COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS MEETING MINUTES MARCH 10, 2026

VIA IN PERSON AND TEAMS VIRTUAL MEETING
MARCH 10, 2026

Nevada State Business Center
3300 W. Sahara Avenue
4th Floor, Nevada Room
Las Vegas, Nevada 89102

VIDEO CONFERENCE TO:
Nevada Division of Insurance
1818 College Parkway
Suite 103
Carson City, Nevada 89706

To Be Approved By Commission

1) COMMISSION/DIVISION BUSINESS:

A) Call to Order; Introduction of Commissioners in Attendance; and Establish Quorum

Chairman Heydarian called the meeting to order at 9:05 A.M.
Introduction of Commissioners in attendance: June Heydarian, Robert "Bob" Sweetin, Kyle Tibbitts, Sara Gilliam, and Patricia Morse Jarman. A quorum was established.
Commissioners Lighthart and Tomasso were absent.
Chairman Heydarian led in the Pledge of Allegiance.

Commission Counsel: Rosalie Bordelove, Chief Deputy Attorney General, was present.

B) Introduction of Division Staff in Attendance

Sharath Chandra, Administrator; Charvez Foger, Deputy Administrator; Sonya Meriweather, Ombudsman; Shareece Bates, Administration Section Manager; Terry Wheaton, Chief Compliance Audit Investigator; Robert Towle, Compliance Audit Investigator; Maria Gallo, Commission Coordinator; Amy Reveyrand, Commission Coordinator; Phil Su, Senior Deputy Attorney General; William "Bill" Peper, Deputy Attorney General; and Christal Keegan, Senior Deputy Attorney was present.

2) Public Comment

Mike Kosor noted the agenda is extensive due to the workshop, which he described as the most important Commission activity because of the rule-making authority granted by the legislature. Mr. Kosor highlighted that no other state allows a Commission to participate in this level of rulemaking, noting that it is usually handled solely by the agency.

Mr. Kosor noted frequent homeowner confusion over unclear or ambiguous rules. Mr. Kosor expressed concern over extended confidentiality practices by the Division which limit visibility. Mr. Kosor contrasted this with other agencies that balance confidentiality with transparency through redactions in reports.

Mr. Kosor raised issues regarding secret board meetings and the lack of definitions for "workshop" and "meeting," as well as the impact of virtual-only meetings. Mr. Kosor noted his association of nearly 9,000 members has not held a physical board meeting since COVID, and major contract votes occur by email, which counsel has deemed acceptable.

Mr. Kosor requested the Commission to review the list of items and clarify rules so homeowners can understand and participate properly. Mr. Kosor stated he looked forward to further comments during the workshop.

Fred Blascovich stated he has experienced difficulty obtaining books and records from his management company for nearly three years. Mr. Blascovich noted that, despite keeping requests modest, he received only minutes from two board meetings last year. Mr. Blascovich indicated he has requested access to all records allowed under the governing documents and NRS. Mr. Blaskovich asked whether the Commission takes any action to assist community members when management companies refuse to provide books and records. Mr. Blascovich also asked if it is okay for a community manager not to provide books and records to the homeowner.

Ms. Bordelove stated the Commission is permitted to respond and discuss however, the Commission cannot take action or start deliberating intently.

Charvez Foger stated the Division has a process and the Chief is present if he wanted to talk to him offline.

Mr. Blaskovich stated he wanted to talk right now.

Mr. Foger stated that the Division has a process and the Commission cannot do anything unless a case comes before the Commission. Mr. Foger stated that Mr. Blaskovich would have to talk to staff to see if they can assist him.

Mr. Blascovich stated he previously pursued the issue through an attorney hearing. Mr. Blaskovich indicated the attorney retained found it acceptable not to provide the books and records he requested. Mr. Blascovich noted a $25 fine was mentioned, but no fines were ultimately imposed on the HOA or management company. Mr. Blaskovich expressed concern that it appears management companies can refuse requests for books and records without consequence, unless his understanding is incorrect.

Ms. Bordelove stated the Commission does not have the power to address individual complaints coming in on public comment. Ms. Bordelove stated it would violate the law if the Commission were to do that.

Byron Goetting asked if there was a public comment portion within the workshop.

Chairman Heydarian stated there will be a public comment portion within the workshop.

3) <u>REGULATION WORKSHOP FOR PROPOSED CHANGES TO NAC 116 AND NAC 116A ON MARCH 10, 2026 @ 9:00 AM</u>:

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General Public Comment
None

Section 1
Shareece Bates read Section 1 into the record.

No public comment.

Section 2
Shareece Bates read Section 2 into the record.

Greg Kerr stated he is an attorney with Wolf, Rifkin, Shulman & Rabkin, LLP and a member of the Community Associations Institute Legislative Action Committee (CLAC), appearing in his capacity as a CLAC representative. Mr. Kerr noted the committee met the previous afternoon to discuss the proposed regulation and developed several proposed changes. Mr. Kerr indicated redline comments were submitted to the Division late and requested the Commission review them following the workshop.

Mr. Kerr provided general concerns regarding references to criminal statutes used to determine health, safety, and welfare violations. Mr. Kerr explained such violations should first involve an underlying governing document violation, after which the nature of the conduct could justify a health, safety, and welfare designation. Mr. Kerr questioned whether reliance on criminal statutes would improperly require associations to determine criminal conduct, which falls outside their jurisdiction. Mr. Kerr noted associations cannot enforce criminal laws or determine whether a crime occurred without action by the state.

Mr. Kerr also raised concerns about provisions referencing housing or health code violations, explaining that associations may lack authority to determine whether municipal code violations exist absent official action by the applicable authority. Mr. Kerr stated the committee's proposed revisions describe the nature of conduct constituting health, safety, and welfare violations without requiring associations to act as law enforcement.

Mr. Kerr further noted a reference in the proposed regulation to fine appeal provisions for fines exceeding $10,000 under NRS 116.31031 and indicated he did not locate appeal language in that statute. Mr. Kerr also recommended removing the phrase "without limitation," stating it creates ambiguity by allowing additional undefined violations beyond those listed.

Mr. Kerr requested consideration of the committee's submitted comments and anticipated continued discussion as the regulation progresses.

Mike Kosor stated the issue is complex and has remained unresolved since the Legislature enacted the statute in 2005, with renewed direction in 2021 to develop a definition. Mr. Kosor expressed agreement with Mr. Kerr that the proposed regulation requires significantly more work and should not be adopted in its current form.

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Mr. Kosor emphasized the homeowner perspective, noting volunteer board members with limited legal or governance experience could be granted authority to impose fines up to $10,000 without clear limits, creating potential for abuse. Mr. Kosor cautioned against using the statute as a substitute for action by public agencies, stating boards may find it convenient to act where government enforcement is difficult to obtain.

Mr. Kosor noted the proposed regulation references imminent harm while many board actions occur after the fact, creating inconsistency without clear criteria or examples. Mr. Kosor questioned whether sufficient evidence exists to justify expanding board authority beyond existing fines of up to $1,000 per violation or meeting.

Mr. Kosor referenced California law as a comparison, stating it focuses on property damage rather than broader welfare concerns, which he believes significantly expands scope. Mr. Kosor expressed concern over broad language such as "actionable misconduct under the state penal code," stating such matters fall outside board authority. Mr. Kosor also noted the absence of a clear appeal process, leaving civil litigation as the only apparent remedy.

Mr. Kosor concluded the task is substantial and encouraged continued collaboration among stakeholders, including review of submitted comments, to develop a workable definition.

Mark Leon stated he is Board President of the Mountains Edge Master Association and spoke from a board member perspective. Mr. Leon expressed concern that health, safety, and welfare fines are a serious matter because failure to pay could ultimately result in loss of a home. Mr. Leon noted some boards may not share this level of caution when exercising such authority.

Mr. Leon questioned whether the proposed language could allow homeowners to pressure boards into taking enforcement action. Mr. Leon offered an example in which residents demand action against a registered sex offender living in the community, creating a difficult situation for a board deciding whether to act despite having enforcement authority.

Mr. Leon also expressed concern that boards inclined to use health, safety, and welfare provisions aggressively could attempt to police the community by targeting individuals with criminal histories on the basis they pose a perceived threat.

Laura Canter stated she wished to speak in support of earlier comments regarding health, safety, and welfare violations. Ms. Canter indicated fines of $5,000 per violation are generally adequate and expressed concern over increasing limits to $10,000. Ms. Canter emphasized board members are volunteers with little or no legal or real estate training, creating risk when exercising significant enforcement authority.

Ms. Canter supported establishing clear guidelines, stating the current framework relies heavily on subjective discretion. Ms. Canter expressed concern boards may use health, safety, and welfare designations to accelerate enforcement actions or target specific homeowners, potentially resulting in substantial fines and threats of foreclosure for relatively minor conduct.

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Ms. Canter noted some boards may not participate in available training and may struggle to distinguish between nuisances and genuine safety threats. Ms. Canter stated such decisions can impose serious financial burdens on homeowners and undermine the association's duty to protect residents.

Ms. Canter urged the Commission to consider mandatory training, external verification, or professional consultation before allowing boards to exceed standard fine limits under health, safety, and welfare provisions. Ms. Canter also questioned interpretation of the term "imminent threat," noting uncertainty when incidents occurred in the past.

Ms. Canter suggested additional oversight, certification requirements, or independent review mechanisms to promote fairness and prevent excessive penalties for conduct not involving genuine threats. Ms. Canter indicated she had additional comments to provide later.

Bruce Snyder described concerns arising from two SWAT raids at a neighboring home in their small community of approximately 20 residences. Mr. Snyder noted the incidents occurred during very early morning and late-night hours, lasted for extended periods, and involved disruptive law enforcement activity, including flashbang devices and potential gunfire.

Mr. Snyder questioned whether such circumstances fall within health, safety, and welfare considerations and asked what obligations or authority a homeowners association board may have in responding, noting governing documents may not specifically address situations of this nature.

Section 3
Shareece Bates read Section 3 into the record.

No public comment.

Section 4
Shareece Bates read Section 4 into the record.

Mike Kosor stated he supports the section if amended. Mr. Kosor clarified the intent of the statute is for the Division to serve as the investigating authority and the Commission as the adjudicating body. Mr. Kosor explained the provision would allow an investigator to determine whether sufficient information exists to believe a violation occurred and to remit action if appropriate.

Mr. Kosor compared this process to a district attorney offering to stop litigation if certain conditions are met and stated he supports investigative authority under similar terms. Mr. Kosor emphasized such actions should not occur secretly. Mr. Kosor expressed concern that confidentiality currently prevents homeowners from knowing what investigations occur, what violations are alleged, and what remedial actions are required.

Mr. Kosor recommended amendments to ensure transparency, suggesting the Division should publicly disclose determinations and remedial actions so homeowners have confidence in the

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process. Mr. Kosor concluded the provision should include proper guardrails for public visibility, and without such amendments, the authority could create significant transparency issues.

Laura Canter stated she wanted to concur with the gentleman (Mr. Kosor) that just spoke.

Senior Deputy Attorney General Phil Su noted that under NRS 116.757, information from the Division's investigations may only be made public if a formal complaint exists. Mr. Su stated some expressed concerns about transparency and the desire for internal audits not to remain fully confidential, the statute's intent is clear and must be respected. Mr. Su stated logistical limitations make broader disclosure difficult without formal complaints.

Section 5
Shareece Bates read Section 5 into the record.

Mike Kosor expressed concern that the current handling of petitions under the statute lacks transparency and may prevent them from being timely considered. Mr. Kosor noted that several petitions he filed have not been placed on the Commission agenda since July, have not been formally denied, and are effectively stalled. Mr. Kosor questioned whether the administrator has authority to deny petitions without written notice, emphasizing that written denials provide homeowners with due process and allow appeals to the Commission. Mr. Kosor argued that regulations or rules of practice are needed to clarify how petitions are processed, ensure timely consideration, and provide public transparency, as the APA alone does not suffice.

Section 6
Shareece Bates read Section 6 into the record.

Robert Forney, a reserve specialist in Southern Nevada, addressed concerns regarding baseline funding in reserve studies. Mr. Forney noted that requiring 100% funding of every project cost, even for small projects, can be inefficient, and that NAC 116.425 only requires discussion of general funding objectives. Mr. Forney emphasized that prohibiting baseline funding does not prevent associations from setting funding thresholds and suggested establishing a standard funding goal of at least 70%, reflecting common practice in Nevada, to ensure associations are adequately funded.

Section 7
Shareece Bates read Section 7 into the record.

No public comment.

Section 8
Shareece Bates read Section 8 into the record.

No public comment.

Section 9
Shareece Bates read Section 9 into the record.

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No public comment.

Section 10
Shareece Bates read Section 10 into the record.

No public comment.

Section 11
Shareece Bates read Section 11 into the record.

No public comment.

Section 12
Shareece Bates read Section 12 into the record.

No public comment.

Section 13
Shareece Bates read Section 13 into the record.

Jan Porter provided historical context regarding Commission practices and raised concerns about inconsistent definitions of management company terminations. Ms. Porter noted that in practice, management companies often set their own timelines, which can create delays that do not serve the association or the successor management company. Ms. Porter recommended reviewing NRS 645.580 for clearer guidance on termination procedures to align statutory language with real-world application in HOA management.

Section 14
Shareece Bates read Section 14 into the record.

Julie Snyder reported reviewing association invoices and observing a charge from an attorney related to one board member seeking guidance concerning another board member. Ms. Snyder stated the board is small and conflicts among members are limited. Ms. Snyder asked whether there are ways to determine the reasoning for a board member using association funds to consult legal counsel on what appeared to be a personal matter involving another board member.

Section 15
Shareece Bates read Section 15 into the record.

Robert Forney stated the prior 210-day timeframe was removed several years ago and expressed strong support for reinstating the requirement. Mr. Forney explained that some clients allow the reserve study process to continue indefinitely by requesting late changes, including revisions after submission of Form 609, without reporting updated findings to the Division. Mr. Forney stated this situation creates an awkward position because state requirements do not govern

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contractual obligations between the preparer and the client. Mr. Forney noted internal policies may impose caps on revisions, but consistency across providers is uncertain.

Mr. Forney stated reinstating a 210-day limit would establish uniform expectations and allow providers to decline further changes once the statutory period has elapsed. Mr. Forney explained submission of the Form 609 indicates the study has been adopted, making subsequent revisions inappropriate. Mr. Forney emphasized prolonged revisions also create accuracy concerns because reports must reflect conditions as of the study date. Mr. Forney provided an example in which a report revised months after a site inspection could mislead readers regarding current conditions.

Mr. Forney stated the 210-day period allows sufficient time for larger associations to review, vet, and adopt reserve studies, including consideration by finance committees. Mr. Forney noted reserve studies are prepared for upcoming fiscal years and indicated the proposed timeframe would still provide adequate opportunity for associations to finalize the study before the relevant fiscal year.

Mike Kosor stated a differing perspective regarding the proposal. Mr. Kosor clarified disagreement was not with the underlying concern but with the process being used to address it. Mr. Kosor reported reviewing NAC 116.435 and, despite extensive efforts to locate historical background, was unable to find the origin of the provision.

Mr. Kosor questioned the necessity of the regulation given existing statutory requirements mandating homeowners' associations submit a report to the Commission every five years within 45 days. Mr. Kosor stated the statute already establishes an obligation, whereas the regulation appears to require a board to adopt a study prepared by a contractor. Mr. Kosor expressed concern such a requirement could obligate boards to accept a study regardless of changing circumstances.

Mr. Kosor noted some associations obtain reserve studies more frequently, such as every two or three years, due to evolving conditions. Mr. Kosor stated receipt of a study should not automatically require adoption. Mr. Kosor acknowledged concerns regarding studies becoming outdated prior to adoption but stated the proposed regulation would not resolve that issue.

Mr. Kosor suggested, if timeliness is the concern, the requirement should instead prohibit approval of studies exceeding a specified age, such as 210 days. Mr. Kosor stated the current language appears to mandate approval simply because a study was delivered, which Mr. Kosor characterized as a significant mistake. Mr. Kosor recommended either eliminating the NAC provision entirely or revising the language to clearly prohibit approval of studies considered too old at the time of adoption.

Byron Goetting stated agreement with Robert Forney on the need for a set timeframe to limit the period for reviewing and adopting reserve studies. Mr. Goetting clarified that the requirement to follow the adopted study is a separate matter.

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Mr. Goetting expressed concern with the current language in the section, along with NAC 116.427, which ties the commencement period to the previous site inspection date. Mr. Goetting stated this approach often results in reserve studies being adopted well into the next fiscal year, limiting their practical relevance. Mr. Goetting noted reserve studies are being prepared for fiscal year 2027 and argued that dates and timeframes should align with the budget process. Mr. Goetting stated adoption of a reserve study after budget approval allows associations to disregard the study without apparent violation, and financial updates conducted after the budget can create a misleading appearance of compliance.

Mr. Goetting recommended rewriting the section and amending NAC 116.427 to tie reserve study deadlines to the budget season rather than the previous site inspection. Mr. Goetting provided an analogy comparing tax deadlines, noting that prior completion dates do not dictate future deadlines. Mr. Goetting stated the focus should be on the completion date relative to the budget, suggesting 30–45 days prior, rather than the start date of the reserve study.

General Public Comment

Jan Porter addressed Section 4, referring to prior comments regarding transparency concerns. Ms. Porter noted the section clarifies it does not constitute disciplinary action. Ms. Porter stated no objection to the level of transparency provided, emphasizing interest in the substance of reported topics rather than the individuals involved.

Ms. Porter explained, as an educator who develops training, reviewing investigator reports provides insight into common issues and identifies areas requiring training for boards and managers. Ms. Porter cited NRS 116.31175 as an example, stating that if the investigator's report identifies issues under this statute, the information can guide development of targeted educational programs. Ms. Porter concluded that maintaining transparency regarding the subject matter is sufficient, without focusing on the individuals, to improve educational outcomes for board members and managers.

Mike Kosor addressed Section 4, clarifying the comment that was made with the assumption that the discussion pertained to a formal Intervention Affidavit (IA) that was actually submitted. Mr. Kosor noted the Attorney General clarified the Division may also conduct investigations unrelated to formal IA's. Mr. Kosor emphasized the focus was on formal IA's and their outcomes.

Mr. Kosor stated concern regarding relying solely on norms and proper conduct, noting laws are written to prevent violations rather than assuming compliance. Mr. Kosor provided an example in which a procedural issue, such as sending too many ballots on Election Day, might be overlooked due to perceived ambiguity, resulting in lack of visibility into the underlying problem. Mr. Kosor explained that investigations sometimes conclude with the finding of no violation, leaving additional issues unresolved.

Mr. Kosor stated if an investigation is allowed to close, the reasons for closure and any remedial actions taken should be publicly documented. Mr. Kosor clarified confidentiality can be maintained by redacting investigator names, complainant identities, and association names, while still providing transparency regarding the Division's actions and decisions.

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Mr. Kosor emphasized the Division's limited jurisdiction, noting that authority to adjudicate resides with the Commission, and cautioned against delegating excessive discretion back to the Division without clearly outlining the scope of that discretion

The public workshop portion of the hearing was closed.

Commissioners and discussion and deliberation on the sections of LCB File No. R091-25.

Commissioner Discussion and Deliberation – Workshop

Chairman Heydarian stated the Commissioners would review each section to allow time for Commissioner discussion.

Section 2

Commissioner Gilliam stated that it will be important to have more conversation about the proposed $10,000 maximum fine. She mentioned that she would like to see the comments provided by Mr. Kerr.

Commissioner Sweetin recommended that the proposed language have guardrails to try to limit some of the hypothetical situations that may arise due to personal conflict between unit owners. Commissioner Sweetin expressed concern with the $10,000 maximum fine as it could be an extreme hardship and provides an extraordinary responsibility on the board who may choose to impose such a fine. Commissioner Sweetin encouraged the Commission to consider an appeal process that would be outside the court system, for unit owners to appeal the fine and violation. Commissioner Sweetin also stated that there should be language included that a fine determined by the Commission or court system, to not be substantiated as such, the association and/or board member responsible for imposing the violation should be responsible for all legal costs associated with the appeal.

Commissioner Morse Jarman agreed with the comments made by Commissioner Sweetin. Commissioner Morse Jarman expressed concern that an association could act as the gestapo when dealing with homeowners. Commissioner Morse Jarman suggested that the regulation be cut down and simplified to make it easier for the associations to understand their responsibilities.

Commissioner Tibbetts noted that the appeal process needs to be addressed with specific language.

Chairman Heydarian noted that associations already have the authority to impose violations, enforcing their governing documents. Chairman Heydarian stated there is sometimes a lack of understanding for when a violation should be considered as health, safety welfare. Chairman Heydarian suggested the need for more education to determine a threat and when such a designation should be made, is the violation justifiable. Chairman Heydarian stated that board members need to rely on their experts, community managers and legal counsel. Chairman Heydarian stated the imposition of fines is to encourage compliance, which also gives the homeowner the opportunity to discuss the situation with their board. Chairman Heydarian also noted that the expectations of homeowners is that their board enforce the community's rules.

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Chairman Heydarian expressed concern with excluding nuisance in the practical application. Chairman Heydarian noted it was important for board members to be able to see examples in order to make the best decision as to when to deem something as a threat to the community. Chairman Heydarian suggested that community managers take a stronger position to recommend that their clients, the associations seek legal counsel when considering such violations. Chairman Heydarian stated that there are bad things and bad behaviors happening within associations, and the Commission needs to be wary of excluding language that may assist with an association's ability to safely govern. Chairman Heydarian asked the Division how the $10,000 maximum fine was determined.

Administrator Chandra referenced the legislative intent behind reasons for foreclosure and stated the goal is to narrow what violations can be deemed as health and safety. Mr. Chandra admitted the proposed language is controversial but is necessary and required to assist associations. Mr. Chandra mentioned that suggestions were considered from the previous workshops that the amount needed to be high enough to hopefully deter bad behaviors. Mr. Chandra also noted that $10,000 is the maximum, the board has the discretion to impose the amount based on severity. Mr. Chandra stated the Division considered whether there was already statutory language in existence for specific types of violations but that may have caused the regulation to be too broad and based on the comments, will need to be further narrowed. Mr. Chandra stated that the goal of the proposed language was that something should not be considered as health and safety, if it is not listed in the regulation. Mr. Chandra also noted that the proposed language was intended to mirror the right to appeal outlined in NRS 116, but additional language may be considered to clarify the process.

Senior Deputy Attorney Christal Keegan noted that Section 2, subsection 3, remarked the reference to NRS 116.31031(4)(e)(2), as the intent of the language was to point to the right to contest a violation, not to create new appeal rights. Ms. Keegan stated the penal codes cited in the proposed regulation was an attempt to address specific crimes such as battery, assault and property destructions under NRS 200 and NRS 206. Ms. Keegan stated the idea was to have a predefined objective framework to avoid arbitrary decision-making. Ms. Keegan also referenced a comment made referencing to housing codes; she stated the Division consulted with the Attorney General's Office and added their suggested citation of NRS 118A. Ms. Keegan also noted that the $10,000 cap was intended to provide an executive board the opportunity to impose a fine commensurate with the violation.

Chairman Heydarian noted the importance of providing guardrails in the proposed language to hopefully give board more confident when determining whether a health and safety violation is appropriate. Chairman Heydarian remarked that some associations have language in their governing documents stating that any criminal act is a violation of the governing documents, and therefore the board has language to reference when deciding to impose a health and safety violation. Chairman Heydarian emphasized the importance of not narrowing the scope of the language so much that the association is limited in its authority to take appropriate action to protect the community.

In response to Ms. Keegan, Commissioner Sweetin suggested amending the language referencing "appeal provisions" in NRS 116.31031(4)(b) as the language points to the process

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before a fine is implemented, with an opportunity to cure. Commissioner Sweetin suggested that the language be clear to require the association to follow the same process referenced. Commissioner Sweetin noted that should a board member consider language as threatening, a consideration could be made to impose a health and safety violation. Commissioner Sweetin noted that the mention of a health and safety violation could be enough to deter bad or abusive language

Commissioner Heydarian also mentioned comments made about imminent threat; she mentioned that violations are imposed after an action has occurred and the importance of being mindful of such considerations.

Section 3
Chairman Heydarian posited how Section 3 would impact current processes.

Mr. Chandra stated the intent of the language is to afford the Division more details during the investigative process.

Ms. Keegan stated the suggested language came from the Division's Compliance section as a result of complaints received citing general dissatisfaction with the board with no statutory responsibility by the community manager.

Commissioner Heydarian noted that the language is procedural and stressed the importance of specific facts by those alleging violations.

Section 4
Commissioner Tibbetts asked for clarification on the intent of the proposed language.

Mr. Chandra explained the situation where a filed complaint that has been adjudicated by the Division is considered as confidential. Mr. Chandra stated that statutes must be followed also as a protection for licensees, who may become the subject of complaints with allegations that cannot be substantiated. Mr. Chandra stated that complaints adjudicated by the Commission become public record as required but the process has been that the Division provides more information to both parties upon closure of a complaint, while still maintaining confidentiality as required by statute. Mr. Chandra stated that the proposed regulation allows the Division to follow up on remedial actions and as needed refer to the Commission for adjudication.

Commissioner Gilliam asked what steps the Division takes to follow up on remedial action that is not brought for consideration by the Commission, such as a Letter of Instruction.

Mr. Chandra stated the Division would rely on the investigative process to follow up and ensure compliance with recommended instruction or education.

Ms. Keegan echoed the comments made by Mr. Chandra, noting that the standard Division's process provides the respondent with a due date which the Division would follow up on to ensure compliance. Ms. Keegan noted that NRS 116.765, is not unique language as it is used for many professional licenses, including law enforcement. Ms. Keegan stated the proposed language does

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not broaden secrecy or confidentiality but simply provides an efficient pathway for reviewing complaints and ensuring compliance with NRS 116. Ms. Keegan stated the intent of the language is to explain the progression of a complaint during the investigative process. Ms. Keegan clarified that remedial action does not constitute disciplinary action.

Chairman Heydarian agreed that is helpful to clarify the step progression of the complaint process as long as the provisions of NRS 116.765 are being followed. Chairman Heydarian also mentioned the importance of managers following through with compliance when remedial actions are imposed by the Division. Chairman Heydarian asked that the Division report on some of the remedial actions being imposed, so the Commission is aware of what is happening within the industry.

Commissioner Sweetin expressed the importance of transparency on all sides of the complaint process.

Commissioner Morse Jarman echoed the comments made by Commissioner Sweetin and emphasized the importance of the Commission being aware of what to look for and what to potentially address in the future.

Mr. Chandra reminded the Commission that the Ombudsman's Office is available for general calls, emails and concerns but the regulation is specifically addressing the enforcement and investigatory process. Mr. Chandra mentioned that the Division's provides reports to the Commission of the number of remedial actions but can make sure to better highlight those actions in the future.

Chairman Heydarian stated the same language may be useful for addressing complaints against community managers as well. Chairman Heydarian mentioned that information regarding violations against community managers may also be helpful when determining educational courses to ensure common issues are being addressed.

Commissioner Morse Jarman asked whether there is a collective body within the industry to address specific topics.

Chairman Heydarian mentioned that there are groups within the industry that maintain their own memberships and have gatherings throughout the year on a variety of topics. Chairman Heydarian states one of the goals of the Ombudsman's Office can be to help bridge the industry to try to reach a broader audience.

Section 5

Chairman Heydarian stated the proposed language seems to be clear but asked the Division to provide further explanation on the intent.

Mr. Chandra stated that there was concern that the Division did not have anything in regulation to address the process, so the language was included. Mr. Chandra stressed the importance of the regulatory process in consideration of proposed regulations to allow for public comment and have robust conversation and deliberation by the Division and the Commission.

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Chairman Heydarian expressed further confidence that with more information and statistics on issues being addressed by the Division, being provided to the Commission, the intent of proposed regulation language may be better understood by all parties.

Commissioner Gilliam stated it would be helpful for the Commission to see the petitions denied by the Administrator.

Commissioner Morse Jarman stated that the Division's reports are very thorough, however a better spotlight on the more frequently addressed issues would be helpful.

Mr. Chandra stated that the Division would work to publicize complaint information, including additional information being presented in the newsletter.

Section 6

Commissioner Gilliam expressed agreement with Mr. Forney's comments and asked that language be refined to state that a threshold can be any percentage.

Chairman Heydarian expressed concern that language being written to state a specific percentage of funding may be used by some associations to avoid responsibility and maintenance of common elements.

Commissioner Gilliam stated that baseline funding should not be allowed, and she stated there is danger in citing a specific percentage for funding.

Commissioner Tibbetts stressed the importance of establishing what threshold funding entails.

Chairman Heydarian stated there may also be a risk of an association focusing solely on the amount funded.

Mr. Chandra the goal of the language was to remove baseline to move to threshold funding to allow for more achievable targets by associations. Mr. Chandra stated the Ombudsman has been working with the Reserve Study Task Force to continue to identify statutory and regulatory areas of potential improvement.

Section 7

No further discussion by the Commission.

Sections 8-10

Chairman Heydarian asked the Division the need for the proposed regulation.

Mr. Chandra stated that in order to align with changes that were required due to Covid conditions. Mr. Chandra stated that in order to make changes to regulations, there must be a definition.

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Sections 11-12
No further discussion by the Commission.

Section 13
Chairman Heydarian expressed the importance of providing some structure to the language and need for clarification. Chairman Heydarian asked for practical reasons, the need to have clarification on the actual termination date. Chairman Heydarian mentioned that 30 days is oftentimes all that is provided to an association of an impending termination. Chairman Heydarian mentioned the need to lessen homeowner frustration during the transition from one company to another. Chairman Heydarian agreed with the intent of providing better transparency to homeowners but cautioned that practically, it can cause confusion.

Mr. Chandra referenced some of the language from the last legislative session. Mr. Chandra stated the intent is to ensure that homeowners are notified in a timely manner of whom they should contact and when. Mr. Chandra stated that perhaps the onus could be on the association to notify homeowners of the transition and to be responsive to homeowners.

Chairman Heydarian suggested that although the association may be responsible, the management company will be the one to facilitate the transition process. Chairman Heydarian suggested that it may be reasonable to notify the homeowners by email of an impending change, as opposed to waiting for a welcome letter by the incoming company.

Commissioner Gilliam stated that upon an incoming assignment, her company asks for the homeowner roster to start the notification process.

Mr. Chandra stated the intent was not to preclude the regular business during the transition process.

Commissioner Tibbetts expressed concern that the responsibility would be placed on a particular board member with limited experience and likely access to information.

Commissioner Gilliam stated her concern that the regulation is too confusing and needs to be clear in order to justify the addition.

Mr. Chandra stated the intent of the regulation is not to bring disciplinary action against a board member for failure to perform duties. Mr. Chandra stated it would not be a problem for the board member to delegate responsibility to the management company.

Chairman Heydarian remarked that the more communication the better and the responsibility also lies on the homeowner to ensure they are up to date on association business. Chairman Heydarian also suggested that language be added to

Commissioner Morse Jarman also remarked that not all homeowners have computers, and therefore regular mail should also be used to notify homeowners of changes.

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Chairman Heydarian noted that an association oftentimes wants to avoid additional charges to the outgoing company.

Section 14
Chairman Heydarian asked the need for the proposed language.

Mr. Chandra stated the intent was to clarify the time that a community manager has to respond to specific allegations of 116A. Mr. Chandra noted that the 12-day requirement is in reference only to those alleged violations, not to general inquiries or complaints.

Chairman Heydarian asked the Division what type of documentation is provided by someone claiming that the community manager failed to respond, how is this verified.

Mr. Chandra stated as part of the investigation process, a review is made to determine whether a good faith effort is met and proof of opportunity to resolve has been provided.

Section 15
Commissioner Tibbetts stated the importance of a reserve study being approved and adopted by the board if commissioned. Commissioner Tibbetts stated it is prudent to have the reserve study tie into the budget.

Commissioner Gilliam agreed with Commissioner Tibbetts comments but stated there may be more pressure for the reserve study specialists, due to the number of budgets closing at the same time throughout the budget cycle.

Chairman Heydarian agreed with the need for the timeline and appreciate the 210-day requirement. Chairman Heydarian agreed with requirement of the submission of the Reserve Study Summary (form 609) to the Division within 45 days of adoption and that adoption being reflected in the meeting minutes.

Commissioner Morse Jarman agreed with the need for the timeline.

Mr. Chandra stated the intent of the language to allow some discretion to the boards to adjust their timelines accordingly, based on when the reserve studies are completed.

Chairman Heydarian asked the proposed remedy if an association is beyond the 210 days for approval and adoption.

Mr. Chandra stated potentially a Letter of Instruction would be issued and if no further action taken, a case could be presented to the Commission.

Commissioner Gilliam suggested that consideration be given as to when a new study would be required due to the extended time the study was completed.

The Commissioner deliberation portion of the public workshop was closed.

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4) <u>FOR POSSIBLE ACTION: DISCUSSION AND DECISION REGARDING RESPONDENT, ROBERT STERN'S REQUEST FOR A WAIVER OF STIPULATION AND ORDER FOR PARTIAL SETTLEMENT OF DISCIPLINARY ACTION:</u>
A) NRED v. Anthem Highlands Community Association; Robert Stern; Charles Hernandez; and Ronnie Young, for possible action
Case Nos. 2015-3615; 2015-2155; 2015-3100 & 2015-2207
Type of Respondent: Board Members

<u>Parties Present</u>
Christal Keegan, Senior Deputy Attorney, was present representing the Division

<u>Preliminary Matters</u>
Ms. Keegan provided a brief response regarding a post-hearing motion, noting the individual involved was not present. Ms. Keegan stated NAC 116.617 does not prohibit oral arguments in opposition or in response to a post-hearing motion. Ms. Keegan respectfully requested the Commission allow a brief presentation of the Division's position.

Ms. Keegan reported that no provision was found in NRS 116 or NAC 116 regarding a waiver of a requirement imposed by the Commission. Ms. Keegan stated the motion appears to request relief under NAC 116.6171(c), which requires prior leave from the Commission before filing, and compliance with this requirement is uncertain. Ms. Keegan noted lack of prior leave could serve as a basis to disregard or strike the motion.

Ms. Keegan made three points regarding the substance of the request:

1. A 10-year ban is typically reserved for serious violations, and vacating the ban early undermines that principle.
2. The request was not submitted within a reasonable time, as the 10-year ban expires on June 16, 2026, approximately three months away. Ms. Keegan stated no exceptional circumstances were demonstrated beyond passage of time or a desire to run for the board. Ms. Keegan noted the petitioner admitted in a January 15, 2026, statement to the Commission that he is actively running for the board, which violates the spirit and intent of the ordered ban.
3. The absence of the petitioner deprives the Commission of the opportunity to ask questions or verify claims, suggesting the matter may not withstand direct examination.

Ms. Keegan concluded the Division's position is that the Commission's order should stand, the 10-year ban should run its full length, and the petition should be denied.

The Commission deliberated on what action to take on the Respondent's Request for a Waiver of Stipulation and Order for Partial Settlement of Disciplinary Action.

<u>Motion</u>
Commissioner Sweetin moved to deny the Respondent's Request for a Waiver of Stipulation and Order for Partial Settlement of Disciplinary Action. Seconded by Commissioner Morse Jarman. Motion carried.

To Be Approved By Commission

5) <u>DISCIPLINARY ACTION: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:</u>

A) NRED v. Sierra Ranchos Property Owners Association, for possible action

Case No. 2018-1663

Type of Respondent: Homeowners Association

<u>Parties Present</u>

Phil Su, Senior Deputy Attorney General, was present representing the Division
Loren Pierce, Board Member, was present virtually.

<u>Preliminary Matters</u>

Mr. Su provided an update on the association's road construction project. Mr. Su stated the association has continued the project but faces about $75,000 in unpaid special assessments. Mr. Su stated the association is pursuing financial assistance from the Bureau of Land Management and other membership initiatives to complete the work.

Mr. Pierce provided an update on the association's efforts to amend bylaws and complete the road construction project. Mr. Pierce stated the board has conducted two ballot initiatives to achieve the votes needed to change the bylaws, which currently require an 18-month wait before collection actions can begin against a homeowner. Mr. Pierce stated a third ballot is underway, and if sufficient votes are not obtained, the board plans to seek a court order to amend the bylaws to comply with NRS 116, allowing collection action after six months.

Mr. Pierce confirmed that the work required under the stipulation order has been completed and contractor payments are ongoing. Mr. Pierce stated the board seeks to expedite project completion and move on to other items. Mr. Pierce added the association is working with a volunteer, experienced grant writer to request financial assistance from the Bureau of Land Management, as some roads must be maintained for BLM access. Mr. Pierce noted previous offers of assistance were declined by a prior board, and the current board is reopening discussions to potentially secure funding of several hundred thousand dollars.

Commissioner Morse Jarman questioned Mr. Pierce about the ballot initiative.

Phil Su stated that the next steps in the matter are for the Commission to determine. Mr. Su noted the association has completed the required work, but payments are still being collected. Mr. Su suggested the Commission may consider whether additional follow-up from the association or further information is needed and indicated that the matter primarily requires Commission discussion and direction.

The Commission deliberated on what action to take against the Respondent Association.

<u>Motion</u>

Commissioner Tibbitts moved that the association come back for a status update at the March 2027 meeting and provide an update of the repairs, the collection process and getting assistance for the BLM for road maintenance. Seconded by Commissioner Gilliam. Motion carried.

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B) NRED v Amy M. Moore, for possible action
Case Nos. 2025-149 & 2025-503
Type of Respondent: Community Association Manager
License No. CAM.0009792-SUPR (ACTIVE)

C) NRED v Amy M. Moore, for possible action
Case No. 2025-811
Type of Respondent: Community Association Manager
License No. CAM.0009792-SUPR (ACTIVE)

Parties Present
Phil Su, Senior Deputy Attorney General, was present representing the Division.
Amy Moore, Respondent, was present virtually

Preliminary Matters
Commissioner Tibbitts recused himself from the above cases.

Mr. Su stated the parties have agreed to stipulate to the facts and alleged violations in these cases. Mr. Su stated the purpose of the presentation is not to prove the allegations, as they are already stipulated, but to request the Commission's determination regarding appropriate discipline.

Mr. Su requested permission to read the stipulated facts into the record and allow the Commission to review pertinent documents. Mr. Su requested that its documents in the consolidated cases be officially admitted into the record before proceeding with the presentation.

Chairman Heydarian moved to admit the documents into the record.

Mr. Su read Case Nos. 2025-149 & 2025-503 into the record.

Mr. Su read Case No. 2025-811 into the record.

Mr. Su stated the recommended discipline is a $500 administrative fine per violations of law, the Respondent pay the fees and cost of the investigation and the Respondent's supervising CAM license be downgraded to a provisional CAM license for a period of two years.

Ms. Moore acknowledged the allegations and violations, stating they do not dispute them. Ms. Moore described the matter as a learning experience despite over 12 years of managerial and business experience, including extensive experience outside Nevada. Ms. Moore explained that automated technology platforms contributed to the dual-signature issue and noted the Director of Operations involved has since obtained a CAM license.

Ms. Moore emphasized ongoing education efforts to maintain compliance with NRS, acknowledging the statute's complexity and continual updates. Ms. Moore highlighted the initial CAM education was extensive, but daily and ongoing education is critical for license retention

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and effective practice. Ms. Moore expressed appreciation for the opportunity to practice in Nevada and requested leniency to continue serving as the supervisory CAM for the company.

Ms. Moore sought clarification regarding the recommended penalty.

The Commission questioned Ms. Moore.

Maria Gallo, Commission Coordinator, testified to the Division's actual, reasonable and necessary fees and costs in Case Nos. 2025-149 & 503 and Case No. 2025-811 total $6,442.87.

The Commission deliberated what action to take against the Respondent.

Motion
Commissioner Sweetin moved to find all factual allegations and violations of law were established; order the Respondent to pay a total of $6,442.87 consisting of a $3,000 in administrative fines and the Division's fees and costs of $3,442.87; require payment within 90 days; downgrade the Respondent's license to a regular Community Manager; require completion of the 60-hour CAM pre-licensure course within one year with proof of completion submitted to the Division; close the case upon proof of completion; and permit the Respondent to reapply for a Supervisory CAM license thereafter. The motion was seconded by Commissioner Morse Jarman.

Commissioner Morse Jarman amended the motion to extend the payment deadline for the fines and fees to 180 days. The amendment was seconded by Commissioner Sweetin.

All motions carried, 4-0 Commissioner Tibbitts recused himself.

D) NRED v Robindale/Tamarus Homeowners Association, for possible action
Case No. 2025-612
Type of Respondent: Homeowners Association

Parties Present
William (Bill) Peper, Deputy Attorney General, was present representing the Division
Jacobo (Jack) Chavez, Claimant, was present
Preliminary Matters
Mr. Peper stated the association, consisting of seven homes, has experienced neglect in recent years. Mr. Peper stated the investigation identified four violations, and the board was found to lack the required three board members.

Mr. Peper requested a presentation regarding service of notice for the hearing, noting the matter is in default with no appearance by the respondents. Mr. Peper asked for confirmation that proper service was completed for the hearing.

Ms. Gallo testified regarding proof of mailing and sufficient service.

Motions:

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Mr. Peper moved to admit the State's documents into the record and also moved to admit the proof of mailing that was testified to.

Chairman Heydarian moved to accept the motion to admit the State's documents and to admit the proof of mailing into the record.

Mr. Peper moved that the Division has proved sufficient service of notice to the Respondent's.

Chairman Heydarian moved to accept the motion that the Division has proved sufficient service. Seconded by Commissioner Sweetin. Motion carried.

Mr. Peper stated the Division is proceeding under the applicable provisions of NRS 116 regarding failure of a party to appear at a hearing. Mr. Peper noted the complaint is part of the official record and because the respondent failed to appear and defend, the Commission may accept the factual allegations and stated legal violations in the Division's complaint as true.

Mr. Peper stated the Division is also seeking recovery of costs and fees.

Mr. Peper read the complaint into the record.

Mr. Chavez testified.

The Commission questioned Mr. Peper about the case.

The Commission questioned Mr. Chavez about his neighborhood.

Motion
Chairman Heydarian moved that the factual allegations 1-16 have been proved. Seconded by Commissioner Morse Jarman. Motion carried.

Chairman Heydarian moved that the violations of law 1-4 have been proved. Seconded by Commissioner Tibbitts. Motion carried.

Mr. Peper recommended that the Respondent Association pay no administrative fines and attorney fees but pay $1,000 in costs and for 6 hours of board member education to be completed within six months.

The Commission deliberated what action to take against the Respondent Association.

Motion
Commissioner Gilliam moved the Respondent Association to have an election and elect 3 board members, restore their status with the Secretary of State, pay $1,000 in costs before the next Commission meeting in June, the Respondent Association is to attend the June 2026 Commission meeting, and that the Order be mailed to all homeowners. Seconded by Commissioner Tibbitts. Motion carried.

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6) <u>Commission/Division Business:</u>

H) For possible action: Discussion and decision to approve minutes of December 9-10, 2025, meetings.

Commissioner Morse Jarman moved to approve the meeting minutes of the December 9-10, 2025, meeting. Seconded by Commissioner Tibbitts. Motion carried 4-0, Commissioner Sweetin left the meeting.

A) Discussion regarding Administrator's Report.

Charvez Foger, Deputy Administrator, presented the Administrator's report. Mr. Foger stated the technology project remains ongoing. Mr. Foger stated the current tentative completion is projected for September of this year.

Mr. Foger reported that staff is preparing the next biennium budget and has submitted BDR's. Mr. Foger stated Division staffing is approximately 90 percent due to attrition and departures for higher-paying state positions. Mr. Foger stated recruitment efforts are ongoing to restore staffing to full capacity.

Mr. Foger stated the Division anticipates adding an audit CPA position following the legislative session to allow more frequent audits and to maintain a CPA on staff. Mr. Foger stated these initiatives are expected to be completed within the next year; expansion of audit activity will likely occur after the legislative session.

B) Discussion regarding Licensee and Board Member Discipline.

Shareece Bates presented this report which was provided to the Commission in the meeting packet.

C) Discussion regarding Ombudsman's Summary Report.

Sonya Meriweather presented this report which was provided to the Commission in the meeting packet.

The Commission questioned Ms. Meriweather about the report.

D) Discussion regarding the Education and Information Officer Report.

Noelle Garcia presented this report which was provided to the Commission in the meeting packet.

E) Discussion regarding CIC Compliance Caseload Report and Summary.

Terry Wheaton presented this report which was provided to the Commission in the meeting packet.

F) Discussion regarding the Commissioner's Speaking Engagement Requests.

The Commissioners discussed Chairman Heydarian's request by an organization to speak about Reserve Studies.

Ms. Bordelove stated that because this is a discussion item not an action item, they could not take any action.

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G) Discussion regarding the State of Nevada Controller's Office Debt Collection Process for fines issued by the Commission.
Commissioner Morse Jarman stated she did not have an update for this meeting and hopes to meet with their staff before the next meeting.

The Commissioners discussed the matter and agreed to keep the item on the agenda.

7) FOR POSSIBLE ACTION: FOR DISCUSSION AND DECISION ON DATE, TIME, PLACE, AND AGENDA ITEMS FOR UPCOMING MEETING(S)
The next Commission meeting is scheduled for June 9-11, 2026.

8) PUBLIC COMMENT:
Mike Kosor addressed the Commission regarding the quarterly ADR report. Mr. Kosor noted the report reflected 137 ADR attempts, with 23 resulting in agreements, or approximately a 16 percent success rate as measured by the Division. Mr. Kosor stated an agreement alone may not indicate true success, explaining the legislative intent of ADR is to defer or prevent litigation. Mr. Kosor indicated without data showing how many ADR matters ultimately proceeded to litigation, the effectiveness of the program cannot be fully assessed. Mr. Kosor characterized the reported success rate as low.

Mr. Kosor further stated mediation may be rejected by any party and expressed concern a party with greater financial resources could decline meaningful participation and proceed to litigation, potentially placing homeowners at a disadvantage. Mr. Kosor contrasted mediation outcomes with those of the referee program, noting a referee decision provides a formal determination, and commented that participation in that program appeared minimal.

Mr. Kosor also commented on the regulatory workshop held earlier in the meeting. Mr. Kosor expressed appreciation for the time devoted to the workshop but stated uncertainty regarding next steps. Mr. Kosor indicated no clear direction was provided on whether additional workshops would be held, which items would advance toward regulation, or how many proposals would return for further consideration. Mr. Kosor stated no formal votes or determinations were observed during the workshop, resulting in confusion about the process going forward.

Mr. Kosor concluded by noting the Commission's regulatory process differs from that of many agencies, where regulators typically develop proposals prior to public workshops. Mr. Kosor referenced the procedures under NRS Chapter 233B and stated the process used by the Commission may be unclear to members of the public.

9) FOR POSSIBLE ACTION: ADJOURNMENT
Meeting adjourned at 3:52 PM.

Minutes prepared by: _____
Maria Gallo

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Commission Coordinator

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