

VIA EMAIL AND CERTIFIED MAIL RETURN RECEIPT REQUESTED

William Roth
16005 Frontier Rd
Reno, NV 89508

Dear Mr. Roth:

Pursuant to NRS 116.760 before a person who is aggrieved by an alleged violation of NRS 116 or NAC 116 may file a complaint with the Nevada Real Estate Division ("NRED"), the respondent must be provided with written notice of the alleged violation sent by certified mail, return receipt requested, mailed to the respondents last known address, and specifying in reasonable detail the alleged violation, any actual damages suffered and any corrective action proposed.

We, Loren Pierce and Greg DeFehr, constituting a majority of the Board of Directors allege that you have violated the following statutes, regulations and/or Commission orders.

These allegations pertain to the time of your service on the Board from November 2019 to present, recognizing that you resigned in October 2020 rather than be subject to a removal election and then self-nominated for a position on the Board immediately thereafter. You rejoined the Board in November 2020 because the number of candidates in that election was equal to or less than then number of seats to be filled. From November 2019 to October 2020, you served as President of the Board. You are currently the Secretary. These allegations are substantiated by documents you produced or records of the Association previously provided to you in your role as a Director.

Applicable Statutes and Regulations.

The full text of the applicable statutes and regulations are provided in the endnotes to this letter.

- NRS 116.3103(1) providing that directors are fiduciaries with an obligation to act on an informed basis, in good faith and in the honest belief that their actions are in the best interests of the Association.
- NAC 116.405 providing that when determining whether a director has violated his/her fiduciary duty pursuant to NRS 116.3103, the Commission may consider various factors.
- NRS 116.3109(3) providing that the Board acts by majority vote. Therefore, unilateral action by a Board member is outside the scope of a Board members duties and a violation of the director's fiduciary duty.
- NRS 116.31084 providing that Board members have an obligation to disclose conflicts of interest and recuse from voting on certain matters.
- NRS 82.226 (applicable through NRS 116.1108 and 116.11085) requiring a director who holds a directorship on or has a financial interest in a corporation, firm or association to disclose the common interest, note it in the minutes, and recuse him/herself from voting on a matter in which the director has an interest. The legal definition of an "association" includes persons joined for a

common purpose and an unincorporated organization that is not a legal entity separate from the persons who compose it. *Black's Law Dictionary*, 148, (Bryan A. Garner, ed., 10th ed. West (2014). Your co-ownership with Don Lingle of the Lot, which gives you membership in the Association constitutes an "association."

Allegation 1: Unauthorized Interference with Association Contractor. NRS 116.3103

On January 25, 2021, you drafted a 101-page "Intervention Affidavit" alleging violations of NRS 116 by fellow Board members Loren Pierce, Greg Defehr and Terra West Management Services, which upon information and belief you never actually submitted to NRED. The allegations concerned actions in which Dyer Construction Company ("Dyer") was involved. You delivered a copy of this document to Dyer. Your note to Russ Dyer, which accompanied the draft Intervention Affidavit, states:

I think you should have the attached complaint so that you know what is going on or in case Mr. Pierce & DeFehr try to blame you. I hope you kept copies of any instructions they gave you and/or Jeff.

Bill

Based on an email exchange between Dyer and Mr. Pierce that occurred between March 13 -15, 2021, receipt of this document caused Dyer to refuse to do any more work for the Association, stating: "My apologies but I won't be conducting any additional work out there in the future seems too high of a risk with him [Roth] involved and around."

At the time you took this action, you were aware that Dyer was the only contractor who bid on the Association's road maintenance work in 2020. The minutes of the October 15, 2020 Board meeting state:

"William Roth stated that only one bid was received and asked management if they had received any other bids which management responded they had not. Management opened and went over the bid from Dyer [for road maintenance services]."

In Nevada, intentional interference with contractual relations requires the plaintiff to establish five elements: "(1) a valid and existing contract; (2) the defendant's knowledge of the contract; (3) intentional acts intended or designed to disrupt the contractual relationship; (4) actual disruption of the contract; and (5) resulting damage." *Klein v. Freedom Strategic Partners, LLC*, 595 F. Supp. 2d 1152, 1162-63 (D. Nev. 2009).

Based on the above, the Board believes it was your intention to disrupt the contractual relationship between the Association and Dyer, which in fact was the result of your actions. ***The Board alleges that as a fiduciary, you owe a duty of care and loyalty to the Association, and that the act of disseminating unproven allegations to a contractor causing the contractor to refuse to work for the Association is inconsistent with that duty, whether you committed such an act for reasons of self-interest, gain, prejudice or revenge or alternatively, acted in an incompetent, negligent or grossly negligent manner.***

Allegation 2: Material Misrepresentation to County Agency Pertaining to Permit Application. NRS 116.3103; NAC 116.405(8)(a).

On September 24, 2019, County Code Enforcement Officer, Kevin Costa, issued two Administrative Enforcement Warnings to the Association: one for Wrangler Road and one for Panhandle Road. The warning letters directed the Association to cease grading, excavating and trenching work on the property and to apply for a permit for the work being done on Wrangler and Panhandle Roads. Contemporaneous photographs clearly show trenching modifications to the drainage ditches. You were not on the Board at the time the County issued the original citations; however, upon becoming a director in November 2019, you took on the work of dealing with the roads and the open citations and you were aware of the contents of those citations.

On or about September 29, 2020, purportedly as a measure to resolve the open complaints, you submitted a permit application to Washoe County on behalf of the Association. Although any application and supporting documents are records of the Association, the Board and management could locate no copy of the application and related documents and only obtained a copy in June 2021 after the board and members of the association insisted, in open meeting, that you provide them. On June 25th you finally complied. After the fact, then stated that they were only drafts. None of the documents you provided were marked "DRAFT". The Board obtained a copy for the permit and supporting documents from the County and any references in these allegations to the permit application refer to the version provided by the County in response to the Association's information request.

The permit application does not address the open violations and does not describe the work commenced on Wrangler and Panhandle for which the citations were issued. This omission is material because the citation specifically directs the Association to apply for a permit for this specific work which clearly included alteration of drainage channels.

Work which alters, improves or changes drainage in any way does require a permit. In fact, Code Enforcement Officer Costa issued a warning letter to the Association on July 30, 2020 that any work pertaining to drainage must be permitted stating specifically:

Washoe County Code Chapter 438 clearly states that ANY work performed in a "Drainage Facility" needs to be permitted. The definition of drainage facility:

Drainage facility means a constructed or engineered feature that collects, conveys, stores, treats or otherwise manages stormwater runoff or surface water. "Drainage facility" includes, but is not limited to, a constructed or engineered stream, lake, wetland or closed depression, or a pipe, channel, ditch, gutter, flow control facility, flow control BMP, water quality facility, erosion and sediment control facility and any other structure and appurtenance that provides for drainage.

Thus, at the time you applied for the permit you were aware that (1) the citations required you to apply for a permit for the work done on Wrangler and Panhandle; (2) any work on a drainage ditch required a permit; and (3) that the work done on Wrangler and Panhandle which resulted in the citations included the alteration of drainage ditches.

You prepared and submitted the permit application. Thereafter, the County determined that no permit was required for the work outlined in the permit application. However, the application you submitted on

behalf of the Association omits any reference to the drainage ditch alterations done on Wrangler and Panhandle (i.e. trenching and altering drainage ditches), which work is of the type requiring a permit. The application proposes only the addition of gravel to the existing roads for “build up and stabilization” and to “replace[ment of] old and sometimes damaged culvert pipes,” which the County determined to be maintenance.

The permit application lists William Roth as the “Design Professional” and Shaun Smith of Black Rock Consulting as the “Engineer.” It appears based on emails that you consulted with Mr. Smith. However, the Association has no record on file of a contract for this individual or this firm. It has no certificate of insurance or documentation that this person is properly licensed to serve as an engineer. Mr. DeFehr visited Mr. Smith on July 8, 2021 to ask him if he was aware that you put his name on the permit application as the Engineer. Mr. Smith stated that he was not aware and did not approve the use of his name for that purpose.

In your role as Board President, you made certain representations to the County on the permit application which appear to constitute an intentional omission of material facts. ***The Board alleges that such actions are a violation of your fiduciary duty, as you failed to comply with applicable local laws and ordinances related to the County Administrative Enforcement Warnings and the Permit Application Process.***

Allegation 3: Unilateral Communications with The Members; Inaccurate and Non-Candid Communications with Members; Conflict of Interest. NRS 116.3109(3); NRS 116.3103(1); NRS 82.226; NRS 116.31084

Example 1: The Board is informed and believes that you distributed the document “All-Weather Roads – A Roman Invention” to the members. Based on the contents and the dated photographs included, it appears to have been written and disseminated after late January 2021, when you were a Board member. The gist of the communication is that the author objects to the work the Association’s contractor, Dyer, performed on the roads in December 2020, primarily because it allegedly undermines the work you personally directed Dyer to perform when you were managing road work on behalf of the Board, although based on your own description of your education, skills and experience, you have no expertise in engineering, roads, or construction.

The author also notes the increased cost of having to use a licensed contractor and how the local resident who previously graded the roads had more knowledge and experience of the Association’s roads. This local resident is of course, Don Lingle with whom you co-own the Lot within the Association which entitles you to membership. You failed to disclose your association with Mr. Lingle and failed to explain that this local resident was unlicensed and that NRED has prohibited the Association from using unlicensed contractors including specifically, Mr. Lingle.

The September 24, 2020 Board meeting minutes include a similar example and provide as follows:

“William Roth went over the change that the community had a homeowner that was on call almost 24 hours a day to help with road work and that the homeowner is now gone. William also talked about the last Board hiring Dyer Construction to do road work and they have not been able to get it done yet.”

Again, that homeowner was Don Lingle. You failed to mention your association with Mr. Lingle, in that you co- own a Lot in the Association with Mr. Lingle or that he was doing work which required a

contractor's license he did not possess and that NRED had prohibited the Association from using unlicensed contractors. ***Based on the above, the Board alleges that your association with Don Lingle and your omissions as to his unlicensed status, NRED's ban on his contracting with the Association and your references to the licensed contractor's expense and inability to "get the [road work] done" is a conflict of interest.***

Further, the Board alleges these communications lacks candor, in violation of the good faith element of your fiduciary duty to the Association and seek to undermine decisions which the Board has made by majority vote.

Example 2: Following the July 8, 2021 Board meeting, you delivered correspondence to the members challenging the Board's decision to retain a civil engineer to provide a plan for rehabilitating and thereafter maintaining the Association's dirt roads and urging the membership to rally against the expenditure. As you know, the dirt roads and the drainage ditches comprise the entirety of the common elements and their poor condition is the source of much concern in the community. NAC 116.405(8)(e) specifically provides that one measure of fulfilling one's fiduciary duty as a director is to cause the Association to consult with appropriate professionals as necessary before making any major decision affecting the association or the common elements.

You aver that the Association "already has all of the data to be collected and *does not need yet another engineering report.*" Having reviewed its books and records, the Board can locate no "engineering report" stamped by a professional engineer which outlines the scope of work to rehabilitate the roads/drainage and maintain these components. Further, it can locate no contract with or payment to a professional engineer to provide such a report. The engineer, Shaun Smith, with whom you informally consulted on the Washoe County permit application states as follows in his September 17, 2020 email to you:

" . . . I can't tell if **your design** (3"-4" of aggregate base over native subgrade) is sufficient structural section without further analysis."

Thus, the idea of laying gravel over the existing dirt surface was not the recommendation of a professional engineer, but the idea of William Roth, Board member. Smith then states that he can prepare a proposal to perform a geotechnical investigation to determine if you would like recommendations.

Therefore, the Board alleges that this statement is a willful misrepresentation of the facts to the membership and violates your fiduciary duty.

You further state: "Why would they vote to spend \$61K [on an engineering study] when we filed a mandatory 5-year plan Reserve Study Plan for road improvement with the State in 2020." As a Board member, you are responsible to act on an informed basis. Part of acting on an informed basis would include reading the reserve study for which the Board contracted and thereafter accurately representing its contents, purposes and effects to the membership. The 2020 Complex Solutions reserve study contains the following statements and disclaimers:

- Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer.

- A reserve study will be a reflection of information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited.
- This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach their full and expected useful lives. We have assumed any and all components have been properly built and will reach normal, typical life expectancies. In general a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

Thus, the assumption underlying the reserve study is that the roads and drainage systems are properly built and free from defects and that any information provided by an official representative of the association is deemed reliable. The Board is informed and believes that the roads are not “built properly” and therefore voted to retain an engineer to provide it with professional advice on rehabilitating the roads and drainage.

Moreover, you are aware that the road and drainage system is not in fact “built properly” having included in your response to NRED Case 2020-524 emails dated October 2019 from Steve Seeds, P.E. which state in pertinent part as follows:

Unfortunately, there aren’t many valid road maintenance recommendations I can make until a surface drainage plan (including target road surface elevations) is developed and implemented in the community. . . .My recommendation . . . was that the community hire a consultant to investigate the drainage conditions and develop an efficient drainage plan.

In addition, there is a September 17, 2020 email exchange between you and Shaun Smith of Black Rock Consulting where Mr. Smith reminds you that he cannot say if your design for the dirt roads is a sufficient structural section without performing a geotechnical investigation and offers to prepare a proposal to perform a geotechnical investigation.

Your communication to the members implies that the reserve study contains the plan and specifications for improving and thereafter maintaining the roads and drainage. The 2020 Reserve Study “plan” consists of road maintenance expenditures of approximately \$10,000 a year for 30 years and culvert replacement of approximately \$30,000 in 2020, 2021 and thereafter at 25-year intervals, all costs and timing provided by you to the reserve study provider.

As the reserve study itself clearly describes, it is a plan to accumulate the money necessary to repair, replace, or restore the common element major components when the work needs to be done so no special assessment is required to pay for the work. It is a not an analysis of road and drainage problems and it is not scope of work for a contractor to correct those problems. ***The Board alleges that this communication lacks candor in that it implies that a reserve study is a substitute for an engineering study. It is misleading because you know of recommendations from professional engineers that the Association should retain a professional to develop and implement a plan and that no professional engineering report exists for either drainage or the roads. Further, once the Board makes a decision,***

Directors have an obligation to support the majority decisions of the Board and not seek to undermine those decisions, provided that the Board is not acting unlawfully or in violation of its governing documents, which is not the case here. Thus, the Board alleges these acts violate your fiduciary duty.

Allegation 4: Failure to Act on an Informed Basis; Failure to Consult with Appropriate Professionals. NRS 116.3103; NAC 116.405(8)(e).

Upon joining the Board in November 2019, you took over management of road maintenance. But you failed to consult with appropriate professionals and/or failed to follow the advice of such professionals when making decisions related to the reserve study and road maintenance. In October 2019, Steve Seeds, PE informed the Association that valid road maintenance recommendations could not be made until the community developed and implemented a surface drainage plan. In September 2020, Shaun Smith, PE told you that he could not tell you that your design of aggregate over native subgrade was a sufficient structural section and offered to prepare a proposal for geotechnical investigation.

In lieu of consulting with professionals, in a November 12, 2019 email you state that you spoke with “past SRPOA Board Presidents, members. All of the Past Presidents agree that heavy gravel/rock is needed . . . Grading is a temporary solution.” In lieu of consulting with professionals, you substituted your own designs and work plans on major decisions affecting the association or the common elements and represented them as vetted by appropriate professionals.

In January 2020, you presented a proposed plan for 2020 road work which included “extensive drainage excavation plus addition of rip rap rock in the channels near drainage pipes blockage would be greatly reduced and repairs could last for many years.” You explain the optimum size for rock added for road stabilization and adding thin layers over a period of years. Nowhere in this presentation do you reference a professional engineering study as the basis for this work plan. You also represent in materials provided to NRED that you consulted with Dyer Construction on maintenance. However, Dyer is a contractor not an engineer.

You entered into a contract with Dyer on February 5, 2020 which added the condition that “Dyer Corp operator to work *under the direction of Bill Roth.*”

According to the September 17, 2020 email exchange between you and Mr. Smith, you designed the structural section submitted to Washoe County with the permit, not the professional engineer whose name appears on the permit application and who informed you prior to submission that he could not say if your design was adequate.

Your own representations concerning your educational background and professional work history as retired government employee for the Food and Drug Administration does not support the conclusion that you are qualified to prepare a drainage plan, a road maintenance plan or a scope of work; nor does it support the conclusion that you are qualified to direct the work of a road grading personnel or evaluate whether the work has been completed in a workmanlike manner.

The Board alleges that you failed to consult appropriate professionals on matters concerning the common elements and acted outside the scope of your responsibilities and expertise as a Board member, while representing to the Owners and your fellow Board members that the Association had obtained an engineering report. These actions put the Association at risk should someone be injured or

damaged by your actions. Further, you have continuously objected and rallied owners to object to the Board's efforts to secure professional advice on such matters, in violation of your fiduciary duty.

Allegation 5: Unilateral Actions. NRS 116.3103; NRS 116.3109(3).

Based on notes provided by Complex Solutions to Terra West in August 2021, it appears that you gave direction to the Reserve Study provider as to the reserve components and provided the estimated replacement cost for these components to the provider. There is no evidence that any other Board member was involved in this.

The 2020 Reserve Study contains but two components: (1) annual dirt road maintenance/repair of @\$10,000 per year; and (2) culvert pipe replacement for @ \$30,000 in various years. It completely omits the one other major component of the Association's common element, which is the system of drainage ditches that abut the dirt roads. You are well aware of the existence of the drainage ditches and the periodic requirement to repair and restore these ditches, particularly after flooding or other road work alters their configuration. As an example, the open Washoe County Code Violations, which you took the lead on resolving on behalf of the Association, are based on trenching work in the drainage ditches on Wrangler and Panhandle Roads.

According to the reserve study, the road maintenance/repair expense continues annually for the 30-year life of the study. Pursuant to NRS 116.3115(2)(b) the reserves may be used only for those purposes [maintenance, repair, replacement or restoration of major components], including, without limitation, repairing, replacing and restoring roofs, roads and sidewalks, and must not be used for daily maintenance. Based on your notes to the reserves study provider, you state:

I expect to spend about \$ 10,000.00 on rock cover for the WORST areas of the our roads - EACH YEAR for the next 4 - 5 years. Installation of culvert pipes would precede this work where necessary. In 2020, the \$ 10,000 would be subtracted from the \$ 29 - 30 K total. In later years more money should be available and BOTH types of projects could proceed as discussed above.

Thus the "plan" to maintain roads consists of the annual application of gravel to the dirt roads at unspecified locations and the "plan" to maintain drainage consists of replacing metal culverts underneath the road surface with apparently no provision to repair, replace or restore the drainage ditches adjacent to the roadways to which these culverts connect.

The reserve study clearly states that it assumes the roads and drainage, although in poor condition, are properly constructed. Based on emails from October 2019 which you included in your NRED response to Case 2020-524 you were aware that a professional engineer had advised the Board that *valid road maintenance recommendations would be contingent on developing a drainage plan.* There is no evidence that such a plan underpins the estimated replacement costs or major components or road maintenance and culvert replacement shown in the reserve study.

The underlying assumption is that spreading a little gravel and replacing culvert pipes is all "the plan" that is required to repair and restore 26 miles roads (which have at times been unpassable) and mitigate known flooding problems. ***Since there is no professional engineer's report to validate that conclusion, and since your position on the Board requires you to act on an informed basis and in good faith, the Board alleges that such statements are a violation of your fiduciary duty.***

While the \$10,000 per year is more than the reserve study provider's initial estimate of gravel costs, the Board is informed and believes that (i) \$10,000 a year is less than the Board has spent in recent years on this same work, (ii) this gravel application is arguably an operating not a reserve expense since it is scheduled each year for 30 years, and (iii) it is an arbitrary amount not based on a professionally prepared plan or scope of work. While the Board may have voted to approve the Reserve Study in order to comply with statutory requirements to complete a study every five years, upon information and belief, the other directors were not privy to your communications with and directions to the reserve study provider which resulted in the current study. Now that the current directors are aware and are trying to obtain a professional engineer's evaluation to support operating and reserve maintenance expenditures, you object and attempt to rally the owners in opposition. ***The Board alleges that your directions to the reserves study provider were unilateral, not discussed in a candid and transparent manner with the Board as to their import, and therefore not approved by a majority of the Board. The Board further alleges that your attempts to block a professional engineering study under these circumstances is a violation of your fiduciary duty.***

Allegation 6: Inaccurate and Non-Candid Communications with Members; Failure to Disclose Conflicts of Interest. NRS 116.3103(1); NRS 82.226; NRS 116.31084

Example 1: Return of the water truck and roller to the Association was a condition of settlement with the Commission in Case No. 2018-1663. The settlement was executed on September 26, 2019 but required numerous actions on the part of the Board in order to maintain compliance with its terms. Therefore, although you were not a board member at the time of the incidents which gave rise to the NRED investigation, during your time on the Board you were aware of the settlement and had a duty to enforce its terms. The September 24, 2020 minutes reflect that you made the following statement to the Owners present at the Board meeting: "William Roth responded that ***the roller and water truck were broken and not in working order, so they were sold.***"

However, pursuant to the January 21, 2020 Board meeting minutes, that statement made to the members in September was not true. According to the January 21, 2020 minutes, you proposed that the Board not seek the return of the water truck or compensation from Don Lingle because the truck was never properly titled to the Association, although the Association's books and records indicate that the Association paid for the equipment. There is no indication in the minutes that you disclosed that you owned a Lot in association with Don Lingle. Nor did you recuse yourself from discussing or voting on the matter. According to the minutes, the Board only approved the sale of the roller to Tony Boggs for \$500. No action was taken on the water truck; thus, the water truck remains in the possession of Don Lingle, with no compensation to the Association for even the scrap value of the equipment. ***Therefore, the Board alleges that you violated your fiduciary duty to act in good faith and failed to disclose a conflict of interest.***

Example 2: On November 7, 2020, you issued a written statement for the members in which you stated that "Washoe County requested an informal meeting in lieu of the hearing at which both items 2 (the Violations) and 3 (upcoming ditch and culvert pipe work) were discussed and eventually resolved . . . ***We have no unresolved complaints from the State or Washoe County.***" However, this statement was and remains factually incorrect as, pursuant to December 11, 2020 email to Directors Loren Pierce and Greg DeFehr, the Violations remain open and unresolved. On February 11, 2021, you issued another written

statement clarifying your November 7, 2020 statement that the Association had no “unresolved complaints” in which you stated:

In context, my Summary discussed issues, meetings and responses before stating “... we have no unresolved complaints from the State or Washoe County”. I did not state that the County had “closed the case”. What does “outstanding” mean in this context? I have no control over when / how Washoe County closes cases . . .” Directors have an obligation to act on an informed basis and to accurately represent the facts. Acting on an informed basis would require sufficient due diligence to ensure that the violations were indeed resolved before reporting this as fact to the membership.

Therefore, the Board alleges that these communications were made without adequate due diligence and are a violation of your fiduciary duty on a material matter concerning the Association.

The Association has been damaged by these actions and may be further damaged if it is required to indemnify and defend you for your actions as a director pursuant to NRS 116.31037. The proposed cure for these violations is that you resign from the Board immediately and that you not seek re-election for a period of five years.

If the Board has not received a response from you on or before September 24, 2021, it will file an intervention affidavit with the Nevada Real Estate Division and request that you be barred from serving on the Board.

For the Board of Directors

Loren Pierce

Greg DeFehr

NRS 116.3103 (1) Except as otherwise provided in the declaration, the bylaws, this section or other provisions of this chapter, the executive board acts on behalf of the association. In the performance of their duties, the officers and members of the executive board are fiduciaries and shall act on an informed basis, in good faith and in the honest belief that their actions are in the best interest of the association. Officers and members of the executive board:

(a) Are required to exercise the ordinary and reasonable care of officers and directors of a nonprofit corporation, subject to the business-judgment rule; and

(b) Are subject to conflict of interest rules governing the officers and directors of a nonprofit corporation organized under the law of this State.

NAC 116.405 In determining whether a member of the executive board has performed his or her duties pursuant to NRS 116.3103, the Commission may consider whether the member of the executive board has:

1. Acted outside the scope of the authority granted in the governing documents;
2. Acted for reasons of self-interest, gain, prejudice or revenge;
3. Committed an act or omission which amounts to incompetence, negligence or gross negligence;
5. Impeded or otherwise interfered with an investigation of the Division by:
 - (a) Failing to comply with a request by the Division to provide information or documents;
 - (b) Supplying false or misleading information to an investigator, auditor or any other officer or agent of the Division; or
 - (c) Concealing any facts or documents relating to the business of the association;
8. Caused the association to:
 - (a) Comply with all applicable federal, state and local laws and regulations and the governing documents of the association;
 - (b) Uniformly enforce the governing documents of the association;
 - (c) Hold meetings of the executive board with such frequency as to properly and efficiently address the affairs of the association;
 - (d) Obtain, when practicable, at least three bids from reputable service providers who possess the proper licensing before purchasing any such service for use by the association;

(e) Consult with appropriate professionals as necessary before making any major decision affecting the association or the common elements, including, without limitation, consulting with a reserve study specialist who is registered pursuant to chapter 116A of NRS and chapter 116A of NAC when conducting the reserve study, as required by subsection 2 of NRS 116.31152 and NRS 116A.420;

NRS 116.3109(3): If a quorum is present when a vote is taken, the affirmative vote of a majority of the members present is the act of the executive board

NRS 116.31084

1. A member of an executive board who stands to gain any personal profit or compensation of any kind from a matter before the executive board shall:

- (a) Disclose the matter to the executive board; and
- (b) Abstain from voting on any such matter.

2. A member of an executive board who has a member of his or her household or any person related to the member by blood, adoption or marriage within the third degree of consanguinity or affinity who stands to gain any personal profit or compensation of any kind from a matter before the executive board shall disclose the matter to the executive board before voting on any such matter.

NRS 116.31183(1) An executive board, a member of an executive board, a community manager or an officer, employee or agent of an association shall not take, or direct or encourage another person to take, any retaliatory action against a unit's owner because the unit's owner has:

- (a) Complained in good faith about any alleged violation of any provision of this chapter or the governing documents of the association;
- (b) Recommended the selection or replacement of an attorney, community manager or vendor; or
- (c) Requested in good faith to review the books, records or other papers of the association.

NRS 116.31185(1) Except as otherwise provided in subsection 2, a member of an executive board, an officer of an association or a community manager shall not solicit or accept any form of compensation, gratuity or other remuneration that:

- (a) Would improperly influence or would appear to a reasonable person to improperly influence the decisions made by those persons; or
- (b) Would result or would appear to a reasonable person to result in a conflict of interest for those persons.

NRS 116.31189(1) Except as otherwise provided in subsection 3, a community manager or member of the executive board who asks for or receives, directly or indirectly, any compensation, gratuity or

reward, or any promise thereof, upon an agreement or understanding that his or her vote, opinion or action upon any matter then pending or which may be brought before him or her in his or her capacity as a community manager or member of the executive board, will be influenced thereby, is guilty of a category D felony and shall be punished as provided in NRS 193.130.

NRS 116.1108 Supplemental general principles of law applicable. The principles of law and equity, including the law of corporations and any other form of organization authorized by law of this State, the law of unincorporated associations, the law of real property, and the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement the provisions of this chapter, except to the extent inconsistent with this chapter.

NRS 116.11085 Provisions of chapter prevail over conflicting provisions governing certain business entities generally. If a matter governed by this chapter is also governed by chapter 78, 81, 82, 86, 87, 87A, 88 or 88A of NRS and there is a conflict between the provisions of this chapter and the provisions of those other chapters, the provisions of this chapter prevail.