

FILED

SEP 03 2024

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

mgallo

1 **SR**
2 **LEACH KERN GRUCHOW SONG**
3 JOHN E. LEACH, ESQ.
4 Nevada Bar No. 1225
5 E-mail: jleach@lkglawfirm.com
6 2525 Box Canyon Drive
7 Las Vegas, Nevada 89128
8 Telephone: (702) 538-9074
9 Facsimile: (702) 538-9113

10 Attorneys for Respondent

11 **BEFORE THE COMMISSION FOR COMMON-INTEREST**
12 **COMMUNITIES AND CONDOMINIUM HOTELS**
13 **STATE OF NEVADA**

14 SHARATH CHANDRA, Administrator,
15 REAL ESTATE DIVISION, DEPARTMENT
16 OF BUSINESS AND INDUSTRY, STATE
17 OF NEVADA,

Case No.: 2023-846

Petitioner,

vs.

18 TROPICANA SQUARE HOMES
19 ASSOCIATION,
20 (Entity Number C2743-1972)

Respondent.

21 **STATUS REPORT FOR COMMISSION HEARING**
22 **SEPTEMBER 10-12, 2024**

23 The Respondent, TROPICANA SQUARE HOMES ASSOCIATION (“Respondent”),
24 hereby submits this Status Report for the Commission Hearing scheduled for September 10-12,
25 2024.

26 **PROCEDURAL BACKGROUND**

27 On June 12, 2024, the Respondent appeared before the Commission for Common-Interest
28 Communities and Condominium Hotels (“Commission”) in the above-referenced matter. On
June 20, 2024, the Commission issued a letter to the Respondent that included the Findings of
Fact, Conclusion of Law and Order (“Order”). A copy of the letter and Order is attached hereto
as Exhibit 1.

LEACH KERN GRUCHOW SONG
2525 Box Canyon Drive, Las Vegas, Nevada 89128
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

1 On June 25, 2024, the Commission issued an amended letter to the Respondent. A copy
2 of the letter is attached hereto as **Exhibit 2**. The Order required the Association to return to the
3 Commission on September 10-12, 2024, to provide a status report on the issues raised during the
4 hearing. The Respondent offers the following update and status report:

5 1. The Respondent has paid the Real Estate Division of the Department of Business
6 and Industry, State of Nevada (“Division”) \$4,771.89 for the investigation and hearing costs.
7 Attached hereto as **Exhibit 3** is a copy of the documents confirming payment.

8 2a. Election of Directors. During the June 12, 2024 Commission hearing, the
9 Commission expressed its concern that a future Board may not follow the agreed-upon funding
10 plan adopted by the Board and presented to and approved by the Commission.

11 On August 8, 2024, the Association conducted its annual meeting and election of
12 Directors. At the annual meeting, the candidates for the Board, which were three (3) of the
13 incumbent Board members were elected by acclamation consistent with NRS 116.31034(5).
14 Thus, the makeup of the Board after the election is the same as it was when the Association
15 attended the Commission hearing on June 12, 2024. Accordingly, there should be no interruption
16 in the implementation of the Association’s approved funding plan.

17 2b. Budget for 2025. The Budget is in the process of being prepared for presentation
18 to the Board for approval. The budget is being prepared in a way that is consistent with the
19 funding plan presented to, approved by the Commission, and incorporated into its Order. The
20 monthly assessment is increasing by \$20.00 per unit per month. This will result in an additional
21 \$24,960 being generated by the Association to be transferred to the Reserve Account. The
22 Special Reserve Assessment (“SRA”) which was increased in 2024 remains in effect from 2025
23 through 2028 at the rate of \$100 per unit per month.

24 2c. Funding Plan: At this juncture, the Board is in compliance with the funding plan
25 submitted to and approved by the Commission. Attached hereto as **Exhibit 4** is the Association’s
26 funding plan.

27 2d. Potential Sale of the Property. On July 23, 2024, the City of Henderson issued an
28 offer to purchase (“Offer”) a portion of the Association’s Common Area. Attached hereto as

1 **Exhibit 5** is a copy of the Offer. The City offered to purchase 5,648 sq. ft. of the Association's
2 Common Areas for the purchase price of \$180,736. At the August 8, 2024 Board meeting, the
3 Board accepted and signed the Offer. Attached hereto as **Exhibit 6** is a copy of the Offer that has
4 been signed by the Board.

5 On August 22, 2024, the Association issued a letter and ballot to the Membership
6 describing the Offer and giving the Membership the right to vote to approve the sale of the
7 property to the City of Henderson. A copy of the letter to the Membership and voting materials
8 are attached hereto as **Exhibit 7**. Please note that the voting material related to the sale of the
9 property to the City of Henderson also provides the Owners with the opportunity to amend the
10 Declaration to replace the 3% maximum annual assessment with a 20% maximum annual
11 assessment increase. If the Membership approves the sale of the property to the City of
12 Henderson, the funds generated by the sale, less the expenses incurred by the Association related
13 thereto, will be deposited in the Reserve Account. That should allow the Association to revisit its
14 current funding plan and make adjustments as required by NRS 116.31152 (1)(c).

15 2e. Transfer amount due from and due to Reserve Account: Please note that the
16 funding plan submitted to and approved by the Commission did not call for a reduction in the
17 due to/from line item on the budget until 2025. See Exhibit 4. Beginning in 2025, it is
18 anticipated that the due to/from balance will be reduced by the following amounts in the
19 respective years:

20	2025	\$36,905
21	2026	\$58,680
22	2027	\$79,795
23	2028	\$84,620

24 These numbers reflect the difference between the amount scheduled by the funding plan to be
25 transferred to the reserve account and the amount the reserve study schedules to be transferred to
26 the reserve account. For example, in 2025, the funding plan provides for transfers to the reserve
27 account in the amount of \$171,454. The reserve study has scheduled transfers to the reserve
28 account in the amount of \$134,640. Thus, the difference of \$36,905 is applied to reduce the due

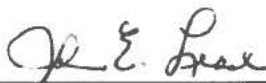
1 to/from balance. Please note that in 2028, the balance remaining on the due to/from line item
2 should be \$84,620. The Association should have \$100,205 available to retire the due to/from
3 obligation. Accordingly, the due to/from entry should be retired by 2028.

4 2f. Collections current as of financial statements for the end of July 31, 2024: The
5 Respondent is reluctant to attach its Aging Report to this Status Report because the Status Report
6 is a matter of public record and the Aging Report includes confidential information about
7 Owners who are delinquent in the payment of their assessments. The AR Aging Report for the
8 period ending July 31, 2024, reflects outstanding balances totaling \$141,716.08. The bulk of the
9 outstanding balance due is related to the insurance assessment which was due on July 1, 2024.
10 The Association is processing these claims through its collection policy and will, if necessary,
11 implement its lien and foreclosure process to recover the funds needed to pay the insurance and
12 also fund the Reserve Account.

13 2g. Insurance. The Association has secured property, general liability, directors and
14 officers, crime and cyber, and umbrella coverages. Attached hereto as **Exhibit 8** is the
15 Certificates of Insurance for the coverages. The Association asserts it has the insurance
16 coverages mandated by NRS 116.3113. The coverage is good through August 2025.

17 DATED this 3 day of September 2024.

18 LEACH KERN GRUCHOW SONG

19 By: 
20 JOHN E. LEACH, ESQ.
21 2525 Box Canyon Drive
22 Las Vegas, Nevada 89128
23 Attorneys for Respondent
24
25
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27
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LEACH KERN GRUCHOW SONG
2525 Box Canyon Drive, Las Vegas, Nevada 89128
Telephone: (702) 538-9074 -- Facsimile (702) 538-9113

CERTIFICATE OF SERVICE

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Pursuant to NRCP 5(b), the undersigned, an employee of LEACH KERN GRUCHOW SONG, hereby certified that on the 3rd day of September, 2024, she served a true and correct copy of the foregoing, **STATUS REPORT**, by:

- Depositing for mailing, in a sealed envelope, U.S. postage prepaid, at Las Vegas, Nevada
- Personal Delivery
- Facsimile
- Federal Express/Airborne Express/Other Overnight Delivery
- Las Vegas Messenger Service
- Electronic Service – via E-mail

addressed as follows:

Aaron D. Ford, Esq.
Attorney General
Christal P. Keegan, Esq.
Deputy Attorney General
5420 Kietzke Lane, Suite 202
Reno, NV 89511
Via Email: ckeegan@ag.nv.gov

Maria Gallo, Commission Coordinator
Common-Interest Communities
and Condominium Hotels
3300 W. Sahara Avenue, Suite 350
Las Vegas, NV 89102
Via Email: mgallo@red.nv.gov

/s/ Merlin Calimpong
An employee of LEACH KERN GRUCHOW
SONG

Exhibit “1”

Exhibit “1”

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

SHARATH CHANDRA
Administrator

CHARVEZ FOGER
Deputy Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION

June 20, 2024

Tropicana Square Homes Association
c/o Prime Community Management
Attn: Tiffany Stanfill
3556 E. Russell Road
Las Vegas, NV 89120

Certified Mail No. 7017 3040 0000 4529 1959

Leach Kern Gruchow Song
Attn: John Leach, Esq.
2525 Box Canyon Drive
Las Vegas, NV 89128

Certified Mail No. 7017 3040 0000 4529 1966

Re: NRED v. TROPICANA SQUARE HOMES ASSOCIATION
Case No. 2023-846

Enclosed herewith you will find the **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER** entered by the Nevada Commission for Common-Interest Communities and Condominium Hotels at the meeting held June 12, 2024.

The following was ordered by the Commission:

- 1) RESPONDENT shall pay the costs of the investigation and the hearing in the amount of \$4,771.89 which are actual, reasonable, and necessary within 60 days of the entry of Order;
- 2) RESPONDENT shall provide a status report at the September 11-12, 2024 Commission Meeting on the following:
 - a) Election occurred;
 - b) Budget for 2025 (draft or anticipated);
 - c) Funding plan;
 - d) Potential sale of property;
 - e) Transfer amount due from and due to reserve account;

Carson City: 1818 E. College Parkway, Suite 110 Carson City, Nevada 89706 - Telephone (775) 684-1900 - Fax (775) 687-4868

Las Vegas: 3300 W. Sahara Avenue, Suite 350 Las Vegas, Nevada 89102 - Telephone (702) 486-4033 - Fax (702) 486-4275

www.rgd.nv.gov

realest@red.nv.gov

- f) Collections current as of financial statements for end of July 31, 2024; and
 - g) Insurance.
- 3) RESPONDENT'S new President of the Association shall appear at the September 10-12 2024 Commission Meeting and advise on the direction for funding.

TOTAL PAYMENT DUE: \$4,771.89
PAYMENT DUE DATE: AUGUST 19, 2024

Submit your payment to the address below. Checks or money orders are to be made payable to the "Nevada Real Estate Division".

Nevada Real Estate Division
Attention: Administration Section Manager
3300 West Sahara Avenue, Suite 350
Las Vegas, Nevada 89102

There are two copies of this letter enclosed, one copy is marked "Remittance Copy" and should be returned with your check or money order to the Nevada Real Estate Division. The purpose of the remittance copy is to assure proper posting of fines to your disciplinary file.

Please note that Division staff does not have the authority to extend the due date for any requirements that have been ordered by the Commission. If you find that you are unable to meet the required due date, you will need to request in writing that you be placed on the agenda for a Commission hearing in which the respondent will be allowed to request an extension from the Commission. This request should be made several months prior to the due date.

Please contact me if you have questions regarding this matter.

Sincerely,



Maria Gallo
Commission Coordinator
Telephone: (702) 486-4074
Email: mgallo@red.nv.gov

Cc: Sharath Chandra, Administrator
Compliance
Christal Keegan, Deputy Attorney General

1 **BEFORE THE COMMISSION FOR COMMON-INTEREST**
2 **COMMUNITIES AND CONDOMINIUM HOTELS**

3 **STATE OF NEVADA**

4 SHARATH CHANDRA, Administrator,
5 REAL ESTATE DIVISION, DEPARTMENT
6 OF BUSINESS AND INDUSTRY,
7 STATE OF NEVADA,

8 Petitioner,

9 vs.

10 TROPICANA SQUARE HOMES
11 ASSOCIATION,
12 (Entity Number C2743-1972)

13 Respondent.

Case No. 2023-846

FILED

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NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

mgallo

14 **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

15 This matter came on for hearing before the Commission for Common-Interest
16 Communities and Condominium Hotels, State of Nevada (the "Commission") during a
17 regular agenda set on a three-day stack beginning at 9:00 am on June 11, 2024 (the
18 "Hearing."). John E. Leach, with Leach Kern Gruchow Song, appeared on behalf of
19 Tropicana Square Homes ("RESPONDENT") with community association manager
20 ("CAM") Tiffany Stanfill present (CAM.0001037-SUPR). Christal P. Keegan, Deputy
21 Attorney General with the Nevada Attorney General's Office, appeared on behalf of the
22 Real Estate Division of the Department of Business and Industry, State of Nevada
23 (the "Division").

24 Since the RESPONDENT admitted to the Division's factual allegations and
25 stipulated to violations of law numbered 13 and 14 in the Complaint filed January 31,
26 2024, Mrs. Keegan presented limited testimony from the Division's Investigator Vanessa
27 Ward regarding her investigation findings substantiating violation of law NAC 116.415.
28 The parties stipulated to the Division's documents CICC 001-057, and the
RESPONDENT'S funding plan was admitted. Additional information was provided by the
CAM Ms. Stanfill.

1 FINDINGS OF FACT

2 Based on a preponderance of the evidence in the record, the documents admitted at
3 the Hearing, and by stipulation of the parties, the Commission voted, to find all the
4 following factual allegations were proven:

5 1. At all times relevant to the Complaint, the RESPONDENT was managed by
6 Prime Community Management, by and through its community manager Tiffany Stanfill
7 (CAM.0001037 – SUPR). *CICC 057.*

8 2. On or about August 17, 2023, the RESPONDENT submitted its Form 562
9 dated July 27, 2023, to the Division, which reported the projected reserve account balance
10 would be approximately 27% of the required reserve account funding needed at the end of
11 the fiscal year (\$112,071.04 and \$414,292.24, respectively). *CICC 056 – CICC 057.*

12 3. On or about October 11, 2023, the Division opened an investigation against
13 the RESPONDENT'S Executive Board with a Request for Information response deadline
14 of October 25, 2023. *CICC 002 – CICC 003.*

15 4. On October 25, 2023, the RESPONDENT transmitted via facsimile its Form
16 609 Reserve Study Summary Form dated June 10, 2023. *CICC 037 - CICC 038.*

17 5. Therein, the Form 609 indicated the RESPONDENT'S reserves were
18 currently funded only at 20%. *CICC 038.*

19 6. Further, the RESPONDENT'S Form 609 admitted it had several delinquent
20 accounts. *CICC 038.*

21 7. The RESPONDENT proposed "if required" it would perform another
22 assessment to fund major reserve components. *CICC 038.*

23 8. The RESPONDENT attributed its financial state to "Previous boards never
24 increased assessments, community is old and requires lots of maintenance." *CICC 038.*

25 9. Also, the RESPONDENT'S Form 562 dated August 17, 2023, represented a
26 Reserve Study was commenced on January 19, 2023 and adopted by the Board on June 1,
27 2023. *CICC 057.*

28 ...

1 10. But the RESPONDENT untimely submitted the Form 609 Reserve Study
2 Summary Form to the Division on October 25, 2023, beyond the 210-day allowance.

3 11. Further, the RESPONDENT failed to show proof to the Division within
4 45 days of adoption of the reserve study results by the executive board.

5 **CONCLUSIONS OF LAW**

6 Based on the foregoing factual findings and the preponderance of the evidence, the
7 Commission voted, that all the following violations of law occurred:

8 12. RESPONDENT violated NAC 116.415 for failing to resolve proper funding of
9 their reserve funds.

10 13. RESPONDENT violated NAC 116.435 by failing to provide a summary of the
11 Reserve Study (Form 609) to the Division not later than 210-day allowance.

12 14. RESPONDENT violated NRS 116.31152(4) by failing to submit a summary
13 of the study of the reserves to the Division within 45 days of adoption.

14 **ORDER**

15 The Commission, being fully apprised in the premises and good cause appearing,
16 **ORDERS** as follows:

17 1. RESPONDENT shall pay the costs of the investigation and the hearing in
18 the amount of \$4,771.89 which are actual, reasonable, and necessary within 60 days of
19 entry of Order;

20 2. RESPONDENT shall provide a status report at the September 10-12, 2024
21 Commission Meeting on the following:

- 22 a. Election occurred;
- 23 b. Budget for 2025 (draft or anticipated);
- 24 c. Funding plan;
- 25 d. Potential sale of property;
- 26 e. Transfer amount due from and due to the reserve account;
- 27 f. Collections current as of financial statements for end of July 31, 2024;
- 28 and

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g. Insurance.

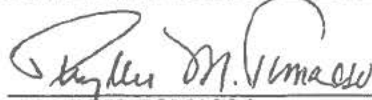
3. RESPONDENT'S new President of the Association shall appear at the September 10-12, 2024 Commission Meeting and advise on the direction for funding.

4. If payment is not actually received by the Division on or before its due date, it shall be a default by RESPONDENT. In the event of default, the unpaid balance of the administrative fine and costs, together with any attorney's fees and costs that may have been assessed, shall be due in full to the Division within ten (10) calendar days of the date of default, and the Division may obtain a judgment for the amount owed, including collection fees and costs;

5. The Commission retains jurisdiction for correcting any errors that may have occurred in the drafting and issuance of this document.

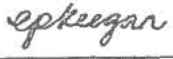
DATED this 20th day of June, 2024.

COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM
HOTELS DEPARTMENT OF BUSINESS
AND INDUSTRY STATE OF NEVADA

By: 
PHYLLIS TOMASSO
CHAIRMAN

Submitted by:

AARON D. FORD
Attorney General

By: 
CHRISTAL P. KEEGAN (Bar No. 12725)
Deputy Attorney General
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511
(775) 687-2141
ckeegan@ag.nv.gov

Attorney for Real Estate Division

CERTIFIED MAIL

STATE OF
DEPARTMENT OF BUS
REAL ESTA
OMBUDSMAN OFFICE—COMM
AND CONDOM
3300 W. Sahara
Las Vegas, Nevada 89102-3203



7017 3040 0000 4529 1966

Return Service Requested

**Leach Kern Gruchow Song
Attn: John Leach, Esq.
2525 Box Canyon Drive
Las Vegas, NV 89128**

RECEIVED

23 DRDGNMP 89128



Exhibit “2”

Exhibit “2”

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

SHARATH CHANDRA
Administrator

CHARVEZ FOGER
Deputy Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION

June 25, 2024

AMENDED LETTER

Tropicana Square Homes Association
c/o Prime Community Management
Attn: Tiffany Stanfill
3556 E. Russell Road
Las Vegas, NV 89120

Certified Mail No. 7017 3040 0000 4529 2123

Leach Kern Gruchow Song
Attn: John Leach, Esq.
2525 Box Canyon Drive
Las Vegas, NV 89128

Certified Mail No. 7017 3040 0000 4529 2116

Re: NRED v. TROPICANA SQUARE HOMES ASSOCIATION
Case No. 2023-846

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www.red.nv.gov

realest@red.nv.gov

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TOTAL PAYMENT DUE: \$4,771.89
PAYMENT DUE DATE: AUGUST 19, 2024

Submit your payment to the address below. Checks or money orders are to be made payable to the "Nevada Real Estate Division".

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Please contact me if you have questions regarding this matter.

Sincerely,

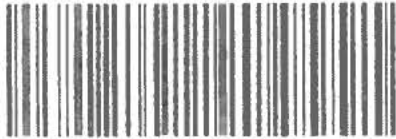


Maria Gallo
Commission Coordinator
Telephone: (702) 486-4074
Email: mgallo@red.nv.gov

Cc: Sharath Chandra, Administrator
Compliance
Christal Keegan, Deputy Attorney General

CERTIFIED MAIL

STATE OF
DEPARTMENT OF BUSINESS
REAL ESTATE
OMBUDSMAN OFFICE — COMM
AND CONDOMINIUMS
3300 W. Sahara Ave.
Las Vegas, Nevada 89102



7017 3040 0000 4529 2116

Return Service Requested

Leach Kern Gruchow Song
Attn: John Leach, Esq.
2525 Box Canyon Drive
Las Vegas, NV 89128

29 DRDFNMP 09128



Exhibit “3”

Exhibit “3”

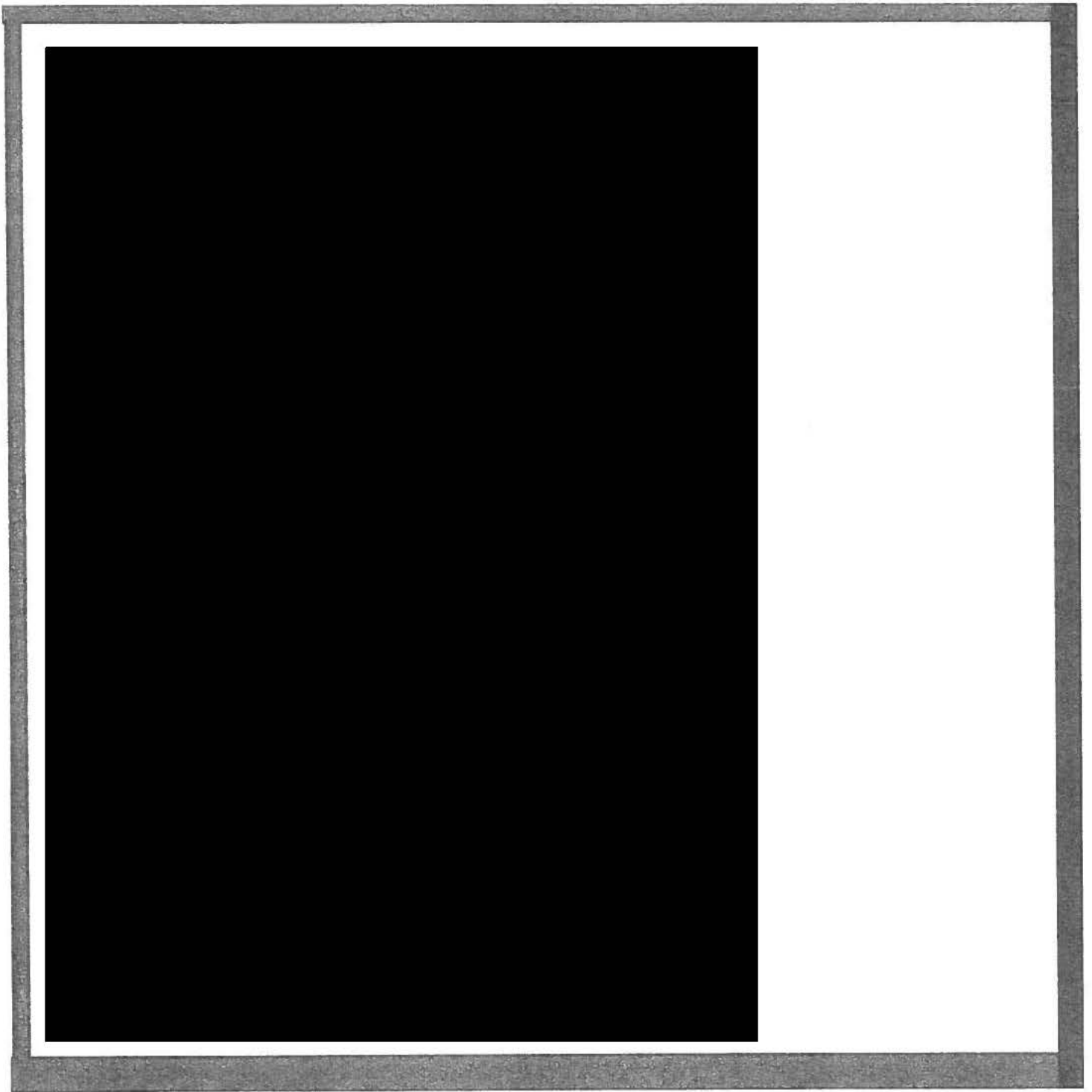


Exhibit “4”

Exhibit “4”

Tropicana Square Funding Plan
Case No.: 2023-846

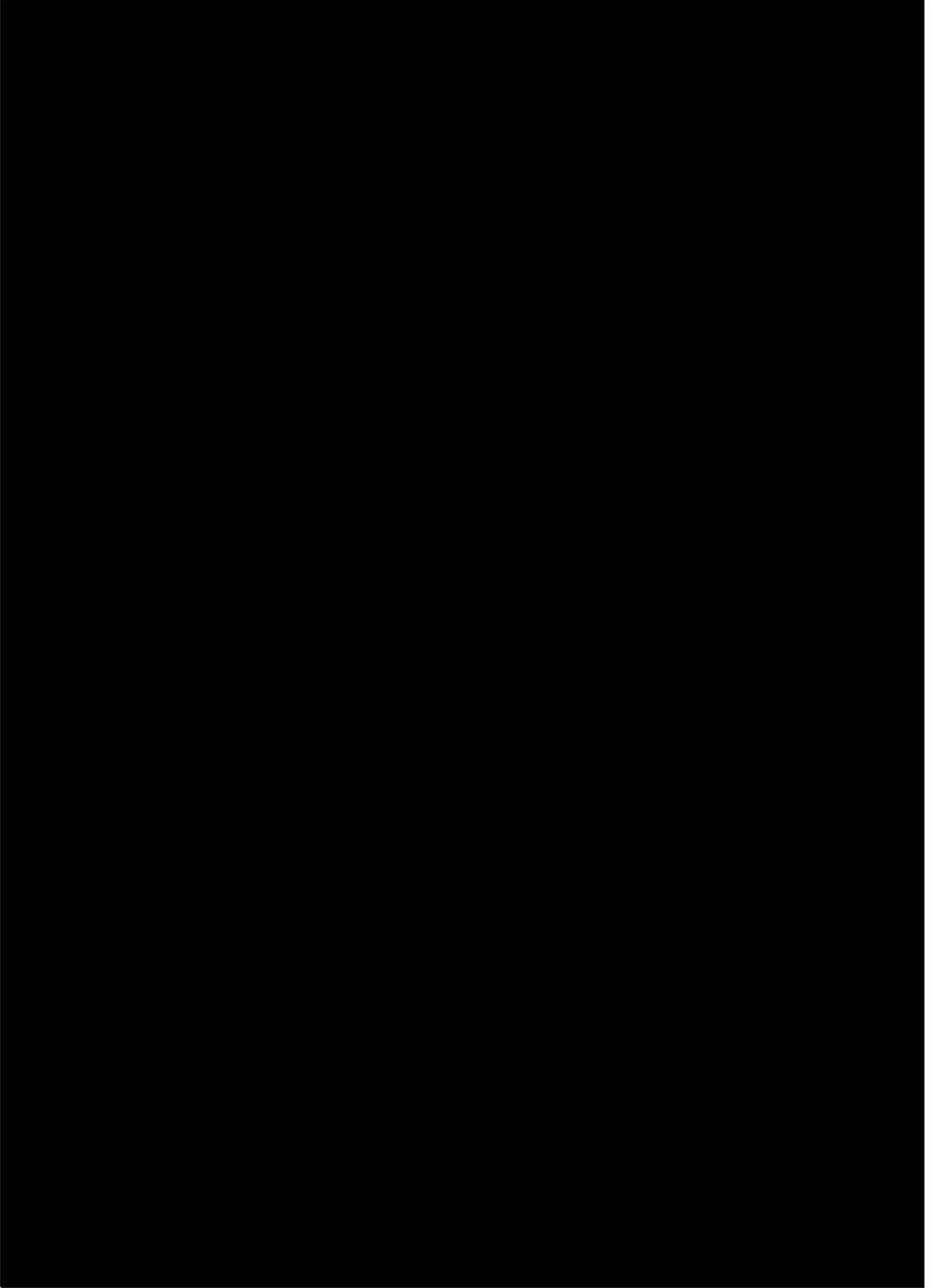
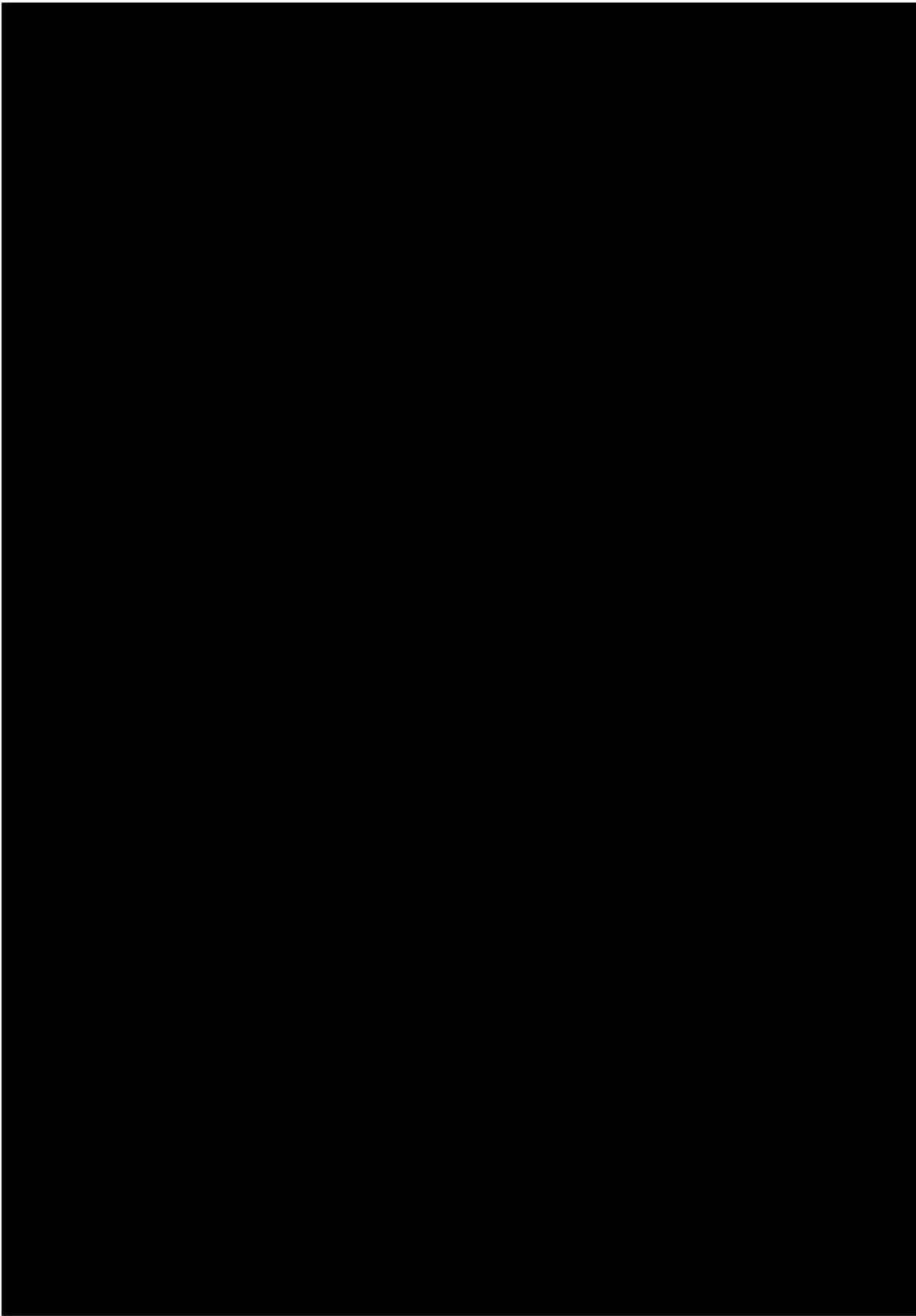
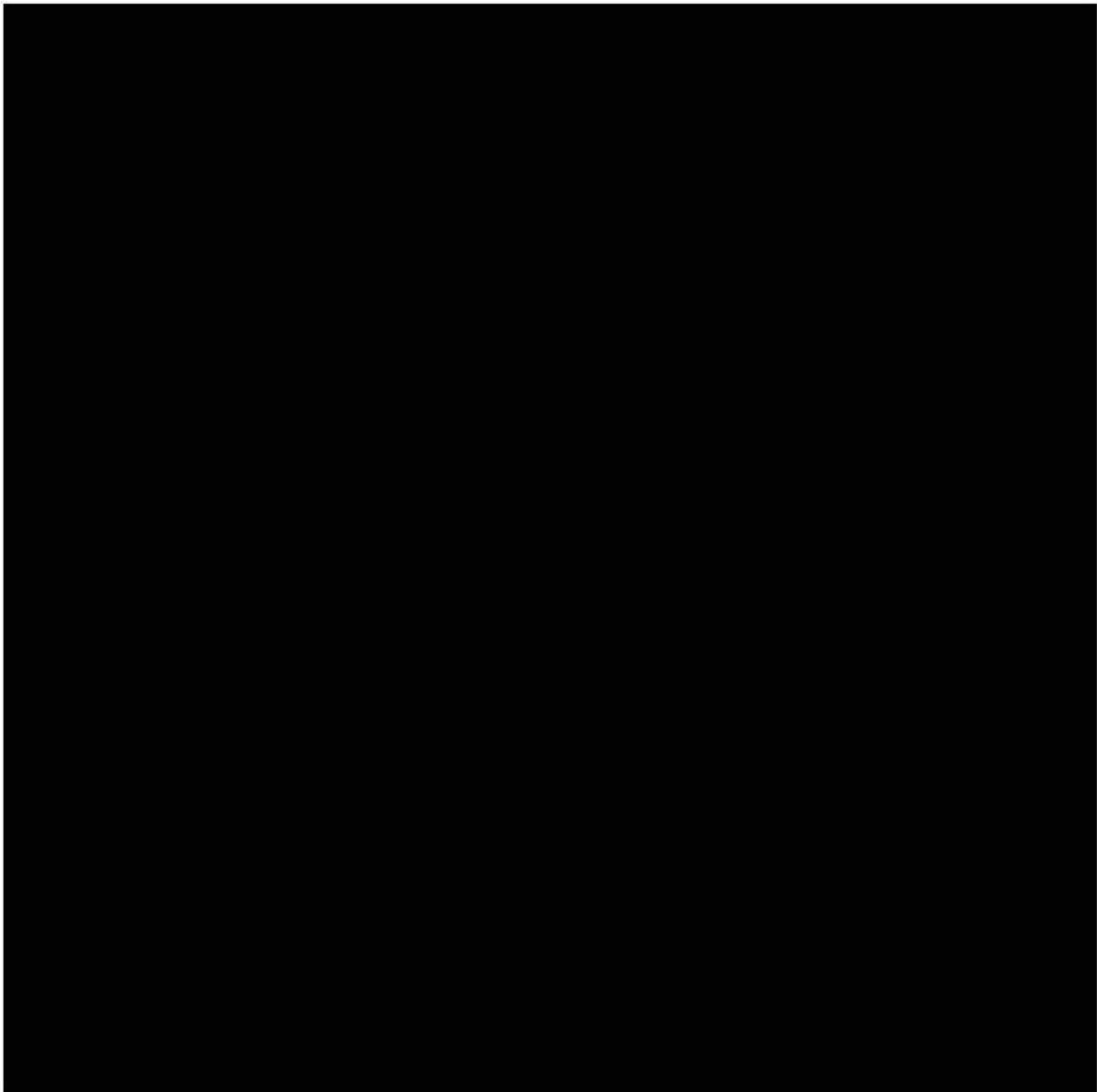


Exhibit “5”

Exhibit “5”



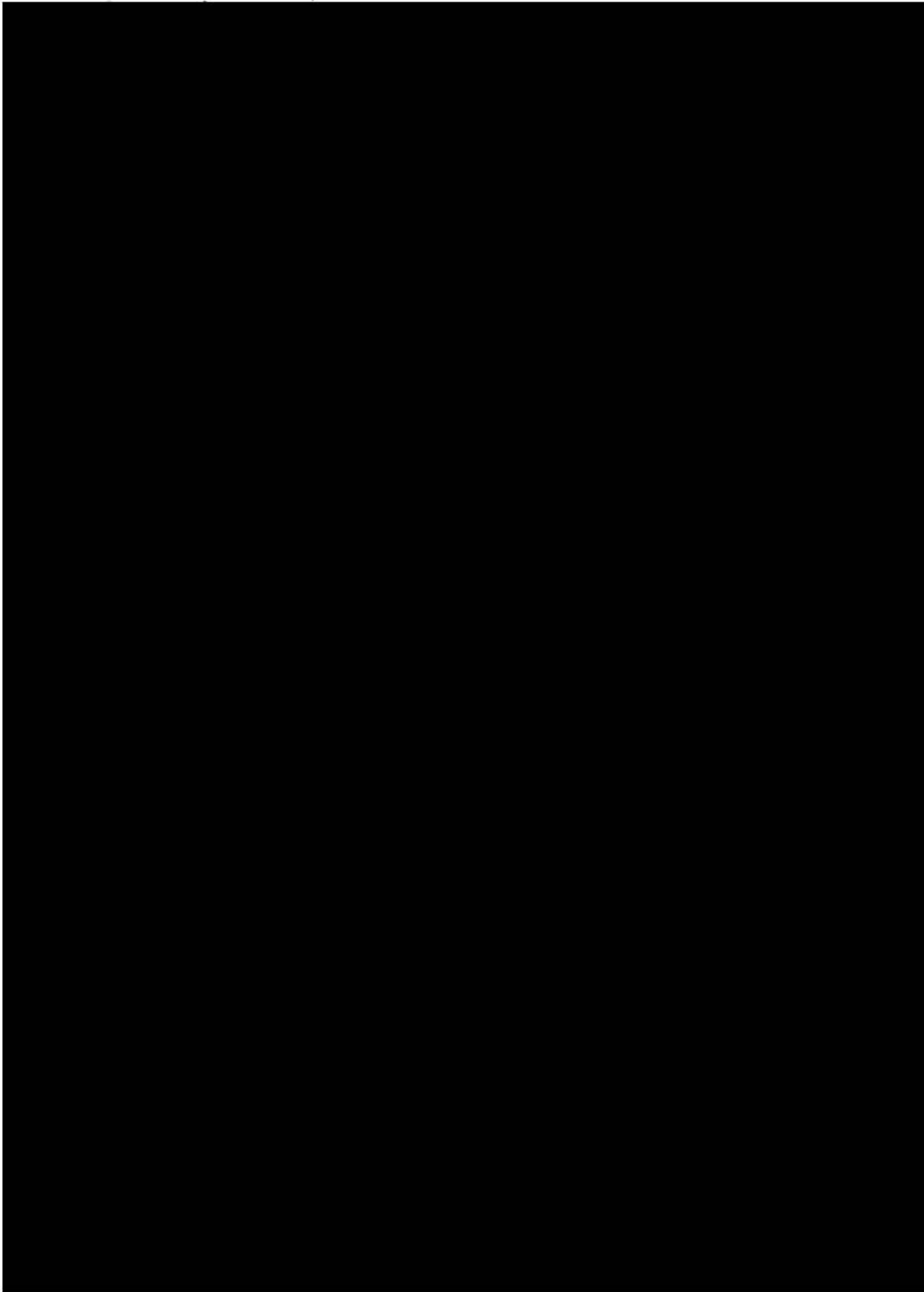


By: _____ Date: _____

By: _____ Date: _____

Exhibit “6”

Exhibit “6”



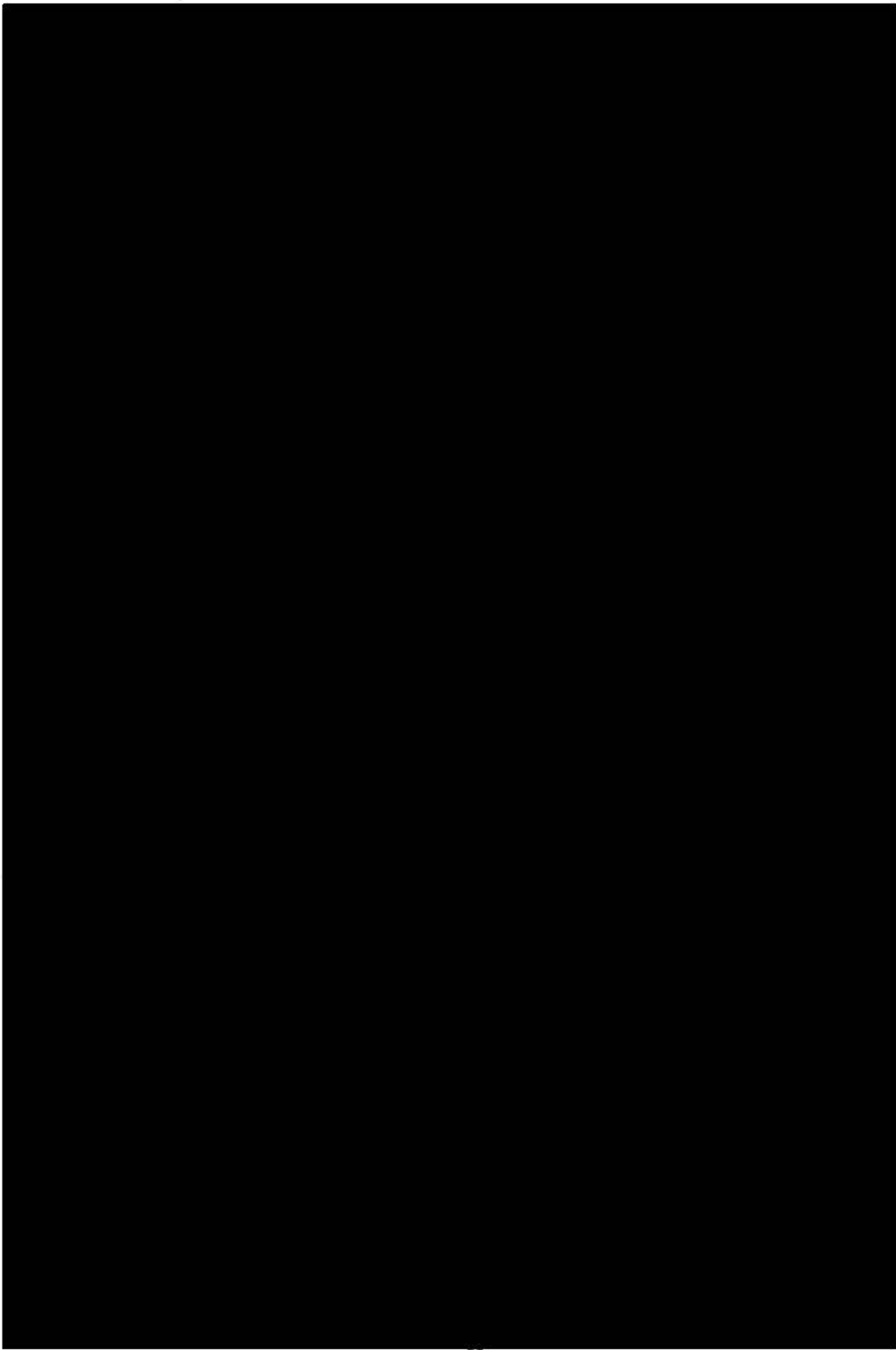


Exhibit “7”

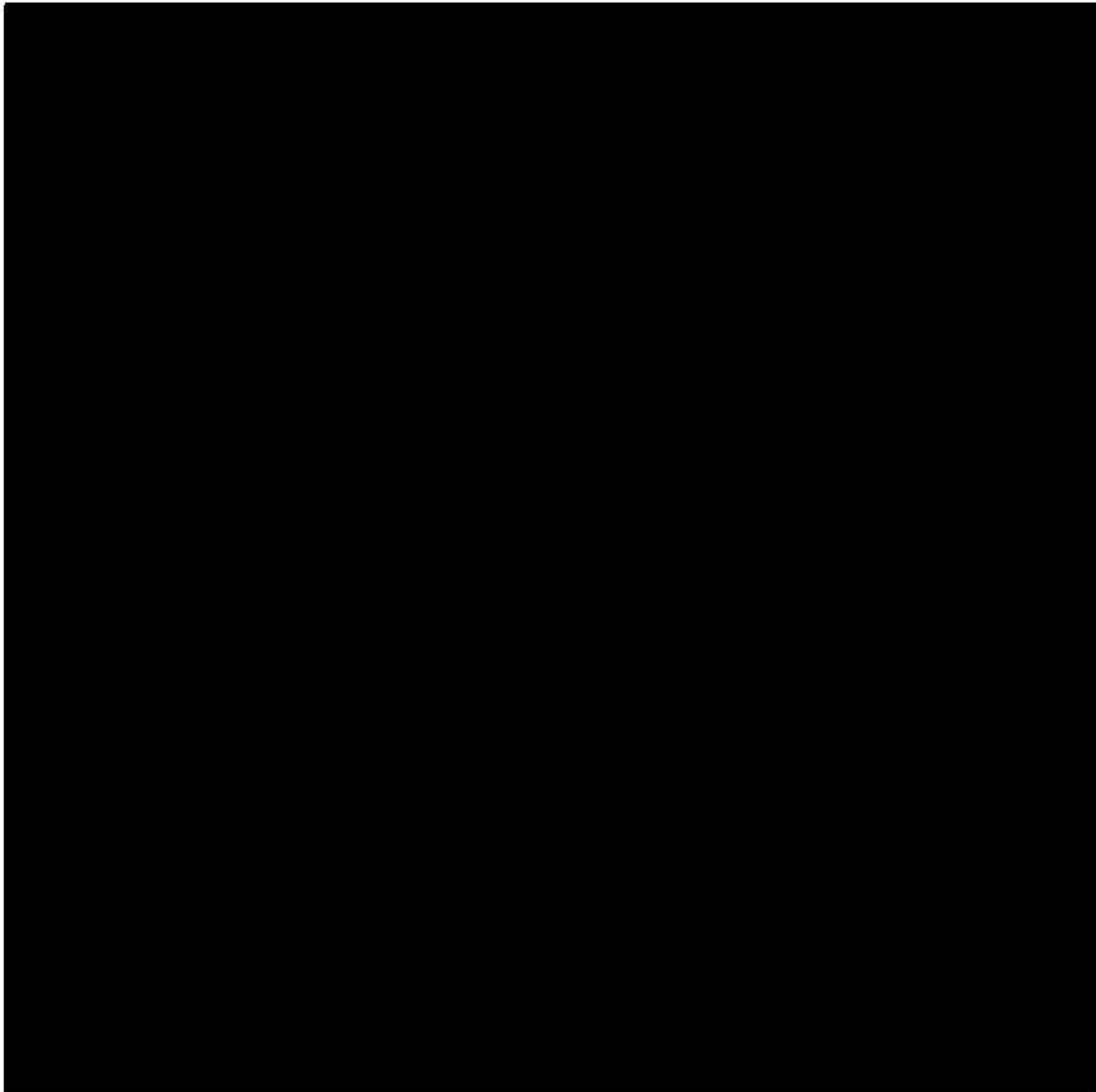
Exhibit “7”

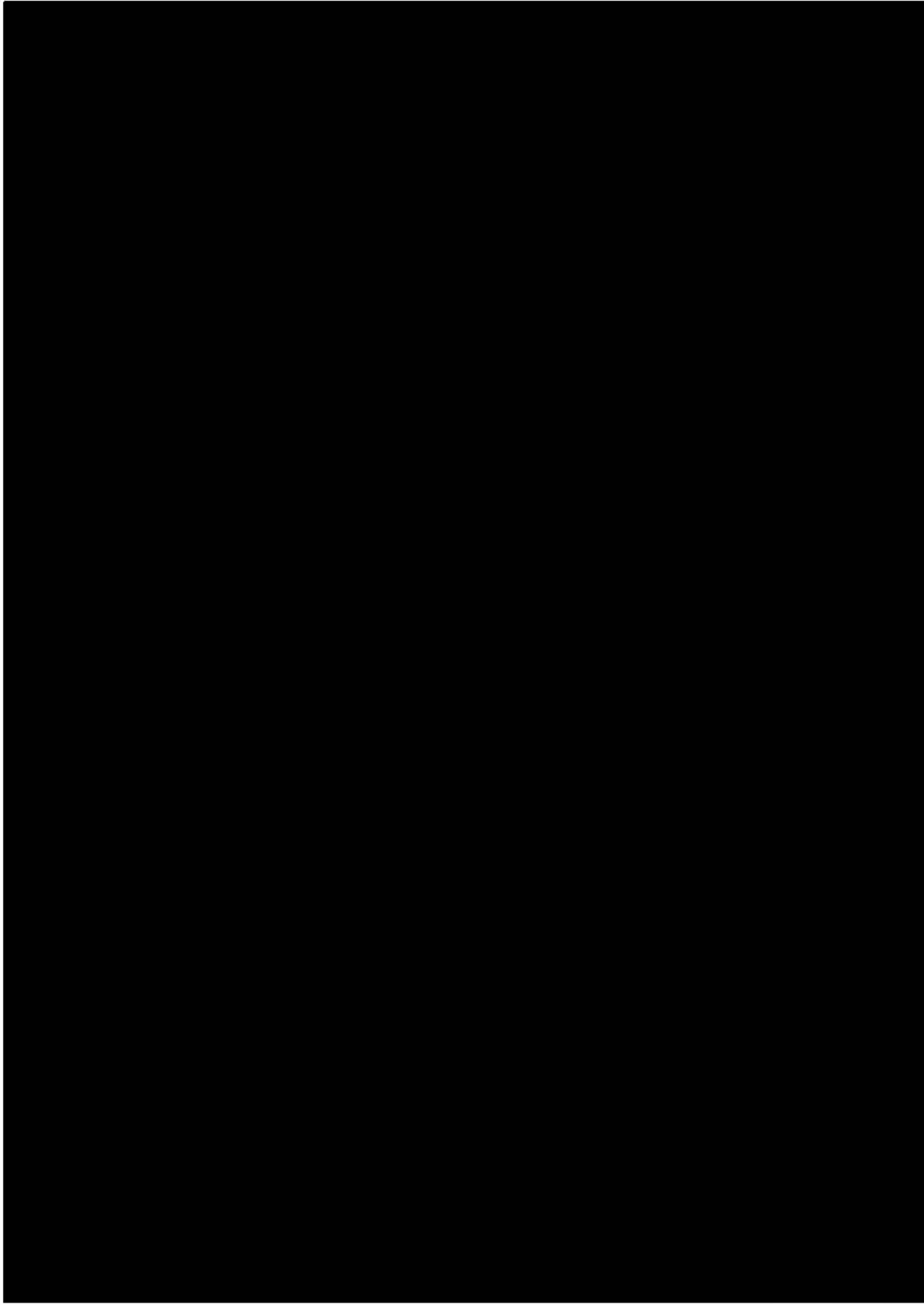


John E. Leach

jleach@lkglawfirm.com

August 22, 2024





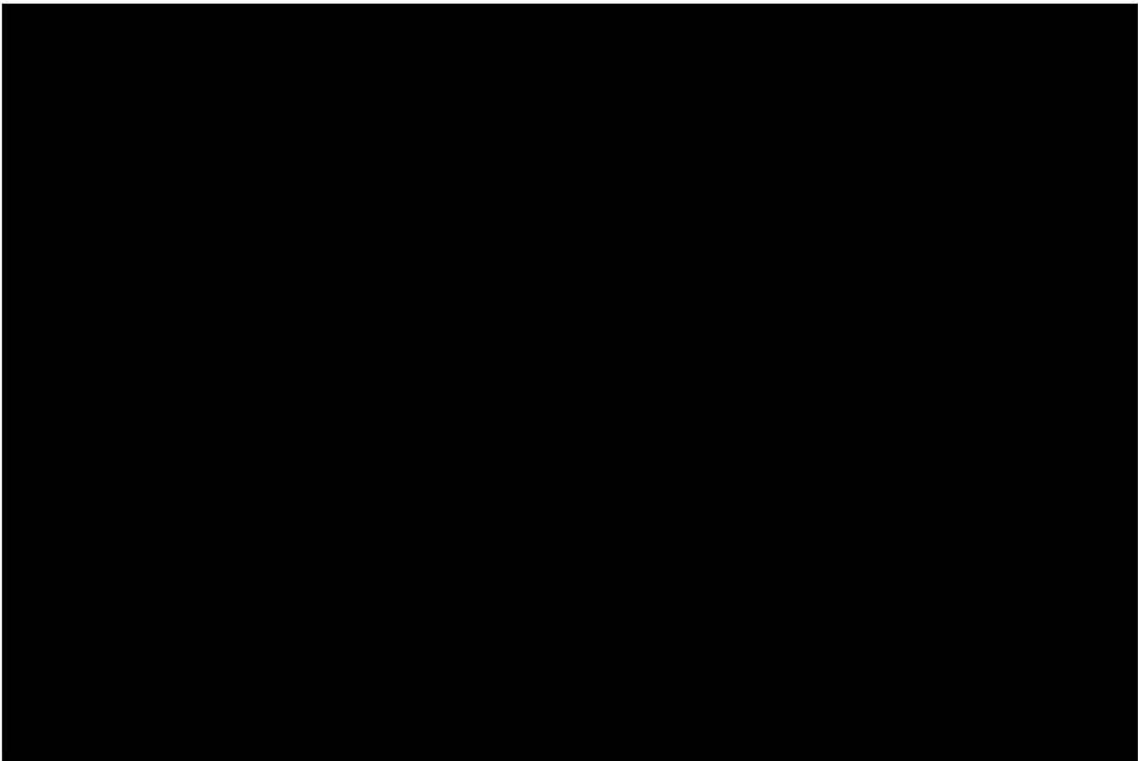
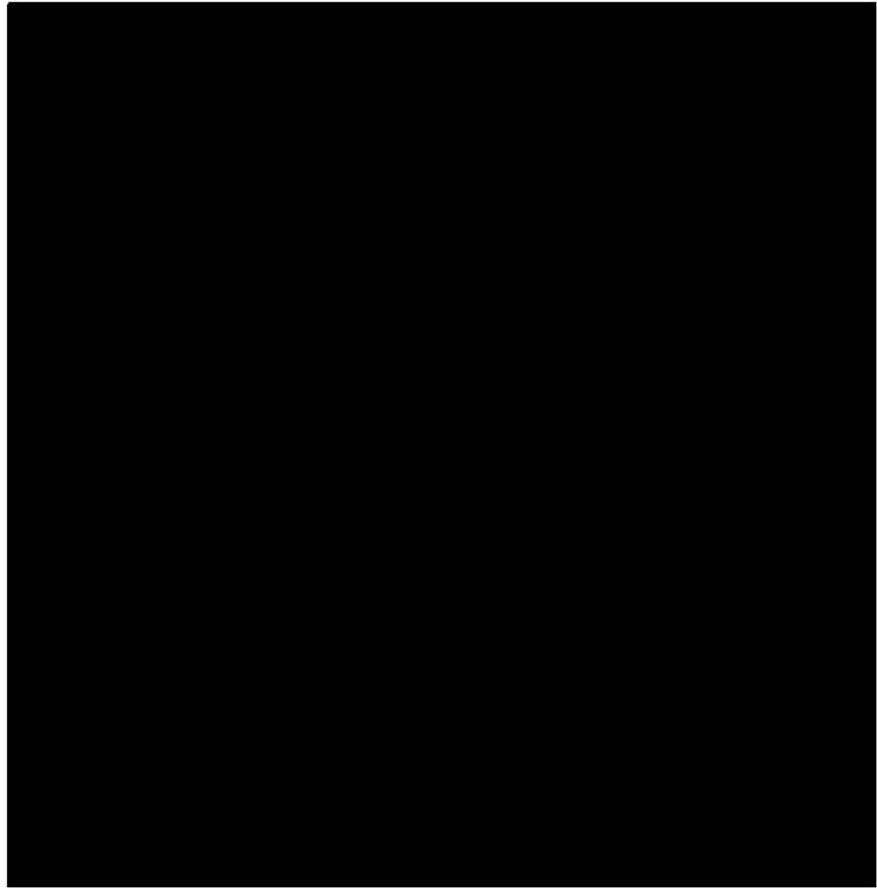


Exhibit "1"





By: _____ Date: _____

By: _____ Date: _____

Exhibit "2"

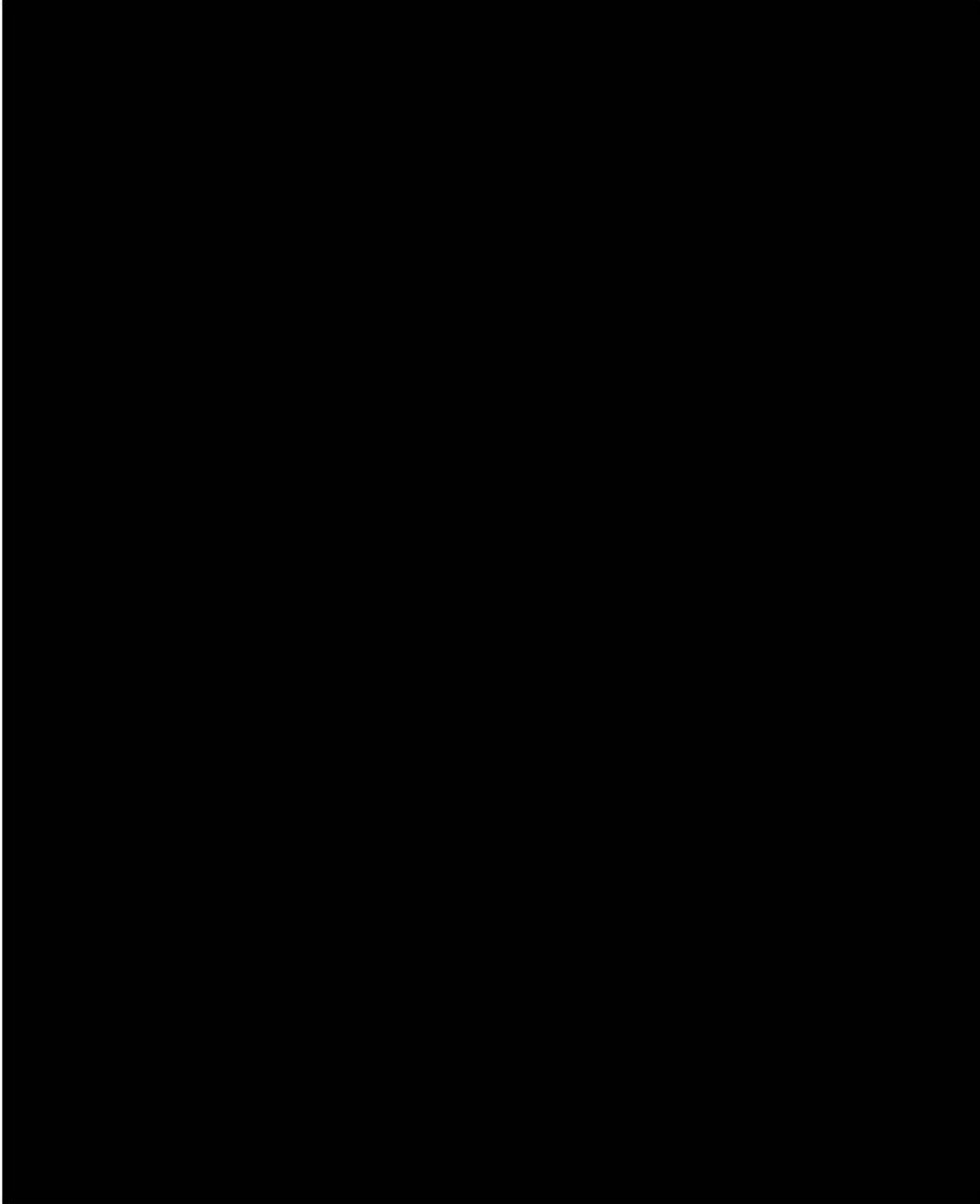
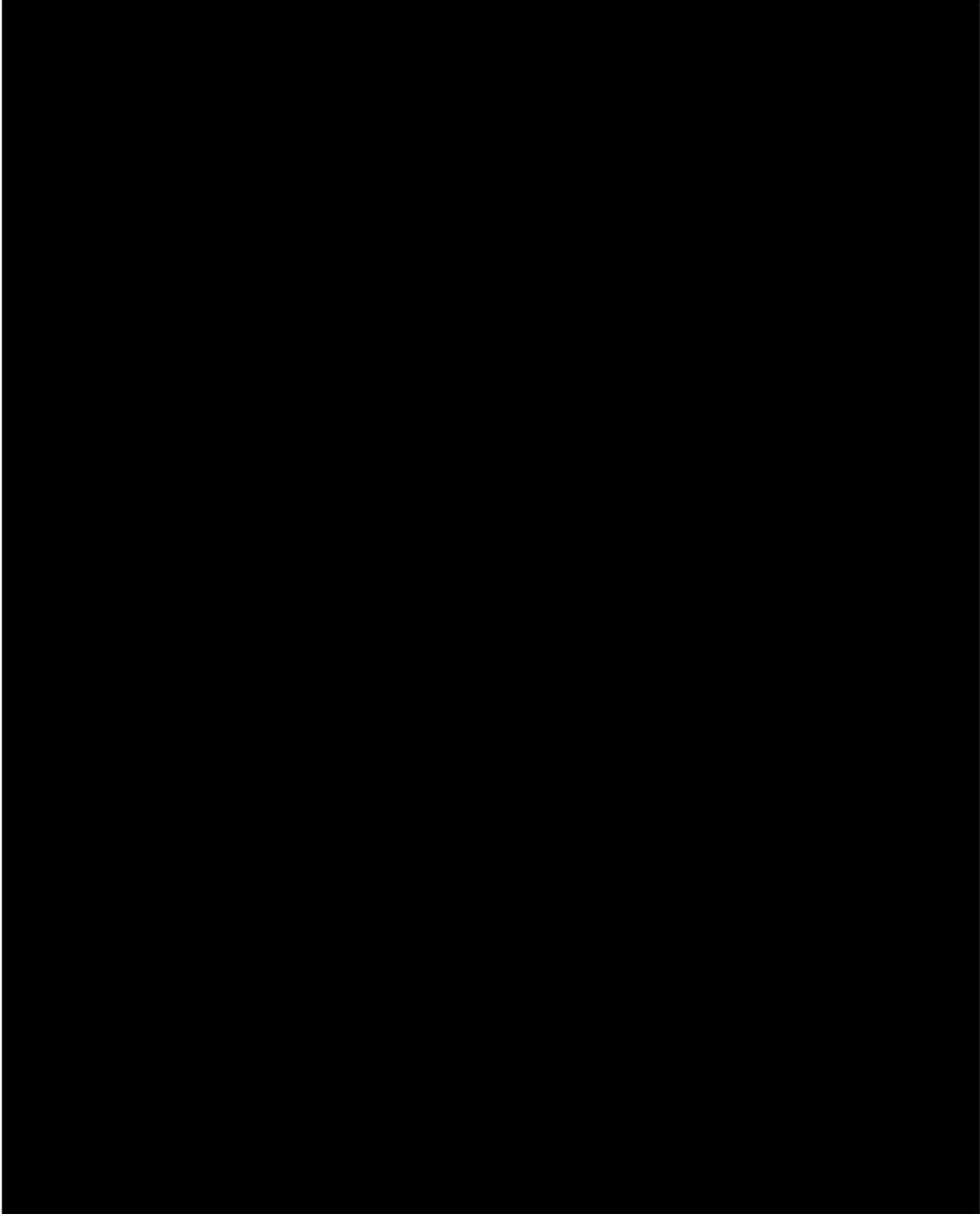
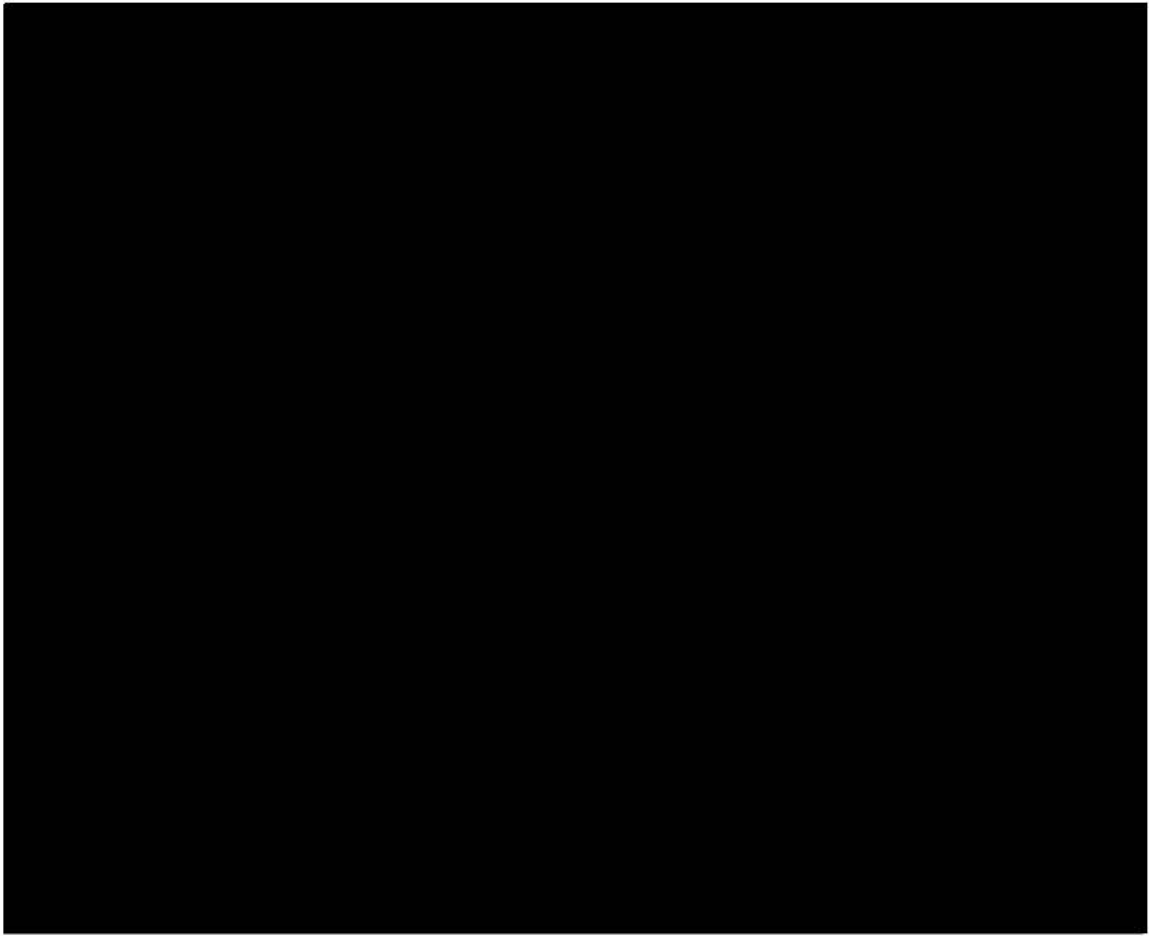


Exhibit "3"





TROPICANA SQUARE HOMES ASSOCIATION

BALLOT

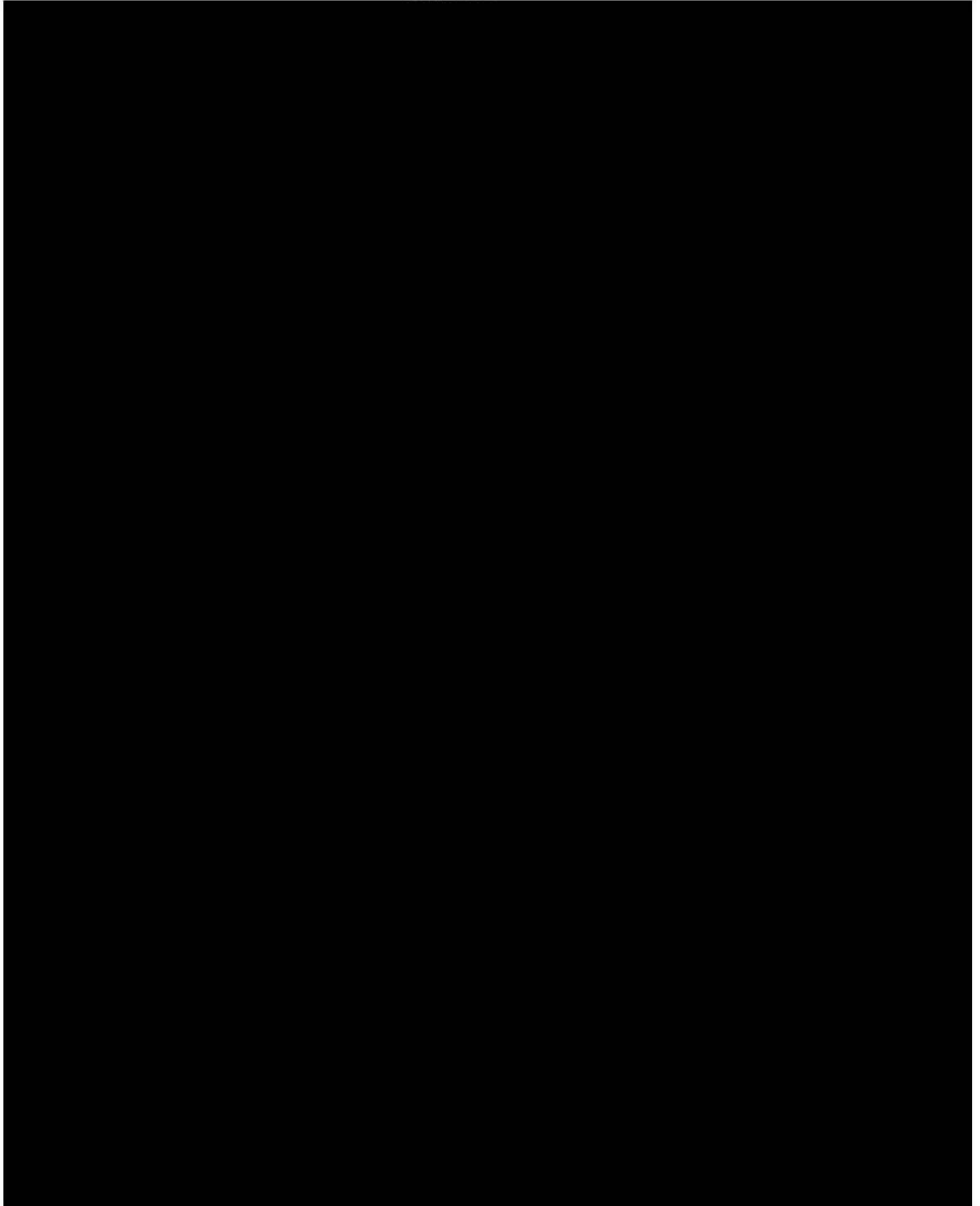


Exhibit “8”

Exhibit “8”

