

# SOUTH COAST HOMEOWNERS ASSOCIATION

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## UPCOMING SOUTH COAST MEETINGS

**Thursday, July 21** – Our annual summer law seminar with **Beth A. Grimm, Attorney at Law** from Pleasant Hill, CA. Topics under consideration for discussion include how to define common area responsibilities (the fine line between owner vs. association responsibility), deferring reserve fund contributions, lease limitations, use of uninsured workers to reduce costs and more. Our popular, moderated “Question and Answer” will follow.

**Place – Holiday Inn, 5650 Calle Real, Goleta**

**Time – 7 PM**

**Tuesday, September 6** – Our fall finances seminar will feature **Chris Andrews, Reserve Specialist**, who will cover the new reserve disclosure forms (see May 2005 newsletter) in depth and provide practical guidance in the preparation of the forms that are now part of your annual member disclosures. **Michael J. Gartzke, CPA** plans to discuss how to read your Treasurer’s, manager’s or CPA’s financial statements, how to identify financial problem areas and other interesting accounting issues (are there any?)

**Place – Holiday Inn, 5650 Calle Real, Goleta**

**Time – 7 PM**

## **SOUTH COAST HOMEOWNERS ASSOCIATION IS NOW ON THE WEB!**

On May 30, [www.southcoasthoa.org](http://www.southcoasthoa.org) debuted on the Internet. We have included on our website upcoming meeting information, pending legislation and a sample newsletter. There is an index to the last six year's issues of the South Coast newsletter and links to other homeowner association organization sites such as CAI and ECHO that contain additional information.

We will not post the newsletter to the site. This is a member benefit. We will continue to email one copy per association that requests it and you are then welcome to email the copy to the other members of your board. We will continue to mail the printed copy to all our members. A membership application can be downloaded for those associations that are not yet members. If you know someone that could benefit from membership, please direct them to the site.

We'd like to thank our webmaster, Matt Gartzke, for designing and developing the site and bringing it up on the web.

### **“THE DAVIS-STIRLING ACT IN PLAIN ENGLISH”**

In mid-May, we distributed an extra special member benefit to all primary members of South Coast, the book *“The Davis-Stirling Act in Plain English”* by Beth A. Grimm. The book includes a modified version of the Davis-Stirling Act with the author's commentary and explanation following each section. A limited number of extra copies are available at \$35/each. Please make your check payable to South Coast HOA and mail to the address above. When we run out, additional copies are available from the author.

**A correction:** After mailing the books, a correction was noted. "Please note that on page 34 of the Davis-Stirling Act Book by Beth Grimm that the reference to "not less than 60 days." should be "not less than 30 days - the window for getting the budget out is 60 days instead of the 15 days from prior years. See page 35. And thanks to the eagle eye who caught that. Beth Grimm"

### **A QUOTE FROM HISTORY**

I ran across the following quote recently and it reminded me of the service that you as board members make and those who stand in the back and make your life miserable. The language is “dated” but the point is well made.

*“It is not the critic who counts nor the man who points out how the strong man stumbled or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena; whose face is marred by dust, sweat and blood; who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause; who, at the best, knows the triumph of high achievement; and who, at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who knew either victory or defeat.”*

**President Theodore Roosevelt**

## RESOLVING PROBLEMS WITH ABSENTEE OWNERS

By Diane Marie Rossi

**Editor's Note:** This article appeared in the January 2005 issue of the Executive Council of Homeowners "ECHO Journal" and is reprinted here with their permission. The article addresses a question common to many associations. Diane Rossi is the president of Shoreline Property Management in Santa Cruz. She is a member of the ECHO board of directors and a member and past chair of the Central Coast Resource Panel.

A common complaint from boards of directors is problems with absentee property owners. Renters and landlords are blamed for many of the problems in an association. Some associations have amended their governing documents to limit the number of rentals allowed in their associations. As a professional community association manager for over eighteen years, I must concur that the "problem" units in the associations I manage are more likely to be occupied by a non-owner resident than by an owner resident.

Why do rental units become a problem for the association? Consider at minimum the following two possibilities:

1. **Poor choice of renters by the landlord:** A renter may not fully understand or appreciate the lifestyle changes required for a successful residency in a high-density development. They may like to "party" late into the night, play their stereo or a musical instrument too loudly, have too many cars, or have animals or children who are allowed to play in the common areas without supervision. Sometimes to obtain the maximum rental income, the landlord permits a large number of individuals to rent the unit so that the unit appears more like a rooming house rather than a single-family residence. Many times in households with several unrelated adults, frequent numerous guests (also with cars) cause parking and noise problems. However, these traits are by no means limited to renters, and you may recognize one or more of these situations in your own association.

2. **Uninformed renters:** Renters are sometimes not given a copy of the rules and regulations at the time they signed the rental agreement. The renter was not informed there is a limit on the number of vehicles that can be parked inside the development (which is invariably a number **less** than the number of cars they own). They didn't know that the spa closes at 10:00 p.m. They were not told their friends couldn't park in the fire lane when coming by "for only a few minutes." No one told them they couldn't have two dogs and two cats.

The "rules-breakers" place the board of directors and the association manager in the role of being a policeman. No one wants to be a policeman. It is one of the most undesirable elements of being a manager or board member.

### **Avoiding Problems with Renters**

Use the techniques of education and enlistment. Make sure all your residents (both tenants and owners) are **educated** about the rules and what is expected of them. **Enlist** their support

and cooperation. Don't wait until there is a problem to make contact. The following items are some ways to carry out education and enlistment.

1. **Create a resident handbook.** Include information on parking regulations, quiet hours, pool and spa rules and hours of operations, garbage can storage, skateboards, and pets. Publish the name and phone number of the manager or the board members if your association is self-managed. Give several copies to each non-resident owner.
2. **Form an active social committee.** Invite residents and owners to get together periodically. Associations that I manage organize potluck barbecues, Easter egg hunts for the children, Christmas caroling, Halloween parades through the complex, and volunteer workdays. In these associations almost everyone knows everyone else, and problems are minimized. Residents ask each other the important questions: "Does my dog bark when I'm not home? Is my teenage son's music too loud?"
3. **Involve non-resident owners.** Establish a telephone tree to call owners and personally invite them to come to the annual meeting. Increase attendance at your annual meeting by distributing flyers a few days before to remind owners, combine the meeting with a social event; consider a door prize. Consider changing the day and time (check bylaws first). Talk about resident issues at the annual meeting. Help the non-resident owner to understand that the manager and the board of directors are not landlords. Encourage them to be a good neighbor by choosing a good tenant for their unit. Encourage them to run for the board of directors. Some of the best board members I've worked with were non-resident owners.
4. **Develop a welcoming committee.** Personally deliver a letter of welcome to all new owners and residents. Give them a copy of your resident handbook. Answer questions about the development. Create a sense of **community** in your homeowners association. Make new residents feel like a "wanted" member of the community. Most people want to be a good neighbor. It is much easier to solicit support and cooperation before a problem occurs.

### **Obtaining Compliance from Rules Breakers**

You have developed your association's rules and distributed them to all residents and owners. You should also develop a fining schedule and distribute it to all residents and owners. Although the legal requirement is that the fining schedule must be distributed only once unless changes are made, I strongly recommend you mail copies every year to all owners and tenants. A good time to distribute the schedule is with your annual disclosure packet. I recommend the schedule have a provision for at least one warning before implementing a fine. Fines should be used as a tool to obtain compliance when a polite request to comply is not successful.

Sometimes, even after doing everything right, you still have a rule breaker. They probably know the rules, they either think the rule is not "fair" (my mother always told me life is not fair); doesn't apply to them; or feel they can continue to get away with the violation. Those associations with the highest success rate in resolving violations have at least two board members willing to try the personal touch. A formal letter of violation is prepared to outline and document the violation for the record. The letter should be personally delivered to the resident in a friendly, non-judgmental environment by two members of the board. This face-to-face meeting serves to introduce the board members, explain what the problem is, and

solicit the resident's help in resolving the problem. I recommend two people (there is comfort in numbers), but more than two can seem intimidating, especially if you are meeting with only one resident. Don't act like a policeman. Act like a neighbor.

If the behavior continues, mail a letter to the owner of the unit. If the unit is tenant occupied, send a copy to the tenant. Reference your earlier contact with the resident. Request that the owner attend your next board meeting to discuss the problem personally. Tell them the board intends to take action at this meeting to levy a fine. Give them an opportunity to attend the meeting to show cause why the fine should not be levied. Fewer than half of the owners receiving such a letter will actually attend. Expect to receive a telephone call from a non-resident owner saying they have spoken to the tenant about the problem and assuring you it will not happen again. The resident owner may or may not respond. However, in more than 90% of the cases the problem will not happen again, at least not in the near future.

Many boards will decide to waive a fine if compliance is obtained. If you do take this action, send a letter to the owner and resident advising them of the action of the board. Again, as a board you appear fair, forgiving, and a good neighbor. You show that the intent of the threatened fine was not to generate revenue for the association but to obtain compliance with the rules of the association. In the cases where the behavior continues, assess the fine. Make sure the fining schedule has incremental fines for multiple violations. Send the fine invoices to the owner, not the tenant. The association has no legal relationship with the tenant. If the tenant continues to break the rules and the owner continues to obtain monetary fines, most landlords will give notice to terminate the rental agreement of the offending tenant.

## LEASE LIMITATION PROVISIONS – GENERAL INFORMATION

**Editor's Note:** Numerous requests have been received in the South Coast office recently regarding procedures to limit rentals in Associations. When Beth Grimm came to a South Coast meeting in the summer of 1999, this topic was covered. Beth has updated her 1999 article below and plans to cover it at our July 21<sup>st</sup> meeting. Beth's contact information is in the Newsletter Sponsor section at the back of the newsletter.

I provide herein discussion of the legal considerations of lease limitation provisions. I understand that you are interested in knowing more about proposing a measure to your homeowners to change your CC&Rs to limit rentals in the development. Prior to doing so, you should consider the practical and legal ramifications (pro and con) to such a provision.

Some industry people have questioned the legality of the lease and rental limitations in California. The courts of this State have not yet officially approved nor disapproved restrictions on leasing in common interest developments. However, the alternatives I suggest in this amendment have been tested in courts in other states with success. Additionally, there is a recent decision in California relating to a public housing development that allowed a complete ban on leasing (City of Oceanside vs. McKenna). I believe the authority found in cases dealing with the issue (in California and outside California) provides bases for the argument that lease limitation provisions are legal. Lease limitation provisions in documents certainly do deter excessive leasing of units, since they discourage purchase by investors or

others who want the uninhibited ability to lease their units.

There are many developments in California that now want to look at lease limitation provisions. A lease limiting provision which is carefully drafted to meet problems raised in various court decisions should survive legal challenge. Such a provision might never be challenged, and having adopted it as an amendment to governing documents should assist in achieving the ultimate goal of limiting leases and rentals in any development.

***What is the hang-up in California?***

There is a statute in California which prohibits unreasonable restraints on alienation of property (Civil Code §711). Hence, the key to overcoming that statute is to approve a "reasonable" restriction. "Reasonable" restrictions include restraints that are rationally related to the problem you are trying to address, such as preserving the residential quality of the neighborhood, and protecting the ability to seek financing for purchases and refinances. When proposing percentages for restrictions, considering standards set by the secondary lending industry (FNMA, etc.), is a good way of supporting the purpose of preserving the ability to obtain loans on properties. The secondary mortgage market has restrictions against lending (and purchasing loans) for units in high rental percentage developments. Your owners may already be aware that lenders frown on approving loans in high rental percentage developments. I also believe that such things as "grandfathering" and "provisions for hardship" are matters that need to be addressed in such an amendment to make it "reasonable". I will discuss those options in more detail below.

***What are the advantages to a lease limitation provision?***

- ❑ Lease limitation provisions tend to deter the choice to lease or purchase for those interested in leasing.
- ❑ Lease limitation provisions would effectively allow the Board to limit the number of units leased.
- ❑ Statistics show that low percentage rental developments have fewer problems.
- ❑ Statistics also show that property values in high rental developments tend to suffer.

***What are the disadvantages of a lease limitation provision?***

- ❑ The "pool" of possible purchasers is limited because the properties are not appealing to investors or potential purchasers who purchase as a first home with an intent to "move up" at some time in the future.
- ❑ A lease limitation provision could lead to a legal dispute by an owner who is denied the privilege of leasing his/her unit.
- ❑ Implementation of a lease limitation provision does require extra bookkeeping by the Association's secretary or management company including implementation of measures to file copies of leases, keep track of owners and renters and their numbers, and the Board, to process applications for permission to lease.

I offer you the following based on my experience:

**Obtaining Enough Votes for Passage:** Generally, you can count on opposition from those persons already leasing properties in the development, unless there is a "grandfather" clause which allows those people to keep leasing, even after the current leases expire. Thus, at the very least, I generally provide a "grandfather" clause with current leases being protected from the quota limits. Some associations want to grandfather all existing owners, especially if it looks like a "tough sell" to the owners.

**Lenders' Concerns:** Some documents require the permission of lenders to amend for this purpose. The provision may bring mixed responses from lenders. The secondary mortgage market does not wish to see any restrictions on leasing properties, but on the other hand, does not wish to loan on properties with high numbers of rentals. Therefore, while I have listed the amendment as an advantage in regard to the lenders above, it might also possibly serve as a disadvantage because of the existence of the prohibition itself. This is a problem for which I have no answer except to suggest that the lenders are unpredictable in this regard.

**Hardship Clause:** A provision should contain a hardship exception. Usually I write it such that any owner can apply for a temporary hardship exclusion from the limit on leasing for such things as job transfer, family illness, or military service. I often write a clause that allows lenders a six-month or one year exception when taking a property back in foreclosure to give the lender a reasonable time to resell the property. There is little sense in creating violations by setting impossible standards.

There is one additional consideration which arises in times of economic recession. People who were previously completely in favor of lease limitation restrictions jump to the other side of the fence if economic times require them to place their home on the market for sale. I am not suggesting that changing sides will have any ultimate legal effect on the amendment, but it may well create some political strife. It is simply something that should be considered as a potential drawback to approval of a lease limitation provision.

To draft a provision, one would have to review the CC&Rs and Bylaws for any association to determine if there are any specific prohibitions against passing such an amendment.

Extra bookkeeping work on the part of the Association would be necessary to make sure that its records regarding leased and rented units were up to date. It would require that all homeowners provide copies of existing leases and pertinent information and/or come to the Board for approval when they wished to rent or lease their units. Where they receive permission, they need to provide the Board with written copies of the lease indicating the terms involved. It would involve some provisions regarding waiting lists and hardship cases. There also is a provision for enforcement in the event homeowners ignore the approved lease-limiting provision. Enforcement is in the form of a right to bring a court action, with the right to recover attorney's fees if the Association prevailed.

As for costs, in my experience, the legal costs of implementing this change range from approximately \$500 to \$1000. The \$500 range involves reviewing the governing documents and drafting a ballot, CC&R amendment and recommendations to get it passed. The range towards \$1000 includes attendance at a homeowners meeting to answer questions and present the pros and cons (recommended).

## **“BOARD OF MINUTES AND RESOLUTIONS – COMPLIANCE DIVISION”**

In recent months, several of you have called about or forwarded a solicitation from the **“Board of Minutes and Resolutions”** in Sacramento. This solicitation asks for \$100 to process your annual minutes of Directors and Shareholders. This “service” provides no “compliance” for your association. Your bylaws require that an annual meeting actually take place. Your bylaws also require that a quorum of owners be met in person or by proxy for association business to be conducted. Sending \$100 to this company will not meet the requirements of your governing documents for conducting association business.

Do not confuse this mailing with the biennial filings required by the California Secretary of State. These official filings (Statements of Information and Common Interest Development) list the corporation officers, agent for service of process, location of the Association, etc. There are two forms for an Association to file; they arrive together from the Secretary of State and have a \$20 and \$15 filing fee respectively. Failure to file these forms on time results in a \$50 penalty from the Secretary of State (assessed through the Franchise Tax Board) and if the forms are left unfiled, can result in formal suspension of the corporation’s powers by the California Secretary of State.

Many for-profit corporations and smaller nonprofit corporations do not sufficiently maintain their corporate minutes. Since most associations have meetings on a regular basis and have a secretary, minutes are usually available to document board action. The “filing of minutes” offered by the company mentioned above do not meet any legal requirement of the Association and thus are a waste of time and your money.

As this issue is going to press, I received the May 31 weekly issue of the “Leonard Letter – A weekly electronic newsletter about California government, business and taxes” from Bill Leonard, an elected member of the California State Board of Equalization (the ‘tax’ board). Mr. Leonard weighs in on this issue as follows:

### **Fraud Warning**

You know that government has become too complex when private companies pop up offering to help you comply with regulations. Sometimes you need help, but sometimes it’s just a scheme. If you have a corporation, especially a small one, you are being targeted by unscrupulous groups who want to scare you into thinking you have gotten on the wrong side of the State. These groups send official looking notices saying that your corporation has not filed the appropriate minutes or other paperwork. If you send them \$100, they will do the filing for you and put you in good standing with the State. In tiny type is a disclosure that the notice is not from a government agency, but that is not the emphasis. At least one other state is prosecuting one of these groups, the Corporate Compliance Center, and other states are considering such action. The lesson is twofold. One, keep track of your records and file everything you need with the government and two, be wary of anything you receive in the mail that looks to be from the government and read the small print on it.

If you have any questions about any “official” mailings, your property manager or accountant should be able to clear it up for you.



## 2005 PENDING CALIFORNIA HOMEOWNER ASSOCIATION LEGISLATION

Each year, the California Legislature introduces numerous bills that impact the operation and management of your association. Some of these bills make major changes in the law, often without much input from association members. Many legislators have only a limited knowledge of associations and will often vote with only limited or anecdotal information. Copies of bills are available at [www.leginfo.ca.gov](http://www.leginfo.ca.gov). Additional information is also available from the Community Association's Institute's Legislative Action Committee web site – [www.clac.org](http://www.clac.org)

Some of the bills currently under consideration in the 2005-2006 Legislative Session:

**AB 14** – Would require that the relevant local, city or county government certify that conversion of existing multi-unit housing to condominiums is legitimate. Some associations have been “created” by property owners without going through a formal conversion/subdivision process.

**AB 619** – This bill is in response to last year's assessment/foreclosure bill (AB 2598) that was vetoed by the Governor. For liens filed after January 1, 2006, the bill would give an owner the right to require a meeting with the board of directors to dispute the debt and would require the board to meet with the owner. A notice of delinquent assessment would need to include a payment plan option. The board would have to expressly authorize the commencement of a sale of the property to collect a delinquent assessment. Would be operable only if SB 137 is passed.

**AB 770/SB 551** – These bills would establish in the California Department of Consumer Affairs a Common Interest Development Ombudsman to offer training materials for boards, a toll-free number and internet site to provide information and assistance and to provide assistance in resolving disputes (subject to a fee). Fees to operate this office would come from all California homeowners associations at the rate of \$10/unit paid every two years.

**AB 1098** – This bill would expand the body of records to be made available to an association member or their designated representative to include invoices, receipts, check registers, canceled checks, purchase orders, accounting, bank and credit card statements within 10 days of request. Also included are signed contracts. If a court finds that an association unreasonably withheld access to records, the court can award reasonable attorney fees and costs plus a civil penalty of up to \$1,000.

**AB 1264** – This bill would remove matters relating to the formation of contracts with third parties from an executive session meeting of the board. These discussions would have to be held in an open board meeting.

**SB 61** – This bill would require that elections within an association be held by secret ballot and would prohibit a person from counting votes in an election in which he/she is a candidate. Ballots would be required to be stored for one year in a secure place. If an election is held by a mailed, written ballot, the written ballot shall be mailed to an independent third party to verify signatures, validate, tabulate and certify the result of the vote.

**SB 137** – This bill would bring back many of the provisions of AB 2598 that was vetoed last year. For example, a lien could not be foreclosed upon unless the principal amount owed is more than \$2,500. Amounts less than \$2,500 would have to be collected through small claims court actions. Provisions requiring members to pay disputed amounts under protest pending resolution would be repealed. Foreclosure procedures would be more restrictive and would require a right of redemption within 90 days after foreclosure. Foreclosure bids would be a minimum of 65% of appraised value. If the owner has provided a second address for correspondence, then all notices must be sent to both the primary and secondary addresses.

**SB 186** – Would prohibit the use of any association funds for campaign purposes to support or oppose any candidate or issue that is on the ballot.

**SB 304** – A more limited bill creating a Common Interest Development Ombudsman within the California Department of Consumer Affairs

These bills may be amended, gutted and changed at any time. Bills that have nothing to do with associations now may be amended to impact associations later. The web sites noted above can provide more current information. Upon further review, If you actively support or oppose any of these bills, please contact your state senator or assemblyperson with your viewpoint. Bills introduced in 2005 can be considered through August 2006. Bills introduced next year must also pass the Legislature by the end of August 2006.

## **HOA CERTIFICATIONS – A FOLLOW-UP**

In the December 2004 issue, we ran an article on the “Disclosure Maze”, all of the various requirements for making association disclosures in real estate transactions. Universal to all sale or refinance transactions is an “HOA Certification” required by the lender. This form, supplied by the lender, may be a simple, one-page form or a several-page detailed questionnaire requiring research by the association’s Treasurer or managing agent.

In recent months, your editor has completed several certifications for a homeowner association client. A question which has started to appear, “If a unit is taken over in foreclosure, is the mortgagee (lender) responsible for delinquent dues? If yes, how many months are they responsible for? 0-6 months or 7+ months.” After answering “yes” to the primary question, I have answered the second question: “7+ months.” I received calls from 2 separate lenders, real estate agents asking me to change my answer or the loan could not be made. I refused and here’s why:

The association does not control the underwriting process used by the lender and generally has no say in who buys into the association. The lender may make an irresponsible loan by using a low rate to qualify the borrower and then raising interest rates in the future. The lender may require a minimal down payment or may overvalue the property in relation to the loan amount. If the borrower loses his job, interest rates go up, or property values decline, then he may simply walk away from the property if his investment is small. The association and its remaining members are obligated to provide the utilities, maintenance and insurance on the property and are not willing to subsidize a lender who assumes the property in foreclosure.

In recent years, there have been few lost assessments from foreclosure in our area. Rising property values and low interest rates have provided owners with equity that is worth protecting. If an owner gets behind on his mortgage payment and/or association dues, he can generally refinance or sell the property. However, in recent years, there has been an increase in speculative real estate purchases in associations by those who seek a quick profit. Association property is attractive because much of the ongoing expense is paid from the monthly assessment and handled by the board or its management. These people will tend to hold the property long enough to obtain preferential income tax treatment on a sale or exchange. If there is a “real estate bubble” and it bursts, then the speculative owner will sell his property or if the market value drops below his loan amount, walk away from his investment, leaving the association holding the bag of uncollectable assessments.

It's important for those of you filling out HOA Certifications to stand your ground and protect the association's interests. The lender or loan agent is not working for you. There may be times when delinquent assessments are lost no matter what you do. Stay on top of assessment collections and implement your collection policy on a uniform basis. Pending legislation may make assessment collection more cumbersome and difficult.

## **WATER AND SEWER RATE CHANGES**

Various local governments and water districts are increasing their rates again this summer. The City of Santa Barbara plans to raise its rates 3.5-4% in July. Carpinteria-Summerland Water District is raising its rates another 12.5% after raising rates as much as 75% last year. The culprit is their \$74 million debt to the state water project. That debt has been on the books for a number of years so why is it now a problem? The Goleta Water District, which has had historically higher rates but minimal changes in recent years, is raising its rates 8% on July 1.

### **DO YOU KNOW AN ASSOCIATION THAT CAN BENEFIT FROM SOUTH COAST HOA MEMBERSHIP?**

Over 130 associations are members of South Coast HOA; some since our inception in 1989. We understand that there are over 600 associations in Santa Barbara County so we'd like them all to receive the benefits of membership. For a limited time, a 2006 membership is available for \$60 which will include newsletters from now until December 31, 2006, the *2006 Condominium Bluebook*, to be shipped in January 2006 and a copy of Beth Grimm's, *The Davis-Stirling Act in Plain English* which we distributed to all current members last month. You may direct prospective members to our website [www.southcoasthoa.org](http://www.southcoasthoa.org) for additional information and you are welcome to share this month's newsletter with them so they can see the assistance that is available to them as volunteer board members.

## AN ASSOCIATION CALENDAR

Many association activities and deadlines occur on an annual or more frequent basis. You can establish a calendar to keep track of all these activities and use it as a reminder to stay on track. It's easy to overlook something. You can look at the following list, add your own items, and then set up each month with its own list of tasks and then review it continually to adequately plan.

### **Maintenance:**

- Fire extinguisher maintenance
- Tree trimming
- New plants
- Irrigation system service
- Turn on/off sprinkler systems
- Weed Abatement
- Pest Control spray
- Pool shutdown for winter
- Elevator and pool Inspections
- Backflow device inspections
- Board walkarounds to assess maintenance needs
- Annual community cleanup dumpster pickup
- Contract review for service providers

### **Administrative:**

- Dates for board meetings (properly post advance notice of meetings)
- Deadline for agenda items for board meetings
- Nominations for board prior to annual meeting
- Annual meeting
- Mailing of annual budget and disclosure packet
- Social events
- Attend Board Training (South Coast Homeowners Association meetings!)
- Renewal of insurance policies
- Filing of Secretary of State Statements of Information and CID form
- Association newsletter
- Minutes distribution
- Member billing and Late Notices
- Web site renewal

### **Financial:**

- Reserve study preparation or update
- Operating budget development
- 1099 filings for contract services – due January 31
- California DE542 Contractor Filings
- Income Tax Filings – 2 ½ months after year-end (can extend)
- Estimated Federal and California Tax Payments
- Annual Financial Report
- Annual Accountant's Review if revenues exceed \$75,000
- Payroll tax reports/W2s for employees
- Workers compensation wage reports

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Goleta, CA 93116  
805-968-3435

**Santa Barbara Resources, Inc.**  
Phyllis Ventura  
P. O. Box 6646  
Santa Barbara, CA 93160  
805-964-1409

**Spectrum Property Services**  
Cheri Conti  
1259 Callens Rd #A  
Ventura, CA 93003  
805-642-6160

**Town'n Country Property Management**  
Connie Burns  
5669 Calle Real  
Goleta, CA 93117  
805-967-4741

**Association Management (Cont)**

Goetz & Associates  
Manderley Property Services  
North Santa Barbara/SLO Counties  
Gordon Goetz, CCAM  
805-937-7278

Good Management Co.  
Michelle Armstrong  
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Santa Barbara, CA 93103  
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**RESERVE STUDIES**

Stone Mountain Corporation  
Chris Andrews  
P. O. Box 1369  
Goleta, CA 93116  
805-681-1575 [www.stonemountaincorp.com](http://www.stonemountaincorp.com)

The Helsing Group  
Roy Helsing  
2000 Crow Canyon Place, Suite 420  
San Ramon, CA 94583  
800-443-5746

**INSURANCE**

State Farm Insurance  
Buzz Faull  
1236-G Coast Village Circle  
Santa Barbara, CA 93108  
805-969-5838

State Farm Insurance  
Ed Attlesey  
160 N. Fairview #3  
Goleta, CA 93117  
805-964-9988

Allstate Insurance  
Nina Corman  
830 E. Ocean Ave.  
Lompoc, CA 93436  
805-736-8944

**PAVING CONTRACTOR**

Smith Patterson Paving  
David/Jim Smith  
1880 N. Ventura Ave.  
Ventura, CA 93001  
805-653-1220

**CONSTRUCTION MANAGEMENT**

Stonemark Construction Mgmt  
Bart Mendel  
290 Maple Court, Suite 120  
Ventura, CA 9303  
800-844-9240

**ROOFING CONTRACTOR**

Derrick's Roofing  
Frank Derrick  
650 Ward Drive, Suite F  
Santa Barbara, CA 93111  
805-681-9954

**HOMEOWNER ASSOCIATION  
ORGANIZATIONS**

Community Associations Institute –  
Channel Islands Chapter  
P. O. Box 3575  
Ventura, CA 93006  
805-658-1438  
[www.cai-channelislands.org](http://www.cai-channelislands.org)

September 17 -2005 Annual Homeowners  
Expo – Marriott River Ridge, Oxnard

Executive Council of Homeowners  
ECHO  
1602 The Alameda #101  
San Jose, CA 95126  
408-297-3246  
[www.echo-ca.org](http://www.echo-ca.org)

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