From: Paul De La Cruz

To: NRED Administration

Subject: Subject: Public Comment – HOA Regulation, Complaint Process, and Artesia HOA Case Study

Date: Sunday, November 30, 2025 9:04:23 PM

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Dear Task Force Members,

Thank you for the opportunity to comment. I speak today as a homeowner directly impacted by these gaps.

I wish to raise three concerns that directly affect homeowners:

- 1. Regulation Gap: HOA property managers are individually licensed and regulated by NRED, yet the management companies they work for are not. This is like requiring a realtor to hold a license while leaving the broker unregulated. Without oversight of the business entity, accountability is incomplete and homeowners remain exposed.
- 2. Complaint Process: The current NRED complaint process is far too complicated for most homeowners to navigate. Forms, procedural hurdles, and unclear recourse. The Ombudsman process often feels designed to shield property managers rather than empower homeowners..
- 3. Artesia HOA Case Study: In Artesia, the board has held Zoom-only budget ratification meetings 2024-2025, ignored emailed proxies, and deferred reserve obligations. These practices undermine NRS 116 and leave homeowners exposed to higher costs later. Proxies are binding votes under both our Bylaws and state law, yet owners have had to fight simply to have them counted. Deferred reserve projects including mailboxes, fencing, and asphalt now total over \$150,000 in liabilities waiting to hit. Most troubling, the November 18,2025 budget was approved by the board while Artesia was in default with the Secretary of State. This means the association was technically out of compliance with corporate law at the very time it was exercising governance powers.

These issues show why reform is urgently needed. Regulation must extend to management companies, the complaint process must be simplified, and real enforcement must ensure boards and managers cannot sidestep homeowner rights.

Sincerely,
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