BEFORE THE COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS

STATE OF NEVADA

SHARATH CHANDRA, Administrator, REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS AND INDUSTRY, STATE OF NEVADA, Petitioner, vs. TROPICANA SQUARE HOMES ASSOCIATION, (Entity Number C2743-1972) Respondent.	Case No. 2023-846

FILED

JUN 20 2024

NEVADA COMMISSION FOR COMMON INTEREST COMMUNITIES AND CONDOMINIUM HOTELS

mailo

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

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

Since the RESPONDENT admitted to the Division's factual allegations and stipulated to violations of law numbered 13 and 14 in the Complaint filed January 31, 2024, Mrs. Keegan presented limited testimony from the Division's Investigator Vanessa Ward regarding her investigation findings substantiating violation of law NAC 116.415. 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.

FINDINGS OF FACT

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

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

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

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

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

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

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

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

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

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

. . .

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

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

CONCLUSIONS OF LAW

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

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

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

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

ORDER

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

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 entry of Order;

2. RESPONDENT shall provide a status report at the September 10-12, 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 the reserve account;

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.

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: epkeegan
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