

My name is Susan Russell and I live in Sunrise Villas I. The CAM is Kim and Lonnie Kallfelz of HOA Management. John Leach has served as the HOA Attorney defending the board in my complaints.

The majority board in 2024, are the same board members who I filed complaints against in 2021-2022.

In 2021, the board ratified an almost \$50,000.00 deficit budget for no obvious reason, and I believe intentionally underestimated actual costs in the budget causing overspending of the already deficit budget including the legal category, and that compelled me to come to the Ombudsman in complete frustration looking for help.

Of the many complaints I filed, most all of them are still issues in Sunrise Villas I. But one is escalating to the point of affecting real estate sales.

The previous complaint I filed stated that in February 2022, the board hired a landscaper specifically for landscape conversion, without placing that on the agenda, without discussing it in an open board meeting, without getting three bids and by spending a majority of the reserve money without the project being budgeted and taking money from projects that had been deferred many years and actually rotting, such as the fascia. Landscape conversion was not an emergency as conversion does not have to be completed until 12/31/26.

I read and re-read NRS and worked with the VERY AMAZING Gary Little in making sure I was making a valid complaint. But my complaints were all dismissed. The NRED Investigator and homeowners are no match for the best HOA attorney in Nevada. It is an uneven playing field with veiled threats of being accused of practicing law without a license and not interpreting the law.

Two years later, the board has not made any effort to replace the reserve money they took that was not budgeted for conversion. The deferred maintenance and neglected issues that should have been addressed per the 2019 reserve study and provided for in the reserve budget that was instead used for landscape conversion, have never been repaired.

Two years after I filed the complaint with the ombudsman, the roofers are still telling the homeowners that because the HOA has neglected to repair the fascia, the homeowners roof warranty may be voided. HOA is responsible for fascia; homeowners are responsible for roofs.

But even more concerning is that the government appraisers for FHA loans are stopping the sale of homes if the fascia is not repaired, forcing the homeowner to repair the HOA fascia in order to sell their home. The HOA is not taking responsibility for this repair and the seller has no choice but to repair it themselves if they wanted to sell their home. Then the board will not reimburse the homeowner.

FILED

JUN 07 2024

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

mgallo

This will more than likely happen many times over with other loans as well, such as VA. The appraisers ensure that the property is maintained and safe, and in Sunrise Villas I, they are the only entity concerned with the neglect.

As 2468 El Paseo Circle was offered for sale, the seller received an FHA offer and chose to accept it. The FHA appraiser said the fascia has to be repaired, or the FHA government backed loan would not be granted to the buyer. The buyer, in a panic, called the manager Kim Kallfelz and asked if they would fix it, she told him they would fix the fascia in a few months (which the escrow could not wait) and the buyer said Kim Kallfelz said that she would not buy that house! Days from closing!

The seller called Kim Kallfelz asking to repair the fascia, and she questioned the seller why she would accept an FHA loan! As a former Realtor, I believe Kim Kallfelz should anticipate that government backed loans are very desirable in this market because the down payment is low, and that more of these situations are going to happen, and that the board needs to have a plan to address this and repair the fascia, not try to kill the escrow to avoid it!

Several board members told the seller she would be reimbursed. Now, the president of the association, Doris English, is telling homeowners that are concerned for that seller, they will not reimburse the seller (yet another NRS violation) for the HOA neglected repair of which they spent the reserve budget on the landscape conversion.

The board is risking real estate transactions because they took money from the reserves that was not budgeted for landscape conversion, neglecting the deferred maintenance of the rotten fascia that was in the budget. The manager is risking real estate sales by suggesting to buyers and sellers not to move forward. The homeowners are still paying out of pocket for HOA repairs (another complaint I made). I think the better choice is to fix the fascia.

The board brought this issue on by rushing to do a deal behind the homeowners back that was not on the agenda, not discussed in a board meeting, and took money that was not budgeted for conversion that is not due until 12/31/26. The ombudsman ignored these NRS violations. I have never understood why the ombudsman let this go.

In the 2024 budget, the board assessed all 62 homeowners \$600.00 in telling us that in 2024, they would repair the fascia, and paint the 50-year-old buildings which have never been painted before. However, the board recently showed up to our Homeowner Forum meeting (we cannot show up to the board meetings), and they said they do not have enough money to replace or repair the rotten, deferred repair of the fascia. Kim said the fascia would be fixed in a few months. Not according to the board.

I have asked the board and management if they are holding the \$600.00 per house assessment for fascia repair not to be used for anything else, or did they use it for other cosmetic purposes such as new lamp posts, but they will not answer if, or where, our assessments are being held.

The board has to have a plan to maintain the many deferred maintenance issues including a tennis court closed 16-18 years, pools that are closed more than open, fascia rotted and starting to slip off the building, broken irrigation, cracked perimeter walls, and so much more. That is why I went to the ombudsman for help 2-3 years ago, and since then, the situation has only gotten worse.

The board has to make fascia a high priority which it was before this board chose to make all these sneaky moves to get a landscaper that we never heard of in here to do the conversion in such a hurry, that even the Southern Nevada Water Authority questioned why they did not address the 50-year-old irrigation first and as a priority and now there are leaks and issues everywhere.

If the Ombudsman would have addressed my complaint in 2022, this would more than likely not be continuing or escalating to affect real estate sales. **I respectfully ask that the Ombudsman reopen my complaint and investigate this thoroughly.**

As a result of the board not being reprimanded for taking the reserve budget money for the landscape conversion that was not due to be completed until 12/31/26, the board and manager were emboldened to violate NRS regularly. I am filing a new complaint at the NRED showing the Ombudsman that the board is meeting privately and making decisions and spending money in those meetings, showing up to a quarterly Zoom meeting to “ratify” the decisions they made outside of board meetings and the money they spent outside of board meetings, leaving the homeowners concerned and clueless as to what is going on. The question is, what will the ombudsman do about this violation?

Will this new valid complaint be one of the 82 complaints that are ignored in 2024, to the point that in 2026 that I come back to the NRED to say this issue has escalated?

The fact that valid complaints are ignored and now are affecting real estate sales should be a valid enough reason to help the homeowners of Sunrise Villas I with the original complaints.

I believe that of the 84 complaints made in 2022 there were more than two that deserved to be investigated, my complaints included, as evidenced by the current situation. Everyone should have anticipated that FHA and VA loans would be affected by negligence to the property.

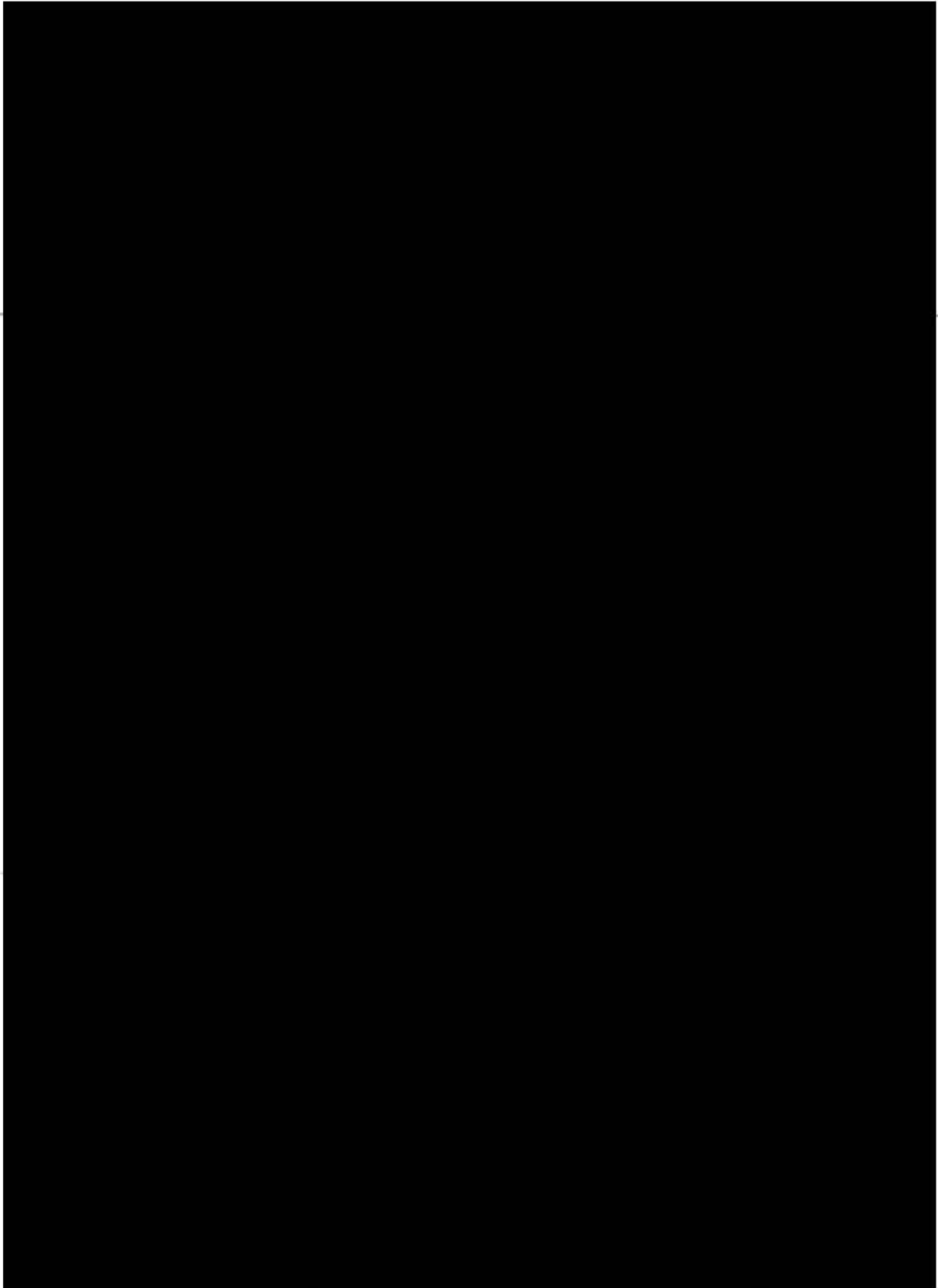
I respectfully request the Ombudsman reopen my complaint and investigate why the board took money from the reserve budget for a non-emergency, creating this escalation of this issue now affecting real estate transactions. Also, to make sure the board understands what they need to do to get the fascia repaired and to understand NRS and their responsibilities as board members.

Sincerely,

Susan Russell

2024 BUDGET FOR THE RESERVES OF SUNRISE VILLAS I HOA

The schedule for 2024 includes:



Sunrise Villas I Homeowners Association

Annual Budget Report

