

NRED Commission
3300 W Sahara Ave. #350
Las Vegas, NV 89102

RECEIVED
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BY: *Kelley Valadez*

Dear Commissioner,

I have some concerns regarding the requirement that each HOA pay a private firm for a required property reserve study for 100% of the property held by the HOA. The first time I was aware of it was when First Service management company advised the Vistana BOD that it was a requirement. I believe that we were charged approximately \$3,000 for them to provide for the required study. That was at a time when we didn't have any money in our reserve account due to the fact that the crooked BOD stole the \$19,100,000 from our construction defect account. We found a way to pay for this study by selling our grass to the water department.

During an annual fire inspection in 2018, we were advised that our fire sprinklers in every one of the 732 units were subject to a nationwide recall. The Vistana Board could not find any records of this recall however it may have gone to the crooked Board since it occurred around that time period. We had recovered some of the money via a lawsuit against one of the violators' estate. We immediately went to the required reserve study to determine how much money they recommended he hold back in case we had to replace the fire sprinklers. This study claimed we should have \$5,000 set aside for the sprinklers. I am not sure but you might want to determine which agency if it is not the NRED Commission that performs a periodic review of the integrity of these studies. With multiple sprinklers in every condo (either one, two or three bedrooms) multiple baths, living /dining rooms and outside patios a unit could easily have between eight to ten sprinklers. Our complex has well over 5,000 sprinklers . It was very disappointing to have to pay some firm to suggest that \$5,000 would cover the costs of buying, removal, installation and testing these sprinklers for \$5,000.

We were advised that in order to maintain our fire insurance coverage for the 21 buildings making up the Vistana HOA, these sprinklers needed to be replaced immediately. This was discussed at the open public Vistana Board meetings. We advised the owners that the sprinkler company had declared bankruptcy and we had no choice to even attempt to recover any replacement costs. These

remarks were recorded and printed in the Vistana minutes. The BOD requested bids for replacing 100% of the sprinklers in order to maintain fire insurance for the HOA. We were able to pay for these repairs under the construction defect money we had recovered without any special assessments from the owners.

The Vistana Board chose a licensed vendor, signed a contract to pay for the replacement fire sprinklers on an ongoing basis. Vistana paid out approximately \$400,000 and the job replacing all of the sprinklers had not been completed when I and Mr. Kneip were removed from the BOD. The replacement BOD stopped the remaining fire sprinklers from being replaced placing any fire insurance in jeopardy. If we had a fire in an area where the defective sprinklers have not been replaced we basically have no fire insurance. This brings up an interesting question as to who or what institution has the financial responsibility to pay for any fire damage.

- 1) Since an individual at NRED ordered us off the Vistana BOD and ordered our First Service CAM Mr. Joseph Rhoades to put an individual on the ballot, does NRED have any responsibility?
- 2) Did anyone from NRED even call Mr. Rhoades or did someone from First Service tell him to advise Vistana that they did? Who is responsible?
- 3) Since a First Service supervisor advised the owners at Vistana that NRED allows any individual to lie about their individual statements, as what they will do if elected (paying everyone \$13,000 if they get elected from a phantom \$10,000,000). Claiming that there is no money in the reserve account etc. Is First Service responsible for any fire losses?
- 4) Is the current Vistana Board financially responsible for any fire losses that may occur if a fire breaks out where the fire sprinklers were not replaced due to their specific act of not completing the installation of the defect sprinklers?

This BOD made a conscious decision not to replace the defective sprinklers. I hope a fire does not happen however until these recalled fire sprinklers are replaced Vistana will not be completely insured. This problem will continue until fixed. While I was on the BOD the insured rate for the complex was just a little over \$100 million dollars.

Lynn Williams
Homeowner (562) 708-5178