

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

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NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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ANS
LEACH KERN GRUCHOW SONG
JOHN E. LEACH, ESQ.
Nevada Bar No. 1225
E-mail: jleach@lkglawfirm.com
RYAN D. HASTINGS, ESQ.
Nevada Bar No. 12394
Email: rhastings@lkglawfirm.com
2525 Box Canyon Drive
Las Vegas, Nevada 89128
Telephone: (702) 538-9074
Facsimile: (702) 538-9113

Attorneys for Respondent

BEFORE THE COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS
STATE OF NEVADA

SHARATH CHANDRA, Administrator,
REAL ESTATE DIVISION, DEPARTMENT
OF BUSINESS & INDUSTRY, STATE OF
NEVADA,

Case No.: 2022-530

Petitioner,

vs.

SOMERSET PARK HOMEOWNERS
ASSOCIATION (Entity No. C620-1985),

Respondent.

ANSWER TO THE COMPLAINT FOR DISCIPLINARY
ACTION AND NOTICE OF HEARING

The Respondent, SOMERSET PARK HOMEOWNERS ASSOCIATION
("Respondent"), hereby submits this Answer to the Real Estate Division of the Department of
Business and Industry, State of Nevada ("Division") Complaint for Disciplinary Action and
Notice of Hearing ("Complaint").

JURISDICTION AND NOTICE

1. Respondent acknowledges that the Division and the Commission for Common-
Interest Communities and Condominium Hotels ("Commission") have jurisdiction of this matter.

FACTUAL ALLEGATIONS

2. Respondent generally acknowledges and admits the factual allegations set forth in

1 Paragraphs 1 through 11, inclusive, of the Complaint.

2 VIOLATIONS OF LAW

3 3. The Respondent generally acknowledges that its reserve account is underfunded.
4 However, as is more fully set forth herein, the Respondent asserts that it is in compliance with
5 NRS 116.3115(2)(b) by virtue of the adoption of a funding plan as outlined in the law.

6 DISCIPLINE AUTHORIZED

7 4. With respect to the "Discipline Authorized," the Respondent acknowledges that
8 the Commission has the authority to impose the sanctions set forth therein.

9 PROPOSED RESOLUTION/SETTLEMENT

10 On July 22, 2025, Terry Wheaton, the Chief Compliance Audit Investigator, issued a
11 letter to Respondent, c/o CAMCO, Attn: Terri L. Acedilla, the Respondent's community
12 manager. A copy of the letter is attached hereto as **Exhibit "1"**. The letter states that the
13 Division has obtained sufficient evidence to commence a disciplinary action against the
14 Respondent and intends to file a complaint with the Commission. The letter also stated that "the
15 Division may be willing to resolve this matter through a negotiated settlement."

16 With this in mind, the Respondent has focused on the adoption of a funding plan to
17 address the underfunding. Before outlining the details about the funding plan, the Commission
18 should be apprised of the fact that this funding plan was only possible because of the time and
19 effort of Reserve Study Specialist, Mari Jo Betterley, and the generosity of numerous industry
20 vendors, who have substantially reduced their prices to accommodate the Respondent's financial
21 condition. Without their cooperation and assistance, the plan would have been much more
22 difficult for the Owners to bear.

23 On October 9, 2025, Mari Jo Betterley provided the Respondent with a revised and
24 updated Reserve Study. Relevant portions of the Reserve Study are attached hereto as
25 **Exhibit "2"**. The full Reserve Study will be made available upon request.

26 NRS 116.3115(2) provides, in pertinent part, as follows:

27 (b) The association shall establish adequate reserves, funded on
28 a reasonable basis, for the repair, replacement, and restoration of

1 the major components of the common elements and any other
2 portion of the common-interest community that the association is
3 obligated to maintain, repair, replace, and restore. . . . The
4 association may comply with the provisions of this paragraph
5 through a funding plan that is designed to allocate the costs for
6 the repair, replacement and restoration of the major components of
7 the common elements and any other portion of the common-
8 interest community that the association is obligated to maintain,
9 repair, replace or restore over a period of years if the funding plan
10 is designed in an actuarially sound manner which will ensure
11 that sufficient money is available when the repair, replacement
12 and restoration of the major components of the common
13 elements or any other portion of the common-interest
14 community that the association is obligated to maintain, repair,
15 replace or restore are necessary. . . .

16 Based on the express language of the statute, an association with an underfunded reserve
17 account is in compliance with the law, if the association's board has adopted "a funding plan"
18 that is "designed in an actuarially sound manner which will ensure that sufficient money is
19 available when the repair, replacement and restoration of the major components of the common
20 elements . . . are necessary." Attached hereto as **Exhibit "3"** is a copy of the Board adopted
21 funding plan. The Respondent believes that the funding plan: (a) adequately funds the reserve,
22 (b) addresses the current "due to/from" financial entry, (c) takes into account the increase in
23 expenses generally, and (d) complies with the maximum annual assessment increases permitted
24 by the Declaration¹. The Respondent provides the following explanation of the funding plan:

- 25 1. **The 2026 Budget** increases the regular assessment from \$312.19 to \$344.00 per
26 unit per month. This will allow the Respondent to increase the transfer from the
27 Operating Account to the Reserve Account generated from the regular assessment
28 payments. In addition, a special reserve assessment of \$100.00 per unit/per month
is imposed pursuant to NRS 116.3115(2)(b). Please note that the Respondent has
an obligation to pay PRS Roofing for roof repairs already provided. The balance
due is approximately \$64,000.00. The Respondent is paying \$8,500.00 per month
to PRS. Thus, it is anticipated that the PRS obligation will be satisfied in June
2026. Thereafter, the reserve account balance will increase by \$8,500 per month.
In addition, the Respondent also has an outstanding obligation to the City of
Henderson for reimbursement for repairs to the private water distribution system.

¹ A copy of Article IV, Section 3 of the Declaration, which establishes the limitation of a 10% annual increase in regular assessments, is attached hereto as **Exhibit "4"**.

1 The balance due on that obligation is \$3,767.31. It is anticipated that this
2 obligation will be satisfied by December 31, 2025.

- 3 2. The 2027 Budget will increase the regular assessment from \$344.00 to \$375.00
4 per unit per month. This will allow the Respondent to increase the transfer from
5 the Operating Account to the Reserve Account generated from the regular
6 assessment payments. In addition, the special reserve assessment will be increased
7 to \$150 per unit per month.
- 8 3. The 2028 Budget will increase the regular assessment from \$375.00 to \$400.00
9 per unit per month. Once again, this will allow the Respondent to increase the
10 transfer from the Operating Account to the Reserve Account generated from the
11 regular assessment payments. In addition, the special reserve assessment will be
12 increased to \$200 per unit per month.
- 13 4. As of this date, the 2029 Budget will NOT require an increase in the regular
14 assessment for the purpose of addressing the reserve account balance. However,
15 the special reserve assessment of \$200.00 per Unit per month will continue in
16 2029.

17 If this funding plan is followed, then at the end of 2029, the Respondent's reserve
18 account shall be funded at 74.3% and the "due to/from" substantially reduced. The reduction is
19 calculated by subtracting the amount the reserve study projects for the calendar year from the
20 amount the Board actually transfers to the reserve account. The "due to/from" is anticipated to be
21 reduced each year as follows:

22	2026	\$28,000.00
23	2027	\$33,300.00
24	2028	\$33,500.00
25	2029	\$23,500.00

26 Based on the foregoing, the Respondent asserts that by adopting the funding plan, the
27 Respondent is now in compliance with NRS 116.3115(2). The Respondent respectfully requests
28 that the Commission accept this funding plan.

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1 The Respondent also respectfully requests that the Commission not impose monetary
2 sanctions on the Respondent. As the Commission can appreciate, the Respondent needs all of its
3 resources to be able to implement the funding plan.

4 DATED this 14th day of November, 2025.

5 LEACH KERN GRUCHOW SONG

6
7 By: 

8 JOHN E. LEACH, ESQ.
9 RYAN D. HASTINGS, ESQ.
2525 Box Canyon Drive
Las Vegas, Nevada 89128

10 Attorneys for Respondent
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CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), the undersigned, an employee of LEACH KERN GRUCHOW SONG, hereby certified that on the 14th day of November, 2025, she served a true and correct copy of the foregoing, ANSWER TO COMPLAINT FOR DISCIPLINARY ACTION AND NOTICE OF HEARING, 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
 X Electronic Service – via E-mail

addressed as follows:

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

Aaron D. Ford, Esq.
Attorney General
Phil W. Su, Esq.
Senior Deputy Attorney General
1 State of Nevada Way, Ste. 100
Las Vegas, NV 89119
Email: psu@ag.nv.gov

/s/ Merlin A. Calimpong
An employee of LEACH KERN GRUCHOW
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