



# BEVEN & BROCK

## NEWS & VIEWS

for Homeowner Associations

October 2018

### The Janitor Bill: What Common- Interest- Developments Must Do!

By Dave Brock, PCAM

In 2016, the Governor Brown signed the Property Service Workers Protection Act which has been commonly referred to as the "Janitor" bill. This Act requires every janitorial services provider with one or more employees and one or more janitorial workers to register with the Labor Commissioner's Office and renew the registration annually. The cost of registration is \$500.00 per year. This new law aims to protect janitors from sexual harassment and to prevent wage theft by requiring employers to keep records for three years that contain detailed information about workers' hours and pay rates. Additionally, the new law directs the state to create a "sexual violence and harassment prevention training" program.



On June 27, 2018, the online registration system was launched. Companies who provide janitorial services who fail to register by October 1, 2018 may be subject to a civil fine, as will any person or entity who contracts with a janitorial employer lacking valid registration. The law also provides that janitorial contractors are required to renew their application annually and provide their employees with sexual harassment training every two years beginning January 1, 2019.

*The Janitor Bill: continued on page 5.*

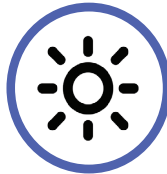
## HOA BOARD SEMINAR CURRENT HOT LEGAL ISSUES



OCTOBER 9, 2018 // 6:30 - 8:30 PM

FIRST CHURCH OF THE NAZARENE - GILMORE HALL: 3700 E. SIERRA MADRE BLVD., PASADENA, CA

### TOPICS TO BE DISCUSSED INCLUDE:



SOLAR



ELECTIONS:  
NEW ISSUES



MAINTENANCE:  
WHO IS RESPONSIBLE?



HARRASSMENT AND  
BULLYING



COLLECTIONS  
ISSUES



C.C. & R'S:  
AMEND OR RE-WRITE



JANITOR BILL:  
SHOULD YOU BE  
CONCERNED?

### ...AND YOUR QUESTIONS!

#### SPEAKERS:

**Matt Ober, Esq., CCAL**  
Richardson Ober, PC

**Brian Moreno, Esq., CCAL**  
Swedelson Gottlieb

Both Mr. Ober and Mr. Moreno are members of the Community Associations Institute College of Community Lawyers.

Those who attend will also have the opportunity to meet and ask questions of over 20 HOA vendors, and win over \$1,000 in door prizes.



*Matt Ober*

*Brian Moreno*



#### HOW TO REGISTER:

HOASeminars@bevenandbrock.com | (626)795-3282, ext. 886

PLEASE INCLUDE YOUR NAME, YOUR EMAIL ADDRESS, THE NAME OF YOUR H.O.A., AND THE NUMBER OF GUESTS YOU WILL BE BRINGING - INCLUDING YOURSELF

**HOMEOWNER ASSOCIATION NEWSLETTER**

# Reserve Study Results – What to Expect

By Robert M. Nordlund, PE, RS, Association Reserves, Inc.



Every Reserve Study gives you three key pieces of information, useful for annual budget planning and owners disclosure purposes. Knowing what to look

for will save you time and allow you to more effectively communicate those results to others. The three results are:

1. What you are reserving for?
2. Strength of the Reserve Fund
3. Recommended Funding Plan

The first is the Reserve Component List. While different Reserve Study Levels of Service (Full, With-Site-Visit Update, No-Site-Visit Update) differ in how thorough the Reserve Component list was assembled (created entirely “from scratch”, a site inspection updating information from a prior analysis, or an update without a site visit), the Reserve Component List defines the Reserve obligations of the association. The list of your Reserve Components should

remain relatively stable from year to year, with the only changes being adjustments to Useful Life, Remaining Useful Life, and Current Replacement Cost.

Second is a presentation of the Reserve Fund Strength, one of two calculations performed on the Reserve Component List. Reserve Fund strength is typically reported in terms of Percent Funded, the result of a comparison between actual Reserve Fund cash and the computed deterioration of your Reserve Components (called the Fully Funded Balance). While it is important for the owners to be told the actual cash balance in their Reserve Fund, its also important for owners to be told the adequacy of their Reserves! This is because \$100,000 or \$500,000 might sound like a lot of cash, but it may be woefully inadequate based on upcoming expenses projected at the association.

Third and finally is a recommended Reserve contribution rate, often called the Reserve

Funding Plan. While the first two results are disclosures, this result is a recommendation for action, designed to take the Reserve Fund from its current condition (result #2 above) to the association’s chosen Funding Objective. The Funding Plan is therefore highly influenced by the Funding Objective and the current Reserve Fund Status. A conservative “Full Funding” objective will result in contributions (only) a few percentage points higher than contributions pursuing an aggressive “Baseline Funding” objective. And remember that any Funding Plan that begins at a weak starting point will have higher Reserve contributions than if the association had a strong starting point.

Simply summarized, look first for “what you are reserving for”, “where you are now” and “where to go from here”!

By Robert M. Nordlund, PE, RS; Association Reserves, Inc.; check out [www.reservestudy.com](http://www.reservestudy.com) for more articles on reserves. ❖

## Mandatory Annual Financial Disclosures Due By December 1!

In 2014, the California legislature revised the manner by which common-interest-developments should notify their members of the annual disclosure requirements. The legislature created two types of reports: 1) The annual budget report (ABR), and 2) the Annual Policy Statements (APS).

The preparation and distribution of the two annual disclosure packages to all owners is one of the most important requirements of the board of directors. The annual disclosures are now required to be organized into two sections.

November is the last month of the year in which this material must be distributed for associations who operate on a calendar year. If a management company is involved with your association they should be handling this for you. If you do not have a management company, the board is solely responsible for

this important task.

The specific sections of the law that can be referred to for more specific information are Sections 5300 and 5310. Below is a summary of the requirements for each report.

The good news is that unless your rules (or policies) have changed, you can distribute the same set of Annual policy statements every year.

### ANNUAL BUDGET REPORT

1. Approved operating budget and reserve allocation for the next fiscal year.
2. The most current Reserve Study which contains the following information:
  - a) The Executive Summary from the most recently updated Reserve Study.
  - b) Reserve Funding Disclosure Form/ Table

- c) Board statements regarding the reserve study.

3. Master Policy Insurance and information regarding other policies.
4. Insurance disclaimer language verbatim from Civil Code
5. Association Loan Statement (if applicable)
6. FHA Certification
7. VA Certification

### ANNUAL POLICY STATEMENT

1. “Communication with the Association” statement
2. Overnight mailing address statement
3. Secondary address statement
4. General notices statement
5. Association minutes statement
6. Assessment Collection Policies statement

*Mandatory Annual Financial Disclosures:  
continued on page 7.*

# Ten Ways to Keep the Lawyers at Bay

By Kelly G. Richardson, Esq. CCAL

Serving as a volunteer director is often thankless, but it shouldn't be risky. Here are ten ways to reduce if not prevent personal risk from your service.

Learn and follow the Business Judgment Rule. Found at California Corporations Code 7231 and 7231.5 and contained in most bylaws, the Rule protects volunteers from liability while acting in good faith, for the association's best interests, and upon reasonable inquiry.

Only serve if the association has directors and officers ("D&O") insurance coverage. Civil Code 5800 protects directors from personal liability if the HOA with more than 100 memberships has \$1,000,000 of D&O insurance or \$500,00 if less members.

Refuse compensation. Whether called a "stipend" or assessment reduction, reject any form of remuneration for board service. Upon receiving even one dollar of compensation the director is no longer a volunteer and loses all the immunities of volunteers. Reimbursement for a director's time serving the HOA is not reimbursement - it is compensation. Reimbursements are repayments of out of pocket expenses.

Don't get mad... or even. "Good faith" doesn't just mean a pure heart. However, it certainly does exclude any willful, malicious or retaliatory intent. The nastiest homeowner has the same rights as the saintly ones. Enforce the rules evenly.

Don't take matters into your own hands. HOA governance is a team sport, not an individual event. What you think is valid instruction may be viewed by the board (and the HOA's attorney) as interference. A director (even the president) must use restraint and wait for the board to act.

Follow the corporate process. Is the association making a contract, or the director? The corporate process is what makes it clear that the corporation is acting and not you. The corporation acts by the board voting in a meeting and then documenting that vote in the minutes. Sign contracts in the name of the corporation, not in your own

name - "Shady Acres HOA, by John Smith, director."

Do not make commitments to HOA vendors without having clear board authority. A director committing to spend HOA funds without board authority may be held to have made a binding commitment under the doctrine of "ostensible agency." The association in that event would have to pay, but the board could decide the expenditure was not in HOA's best interests and sue the director for reimbursement.

Get the advice necessary for the decision at hand. Most of the time your manager will supply the board's advice for ordinary decisions, but sometimes more specialized expertise is needed. Don't rely on a fellow director for specialized advice - it is not fair to ask them to take on the responsibility of a free expert, even if they truly do have the required expertise.

Deal promptly with danger. Earlier in 2018, a Nevada association was shocked when a jury imposed a \$20,000,000 verdict including \$10,000,000 punitive damages, arising from a serious playground injury, finding that the HOA ignored previous failures of playground equipment. A willful failure to deal with known hazards can expose directors to personal liability.

Avoid conflicts of interest like the plague. Don't seek or accept special favors or treatment.

Volunteers should avoid personal risk arising out of their service. Understand the protections the law provides and stay within them.

Kelly G. Richardson, Esq. is a Fellow of the College of Community Association Lawyers and Senior Partner of Richardson Ober PC, a California law firm known for community association advice. Submit potential column questions to Kelly@Richardsonober.com. Past columns at www.HOAHomefront.com. All rights reserved®. ❖





- CC&Rs Amendment
- Governing Document Interpretation and Enforcement
- General Counsel
- Litigation & Dispute Resolution

Call us toll-free at 1-877-4-HOA-LAW  
www.richardsonober.com



PROVIDING  
OUTSTANDING  
LEGAL SERVICES  
TO COMMUNITY  
ASSOCIATIONS  
SINCE 1989



RICHARDSON OBER




**Natalie Schanze**  
Account Executive, Property Services  
(657) 236-8024  
Natalie.M.Schanze@Sherwin.com

- The Nations #1 Single Source supplier of coatings and supplies
- Over 100 Greater Los Angeles Area Locations
- Best in Class Cost Analysis Tools
- Post Project Maintenance & HOA Color Archive
- Expert Color Renderings
- Full Scope Interior Design Services including paint, flooring, carpet, and window treatments
- Expert Paint Project Services and Specifications



Home Loans

FOR ALL YOUR REAL ESTATE FINANCING NEEDS

- Purchase Loans
- Refinance
- Reverse Mortgages
- Investor Loans
- Call Us Today



**Vincent Dudziak**  
Over 20 Years Experience  
**626.497.8339**  
vincent@oaktreeloan.com  
**www.oaktreeloan.com**

NMLS #285072 • DRE Lic # 01302233 • NMLS #233623



**PRENDIVILLE**  
INSURANCE AGENCY

**Shane Malner**  
Homeowners Association Insurance

Insurance for Common Interest Developments  
Master Policies, Earthquake, Workers' Compensation, Fidelity, D & O

Shane@PrendivilleAgency.com  
www.hoaville.com  
License #0L19581

Toll Free: 800-482-4487

Interior and Exterior  
Residential and Commercial

**Partnership  
Painting, Inc.**

Where professional painting  
looks better, last longer!  
Ask us about our 5 year warranty.

**626.449.4097**  
partnershippainting.com  
Contractors License #658584

# Open Forum - A Board Meeting Requirement!

The law requires that at every open meeting of the owners or board, that there is an item on the agenda called "Open Forum". The concept of "Open Forum", which is also a requirement of city and county public meetings, is to give an opportunity for owners to communicate anything they wish to express on any topic they choose.

There are both good and bad practices about how Open Forum should be handled. This article will address both.

Board meetings are a meeting of the corporation's board of directors and not a meeting of association members. Any member may attend board meetings, unless the meeting is an "executive" board meeting, at which the board is limited on the type of matters they can discuss. At regular board meetings, members do not have a right to participate in the board discussions and votes. Members can only observe during the balance of the meeting, so the Open Forum period of the meeting is the only time that non-board members can speak. Although members do not have a legal right to participate in board discussions, the president can invite comments from the audience on particular items of business. This is at the discretion of the board.

There are always questions on this topic, and here are some of the most commonly asked questions:

2. **Can the board restrict the time for members to speak?**  
The Davis-Stirling Act requires that a reasonable amount of time be set aside for Open Forum. Generally, that may be 15-30 minutes. In addition, the board should establish a time limit per speaker. This can depend on the number of speakers that wish to speak, but the common allotment is three to five minutes. It is recommended that you use a timer. Most smart phones have the capability for this.
3. **What other rules can the board impose on open forum?**  
As with any rule, the board must be reasonable, and not attempt to restrict owners or limit their ability to address the board. As a board member, your job is to serve your community, and hearing from them should be important. Some sample rules or guidelines that the board may reasonably impose would be that owners should not address issues that are outside the board's authority, or issues that may be defamatory, abusive or threatening in nature toward another resident, board member or vendor.
4. **Does the board have to respond and, if so, how should the board respond?**  
The best initial response from the board might be "Thank you for expressing your concerns". Other than that, the board does not have to respond. However, a board member may briefly respond to an issue raised by asking for clarification or providing a brief statement that directly answers the concern raised. The board member responding may also direct the member to material generally available to members, or to state that the board will consider discussing the issue

*Open Forum: continued on page 5.*



Roofing   Waterproofing   Decking   Repair/Maintenance

**1000S OF PROJECTS COMPLETED!**

Free Estimates!  
**(800) 773-7663**  
www.adcoroofing.com




**Michelle Urbina**  
Property Services Representative  
BOMA / CACM / CAI  
(323) 215-7897  
michelle.urbina@dunnedwards.com

Specifications • Job Walks • Color Renderings

**Majority Rules, LLC®**

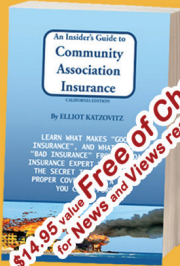


**Tommy Ouzoonian**  
President

Post Office Box 608 • Yorba Linda, CA 92885  
(714) 777-7073  
Majority\_Rules@SBCGlobal.net  
Professional Elections at the Lowest Possible Costs®


[www.HOAinsurance.com/bookrequest](http://www.HOAinsurance.com/bookrequest)

Insider's Guide to HOA Insurance  
by Elliot Katzovitz



Free of Charge  
for News and Views readers

\$14.95 value



**Western Rooter**

**24/7 Emergency Plumbing Service**

\$175 Sewer Video Camera Inspection  
\$99 Main Line Drain cleaning

- Free Plumbing Estimates •

**(626)448.6455**  
www.westernrooter.com

Licensed & Insured  
Family Owned for over 30 years

**What does this mean for your community association?**

Under the bill, most community associations are not considered employers. Employers are companies that have at least one employee and one or more covered workers. As such, janitors who operate as a sole proprietor and have no employees are exempt, however, it would be advisable for your janitor to state this in writing and indicate that they believe they are exempt from the requirement to register.

Community associations should verify that the janitorial company is registered with the California State Labor Commissioner's Office either directly, or by asking your janitorial vendor to provide evidence of registration. The website where registrations can be checked is: <https://cadir.secure.force.com/RegistrationSearch/>

Any person or entity that contracts for janitorial services



with a janitorial service that is not registered at the time the contract is executed, extended, renewed, or modified, is subject to a civil fine of \$2,000 to \$10,000 in the case of a first violation, and a civil fine of \$10,000 to \$25,000 for a subsequent violation. Associations' contracts with janitorial services should require them to comply with the bill and to pay any fines against the association if they fail to comply.

For more information on this bill, or to register, go to: [https://www.dir.ca.gov/dlse/Janitorial\\_Providers\\_Contractors.html](https://www.dir.ca.gov/dlse/Janitorial_Providers_Contractors.html) ❖

Open Forum: continued from page 4.

raised at a future board meeting. The board may also direct the member to the managing agent, or request that the manager respond to the member directly. The board should not take up further discussion or action on any issue raised, unless the item was already on the agenda for that meeting.

5. **What if the member attacks a board member verbally or is abusive?**

Owners should be bound by the same rules that governs board members, if they have elected to utilize the "Board Member Code of Conduct". (See January 2017 newsletter) The code states that board members shall not make personal attacks, on colleagues, staff or residents, and that they cannot "harass, threaten or attempt through any means to control or instill fear.....". The right to address the board does not give members the right to shout, use profanity or make obscene or threatening remarks. If you have a rule in your "rules and regulations" on this issue, a member can be fined if they do engage in such behavior.

If the situation escalates to something more than a verbal altercation, then the President may need to take a vote to adjourn the meeting, and you may need to call the Police, if that doesn't resolve the issue.

6. **Can another party address the board on behalf of an owner?**


Tenants, or other non-members, may not attend meetings, and only a person with a notarized power of attorney can address the board for another owner.

7. **Can the board require that an owner identify issues they wish to address prior to the meeting?**

No, owners are not required to provide a preview of their comments prior to the meeting.

8. **What is the best course of action for a board in handling Open Forum?**

Be reasonable in the rules, listen attentively, avoid interrupting and any facial or body language that suggests you don't care about what the member has to say. Take notes if that helps you remember, and it shows interest. Finally, be gracious, and thank the speaker, even if you don't feel like doing so. ❖



**Alliance Association Bank**  
A Division of Western Alliance Bank. Member FDIC.

**14-MO. SPECIAL CD 2.02% APY<sup>1</sup>**  
AAB Enrollment Form & Master Management Company Signature Card Required.

**EASY & STREAMLINED ACCOUNT OPENING PROCESS**

**ASSOCIATION MONEY MARKET<sup>2</sup>**

Up to \$49,999.99 .....	0.60% APY
\$50,000.00 - \$99,999.99 .....	0.70% APY
\$100,000.00 - \$249,999.99 .....	0.80% APY
\$250,000.00 - \$999,999.99 .....	0.90% APY
Over \$1,000,000.00 .....	1.00% APY

**CRAIG LEE HUNTINGTON, SVP • 323.201.7570**  
[CLHuntington@AllianceAssociationBank.com](mailto:CLHuntington@AllianceAssociationBank.com)

<sup>1</sup> Annual percent yield (APY) is accurate as of April 15, 2018. Minimum balance required to open and earn the APY is \$5,000.00. This Special 14-Month CD will not be available after June 30, 2018. Funds withdrawn prior to maturity may be subject to an early withdrawal penalty. Fees may reduce earnings on the account. Upon maturity CDs will roll into 12-Month CD at the rate then currently available. <sup>2</sup> The interest rate and annual percentage yield may change after account opening. These rates are only available for AAB customers and community associations.



**TIMOTHY CLINE**  
INSURANCE AGENCY, INC.  
Specializing in Association Master and Earthquake Policies  
[www.timothycline.com](http://www.timothycline.com)  
(310) 260-2900 ext. 25  
CA License #0C10844





John R Sinner Ins Agcy Inc  
John Sinner, Agent  
Insurance Lic#: 0589670  
Bus: 626-576-1078 Toll Free: 800-516-1078  
[www.johnsinner.com](http://www.johnsinner.com)

**ADVERTISE HERE**

If your company specializes in HOA's and you would like to advertise in our newsletter please contact Roman Esparza (626) 243-4158  
[roman@bevenandbrock.com](mailto:roman@bevenandbrock.com)



Reserve Studies for Community Associations

**ASSOCIATION RESERVES**  
Est. 1986  
Over 30,000 Reserve Studies nationwide

- Save money with our 3-year plan
- Access your Reserve Study online
- Video explanation of results
- Free Disclosure Form preparation

Request a Proposal Today!  
[www.reservestudy.com](http://www.reservestudy.com) | (800) 733-1365





the **BETTER** path to **PAINTING**  
COMMERCIAL SERVICES

- HOA community specialists
- Excellent customer service for a painless experience
- Proven painting processes to make projects quick and efficient
- Complimentary color consultations
- All size jobs • Exterior, Interior and Common Areas

[certapro.com/pasadena](http://certapro.com/pasadena) | [bmauser@certapro.com](mailto:bmauser@certapro.com)  
**866-591-9270**  
Each CertaPro Painters® business is independently owned and operated.

# Why Contribute to Reserves?

By Robert M. Nordlund, PE, RS, Association Reserves, Inc.



Board members and Managers often get themselves into a situation where they need to “sell” the value of regular reserve contributions to their homeowners.

It’s often a simple matter of fighting for budget dollars... reserve contributions don’t keep the lights on, they don’t keep the Association properly insured, and they don’t pay the management company’s bill. They are often perceived as funds for “far out in the future, when I might not live there”.

So what are the main arguments to incorporate regular reserve Contributions into the budget?

- **Fairness.** While the repair or replacement expense of a reserve component may only occur every few years, the deterioration that causes the expense happens every day. An expensive roofing project is the culmination of years of advance warning and daily deterioration. Each day brought the association a little bit closer to that roofing expense! It is not fair to enjoy years of service

of a watertight roof (or good paint, or smooth asphalt, or a functioning elevator) without setting aside funds to cover the ongoing deterioration of that asset. Future owners should not be forced to pay for something current owners “used up”.

- **Responsibility.** The primary job of a Board member is to maintain and protect the assets of the corporation. With deterioration occurring on a daily basis, the corporation’s assets are dropping in value if offsetting contributions to reserves are not being set aside. Board members expose themselves to serious liability when they failing to act in the Association’s best interests.
- **Investment.** One of the fundamental investment rules is to “pay yourself first”, meaning to make it a priority to set aside a small amount of savings on an ongoing basis. This applies directly to Reserves. Adequate Reserve contributions are generally not a substantial amount of cash. They amount to just a few dollars a day per unit, typically less than a premium

coffee. However, accumulating month after month, year after year, with compounding interest earnings, they grow big enough to pay for the Association’s major repair & replacement expenses in a timely manner. In addition, this is not money that is “spent and gone”. Reserve expenditures support your own property values. Some projects, like exterior repainting, are estimated to improve home value by one to three times the cost of the project! Missing an opportunity to maximize your home value through timely reserve projects is just plain foolish.

- **Legislative Requirements.** Most Governing Documents give Board members the responsibility to collect an appropriate amount of Reserves to maintain the common areas and 30 states now have some form of Reserve funding legislation. The bottom line is that at your Association, there is a good chance that collecting appropriate reserve contributions is not an option. It may be a legal requirement. ❖

---

## Don’t Throw The Baby Out With The Bathwater!

By Dave Brock, PCAM



A long time ago when hot running water was not available, an entire household bathed in one large tub of hot water. The man

of the house had the privilege of the first bath, followed by his eldest sons. Finally, the women and children got their baths. That water became quite murky and dirty by the time that last one in the family was bathed, which was probably the baby. It’s highly unlikely that any babies were thrown out with the dirty bath water of the tub, however, there was enough concern over the possibility of it happening that an idiom developed over time which

said “don’t throw the baby out with the bathwater.” The meaning of this idiom being “in your eagerness to get rid of something worthless, don’t discard something useful, important, or valuable at the same time.”

Some associations experience a complete turnover of the board, and the new board takes the position that all the existing vendors should be changed. These new boards sometimes think, “we can’t trust any decision the prior board made”. From the new board’s perspective, everything that represents the former board is questionable and should be eliminated. Sometimes they think that they can save money, and receive better services. In the “dirty bathwater” the new board

believes it is time for a complete change. The problem with this kind of thinking is that a significant turnover in HOA leadership has the potential of creating unnecessary chaos and confusion in the association. A board turnover, and a change in the vendors does create more work and stress for the new board.

The perfect transition between boards of directors would be a period where the new board members learn the best practices from the outgoing board. While no board member is ever perfect it is still best for a smooth transition for the experienced board members to teach the newer board members

*Don’t Throw The Baby Out:  
continued on page 7.*

what they have learned and what works best with their association. Sadly, due to the issues in some HOA's, a smooth transition is not always possible. Consequently, the new board assumes leadership without the benefit of any prior knowledge from the former board. If there is not effective communication between the former and new board, and the vendors are abruptly changed, the benefit of a smooth transition is unlikely.

If this scenario exists in your association, how can it be avoided, or at least addressed in a better way?



Board members of HOA's **are required by law to serve for the benefit of the interests of the association only.** In other words, board members cannot serve to benefit themselves personally in any way. As a non-board member, you are entitled to have an opinion that reflects your own interests.

*Mandatory Annual Financial Disclosures: continued from page 2.*

7. Collection Policy
8. Association Rules and Regulations including Fine Policy,
9. Dispute Resolution Procedures (ADR/IDR Rules)
10. Architectural change rules and procedures

The deadline for all associations is thirty days prior to the end of the year, unless your documents have a more strict time frame. While these disclosures may appear excessive, they serve to alleviate the Board of future liability. These disclosures

However, this all changes in the moment that you agree to serve on the board. If incoming board members truly understood this, then communication with the former board on the history of issues and decisions would be valued over ignoring the former board and simply wanting to "throw the baby out with the bathwater."

Success is never guaranteed when the board decides to change vendors. It would be better to speak with your service vendors and find out their perspective on your property. They may have insights about your association that will help you in this process. They may not be aware of your needs or how they may have changed and would be willing to adjust their service to accommodate you. Perhaps, correcting a few of the problems resolves the issue, and this may be better than starting over with a new vendor. And just maybe, the prior board actually may have made some good decisions.

Most association vendors want to perform well for you and if you value them as being a part of your team, then they will likely work harder to meet your needs.

Another area where a new board can dramatically change the community is in the enforcement of rules. Some boards come into power because they don't like the association rules on a particular issue. Before proposing changes to an existing policy or rule, the new board may want to understand how

meet the annual requirement of the association to disclose important aspects of your association to owners, who are then responsible for disclosing it to future owners. Boards are encouraged to take this legal requirement seriously.

If this requirement come as news to you, and you have not provided this to your owners in the past, you can obtain more information by researching Sections 5300 and 5310 of the Davis-Stirling code.

By Robert M. Nordlund, PE, RS; Association Reserves, Inc.; check out [www.reservestudy.com](http://www.reservestudy.com) for more articles on reserves. ❖

the current rule came into existence. The rules were likely created out of a genuine need. One common example is how to deal with limited guest parking. A prior board may have drafted a policy that you don't like, but before you throw it out be sure to consider all perspectives and remember to think about the interests of **all** the owners in the association.

In closing, if you are a new board, or perhaps new to the board, *be careful in throwing out the dirty bathwater.* There may be something valuable in that water that would be lost if discarded prematurely. ❖

**FHA VA APPROVALS**

**IS YOUR HOA APPROVED BY FHA OR VA?**

IF YOU DON'T KNOW, THEN IT'S PROBABLY NOT!!

**BENEFITS OF FHA/VA APPROVAL**

- \*Increase Potential Sales and Property Values
- \*Allow More Buyers to Purchase in Your HOA
- \*Allows Reverse Mortgages

Call us for a Free Quote! 714. 729.3408  
Specializing in FHA/VA Project Approval  
[info@fhavaapprovals.com](mailto:info@fhavaapprovals.com) • [www.fhavaapprovals.com](http://www.fhavaapprovals.com)

Since 1975  
Fully Licensed and Insured  
Lic. #872494

**Ferris Painting™**

"Painting Southern California One Building at a Time"

Call for a FREE estimate!

Greg Lewis  
O. (818) 951-3207  
F. (818) 951-5279  
[greg@ferrispainting.com](mailto:greg@ferrispainting.com)

[www.FerrisPainting.com](http://www.FerrisPainting.com)

sd community

**M**

**LAW OFFICES OF MICHAEL A. HEARN**  
CONSTRUCTION DEFECT SPECIALISTS

Over 35 years of Construction Defect experience  
representing Associations and other Property Owners

**FREE Initial Investigation Including:**

- Site Inspection
- Full Report
- Document Review
- Consultation

949.341.0030 ∞ [info@mhearn.com](mailto:info@mhearn.com)  
[www.michaelhearnlaw.com](http://www.michaelhearnlaw.com)

**FARMERS**

**STEVEN G. SEGAL INSURANCE AGENCY, INC.**

Over 33 years of experience specializing in:  
Condominium Associations • Planned Unit Developments  
Hard to Place Associations • Earthquake Coverage  
High Rise Condominiums • Workers Compensation

Toll Free 800-345-8866 • Toll Free Fax 800-262-0973  
Email: [SSegal@farmersagent.com](mailto:SSegal@farmersagent.com)  
[www.farmersagent.com/ssegal](http://www.farmersagent.com/ssegal) • License #0E24660



## BEVEN & BROCK

# NEWS & VIEWS

for Homeowner Associations

## HOA BOARD MEMBER EDUCATION

Education for volunteer HOA board members is essential for success as board members. Due to the ever-increasing complex and changing nature of the laws and regulations that impact common-interest-developments staying on top of these changes greatly increases a board's member ability to succeed in their role, and operate in confidence

There are several ways for board members to be educated, and Beven & Brock offers two free ways.

### Upcoming events:

**October 9, 2018: 6:30 to 8:30 PM.**  
**HOT LEGAL TOPICS**

See first page of this newsletter for more information.

**October 23, 2018:**  
**Board Training**

Three hour training course for HOA current and prospective board members. A course syllabus and Certificate of Completion is provided. This class is taught by Kelly Richardson, Esq. of Richardson Ober, PC, and is co-sponsored with the Community Associations Institute. Seating is limited, and reservations may be made by emailing: BoardTraining@bevenandbrock.com. Priority is given to current Beven & Brock managed associations due to space limitations.



This Newsletter is circulated for general informational purposes as a public service and promotion by the Beven & Brock Property Management Company. The contents are the opinions of the firm, or the authors, and not intended to constitute legal advice, and should not be relied upon for that purpose. If you have a legal issue related to a subject of this newsletter, you should consult the California Civil Code and your attorney. The paid advertising in this newsletter is provided as a courtesy to our readers and does not constitute any endorsement by Beven & Brock. The advertisers provide their services to HOA's and some may have provided services to Beven & Brock's HOA clients in the past.