

FILED

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SEP 09 2024

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS



September 9, 2024

In addition to what I reported last meeting, I wanted to expand how the lack of help from the Nevada Real Estate Division with the situation in Sunrise Villas 1 could very easily turn into a similar situation to **SUMMERSET PARK in HENDERSON** because of the issues I filed complaints about in 2022.

The corrupt landscape conversion took place in fall of 2022. Most of the new 1-gallon plants that replaced the grass died the following summer of 2023, along with many mature shrubs.

This year, the second year after the corrupt conversion, we have lost 40 +/- mature shrubs and many trees are struggling. We have lost many more 1-gallon plants that were the replacements to the 2023 one-gallon plants that died.

We have leaks and nonfunctioning feeding tubes all over the grounds with water running down the streets, and the shrubs and trees are dying from no water.

The grounds in Sunrise Villas 1 are so dry. The unplanned and unbudgeted landscape conversion done behind everyone's back using reserve money that was not budgeted was done very hastily and has caused many issues. The 50-year-old irrigation probably should have been repaired first.

We have a lot of tree roots that break the 50-year-old pipes on a regular basis, but now with this lack of water feeding the trees and shrubs for several years in a row, we fear the vulnerable pipes will start breaking all over as trees and large shrub roots search for water.

We do not have enough money in reserves to pay for emergencies a 50-year-old property should anticipate, in addition to not having enough money to pay for regular maintenance, or anything on the reserve studies for the last three years this board has been in place and used all the money on two bad contracts, one of which violated the Nevada Revised Statutes and was reported to the NRED.

We fear the roots are searching for the 50-year-old underground pipes carrying the water. Once we saw the news and what happened at Summerset Park, we were more afraid that this could become a reality at Sunrise Villas 1 very soon.

The homeowners should not have to try to figure out how to resolve issues when there is an incompetent board in place. The Real Estate Division should be here for us since the board has an attorney to represent them in their (in my opinion) gross negligence.

When every precious drop of water should be protected, this board is watering suckers on olive trees that should be removed, and not trimming trees because they do not have money for maintenance because of they blew the money on non-budgeted items.

This is creating a secondary issue of water waste in a city that is trying to conserve water.

Had the Real Estate Division stepped in to help us when the board hired someone to do the conversion without being on the agenda, without discussing in the February 2022 board meeting when he was hired and

when the board took money from reserves to do the conversion that was not budgeted and was not an emergency, we would not be facing serious issues of no money to repair the rotten fascia affecting the homeowners' roofs (we maintain our own roofs), the grounds dying and wasting precious water.

Not only is this an underground pipe concern, this is a major water waste concern. We have watered these mature shrubs and trees for decades only to be lost to a poorly planned and executed conversion that has left the plants and trees without enough water to survive.

It is the homeowners that could suffer just as the homeowners in Summerset Park are suffering.

Once the board took reserve money that was not budgeted, and used it for a conversion that was not on the agenda and not disclosed in a board meeting when he was hired in February 2022, the rest of the property started to fall apart because nothing is being maintained as it should be.

Every year this board has been in place they have said the homeowners cannot afford to have the dues raised and increase only \$10.00, instead of meeting and matching the actual maintenance needed as illustrated in the 2022 budget when the board ratified a budget with close to \$50,000.00 deficit, and then overspent the budget in many areas. Once I made a complaint about budgeting, they did raise major the dues \$50.00 but we are still broke with tons of deferred maintenance, especially the fascia which affects the homeowners owned and controlled roofs. The HOA fascia is affecting the homeowners' roofs.

It is so unfair that the board and management can screw up and do horrible things and gets an attorney to defend them, paid for by those they are hurting, and the homeowners in Sunrise Villas 1 cannot get any help at all.

We have a new CAM and hopefully they will recognize everything and listen to the homeowners, which the last CAM did not and I am sure was never on the grounds in three years! Fingers crossed they are better than the last, but that still leaves Sunrise Villas 1 so vulnerable to the same issues as Summerset Park in Henderson, and vulnerable to continuing to fall apart with pools that rarely operational, and a tennis court closed 17 years, fascia that is rotted and could affect homeowners' assets of their own roof, and landscape that is taking us down all because the board violated NRS and the NRED did not help us.

We have tried to remove board members but the former manager would send these crazy letters to the homeowners saying that everything is fine, the board is great and interfere with every election, while the board members would go door to door and also send crazy emails to the homeowners with lies.

The board and manager then made all decisions outside of board meetings and showed up to a quarterly Zoom meeting to ratify everything they did which a complaint is forthcoming even though I expect it to be received the same as the complaints I filed, where the investigators tell me I am the issue, no one else is complaining, and to find the corresponding statute myself! I take the abuse and maintain a fat paper trail.

I wonder, is this how homeowners were treated at Summerset Park? I question what the long-term issues will be for the 82 complaints made in 2022 that were not sent to commission. I think our long-term issue could be broken underground pipes as a major catastrophe in Sunrise Villas 1.

Thank you very much for your time and consideration. Please help us.

Submitted June 11, 2024

My name is Susan Russell and I live in Sunrise Villas I. The CAM is Kim and Lonnie Kalfelz 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.

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