SOUTH COAST HOMEOWNERS ASSOCIATION

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IN THIS ISSUE

In late August, the California Legislature overwhelmingly passed AB 2289 and Governor Davis signed it on September 29. The new law makes numerous changes to the Davis-Stirling Act including significant changes to procedures and disclosures regarding the collection of assessments. While the new law is effective on January 1, 2003, you will need to amend your association collection policies and distribute them to members prior to January 1 in order to place a lien or institute other collection action after that date. Included in the new law is specific language that you must distribute as part of your collection policies. This language follows at the end of this article. A summary of the changes follows:

1) **Member Access to Unit –** The association is now prohibited from denying an owner physical access to his or her unit, except by court order or binding arbitration decision. This is known as the "snow plow rule". Apparently, some mountain communities would not plow out a member's road or driveway if they were behind in the payment of assessments, thereby denying a member access to his unit.

2) **Executive Session – Payment of Assessments –** The new law now requires the board of directors to meet in executive session regarding the collection of delinquent assessments, if the member requests the executive session.

3) **Notice of Board Meetings –** If a member requests notification by mail of future board meetings, the association must provide the notice by mail. Previously, it was optional. The association could provide the notice by posting a notice in the common area. This section does not apply if the time and place of the meetings is fixed in the bylaws.

4) **Specific Notice Regarding Collection Procedures Required –** As noted above, a new Civil Code Section 1365.1(b) details exact language to be sent to members by January 1 in order to enforce liens filed after that date. See text of new disclosure following.

5) **Due Dates and Interest –** Current law allows for 15 days grace period before a late fee can be charged. If your governing documents require a longer period (e.g. 25 or 30 days) then the longer period will apply under the new law. In addition, current law allows 12%

annual interest to be charged for late payments exceeding 30 days. Under the new law, if your documents specify a lower rate of interest, then the lower rate will apply.

6) **Specific Collection Procedures –** Under the new law, before a lien can be placed upon a member's unit, the association must do all of the following:

- Notify the owner in writing by certified mail of the collection and lien enforcement procedures of the association including the following statement in 14-point boldface type – **"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION"**
- Provide an itemized statement of the charges owed by the owner
- Disclose that the member has the right to inspect the association records
- Include a breakdown of the actual assessments, late charges, attorney fees and reasonable costs of collection
- Provide a statement that states that a member is not responsible for late charges, interest and collection costs if it determined that the assessment was paid on time to the association.
- Disclose methods used to calculate the charges
- The right to request, in writing, a meeting with the board concerning the delinquent assessments

Failure to follow the specific procedures and make the proper disclosures will result in the association having to start the collection process over again. These specific procedures also include:

- Providing a receipt for payments, if the owner requests it
- Provide an address for overnight payments to be mailed
- Meet with a member within 45 days of a member's request regarding delinquent assessments, if the request is postmarked 15 days after the delinquency notice was mailed to the member.

7) **Date for placing the lien –** The new law requires the association to send a "pre-lien" notification letter at least 30 days prior to placing the lien on a member's separate interest which includes the association's collection and lien procedures and the right of a member to request a meeting with the board to discuss the delinquent assessment.and any payment plan proposed by the owner. An owner may dispute the debt by submitting a written explanation to the board of the reasons for his or her dispute. The member has 15 days to dispute the debt, the association then has 15 days to respond.

Needless to say that there are a lot of new procedures involved in the collection of assessments. As further information becomes available, we will pass it along to you and I'm sure this will be a prime topic of discussion at our annual law and legislative update forums to be held early next year. Yet, in order to collect delinquent assessments after January 1, these new laws need to be implemented now. On pages 3-4 is the statutory notice now required to be sent to members.

Section 1365.1 is added to the Civil Code, to read:

1365.1. (a) The association shall distribute the written notice described in subdivision (b) to each member of the association during the 60-day period immediately preceding the beginning of the association's fiscal year. The notice shall be printed in at least 12-point type. An association distributing the notice to an owner of an interest that is described in Section 11003.5 of the Business and Professions Code may delete from the notice described in subdivision (b) the portion regarding meetings and payment plans.

(b) The notice required by this section shall read as follows:

NOTICE

ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND NONJUDICIAL FORECLOSURE

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as nonjudicial foreclosure. When using nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time. (Sections 1366 and 1367.1 of the Civil Code)

In a nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use
nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement

procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Sections 1367.1 and 1367.1 of the Civil Code)

An owner may dispute an assessment debt by giving the board of the association a written explanation, and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Sections 1366.3 and 1367.1 of the Civil Code)

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of the directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)

WATER LEAKS - START TO FINISH – Part II
The Insurance Angle
By Beth A. Grimm, Attorney at Law

Editor's Note: This article follows Beth's September 2002 article on how to handle water leaks. Beth is an attorney from Pleasant Hill, CA and is very active in HOA issues. She has done a summer legal forum for South Coast for the past 4 years and has contributed many excellent articles to us for your information.

Insurance - Who's Responsible?

Insurance factors into the equation of water leaks in a big way. Associations are looking for ways to minimize the costs of insurance premiums. One of the reasons associations get hit so hard with high premiums is the common water damage claims. A poor claims history can cause the premiums to skyrocket, and can even cause insurance to be dropped. The association, by taking some fairly simple steps to shift responsibility, can avoid bad claims history, and can effect more cooperation from homeowners. Raising deductibles is one way to help. It more or less forces homeowners to insure for loss coverage if the deductible is raised to $5,000 (as is happening commonly these days), if the homeowner wants to avoid a $5,000 payout.

In determining which insurance company - the association's or the owners - is responsible for a water leak, again, the documents become very important. Insurance company adjusters are looking more closely at CC&Rs these days than they ever have, to try and carve out exceptions for water leak claims, whether it be the association's insurance company, or the individual owners insurance company.

Let's start with the understanding that the homeowners pay for the insurance no matter whose name it is in. In other words, the homeowners pay for the association's master coverage, and they pay for their individual coverage. However, there is more of a chance that the association coverage costs will skyrocket in this day and age with the water leak issues, the insurance crises, and the mold claims so that is the place to focus energy in attempting to minimize premiums. If all this is explained to the homeowners in a meaningful fashion, they should understand the association's intent in shifting responsibility of the homeowners for more items, thereby allowing the homeowners to save money on association premiums. At the same time, the homeowners will have a stronger incentive to purchase insurance in order to protect themselves. Because the "*world*" believes, or seems to believe that associations are the "*be-all*" and "e*nd-all*" of responsibility for homeowners, the community does need to receive considerable information about any shifting of responsibility and the benefits of it to them, so they understand, and are willing to put out the additional money needed for individual homeowners polices. In these days, many owners believe the Association insurance covers everything anyway, so a major push to change that perception is needed.

With regard to insurance coverage, these are important factors:

- *Are betterments/upgrades included in the association's coverage? (If they are, they perhaps should be excluded by a CC&R amendment.) The association may be able to*

save money on premiums for master coverage if betterments and upgrades are excluded and are made a homeowner's individual responsibility. Homeowners can get individual coverage for betterments and upgrades, but they may have to ask for it. It is my understanding from speaking with different insurance representatives and board members who have purchased this coverage is that the cost is not at all exorbitant. For a homeowner condominium policy in a nearby association to my office, I understand that premiums that included liability coverage for the individual homeowner and coverage for personal property damage, deductible coverage ("loss assessment") and betterments and upgrades was between $250 and $300 per year.

- *Are interior damages from water intrusion included in the association's coverage? (If they are, they perhaps should be excluded by a CC&R amendment.) The association may be able to save money on premiums for master coverage if damages from water intrusion are excluded and are made a homeowner's individual responsibility. Homeowners can get individual coverage for damages from water intrusion, but they may have to ask for it. As stated above, for a homeowner condominium policy in a nearby association to my office, I understand that premiums that included liability coverage for the individual homeowner and coverage for personal property damage, deductible* coverage ("loss assessment"), interior damage, and betterments and upgrades was between $250 and $300 per year.

In order to shift responsibility for insurance, the association will probably need to amend the CC&Rs to exclude damages from water intrusion and exclude betterments and upgrades from the association's responsibility, both in the maintenance section and the insurance section, and to impose the obligations and responsibilities upon the homeowner. The association may need to limit insurance coverage to replacement of original construction or "*builder's grade*" (in the event the original construction plans do not exist).

The CC&Rs could provide that the association can set policy relating to question of deductibles, or make it clear that the owners are responsible for the deductibles in situations that involve their unit. Since associations can get insurance to cover these costs, they should be made aware of that.

In dealing with all these issues, it is critical for the association to do the following:

- *Develop reasonable policies on handling and reporting water leak claims.*
- *Make sure that the CC&Rs give the authority for the policies they have adopted.*
- *Make sure that the homeowners receive disclosures, disclosures, disclosures.*

Disclosures, Disclosures, Disclosures

Again, in shifting responsibility to the homeowners, the association would be derelict in its duty if it did not let the homeowners know, in every way possible, that they have some responsibility if they want to protect themselves through purchase of insurance, and that they must take responsibility for damages from water intrusion and betterments and upgrades, including things like expensive hardwood flooring. The association is required to distribute an annual disclosure relating to association insurance coverage and that is first place that a notation should be made each owner's responsibility. The annual disclosure required by Civil Code Section 1365 (e) specifies that the association has to give the owners information on its liability policies and property coverage policies. The association has to include a specific paragraph that is set out in the Civil Code that explains to the homeowners that they need to

consult their own insurance expert to make sure that they protect themselves. Such a disclosure should go on to include a paragraph making it clear to owners that they may be responsible for deductibles, damages from water intrusion, and betterments and upgrades, if that is the case.

If the association circulates a newsletter, I would suggest dedicating a small portion of it every month (or every time it is sent out) reminding the homeowners that they need to obtain their own insurance coverage to cover their personal property, loss assessments, deductibles, and betterment's and upgrades (if that is the case).

An individual letter to homeowners, a copy of which is to be included with any package that goes to a new buyer with an escrow demand, should set out the association's coverage in lay people's language, as well as the obligations that are expected of the homeowners, and the reasons why.

The processes mentioned herein work together to bring down the cost of insurance for the association, and eliminate terminated insurance and high costs that result from a poor claims history. Raising the deductible to $5,000 eliminates those natty $1,200 to $3,000 claims that relate to water leaks from washer hoses, overflowing tubs, etc.

To recap the overall gist of this newsletter, these are things boards of directors of associations should consider:

1. *Paying closer attention to water leaks and the repairs, exercising rights of entry to inspect if homeowner fixes damage.*
2. *Amending governing documents to provide changes in maintenance responsibility for interior water damage, betterments and upgrades.*
3. *Specifying in the governing documents responsibility for reporting owner leaks, with a concomitant obligation on the part of the owner to pay for exacerbated damage situations that result from non reporting.*
4. *Amending documents to provide for a reimbursement assessment to cover costs expended because of a homeowner's failure to exercise their duties.*
5. *Changes in insurance responsibility in the governing documents and disclosures to owners shifting some of the responsibility to owners for higher deductibles, interior damages, betterments and upgrades.*

Included next is a reprint of portions of an article from the ECHO Journal. It explains the insurance crisis from my view, and the view of an insurance expert, Garth Leone. This article will provide some insight into the reason why associations need to take a closer look at water leaks, the handling of interior damage claims, shifting of insurance responsibilities, and ways to minimize premiums for associations, and avoid termination of insurance because of poor claims history.

"YES VIRGINIA, THERE IS AN INSURANCE CRISIS –
Please Don't Shoot The Messenger!"
By Beth Grimm and Garth Leone -(Willow Glen Insurance, Dublin)

Insurance professionals who have been in this business a long, long time say that the current insurance crisis in California is "*cyclical*." This cyclical process, in the "*old days*," apparently

occurred every five to seven years. We are in the raw end (or beginning) of such a cycle. The insurance market is fast becoming an extremely "*hard market*," meaning that insurance can be hard to get, is increasingly more expensive and coverage is declining for the rate paid. If this concept (the "*cyclical*" nature of things) is true, that's about the only good news–it will pass eventually, not unlike a stubborn and painful kidney stone. According to some insurance representatives, homeowner associations merely need to "*weather the storm*." Whether the actual problem is cyclical or simply indicative of changing times, associations need to understand what is happening so denial does not prevent forward thinking and planning for what we will tell you in this article.

What exactly is happening?

Essentially, there is a reasonable explanation for rising insurance costs, higher deductibles, less coverage and new exclusions. The most troubling problems in the insurance industry, which keep the insurance companies from having the kinds of profits that they like to enjoy, occur in several identifiable areas:

- *Construction defect insurance costs from claims.*
- *Malpractice insurance, errors and omissions insurance costs from claims.*
- *Problems related to health care and workers' compensation coverages*
- *Directors and officers liability coverage.*
- *9/11 losses.*
- *The waning economy and problematic stock market.*
- *Mold claims, the latest flurry of concern.*

The bottom line is that insurance companies want to make a profit. It has become more and more difficult to sustain the profits of the past 10 to 12 years. In addition, increased "reinsurance costs," higher than expected "loss ratios" and, of course, the glory days of "easy investing" behind them, carriers are struggling to maintain profitability. For the past 10 years or so, carriers have basically ignored "rate" as a means to increase profit. They merged, acquired, reorganized, re-positioned, recalculated, re-merged, re-invented, etc., all the while making hefty return on investing our money. As the investment profits began to fade in early 2000, the operating costs (particularly "reinsurance costs") began to skyrocket. Reinsurance costs have been steadily rising since late 1998, but because the investment income was so good, many carriers were able to weather the increased costs of reinsurance without going for "rate." Now, unfortunately, as the costs have gone from a steady rise to a steep, steep upward trend (meaning doubling and tripling the cost of reinsurance) the carriers have no choice but to come back to the policyholders for "rate." So, what does this all mean to homeowner associations and the people who own property in them?

- *Increased premiums!*
- *A need to collect additional assessments!*
- *A need to tighten up on claims adjustments and especially water leak and intrusion problems!*
- *A need to reevaluate (and reassess!) insurance coverage and deductibles!*
- *A need to revisit risk management!*
- *A need to communicate with owners to help them help you and to understand the situation!*

Obviously, associations are going to need to raise money to pay premiums for insurance that is required by the CC&Rs. There may be questions that arise as to how much the association can collect for "*voluntary*" types of insurance, but those policies that are mandated by the CC&Rs leave no questions. The association has various options to collect money for insurance. In assessing whether rights exist as to "*voluntary*" vs. "*mandatory*" polices, the association should seek individual legal advice; this article is to raise awareness, not give advice to any particular association. In order to address the general question related to where the money comes from, there are a number of possibilities:

Borrowing From Reserves: Some recommend that associations borrow from the reserves to pay unanticipated insurance premiums (when sufficient funds were not budgeted). This would likely be an acceptable way to pay unexpected increases in premiums (although questions arise as to what is going undone if the reserve money was earmarked or needed for facilities or repairs). It would probably work well for an association that is able to "recover" through an increase in assessments or a special assessment paid over the coming year's time to replenish the reserves. This borrowing is subject to many technical requirements so legal counsel should be consulted.

Increase Regular Assessments, Impose A Special Assessment: An association is entitled, by law, (Civil Code Section 1366) to increase regular assessments up to 20 percent a year without a vote of the membership. Associations may also impose a special assessment that does not exceed 5 percent of the budgeted expenses for any given year, without a vote of the membership.

Emergency Assessment: For any insurance premium increases that are unanticipated and extraordinary (regardless of the legal limits for raising or imposing assessments), the association would be entitled to impose an emergency assessment without a membership vote. Again, there are technical legal requirements and legal counsel should be consulted.

Reassessing Risk and Insurance Needs: The board needs to take a close look at the association governing documents and determine exactly what insurance is required, what is voluntary, and what is prudent. When assessing insurance needs, the balance on the fulcrum is assessing risk. Perhaps some of the money needed could be used for other purposes (like fixing water leaks). Risk assessment became quite the vogue after the Northridge earthquake, when earthquake premiums hit the roof. Retrofitting was never so popular. Risk assessment was the key. Without a risk assessment, it is difficult to assess the entire amount of risk.

Get Proactive: Associations need to work with their insurance professionals, managers, and attorneys to formulate good policies for gaining entry, conducting periodic inspections, following up on water leak/damage/intrusion reports, pursuing responsible parties, setting up insurance claim-making policies so that requests go through the board, adopting policies related to deductibles, perhaps raising deductibles to a higher ceiling so the small claims that lead to being dropped are eliminated, making sure owners fix problems that are their responsibility (perhaps through a follow-up policy similar to architectural control policies that call for follow-up inspections to assure that work is completed), etc., etc., etc.

PREVENTING FRAUD AND EMBEZZLEMENT

Guidelines to Avoid Losses by Improving your Security Procedures

By::Alan Crandall, VP and Barbara Mintz, AVP
Union Bank of California, HOA Banking Services

Editor's Note: Alan Crandall is a member of the Board of Directors for the Washington State Chapter of the Community Associations Institute as well as an instructor for the California Association of Community Managers certification program. Barbara Mintz is a Certified Community Association Manager, a member of California Association of Community Mangers, and several California Chapters of Community Associations Institute. Barbara has been a frequent contributor at South Coast meetings.

Fraud is a criminal deception. Embezzlement is to divert money fraudulently for one's own use. Does this happen in the world of community associations? You bet it does!

Over the years that Union Bank of California has been involved in banking services for community associations, incidences of association funds being diverted by homeowners, managers and board members are rare but do occur. Unfortunately, large sums are usually involved. Embarrassment, non-disclosure agreements, and the isolated nature of associations from each other, for the most part, have kept this problem hidden.

This is not typically a popular topic as at its heart it deals with betrayal by a very trusted member or employee. People who were thought of as friends, confidants - almost family. Not usually concepts that most folks like to discuss at length.

Most states have laws that govern check-related fraud and assign significant responsibility to an account holder for preventing and detecting fraud. By not acting prudently and quickly, your legal options may be severely limited.

To protect against check fraud in today's environment, it is important for a management company or association to maintain sufficient controls, to notify your bank promptly when fraud is suspected, and to review bank statements in a timely manner. Prevention and early detection are two of the main factors in reducing exposure.

Separation of Responsibilities

Maintaining adequate checks and balances is essential in protecting your company or association from dishonest employees or members. The more people involved in the process, the more likely someone will spot something wrong. It is strongly recommended that you:

- Separate responsibility for issuing checks from that of balancing and reconciling statements. When the same person performs both functions without external audit, fraudulent activity can go undetected.

- Reconcile your bank statement promptly – within two or three days after receipt, and ensure that authorized signers are not the same people who reconcile the account.

- Ensure that there is adequate office supervision at all times. Lack of supervision may allow unauthorized employees to access records and account information, as well as provide an opportunity to initiate a call to your bank or intercept telephone calls from the bank.

Security and Control of Account Documents and Information

Getting key information is critical to committing fraud and embezzlement. Protect your documents:

- Store your reserve supply of blank checks in a secure, locked location that is accessible to only authorized personnel.

- When not in actual use, lock your working supply of blank checks in a secure place, separate from your reserve supply.

- Canceled checks and bank statements contain sensitive information and should be stored in a secure place.

- Instruct all who are responsible for verifying issuance of a check to verify not just the check number, but also the date, amount and payee on the check.

- Don't leave issued checks lying around where they can be taken by unauthorized individuals.

- Ensure all cash is kept in a safe and preferably dual controlled location until it is delivered to the bank or armored carrier.

- Facsimile signature machines should be used only by designated persons and locked when not is use. Never use a "rubber stamp" for signing checks. Avoid authorized signatures that are illegible or easily forged.

- Notify your bank immediately when an employee who is authorized to transact business with the bank leaves your employ.

- Periodically review bank signature cards, funds transfer agreements and access codes. This will ensure that you are aware of all authorizations that have been granted.

- Discourage "blanket letters" of authorization. All letters should be specific and authorize only single transactions on a one-time basis.

Prudent Personnel Practices

Every effort should be made to insure that the people you have assigned the task of handling your funds are trustworthy and have no record of past theft.

- Verify references and last place of employment of any new employee.
- Telephone previous employers to confirm all relevant information supplied by the applicant.
- Be alert to major changes in employees' spending patterns or financial circumstances.

Review this Checklist

A few minutes spent reviewing the following Internal Controls Checklist will be well spent.

- Are bank account statements reconciled monthly? Remember that your legal options may be limited by the time that has passed since the act was committed.
- Are the bank statements opened and reviewed by someone other then the person who issues checks?
- Are employees who are involved in positions of trust bonded?
- Are all employees required to take annual vacations, at which time their job duties are assigned to others?
- Is there adequate supervision at your place of business at all times?
- Is the mail opened by someone other then the bookkeeper? Prevents the interception of correspondence concerning the illegal activity.
- Is a daily listing of checks received by mail prepared by someone other than the bookkeeper? Many associations use a bank's lockbox service to handle their monthly dues.
- Are cash receipts deposited intact daily?
- Is the bookkeeper prohibited from signing checks?
- Is the supply of unused checks controlled? Can just anyone get access to them?
- Is the signing of blank checks prohibited? NEVER SIGN A BLANK CHECK!
- Are signed checks mailed out without being returned to the preparer? Prevent the payee being changed or modified.
- Do you issue checks in numbered order? A check way out of sequence could have been stolen.
- Are all invoices approved for payment and, when paid, canceled or noted as having been paid? This prevents the same bill being paid over and over.

- Are invoices checked to make sure there are no unexplained past-due notices?

- Is the integrity of bank accounts and related service passwords/access codes maintained?

These guidelines and procedures have been designed to help you avoid losses from fraud and embezzlement. While the suggestions in this article have proven effective, we also advise you to talk with your accountant about additional controls that may be needed given your particular operation.

CALL FOR ARTICLES

Thanks to everyone who has volunteered and contributed articles on a wide variety of topics during the past year. I know how much time it takes to prepare and develop informative articles. If you have an idea for an article or would like to submit an article for future consideration in our newsletter, please email us at gartzke@silcom.com. Articles can be submitted in any length and if sent as a Microsoft Word format, makes it easier to edit for inclusion in the newsletter.

FUTURE ISSUES

In future issues of the newsletter, we plan to cover the following topics:

- Effect of local planning on new community association developments
- California Research Bureau report – "Common Interest Developments – Housing at Risk"
- The Consequences of a Suspended Homeowners Association
- Legislative Update
    - New Home Warranties
    - Community Association Manager Certification
    - Community Association Registration with the State of California
    - Flying the Flag in Community Associations
    - Other New California Laws pertaining to HOAs

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