS

The Settling Respondents agree to pay the Division a total amount of \$5,707.52, consisting of the Division's prehearing costs and fees in the amount of \$780.00 and pro-rated pre-hearing attorney's fees in the amount of \$4,927.92. The amount due shall be payable to the Division in full within 60 days of the date of the order.

NRED V. CLEARACRE CONDOMINIUM HOMEOWNERS' ASSOCIATION

CASE NUMBER 2024-137 **TYPE OF RESPONDENT** Association

ALLEGATIONS/VIOLATIONS

Respondent violated NRS 116.31144 by admission for delinquencies in completing its annual audits.

Respondent violated NAC 116.457 by admission for delinquencies in completing its annual audits. Respondent violated NRS 116.31151 by admission for failing to create, retain and or maintain proper record keeping.

Respondent violated NRS 116.3103 by failing its fiduciary duties regarding the Association's missing or omitted documents and records. Respondent violated NRS 116.3115 by failing to adequately fund its Reserves and maintain its budget in accordance with the Reserve Study.

Respondent violated NAC 116.415 by failing to have proper recordkeeping and regularly transferring reserves. Respondent violated NRS 116.31083 for failing to maintain its recordkeeping with regards to the requested meeting minutes.

Respondent violated NRS 116.31153 for failing to demonstrate two approved signers on its checks. Respondent violated NAC 116.405(5) for failing to provide the Division with the requested items to confirm the appropriate approval process for funds disbursement. Respondent violated NRS 116.3113(1)(c) for failing to acquire the required amount of Insurance Crime Policy required by law. Respondent violated NRS 116.311395(2) for failing to ensure all Association deposits are fully insured.

DISCIPLINARY ACTIONS

Respondent shall pay \$7,601.94, within 12 months of the date of the order. The respondent shall file annually with the Division its ratified annual budget for calendar years 2026, 2027, and 2028 within 30 days of ratification and file its 2026, 2027 and 2028 CPA audited reports with the Division within 30 days of issuance of the audited report.

NRED V. MANTOVA COMMUNITY ASSOCIATION, WRIGHT, LOWERY and YOST

CASE NUMBER 2023-384 **TYPE OF RESPONDENT** Association & Board Members

ALLEGATIONS/VIOLATIONS

Respondents violated NRS 116.3103 by failing to timely perform its required quinquennial Reserve Study; failure to timely submit a Reserve Study Form (Form 609) to the Division; failure to exercise ordinary and reasonable care in allowing excessive Due-to obligations from its Reserve to its operating account deplete the Reserve fund to extremely low levels; failure to exercise ordinary and reasonable care by allowing unmonitored and unapproved acquiring and usage of gift cards by board members using board funds,

Respondents violated NRS 116.3115(2)(b) by failing to exercise ordinary and reasonable care by allowing its Reserve balance to be depleted from 92% in 2016 to 16% funded as of 1/1/23 and 5% funded as of 1/1/24.

Respondents violated NRS 116.3115 by failing to adequately prepare a budget to meet the association's operating expenses and to adequately fund the Reserve account.

DISCIPLINARY ACTIONS

Respondent shall pay the Division \$6,441.09 within 60 days of entry of Order.

NRED V. WALNUT GLEN LANDSCAPE MAINTENANCE ASSOCIATION, INC

CASE NUMBER 2024-633 **TYPE OF RESPONDENT** Association

ALLEGATIONS/VIOLATIONS

Respondents violated NRS 116.31034(1) by failing to elect the minimum of three executive board members.

DISCIPLINARY ACTIONS

Respondent Association shall pay the Division \$1,146.68 within 60 days of entry of Order.

NRED V. MADISON COLONY AT PROVIDENCE HOMEOWNERS ASSOCIATION

CASE NUMBER 2024-858 **TYPE OF RESPONDENT** Association

ALLEGATIONS/VIOLATIONS

Respondent violated NRS 116.31034 by failing to elect a minimum of three executive board members.

DISCIPLINARY ACTIONS

Respondent shall return to the March 11-13, 2025 Commission Meeting with a status update regarding the third board member.

Respondent shall pay to the Division \$2,662.58, within 60 days of the entry of Order.

CASE NUMBER 2024-183

TYPE OF RESPONDENT Association

ALLEGATIONS/VIOLATIONS

Respondents violated:

NRS 116.31034(1)

Operating without the statutorily required three board members.

NRS 116.31153

Failed to demonstrate two approved signers on checks.

NRS 116.3108(8)

Failure to maintain its recordkeeping for requested meeting minutes.

NRS 116.31144

Failure to provide proof of performance of annual audits for the years 2020, 2021 and or 2022.

NRS 116. 31031(9)(a)

Board president participated in hearings relating to his delinquencies.

NRS 116.3103

Failed its fiduciary duties – missing or omitted documents and records.

NRS 116.31083(9)(c) (11)

Failure to produce any or all meeting minutes and or summaries of meetings in the years 2021, 2022 and or 2023.

Failure to maintain any or all meeting minutes and or summaries for meetings in the years 2021, 2022 and or 2023.

NRS 116.3115

Failing to adequately fund its Reserves and maintain its budget in accordance with the Reserve Study.

NRS 116.3113

Failure to obtain all insurance coverages required by law.

NRS 116.31151(1)(a)

Failing to create, retain and or maintain proper record keeping.

NAC 116.405(5) (8)(e)(g)(j)

Failing to consult with the appropriate professionals.

Failing to maintain current, accurate and properly documented financial records.

Failing to prepare financials.

Not providing the Division with proof that assessments were paid in 2021 and 2022 by board president Billman.

NAC 116.415

Failing to have proper recordkeeping and regularly transferring reserves.

NAC 116.425

Failure to prove the board verified the accuracy of information within the Reserve Study.

DISCIPLINARY ACTIONS

Respondent shall pay \$6,071.16, the costs of investigation, the attorney’s fees and the hearing. The amount due shall be payable to the Division in full within 12 months of the date of the order.

UPCOMING COMMISSION MEETINGS

MARCH 11-13, 2025

JUNE 10-12, 2025

SEPTEMBER 9-11, 2025

DECEMBER 9-11, 2025

All dates will have the option for in-person or virtual participation through Webex in both Las Vegas and Carson City. Further details can be found on the [CICCH Commission Calendar](#).

TRIVIA

1. Which of the following are the requirements to become a board member pursuant to NRS 116 and corporate law? (Select all that apply)

- A. Must be a unit owner
- B. Must be at least 18 years old
- C. Must pass a background check
- D. Must have prior HOA board experience

2. Do you have to be a CAM to take CE classes offered by Sponsors?

- A. Yes
- B. No

3. What happens if unit owners vote to reject the proposed budget?

- A. The board must propose a new budget within 15 days
- B. The prior year's budget continues until a new budget is approved
- C. The HOA ceases operations until a new budget is passed

4. According to NRS/NAC 116, what right allows unit owners to access financial reports, meeting minutes, and other governing documents of their HOA?

- A. Right to Transparency
- B. Right to Records Inspection
- C. Right to Governance

5. What is one of the most fundamental responsibilities of unit owners in an HOA that ensures the maintenance of common areas and services?

- A. Attending board meetings
- B. Voting on HOA matters
- C. Paying assessments

ANSWER KEY

1. A and B. Board members must be unit owners and at least 18 years old.
2. B. No, you do not have to be a CAM to take CE classes offered by Sponsors.
3. B. If unit owners vote to reject the proposed budget, the prior year's budget continues until a new budget is approved.
4. B. The Right to Records Inspection allows unit owners to access financial reports, meeting minutes, and other governing documents allowable by law.
5. C. Paying assessments is one of the most fundamental responsibilities of unit owners, ensuring the maintenance of common areas and services.

STATE OF NEVADA DEPARTMENT OF BUSINESS & INDUSTRY

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COMMON-INTEREST COMMUNITIES & CONDOMINIUM HOTELS
Office of the Ombudsman

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DEVELOPER MEMBER

REAL ESTATE DIVISION
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