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NEVADA COMMISSION FOR

COMMON INTEREST COMMUNITIES 1 Maddox, Segerblom and Canepa, LLP AND CONDOMINIUM HOTELS Eva G. Segerblom, Esq. NV Bar 10749 meall 2 Ardea G. Canepa-Rotoli, Esq. NV Bar 12345 10403 Double R Blvd 3 Reno, Nevada 89521 Telephone: 775-322-3666 4 Facsimile: 775-322-6338 5 **Attorneys for Centertowne Subdivision Association** 6 BEFORE THE COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS 7 STATE OF NEVADA 8 SHARATH CHANDRA, ADMINISTRATOR, 9 REAL ESTATE DIVISION, DEPARTMENT OF CASE NO.: 2024-183 10 BUSINESS AND INDUSTRY, STATE OF NEVADA, 11 SECOND SUPPLEMENT Petitioner, TO ANSWER TO 12 **COMPLAINT FOR** VS. 13 **DISCIPLINARY ACTION** CENTERTOWNE SUBDIVISION 14 ASSOCIATION (Entity Number C4164-1978), 15 Respondent. 16 17 18 The Respondent, Centertowne Subdivision Association (hereinafter "Association" 19 or "Respondent"), hereby submits this second supplement to its answer to the Real Estate 20 Division, the Department of Business and Industry, State of Nevada (hereinafter 21 "Division") Complaint for disciplinary action and notice of hearing: 22 JURISDICTION AND NOTICE 23 Respondent acknowledges that the Division and the Commission for Common-24 Interest Communities and Condominium Hotels has jurisdiction over both the Association 25 and the subject matter at issue herein. 26 //

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ADDITIONAL RESPONSES TO VIOLATIONS OF LAW

The Board acknowledges that technical violations of NRS 116.3113 for failing to obtain all insurance coverages as required by law but submits that there was not a breach of fiduciary duties by any Board Member nor should there be any personal liability for any Board Member. The Board attempted to direct its management to secure proper insurance coverage as required by law. Attached hereto as **Exhibit 1** is the Association's Certificate of Liability Insurance.

PROPOSED RESOLUTION/SETTLEMENT

The Association has taken the following actions since its audit earlier this year and will continue to diligently comply with NRS Chapter 116 and NAC Chapter 116:

- The Association engaged a new management company, Anchor Management, LLC.
- 2. There are currently three (3) Board Members for the Association.
- 3. The Board has consulted with management and its new general counsel regarding the election process going forward for the Board of Directors.
- 4. Each homeowner/member of the Association now has access to the online portal to verify document retention.
- 5. Documents are being maintained by current management and the Board has access to verify such record keeping.
- 6. Carson Valley Accounting has been engaged to complete the financial reviews going forward.
- 7. Compliance inspections are being conducted by the new management company.
- 8. The Reserve Study was updated and the Board met with the Reserve Specialist for clarification and adherence to the law going forward.
- 9. The Association has ensured it is now covered by all required insurance under the law, which was obtained through a new insurance agent.

- 10. Steps have been taken to reduce operating expenses appropriately to assist in funding Reserves.
- 11. The 2025 Budget will include the required Reserve contributions to increase the level of funding as identified in the audit.

The Association is also open to discussing additional items that should be added to this plan in order to fully and completely resolve this matter with the Division.

CONCLUSION

Respondent generally acknowledges technical violations of NRS Chapter 116 and NAC Chapter 116 as iterated above but submits that there was not a breach of fiduciary duties by any Board Member nor should there be any personal liability for any Board Member. The Board looks forward to resolution of this matter with the Division via its proposed plan and working with its new management to enact this plan.

Dated: December 2, 2024.

MADDOX, SEGERBLOM AND CANEPA, LLP

By: /s/ Eva G. Segerblom

Eva G. Segerblom, Esq. NV Bar 10749 Ardea G. Canepa-Rotoli, Esq. NV Bar 12345 10403 Double R Blvd Reno, Nevada 89521 Attorneys for Centertowne Subdivision Association

INDEX OF EXHIBITS

Exhibit Number	Description	Number of Pages
1	Centertowne Subdivision Association's Certificate of Liability Insurance	1

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that I am an employee of the law firm of MADDOX, SEGERBLOM & CANEPA, LLP and that on this date I served a true and correct copy of the herein document by () EFiling Notification by () fax transmission with confirmation of receipt; (X) email transmission; or () depositing addressed sealed envelopes with U.S. first-class postage, in the U.S. Mail at Reno, Nevada, addressed and as follows:

COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS Attn: Commission Coordinator 3300 W. Sahara Avenue, Ste. 350 Las Vegas, Nevada 89102 mgallo@red.nv.gov Christal P. Keegan, Esq. Deputy Attorney General 5420 Kietzke Lane, Ste. 202 Reno, Nevada 89511 ckeegan@ag.nv.gov

Dated: December 2, 2024.

/s/ Elaine McQuillan

An employee of Maddox, Segerblom and Canepa, LLP