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Reply to: Reno

August 24, 2026

*Via first-class mail and email to mgallo@red.nv.gov and cpkeegan@red.nv.gov*

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FILED

AUG 25 2026

NEVADA COMMISSION FOR  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

*mgallo*

Re: *Re: NRED vs Silver State Condominium Owners Association*  
Case No. 2024-106

Dear Ms. Gallo and Ms. Keegan:

In accordance with the Status Check Order issued by the Commission June 17, 2026, Silver State Condominium Owners Association (“Association”) submits its update in advance of the status check scheduled for September 8, 2026. If you have any questions or concerns in advance of the status check, please do not hesitate to contact me.

Below are updates on Item 1 (a) and (b):

**(a) Update on filling in the third board member seat, or timely filed Form 623 Registration Filing Addendum reflecting the new board member**

The original complaint did not include a violation of NRS 116.31034(1) as there were three board members at the time the Complaint was filed. However, one Board member resigned on May 27, 2026, two weeks before the June 2026 Status Check.

In Advisory Opinion No. 20-01, the Division acknowledged that there are situations where there is not enough participation in a community to fill all the seats on a board, but that a

board can still function with a majority of the individuals serving on the board. This is true even in a worst-case scenario where an association ends up with one sole board member because “too few people may be willing to serve on their association board” but the “association needs to be able to function.” Therefore, although the Association was without a third board member due to a resignation that was outside of their control, the remaining board members were still able to take action as needed to conduct Association business.

With that being said, the Board has satisfied their fiduciary duty to fill the vacancy and was able to find a willing Owner to serve as the third board member. Mark Watson was unanimously appointed on August 13, 2026, and the Registration Filing Addendum form was sent to NRED on August 19, 2026. *See* EXHIBIT 1 (Unanimous Consent) and EXHIBIT 2 (Registration Filing Addendum form).

**(b) Payments to the reserve, any expenditures, required funding levels, and amounts reflecting the Due To/From**

During the June Status Check, the Association provided its disbursement report showing the actual money transfers paid out to the reserve account in 2025 and 2026 from the operating account. These transfers were made in accordance with the Recommended Reserve Contributions set forth in the Reserve Study. The Association’s disbursement report is one of the accounting records utilized by the Association to identify, among other things, the date of every payment made from the operating account, the payee, the amount paid, and the payment method.

While the disbursement report shows where the money went, enclosed as EXHIBIT 3 is a Reserve Deposit Spreadsheet, created using the Association’s monthly reserve account bank statements from First Citizen Bank. Attached as EXHIBIT 4 are the reserve account bank statements from First Citizen Bank, used to create the Reserve Deposit Spreadsheet.

The spreadsheet identifies the Annual and Reserve Contribution amounts for the Special Reserve Assessments and Annual Transfers for 2025 and 2026 as set forth in the Reserve Study, the monthly breakdown of the those transfers, and the actual deposits made for each month into the Reserve Account as set forth in the actual bank statements.

Enclosed as EXHIBIT 5 is a copy of the funding plan from the current Reserve Study for ease of reference to confirm the Association is in compliance.

As to the due to/from, the Association has rectified it completely. There is no due to/from owed. As set forth in the Reserve Deposit Spreadsheet, in 2025 the Association properly deposited all their required regular annual reserve transfers and also addressed the outstanding 2024 transfers (See EXHIBIT 3 and 6). Additionally, in 2026 the Association deposited all required regular annual transfers as well as the required special reserve transfers. The Association collected all of the special reserve assessments for 2025, and deposited all of those special reserve transfers in 2026.

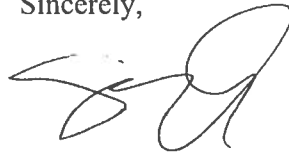
In addition to the above, enclosed, via electronic link provided, are the below requested documents:

- (c) **Copy of the final 2025 Audit (EXHIBIT 7)**
- (d) **December 2025 and most current financial statements (EXHIBIT 8 and 9)**
- (e) **Signed attestation of the licensee in charge of the Association that unlicensed vendors shall not be utilized.** (Note: Lindsey Gauger went on medical leave, therefore Chrissy Perona has taken over management of the community again, so the previously provided signed attestation is appropriate. I enclose another copy.) (EXHIBIT 10).

The Board, to the best of their ability, will continue to comply with provisions of NRS 116 and NAC 116 as included in item (f) and will plan to attend continuing education as recommended by the Commission in item (g).

We respectfully submit that the actions taken by the Board demonstrate its commitment to operating the Association responsibly and in compliance with all applicable requirements. Any prior deficiencies and violations have been addressed and corrected. We therefore request that the Commission and Division consider these corrective measures and conclude this matter without the imposition of further findings or sanctions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sophie A. Karadanis', written in a cursive style.

Sophie A. Karadanis, Esq./electronically signed

Enclosures via link  
c: Client