

ANTHEM VOICE

SPECIAL ELECTION ISSUE

WWW.ANTHEMVOICE.ORG

April 2009



Sun City Anthem

BOB FRANK

RON MORSE

Vote SMART! Vote SMART!

CCA ELECTIONS

THE COURAGE TO GET THINGS DONE

 Vegas Voice

SPECIAL SUPPLEMENT

Political SLATE Dangers

As the Sun City Anthem (SCA) board election heads into its final stages, some residents are wondering if they should go along with the unity slate of candidates, or make selections using their own judgments.

This is a key issue, because the political drive to achieve full control of SCA's multi-million dollar budget and its 12,000+ residents has ushered in aggressive political machine tactics with a win-at-most any-cost mentality.

It should be recalled that in 2008, the so-called Unity Party captured 3 board seats (using nasty political tactics) even though its candidates accumulated less than half of the community votes. The same group is after the remaining 4 seats.



But why would a member want a local political group such as Unity to gain complete control over our community? This is particularly true since "Unity" has been developed by our former Boston attorney suspended from law practice for self-admitted forgery of a judge's signature on tax records.

Meanwhile, some of the "Unity" candidates are claiming to be "independent," but that is hypocritical. If they wanted no obligations to the Unity SLATE, they would have run as independents.

In short, Anthem VOICE believes that Bob Frank, Ron Morse and Barnett Sturm are the only independent candidates this year. Do not allow the SCA political machine's recommendations to over-ride your common sense selections.

Green Golf Courses Fading Away?

It used to be that having a golf course in your community was an asset. But, with declining use, cheap designs, and neglected maintenance, golf courses can fail and become huge liabilities.

The results degrade all community lifestyles and property values.

According to Golf.com, "course openings have dropped 34% since 2003, while closings - hundreds of them - have risen 79%." When golf courses fail, developers usually snap them up and build more homes. Could that happen in SCA?



have already been replaced by poorly designed and poorly maintained desert landscaping. Are more coming?

According to the Southern Nevada Water Authority (SNWA), as of January 2009 the SCA golf courses removed "2,036,130 square feet (about 10 acres) of grass and changed it to desert landscape. For this they received \$2,228,264 and save \$630,000 annually in water fees."

According to SNWA "attractive and well landscaped golf course conversions - Canyon Gate, Anthem Country Club and others - were done with the participation of home owners." But SNWA only ensures that plants are put in after the grass is removed. Ensuring quality re-landscaping is the responsibility of residents and their Board.

Conclusion: All SCA property values will be seriously impacted if our golf courses fail. Our Board must work closely with CORE and our golfers to achieve mutual success.

The SCA Golf Course Liaison Committee report on February 26th said "The economy has had a measurable negative impact on (Revere) golf course operations." According to CORE Revere Holdings (our owners) they have \$17,250,000 in debt, with a 5.96% interest rate for 10 years.

Meanwhile, hundreds of SCA homeowners paid over \$50 million for property lots with "green" golf course views. Many of those green views

Reviving Community Image

There used to be a Welcome Center on Anthem Parkway announcing you were entering a very special area. There used to be information available about the virtues and joys of living in the wonderful place called *Sun City Anthem*.

Visitors were offered a bottle of water, a welcoming smile and best wishes for a wonderful day. After we moved in, there was a "Welcoming

Committee" staffed by volunteers to share their SCA experiences with you. It was a unique and gratifying start to our retirement lives.

However, now that our "resident-controlled" boards have taken over, all of these welcoming/promotional efforts have faded away. But, we still have new residents and visitors

coming to SCA every day.

And, we still have long-term interests in promoting our community lifestyle values, boost community spirit, sustain member home values above market averages and assist with maintaining strong

re-sale values. Those are vital elements of community management. So, what is holding us back - other than Board ignorance of basic marketing principles and general apathy?



The SCA Board will always need to offer some promotional and image building programs to serve the interests of all residents. It is time to get on with that important work.

What we need is active homeowner participation, energetic board leadership, and a redefined mission for our "Security Annex."

Unpaid Reserves

When Del Webb/Pulte transitioned SCA management to the first resident-controlled board of directors in 2005, the developer was required by law to deliver a valid Reserve Study and to fully fund the requirements. That did not happen.

And, Del Webb/Pulte has never been required by SCA Boards to deliver a fully funded reserve study using 2005 transition date calculations.

In addition, most of the reserve funds estimated to be owed by the developer since 2005 have not been requested or collected by SCA Boards. This has enabled Del Webb/Pulte to avoid having to pay between one and two million dollars.

Two years after transition, the board negotiated a partial payment of about \$240,000 for the severely under funded neighborhood reserves. That was estimated to be less than half of what the developer actually owed at transition - and no reasons were given by the 2007

Board for not demanding to get full funding for the lawful amount.

The situation is so distorted that the previous board president recently tried to add to the community confusion by calling the developer's payment a "gift." While that was an outrageous statement, it helps to show why some members are suspecting financial misconduct or fraud may be involved.

Currently, the total amount of all SCA reserves owed by DW/Pulte is many hundreds-of-thousands of dollars. Members are demanding to know why the boards, finance committees, and Community Managers have failed to collect these funds.

Such sustained failures for so much money can not be explained by ignorance or simple errors. A forensic audit is required.

(Note: For some background on what reserve funds are, and how they work, follow this link: <http://www.anthemvoice.org/resources/Reserve+Funds+March+2009.pdf>).

Board Discourages Volunteers

Given the State financial crisis, and all the legislation being proposed regarding Home Owner Associations, it is critical that communities have informed citizens to help protect community interests while laws are changed. This requires special skills and intense personal commitments of time and expertise.

Sun City Anthem had such a blue-ribbon group until March 4th when five of the six members of the SCA Government Affairs Advisory Committee resigned in mass due to unjustified interference and lack of support from the SCA Board and community managers.

Unable to accomplish what was in the community's best interests while being micro-managed by some board members, these five talented people were forced to

resign their appointments and work as an independent task group.

The five who resigned in protest against aggressive board interference are all experienced and respected individuals on state political affairs and legislative procedure. Two even had decades of legislative expertise within our Nevada system.

As seen with the past poor treatment of some other SCA volunteer groups, it appears that some directors of this homeowner association lack the foresight, skills and motivation to protect our residents from the selfish desires of the developers, attorneys, and Community Association Institute (CAI) policy wonks who march to different drumbeats. Our community must elect better directors in the future.



The Privilege of Serving Sun City Anthem

Dear Fellow SCA Residents,
I have served you on the SCA Board of Directors for two years now, and it has been a rewarding and valuable experience. This is to thank each and every one of you for the opportunity to be "Your Voice" on the Board.

Every issue surfaced a new set of considerations and a balancing of decisions to meet the interests of our members. Serving as your director involves serving two teams at the same time - the SCA corporation board and the SCA membership.

As you have seen, I have worked hard to balance the vital interests of both teams.

And, the extra effort has been worth it. I believe I have contributed leadership and ethical practices to our community management.

I have helped to improve the (1) lifestyle of our community, (2) openness of the association, (3) professional management of our corporate business, and (4) accountability of the board to our membership. The results enable our members to enjoy improved community services, safety, and financial stability.

I ask you to elect me to continue to serve you on the SCA Board. And once again, I thank your for your past support.

Very Sincerely Yours,

Robert E. Frank
SCA Board Member, 2007-2009

Kill The Open Pit Mine!

About a mile or so west of the huge Anthem and Inspirada bedroom communities is the site of the largest open pit mine proposal ever submitted to the Las Vegas Bureau of Land Management; and it must be stopped!

Massive Water Consumption: The project reports 1,600 gallons of water per minute will be required for mining operations. Even with reclamation

systems, this mine could consume *billions* of gallons of scarce water every year for 30 years!

Air Pollution: Air pollution from hard rock mining is unavoidable.

Dust, bacteria, spores and other stuff kicked into the air will seriously degrade the health and lifestyles of citizens, homes, businesses and parks in the Southern Las Vegas Valley and Sloan Canyon.



Disease Impacts: *Valley Fever* has been **increasing** in this area. Spoors causing such diseases are spread in the air by "soil disturbing activity." Dust seriously affects seniors and children; especially those suffering with asthma, avium, and other breathing disorders.

Light and Sound Pollution: Night lighting and intense sounds coming from rock crushing and trucking operations may be amplified by the surrounding

desert and rock mountains. Sleeping and outdoor enjoyment can be impacted.

For more info, come to the *Anthem VOICE* April 7th seminar. To RSVP

for the free seminar or request more information, email: hoa@thevegasvoice.net or view the *Anthem Voice* websites: anthemvoice.org and blog.anthemvoice.org.

ANTHEM VOICE SEMINAR
MONDAY, APRIL 7
6:30-8:30 PM
ANTHEM CENTER

PROGRAM

- CONSTRUCTION DEFECTS & WATER HEATER MAINTENANCE
- BLM OPEN PIT MINE PROJECT—SOUTHWEST OF SCA/INSPIRADA
- OPEN QUESTIONS & ANSWERS

REPRESENTATIVES FROM CLASS ACTION LAW FIRMS & FROM BLM HAVE BEEN INVITED TO PROVIDE THE LATEST INFO & ANSWER QUESTIONS

OPEN TO ALL SUN CITY ANTHEM RESIDENTS—NO CHARGE



Bob Frank
Ron Morse

ANTHEM VOICE SPECIAL REPORT

Nevada Agencies Fail HOA Residents

Experience shows there are no effective ways for HOA residents to achieve results for serious complaints against board of directors concerning willful mismanagement and alleged crimes. The HOA system blocks attempts to achieve justice for homeowners.

This is a big issue since there are 3,000 Nevada HOAs containing 1,000,000 residents.

Small associations may be able to organize grassroots teams to remove and/or replace unacceptable board members; but large HOAs find that action extremely difficult. We

have found that working within the framework of homeowner rules is ineffective as displayed under the option 3 graphic - NRS 116, NAC 116, and Nevada Real Estate Division rules.

They promise hope and justice, but the whole system is fatally flawed.

On September 25, 2008 the Las Vegas Review Journal and local TV stations reported that Federal and local law enforcement officers raided nine sites in a probe into possible collusion between homeowners association boards, attorneys and the servicing businesses involved in allegedly false construction defects lawsuits and election fraud.

The HOAs involved had been working for over 4 years seeking help and justice from the State authorities. And, during those 4 long years of fruitless efforts, the alleged

abuse continued while the Real Estate Division allegedly failed to do its duty. Was that evidence of misconduct by some State employees?

The ongoing FBI investigation

OPTION 1



Try to Elect Responsible Candidates to the Board

- Examine Campaign Promises
- Evaluate Board Performance

RESULT: Directors Often Fail to Deliver on Promises

into HOA corruption according to State Senator Mike Schneider on the "Face to Face" TV program was just the "tip of the iceberg." Considering all the construction defects, election fraud, board fraud and abuse and HOA financial mismanagement, the State is legally bound to

OPTION 2



Formally Object to Board Mismanagement

- Participate in Association Meetings
- Comment on Websites and Blogs

RESULT: Board Annoyed— More Cautious, But Highly Defiant & Disrespectful of Dissidents

respond, but no agency is accountable for failing to help homeowners.

Instead, these agencies and firms tend to use homeowner assessments to block the homeowners seeking justice.

In our HOA of over 7,000 units, the evidence shows our developer has owed the community many hundreds of thousands of dollars since transition in 2005. For the past three years, the boards have failed to obtain the legally required reserve study reports based on the official transition date.

That key step is required to successfully collect the vast sums owed by a major developer. These failures to collect are clear statute violations of fiduciary duty and business judgment.

Members have submitted urgent requests to the Real Estate Division, Department of Business and Industry, Attorney General, Lieutenant Governor, and elected members of the Legislature. No decisive action shows there are serious breakdowns to achieving justice for HOA residents.

Getting broader law enforcement (including the FBI) involved is an obvious next step. It is the only channel left for achieving justice where the members of HOAs are apparently victims of fraud and abuse.

It is past time for the Nevada Police Departments, District Attorneys, and FBI to

OPTION 3



Seek Help From State Agencies or Take Legal Action

Most Costly/Longest Option

1. NV OMBUDSMAN'S OFFICE
- Lacking Enforcement Capability
2. NV REAL ESTATE DIVISION
- Favors Board Positions
3. NV ATTORNEY GENERAL
- Refuses to Be Involved
4. NV COURTS
- Must Prove Criminal Intent
- Homeowners Pay Both Sides

RESULT: Homeowners Lose

do for our homeowners what they did for the gaming industry in the past. We must weed out the corruption and work to get some enforceable laws to protect homeowners.

OPTION 4



REMOVAL (RECALL) ELECTION

10% of Residents Sign a Petition

35% of Residents Must Vote to Support

Time Frame: 2 to 4 months

Useful Educational Process

RESULT: Board Members can be held Accountable for