

# Association Essentials Series

*Helping you manage your association*



# Upcoming AES Sessions



## March 26 Build a Better Board Meeting



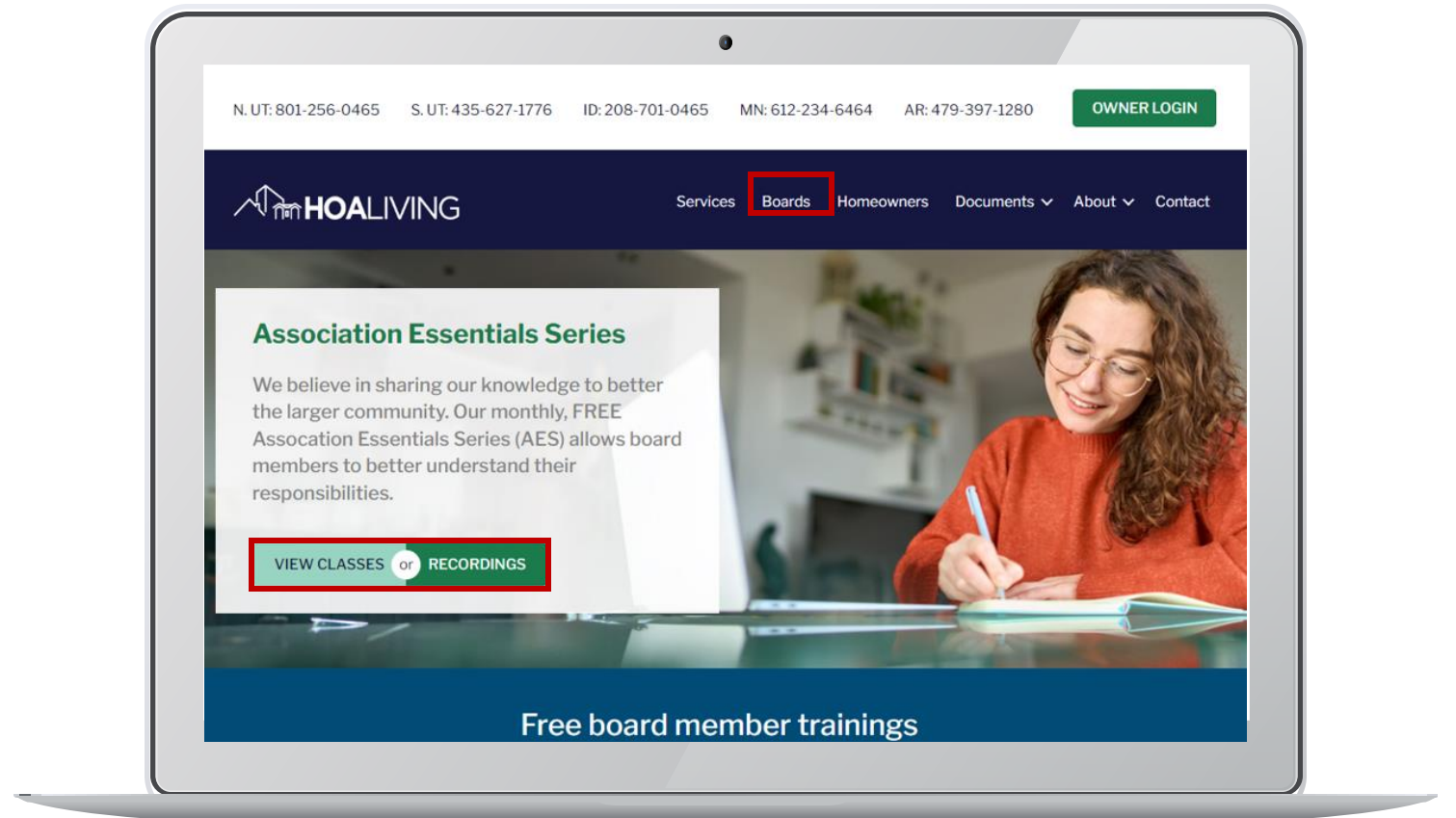
2025  
Dates

March 26  
April 26  
May 26  
June 26

August 26  
September 24  
October 22  
November 19

# Access Previous Topics

HOALIVING.COM/AES/



# COMMUNITY MANAGER OF THE MONTH

**Korbin Fritzler**

HOALiving-CAM

- Responsive
- Enthusiastic
- Great Follow Thru
- Anxious to Get it Right





# BOARD MEMBER OF THE MONTH

**Michael Cole**

HOALiving-FCS - Hi-Country Estates

- Dedicated
- Oversees Water Lotto
- Works Hard to Communicate
  - Cheerful
- Approachable

# NOMINATE

an outstanding  
Board Member



[bit.ly/HOA-Board-Month](https://bit.ly/HOA-Board-Month)



# Connect With Us



## Social Media

Instagram: @hoa\_living  
Facebook: HOALiving  
Twitter: @HOA\_Living  
LinkedIn: HOALiving

COMMUNITY  
**SCOOP**

[an HOALiving  
e-newsletter for  
board members]

## Community Scoop

Watch for our NEW,  
monthly “Community  
Scoop” e-newsletter and  
consider sharing it with  
your homeowners (past  
editions are available on  
our website)



## Website/Portal

**HOALiving.com**  
Access the AES schedule,  
timely updates and  
reminders, “You and Your  
Community Association,”  
contact information,  
and much more



## YouTube

All AES sessions are  
recorded and posted to  
our YouTube channel.  
We recommend the “New  
HOA Board Member  
Basics” playlist.

# Association Essentials Series

## Governing Documents

February 26

*Helping you manage your association*





# PRESENTERS



**Scott Anderson**

PCAM, AMS, CMCA

CAM - VP of Community Management



**Kari Ross**

PCAM, AMS, CMCA

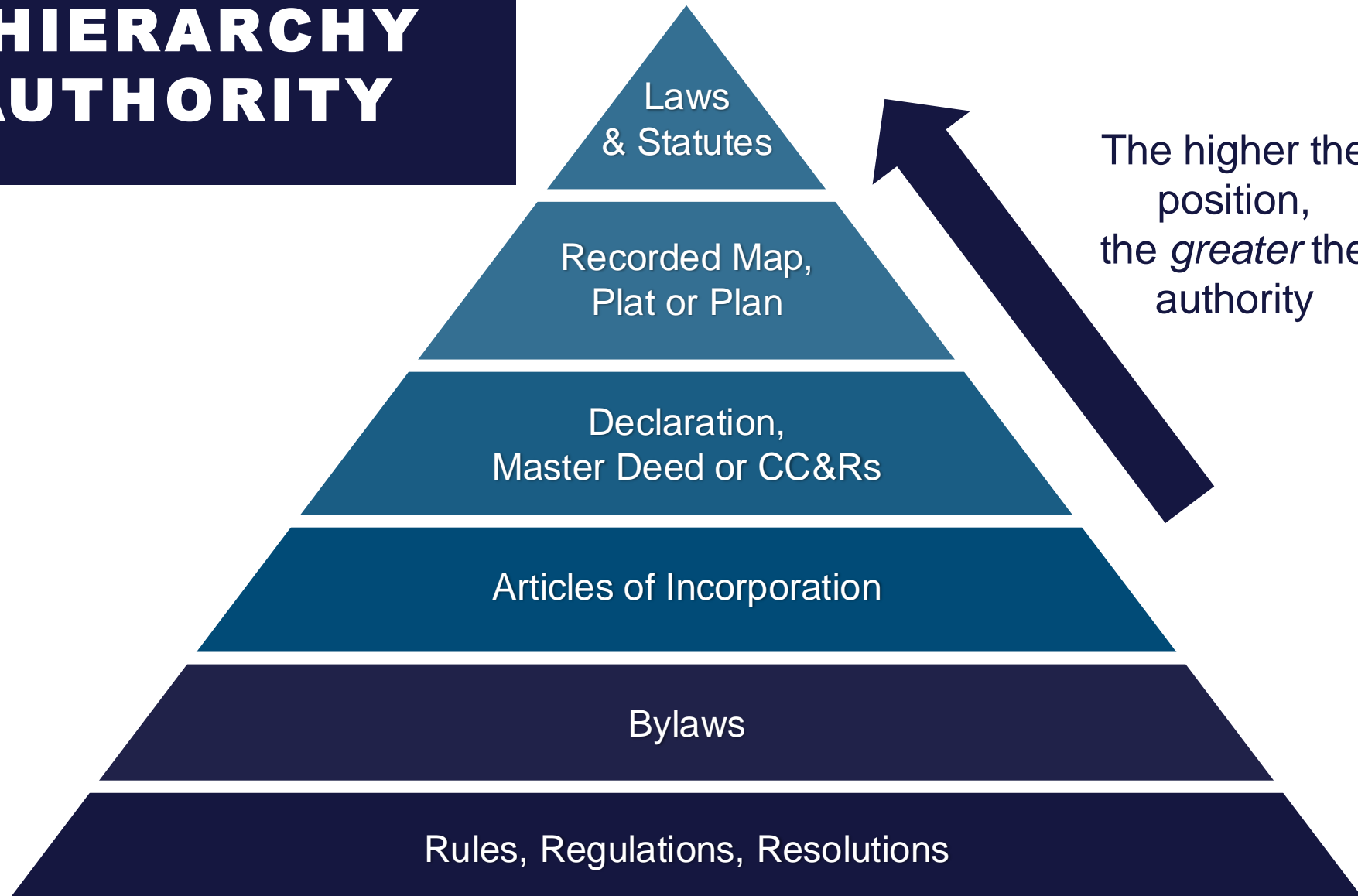
HOALiving MN - VP of Community Management



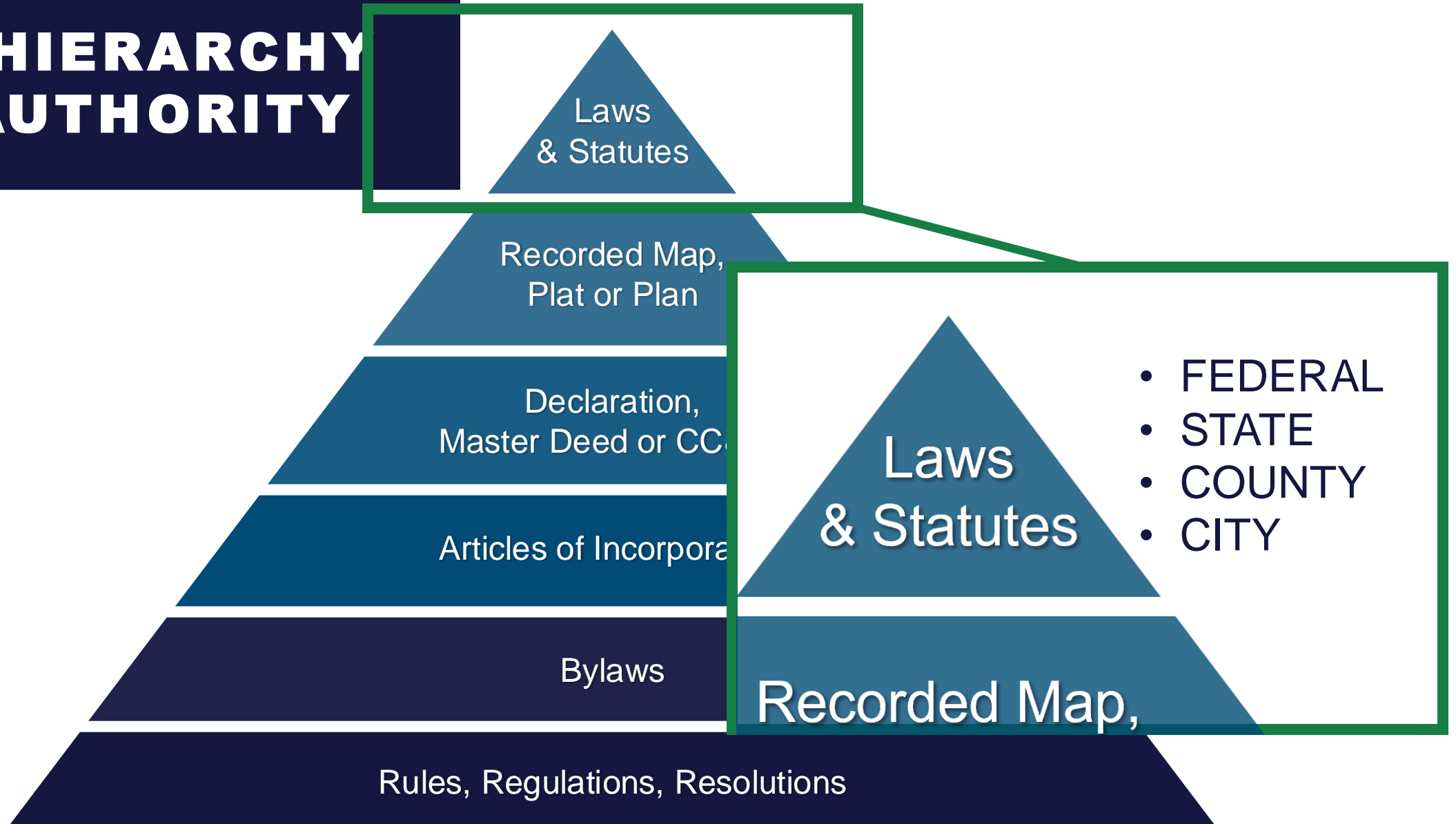
# Governing Documents

- **Federal and State Laws, Case Law**
- **Recorded Map, Plat or Plan**
- **Declaration, Master Deed, CC&Rs**
- **Articles of Incorporation**
- **Bylaws**
- **Rules and Regulations**

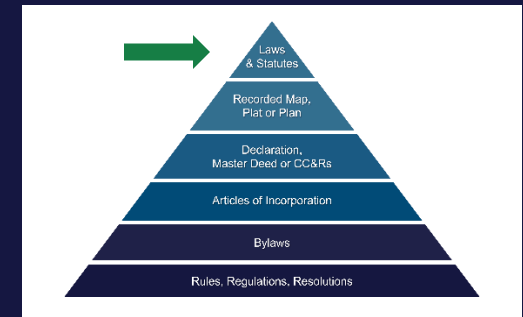
# THE HIERARCHY OF AUTHORITY



# THE HIERARCHY OF AUTHORITY



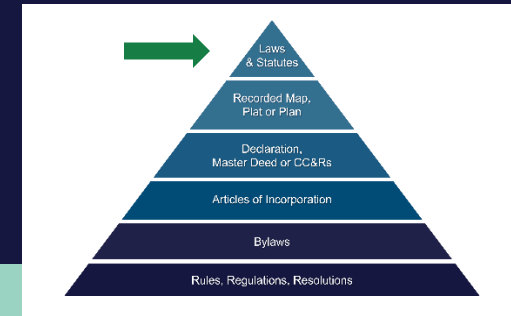
# Federal Laws Affecting Associations



- Fair Housing Act
  - Age Restricted Communities (55 & 62)
  - Reasonable Accommodations/Modifications
  - Pets/Service/Comfort Animals
  - Disruptive Residents
- Americans with Disabilities Act
- Fair Debt Collection Practices Act (FDCPA)
- Freedom to Display the American Flag Act
- Over-the-Air Reception Devices Rule
- United States Bankruptcy Code
- The Service Members Civil Relief Act



# State Laws Affecting Associations

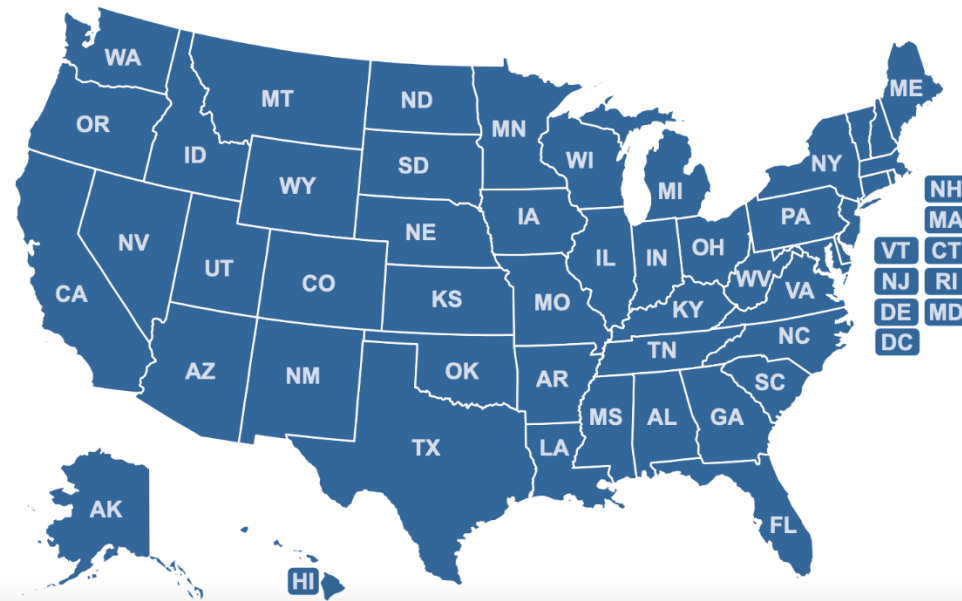


[BECOME A MEMBER](#) ▾ [EDUCATION](#) ▾ [EVENTS](#) ▾ [RESOURCES](#) ▾

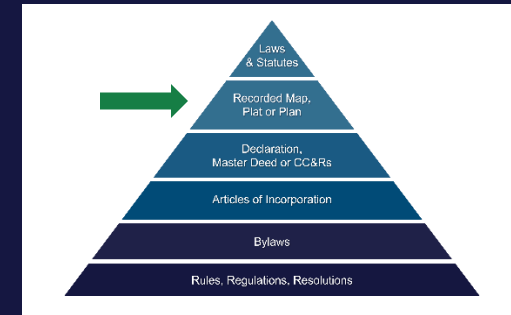
[Join Now](#)

## State Laws and Resources

Click on a state below to view that state's current statutes regarding community associations and resources. Resources include links to the state's legislative action committees, legislative tracking, local CAI chapters, and where available, a state facts & figures infographic and Foundation for Community Association Research state summary.



# Recorded Map, Plat or Plan

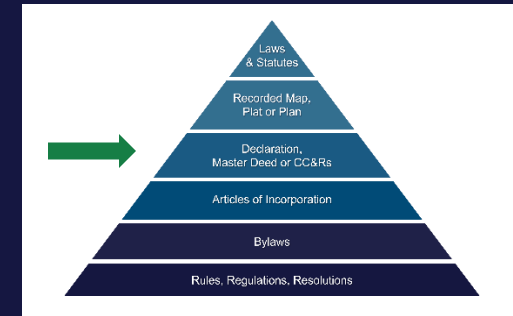


Defines:

- Lots
- Common Areas
- Utility Easements
- Road Ownership
- Exclusive-Use “Limited” Common Areas
- *Some information is only available on the plat*



# Declaration, Master Deed or CC&Rs



Details each owner's:

- Property Rights
- Conditions or Use of Property
- Homeowners' Rights and Responsibilities
- Association's Rights and Responsibilities

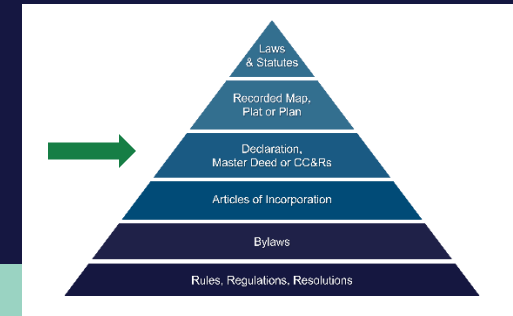
Can include information related to:

- Architectural standards, design guidelines
- Pets, parking, pools
- Home-based businesses and rentals





# Declaration, Master Deed or CC&Rs



**DECLARATION OF  
COVENANTS, CONDITIONS,  
AND RESTRICTIONS FOR**

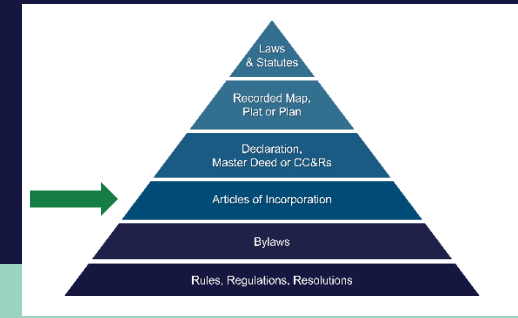
**DECLARATION OF COVENANTS  
AND RESTRICTIONS**

**SECOND RESTATED AND AMENDED CHARTER OF  
DECLARATIONS, COVENANTS, CONDITIONS,  
RESTRICTIONS, AND RESERVATION OF EASEMENTS**

**DECLARATOIN OF RIGHTS, RESTRICTIONS,  
AFFIRMATIVE OBLIGATIONS AND CONDITIONS FOR**

*These documents may go by different names*

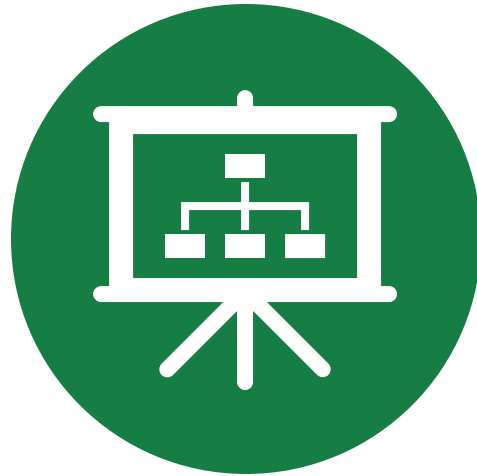
# Articles of Incorporation



Establish the community's:



**PURPOSE**



**STRUCTURE**

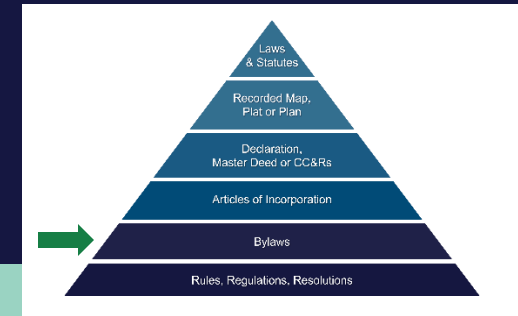


**POWERS**



**PROTECTION**

# Bylaws



Establish rules for the administration of the association:



## MEETINGS

Requirements, Quorum and Location



## ELECTIONS

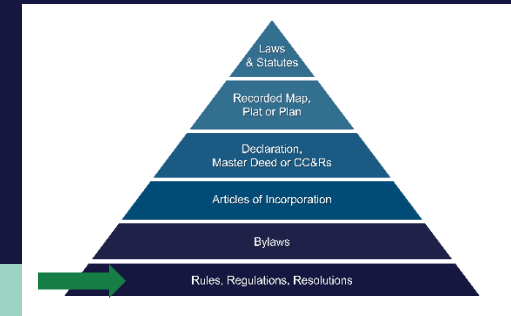
Procedures, Terms, etc.



## DUTIES

The Board, Officers and Committee Members

# Rules, Regulations and Resolutions



Complements your Governing Documents to ensure smooth and consistent management of your association. Resolution types:



## GENERAL

Routine events

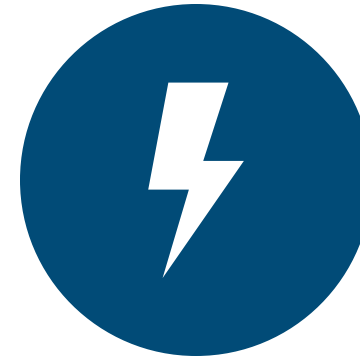
Example: adoption of annual budget



## ADMINISTRATIVE

Internal operation

Example: where board meetings will be held



## SPECIAL

A policy or rule for an individual owner

Example: decision about alleged rule violation



## POLICY

Owners' rights and responsibilities

Example: use of recreational facilities

A group of five people (three women and two men) are sitting in a circle in a meeting room, engaged in a discussion. The room has a white wall with a patterned acoustic panel on the left and a whiteboard with diagrams on the right. The text is overlaid on the image in white, bold font.

We asked our community managers what  
they'd like **boards to know about**  
**Governing Documents...**



**Make sure you actually...**

***READ THEM***

Look for issues, inconsistencies, items in need of clarification and sections that are well written and clear

# People All Should Ski

When reviewing documents, check to understand:

- ✓ Purpose
- ✓ Authority
- ✓ Specifics
- ✓ Scope



# CASE STUDIES

REAL COMMUNITY EXAMPLES



## Scenario: Unclear or Vague Documents



# Scenario: Unclear or Vague Documents

## 1. Specific CC&Rs Regarding Maintenance



Good  
Example

### ARTICLE IV MAINTENANCE AND UTILITIES

**4.1 Maintenance by Owners and Related Costs.** Each Owner shall furnish and be responsible for, at the Owner's expense, all of the maintenance, repair and replacement of all fixtures, items, structures, and other items stated in this Declaration or identified on the Plat to be part of a Unit. Such obligation shall include, without limitation, the obligation to maintain, repair, replace, and keep in proper operating condition, and for any items and areas generally visible from outside of the Unit, to maintain them in a clean, well-maintained, uniform, undamaged, and tidy condition, all of the following:

- (a) All interior doors, exterior doors, and garage doors, including door trim and any door glass;
- (b) All paneling, tiles, wallpaper, paint, carpet, finished flooring, and any other materials constituting the finished surfaces of floors, ceilings, or interior walls;
- (c) All windows, window frames, and trim and door glass or equivalent materials (including the interior and exterior cleaning of such windows and door glass);
- (d) Any of the following whether inside or outside of the Unit, which serve an Owner's Unit exclusively: fans, plumbing fixtures, stoves, dishwashers, refrigerators, hot water heaters, air conditioning units (including compressors, condensers, and forced air units), light bulbs in exterior lighting fixtures, intercoms, security systems, and such other appliances, fixtures, and decorations as an Owner may install. If any of the aforementioned fixtures or appliances serve more than one Unit, then the Owners of the Units benefited by such equipment shall be responsible to jointly maintain the equipment or the Association may elect to maintain the equipment in the Board's sole discretion.

# Scenario: Unclear or Vague Documents

## 2. Vague CC&Rs Regarding Maintenance



Vague  
Example

### ARTICLE IV MAINTENANCE AND UTILITIES

**4.1 Maintenance by Owners and Related Costs.** Each Owner shall furnish and be responsible for, at the Owner's expense, all of the maintenance, repair and replacement of all fixtures, items, structures, and other items stated in this Declaration or identified on the Plat to be part of a Unit. Such obligation shall include, without limitation, the obligation to maintain, repair, replace, and keep in proper operating condition, and for any items and areas generally visible from outside of the Unit, to maintain them in a clean, well-maintained, uniform, undamaged, and tidy condition, all of the following:

- (a) doors and glass;
- (b) surfaces;
- (c) windows and frames;
- (d) utilities;
- (e) appliances

# Scenario: Unclear or Vague Documents

## 3. Board Options to Fix Issue



**Amend  
Documents**



**Adopt  
Resolutions**



**Amend**

Boards often ask:

*“When should we amend our  
Governing Documents?”*

The answer:

*“It depends”*



## Amend

### When to amend:

- When they are outdated
- When change is reasonably justified (quorum issues, etc.)
- When there are disagreements between CC&Rs and Bylaws



## Amend

There are often challenges to amending documents, such as:

- *Legal fees*
- *Approval requirements*

💡 Boards may be able to **adopt resolutions** to determine community standards and clarify specific restrictions

## Real Scenario Results

**Landscaped Open Space Maintenance Agreement  
Crimson Village Owners Association and River Springs Owners Association  
February 8, 2025**

- A** A. WHEREAS, “Crimson Village Owners Declaration” is the Declaration of Protective Covenants, Conditions, Restrictions and Easement for the Crimson Village Owners and; “Crimson Village Owners” is the Crimson Village Owners Association; and “Crimson Village Owners Board” is the Board of Directors for Crimson Village Owners Association.
- B. WHEREAS, “River Springs Declaration” is the Declaration of Protective Covenants, Conditions, Restrictions and Easement for River Springs, A project within the Crimson Village Owners Association; and “River Springs” is River Springs Owners; and “River Springs Boards” is the Board of Directors for River Springs Owners;
- C. WHEREAS, River Springs Phase #1 Plat Note 3 states that the Landscaped Open Space is to be maintained by the Homeowner’s Association;
- D. WHEREAS, The Crimson Village Owners Declaration Section 3.2 states Project Common Areas shall be marked as “Landscaped Open Space or open space” and shall be deemed to be Project Common Area;
- E. WHEREAS, Crimson Village has maintained portions, but not all, of the Landscaped Open Space;
- P** F. WHEREAS, Crimson Village Board and River Springs Board wishes to clarify the maintenance responsibilities regarding the Landscaped Open Space as indicated on the River Springs Phase #1 Plat;



## Real Scenario Results

**Landscaped Open Space Maintenance Agreement  
Crimson Village Owners Association and River Springs Owners Association  
February 8, 2025**

**NOW THEREFORE IT IS AGREED:**

**That the maintenance of the Landscape Open Space as indicated the River Springs Phase #1 Plat will be maintained as follows:**

- S** • **Crimson Village Owners will maintain (including but not limited to watering, mowing, and trimming) the grass area between Fairway Drive and the rock planter beds along lots 2 and 3 of the River Springs.**
- **River Springs will maintain (including but not limited to weeding, trimming of bushes and tress, removing and replacing any dead plants) the rock planter beds except for any palm trees located therein.**
- **Any palm trees located in the rock planter beds will be trimmed and maintained by Crimson Village Owners along with the other palm trees already being maintained.**

**S** **The agreement shall remain in effect until amended, replaced, or revoked at a future date.**

# Scenario: Homeowner Chicken Request

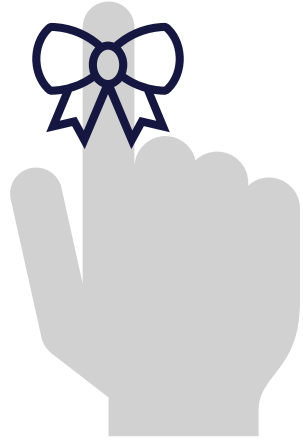
## Homeowner General Question

**Subject:** Chickens?

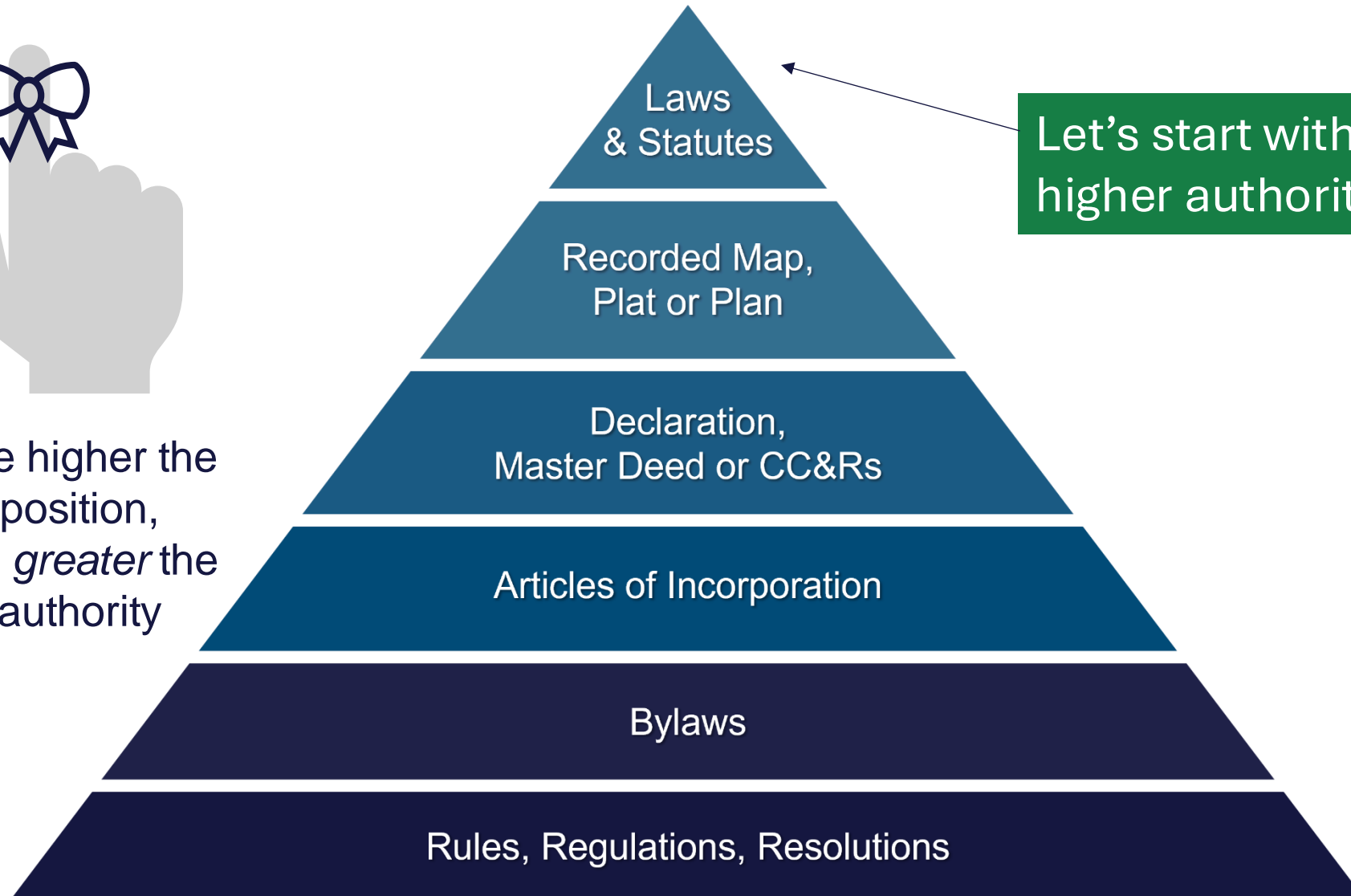
**Request:** With rising costs of eggs, I'd like to have a dozen chickens in my backyard for my family. Is that allowed?

MacBook

# REMEMBER!



The higher the position,  
the *greater* the authority



Let's start with the higher authority

# Scenario: Homeowner Chicken Request

## 1. Check City Ordinances

Largest Association lot is half-acre (21,780 sq. feet).  
Farm animals not allowed.

### 4-9. Keeping of Farm Animals and Pets.

- (1) Except as modified in subparagraph (2) applicable to pets, the following requirements apply to the keeping of farm animals within the residential zoning districts of the City:
  - (a) No farm animal(s) shall be kept on any lot in the MR-25, MR-20, MR-16, MR-12, MR-8, R1-7, R1-8, R1-10, R1-12, or R1-14 Districts or on any lot smaller than 30,000 square feet.
  - (b) The number of farm animals kept on any lot or parcel in the R1-30 District shall not exceed one farm animal unit, as defined herein, for each 10,000 square feet of lot or parcel size.
  - (c) Farm animals may be kept on any lot or parcel in the RR-1, RR-5, RR-20 and MU-160 districts without restriction to the number of farm animals, provided the keeping of farm animals in these districts does not constitute a nuisance as defined in the laws of the City.
  - (d) No farm animal(s) shall be kept on any lot or parcel where less than 20,000 square feet of the lot or parcel is used as livestock management, nor shall fractional animal units be permitted. Livestock management areas shall include all portions of the lot or parcel used as sheds, barns, coops, corrals, pastures, stables, gardens or cultivated grounds, where animal waste can be spread, but shall not include any area of the lot or parcel devoted to dwellings, sidewalks, driveways or lawns.
  - (e) One animal unit shall be any one (1) of the following: One cow, one horse, one donkey, four adult sheep, eight feeder lambs, four goats, or 12 fowl, together with the suckling offspring thereof.
  - (f) Structures shall be provided and maintained for all animals. Such structures shall be enclosed (fully or partially), roofed, and sited at the rear of the main building, and shall comply with all other setback and yard requirements for the district.
- (2) Pet rabbits, ducks, and chicken hens are permitted in the MR-25, MR-20, MR-16, MR-12, MR-8, R1-7, R1-8, R1-10, R1-12, and R1-14 Districts. No more than a total of six animals in any combination of rabbits, ducks, and chicken hens are allowed on any lot in these districts. Houses, cages, pens, coops, etc shall be provided for all animals kept outdoors. As of January 1, 2017, a legal nonconforming rooster that dies or is removed from a property located in the above-enumerated zoning districts shall not be replaced.
- (3) Nuisance. In all zoning districts of the City, persons owning or harboring farm animals may not keep their animals if the animals constitute a nuisance as defined by City ordinance.

City allows for “no more than” 6 pet chicken hens. Shelter shall be provided.

# Scenario: Homeowner Chicken Request

## 2. Check Association CC&Rs

### D. LIMITS ON USES

#### 21. Animals/Pets

No animals, livestock, poultry, fish, birds, or reptiles may be bred or kept on any lot except **commonly accepted household pets in accordance with city ordinances**. No pets may be kept, bred or maintained for any commercial purpose.

#### 24. Annoyance of Neighbors

No noxious or offensive activity is permitted that **disturbs neighbors or is an annoyance or nuisance to the neighborhood**. No activity will be permitted that creates measurable electromagnetic interference with neighbors. Exterior lighting must have placement and intensity not to interfere with the neighbors' reasonable enjoyment of their property.

# Scenario: Homeowner Chicken Request

## 3. Understand Association Authority

### E. HOMEOWNERS' ASSOCIATION

#### 3. Rules and Regulations

The Board may cause the Association, from time to time to **adopt, amend and repeal rules and regulations** for the administration of the Association and the use and enjoyment of common areas or property owned by the Association and to interpret any provision of this declaration. Such rules and regulations shall be known as **the Association Rules**. Upon adoption, the Association Rules shall have the same force and effect as if they were set forth in and were part of this declaration.

### H. GENERAL PROVISIONS

#### 52. Interpretation

The Review Committee shall have the **exclusive right to interpret provisions of this declaration** with its decision being final, conclusive and binding. Invalidation of any provision of this declaration by court order shall not affect any other provisions, which shall remain in full force and effect.

#### Interpretation Summary:

- The Board may adopt rules to clarify the association documents
- The Association may have a Review Committee to interpret the declarations

# Scenario: Homeowner Chicken Request

## 3. Understand Association Authority

### I. DEFINITIONS

#### “Review Committee”

Means the committee designated by the Association, pursuant to paragraph 3 hereof.

### B. ARCHITECTURAL CONTROL

#### 3. Review Committee

The Association shall establish a Review Committee of one or more persons to review and approve or disapprove proposed plans submitted to it. The members of the Review Committee need not be owners or residents within the Project, and shall be appointed by and subject to removal by the Association. The purpose of the Review Committee shall be to maintain uniformity of architectural and landscaping standards throughout the subdivision and the Project, thereby enhancing the aesthetic and economic value of the Project.

# Scenario: Homeowner Chicken Request

## 4. Interpret Findings

### Summary:

- ✓ City allows up to 6 pet chicken hens
- ✓ City requires shelter if kept outside (*“Shall” = Mandatory*)
- 👍 City does not prohibit association from:
  - Further restricting number of these types of pets
  - Establishing shelter requirements / community standards
- 🚫 Association Documents don't clearly define limits on such pets
- ⚠️ Chickens may be an annoyance to neighbors



WE RECOMMEND  
CONSULTING LEGAL  
COUNCIL



# Scenario: Homeowner Chicken Request

## 5. Board Consider Options



### Default

Default to City Ordinance allowing up to 6 pet chickens, if shelter is provided



### Confirm

Consult with attorney to verify the interpretation of the city ordinance and governing documents



### Clarify

Determine community standards and clarify specific restrictions through an adopted rule

+



### Communicate

Document rule and communicate with association members (including where they can find the documentation)

# Real Scenario Results



**Confirm**

Dear Board Members,

I hope you are well. I have been asked to provide an opinion as to whether an Owner from having chickens on his/her Lot. Since this is an opinion on a privileged document to be reviewed by the Board only.

As you know, the Association is governed by, among other things, the Declaration herein as the "Declaration" which was recorded on May 4, 1998 as Entered in the County Recorder.

There are four (4) Declaration provisions that have applicability to the issue of chickens on a lot:

- Article D, Section 21 provides that "No dogs, livestock, poultry, or other animals shall be kept on any lot in accordance with the provisions of this declaration."
- Article E, Section 30 allows the Board to adopt rules and regulations consistent with the provisions of this declaration."
- Article H, Section 52 allows the "Review Committee" to have the authority to review the provisions of this declaration with its decisions being final, conclusive, and binding on all members.

It is my understanding that applicable Tooele City zoning ordinances prohibit "chickens", but no more than a total of 6 such animals on any Lot. I would like to please let me know. Regardless however, the Association's Declaration is in accordance with city/county ordinance. Thus, even though Tooele City allows up to six chickens on a lot, this does not require the Association to allow them.

While there is some ambiguity in the Section 21 language, when read in context, I believe that the intent of the Declaration was to prohibit chickens on lots at Overlake. First, chickens can be classified as both poultry and birds. Secondly, Section 21. Secondly, chickens are not household pets. Furthermore, chickens are a nuisance in the neighborhood for both sound, smell, and the fact that they attract other nuisances like rats and other rodents.

It is our opinion that a court would likely interpret Section 21 as prohibiting chickens from the lots. I would suggest the Board create an interpretive resolution, under the direction of legal counsel, to further define this prohibition. In the event that the Board wants to permit the use of chickens, some adjustments could be made to the governing documents, including a carefully drafted interpretive resolution. I would be happy to provide some correspondence to the lot owners who are disputing the prohibition of chickens at Overlake.

If you have any questions or need for additional information, please do not hesitate to contact me. Thank you.

Sincerely,



**Clarify**

+



**Communicate**

## **Scenario: Maintenance of Water Heaters**

- **Condo Association**
- **Frequent Water Heater Leaks**
- **Damage has occurred in Neighboring Units**
- **Damage has occurred in Common Areas**
- **Can the Association Start Maintaining all Water Heaters?**
  - **Should the Association?**

# Scenario: Maintenance of Water Heaters

## 1. Association CC&Rs Regarding Owner Maintenance

### ARTICLE IV MAINTENANCE AND UTILITIES

#### 4.1 Maintenance of Units - Owner Responsibilities

- (a) All sewer drainage pipes, water, power, and other utility lines in an Owner's Unit between the points at which the same enter the Owner's Unit and the points where the same join the utility lines serving other Units; and
- (b) Any of the following whether inside or outside of the Unit, which serve an Owner's Unit exclusively: fans, plumbing fixtures, stoves, dishwashers, refrigerators, **hot water heaters**, air conditioning units (including compressors, condensers, and forced air units), light bulbs in exterior lighting fixtures, intercoms, security systems, and such other appliances, fixtures, and decorations as an Owner may install. If any of the aforementioned fixtures or appliances serve more than one Unit, then the Owners of the Units benefited by such equipment shall be responsible to jointly maintain the equipment or the Association may elect to maintain the equipment in the Board's sole discretion.

**4.4 Default in Maintenance** - If an Owner or Occupant fails to maintain a Unit or Limited Common Area for which the Owner is responsible, as provided by in this Article, or make repairs thereto in such a manner as may be deemed reasonably necessary in the judgement of the Board to preserve and protect the attractive appearance and value of the Project, following written notice from the Association, the Association shall have the right, but not the obligation, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to take the corrective action that the Board deems necessary. Expenses incurred by the Association in taking corrective action shall be levied against the Unit and treated as an Individual Assessment. The Individual Assessment shall be due and payable immediately and shall be secured by the Assessment lien created in this Declaration.

# Scenario: Maintenance of Water Heaters

## 2. Association Maintenance Responsibilities

### ARTICLE IV MAINTENANCE AND UTILITIES

#### 4.3 Maintenance of Common Area and Limited Common Area

Except as otherwise provided specifically herein, the Association, through its Board or its fully delegated representative, shall repair, maintain, replace, pay all expenses associated with, and otherwise manage the Common Area as that area is defined in this Declaration and the Plat. This shall include the right to modify, remove fixtures upon, add to, place signs upon, and otherwise modify the Common Area. The Association shall do other such further acts that the Board deems necessary to preserve and project the Common Area and the beauty thereof, in accordance with the general purposes specified in this Declaration.

- (a) Maintenance of Limited Common Area. The Association shall repair, maintain, and replace the Limited Common Area. Owners shall be responsible to ensure the Limited Common Area within their exclusive control is kept in a clean, sanitary, and uncluttered condition.
- (b) Standard of Maintenance. The Board shall determine, in its sole discretion, the appropriate standards to be used for the maintenance of the Common Area and Limited Common Area, so long as the Association is maintained in the best interests of the Owners.
- (c) Assessment for Maintenance Expenses to Specific Owner. **If the need for maintenance repair is caused through the willful or negligent act of an Owner or an Occupant, the Board may cause the needed maintenance or repair to be made.** In such a case, the Association shall assess the Owner the reasonable cost of such maintenance or repair. Failure to timely report the need for maintenance or repair shall be deemed a negligent act for purposes of this Article.

# Scenario: Maintenance of Water Heaters

## 3. Interpret Findings

### Summary:

- ✓ Owners are required to maintain Hot Water Heaters
- ✓ Association required to maintain and repair common areas
- ⚠ Association has *right* but not *obligation* to take corrective action to preserve value
- 💰 Association can bill responsible Owner for repairs
- ✓ If the appliance serves multiple units, the Association *may* maintain



WE RECOMMEND  
CONSULTING LEGAL  
COUNCIL

# Scenario: Snow Removal Responsibilities

## Homeowner General Question

**Subject:** Snow Removal

**Request:** When we bought our home, we were promised snow removal but it doesn't seem to be happening, I have to shovel my driveway myself!

# Scenario: Snow Removal Responsibilities

## 1. Check Association CC&Rs

### ARTICLE 2 DUTIES AND POWERS OF THE ASSOCIATION

#### 2.01 Duties of the Association

(c) The Association shall maintain, repair and replace as necessary any and all Common Areas, including without limitation any roads within the Community that have not been dedicated to and accepted by the City.

(d) The Association shall maintain all landscaping and plantings upon the Common Areas of the Community.

### ARTICLE 11 ASSESSMENTS

#### 11.02 Common Assessments




a) Basis of Common Assessments. The total Common Assessments shall be based on advance estimates of cash requirements by the Association to provide for payment of all estimated Common Expenses growing out of or connected with the operation of the Association and the operation, management, maintenance, and repair of the Common Areas, which estimates may include, among other things, expenses of snow removal, taxes, premiums for all insurance which the Association is required or permitted to maintain pursuant hereto, construction of improvements, repairs and maintenance, wages for Association employees, compensation of a manager, legal....



# Scenario: Snow Removal Responsibilities

## 2. Interpret Findings

### Summary:

-  Association is required to maintain and repair common areas
-  Snow removal is not a specified requirement
-  Assessments may include snow removal costs

# Scenario: Snow Removal Responsibilities

## 3. Board Consider Options

### Next Steps:

- 🗨️ Board consider if snow removal aids in maintenance and repair
- 💰 If so, they may increase assessments to cover snow removal costs
- 📄 Decision should be documented



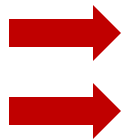
WE RECOMMEND  
CONSULTING LEGAL  
COUNCIL

# Real Scenario Results

## Happy Owners Association Responsibility Chart

*\*This document is intended as a quick resource only and should not be considered a governing document. Please review the governing documents for full covenants. Defer any conflicts to the governing documents.*

Item	Homeowner	Association	Explanation
Master Association Assessment	N/A	N/A	N/A
Clubhouse & Swimming Pool		X	Included in the Association Assessment
Landscaping – Common Areas & Non-enclosed Limited Common Areas		X	Included in the Association Assessment (Acer Landscape Management)
Snow Removal – Private Roads		X	Included in the Association Assessment
Snow Removal – Home Driveways, Sidewalks, Entryways		X	Included in the Association Assessment
Home Maintenance – INTERIOR	X		CC&R's Article VI. Operation AND Maintenance Section 1.



## Happy Owners Association

Statement of Revenues and Expenses 12/1/2024 - 12/31/2024

	Current Period			Year To Date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>Operating Income</b>							
<b>Income</b>							
40000 - Assessments	20,256.33	1,700.00	18,556.33	326,888.43	434,010.00	(107,121.57)	444,210.00
40125 - Fines	75.00	-	75.00	200.00	-	200.00	-
40145 - Interest on Late Accounts	-	-	-	(307.29)	-	(307.29)	-
40165 - Late Fees	-	-	-	(1,175.00)	-	(1,175.00)	-
40175 - Returned Payment Fee	-	-	-	125.00	-	125.00	-
40185 - Reinvestment Fees	6,200.00	3,500.00	2,700.00	28,600.00	21,000.00	7,600.00	42,000.00
<b>Total Income</b>	<b>26,531.33</b>	<b>5,200.00</b>	<b>21,331.33</b>	<b>354,331.14</b>	<b>455,010.00</b>	<b>(100,678.86)</b>	<b>486,210.00</b>
<b>Total Income</b>	<b>26,531.33</b>	<b>5,200.00</b>	<b>21,331.33</b>	<b>354,331.14</b>	<b>455,010.00</b>	<b>(100,678.86)</b>	<b>486,210.00</b>
<b>Operating Expense</b>							
<b>Expense</b>							
50100 - Fees (Bank,Licensing,Etc.)	10.00	30.00	20.00	60.00	80.00	20.00	140.00
50105 - Bill to Owner	-	-	-	127.49	-	(127.49)	-
50110 - Copies & Postage	20.35	10.00	(10.35)	2,027.80	2,553.00	525.20	5,216.00
50125 - Management Fees	20,540.00	17,871.00	(2,669.00)	122,432.00	106,176.00	(16,256.00)	214,872.00
50155 - Professional Services (Legal, Acct, Tax Prep)	30.00	488.33	458.33	530.00	2,929.98	2,399.98	5,860.00
50165 - Taxes	-	-	-	221.70	-	(221.70)	-
50300 - Insurance	6,438.23	-	(6,438.23)	7,009.25	5,000.00	(2,009.25)	10,000.00
50400 - Legal	-	-	-	11,497.05	-	(11,497.05)	-
50600 - Bad Debt	-	-	-	3,282.98	-	(3,282.98)	-
65000 - Maintenance & Repairs	650.00	4,875.00	4,225.00	3,800.00	11,125.00	7,325.00	22,750.00
66800 - Landscaping	1,425.04	500.00	(925.04)	9,997.85	1,500.00	(8,497.85)	3,000.00
66810 - Landscape Contract	6,825.33	6,000.00	(825.33)	19,595.33	24,000.00	4,404.67	54,000.00
68300 - Snow Removal	-	-	-	11,437.50	17,000.00	5,562.50	28,000.00
68310 - Snow Removal - Ice Melt & Salt	120.00	-	(120.00)	5,370.00	9,000.00	3,630.00	14,000.00
70300 - Electricity	13.14	100.00	86.86	75.72	200.00	124.28	500.00
70900 - Water & Sewer	11,281.93	10,000.00	(1,281.93)	17,085.80	17,500.00	414.20	47,000.00
<b>Total Expense</b>	<b>54,409.52</b>	<b>46,929.83</b>	<b>(7,479.69)</b>	<b>265,696.78</b>	<b>239,396.98</b>	<b>(26,299.80)</b>	<b>490,004.00</b>
<b>Total Expense</b>	<b>54,409.52</b>	<b>46,929.83</b>	<b>(7,479.69)</b>	<b>265,696.78</b>	<b>239,396.98</b>	<b>(26,299.80)</b>	<b>490,004.00</b>

## Scenario: 55+ Community

**From:** Community Manager  
**To:** Golden Acres Association Board  
**Subject:** Document Concern

**Message:** In review of your governing documents, we found the designation of your community as a 55+ association is not in the CC&Rs. Let's discuss in the next board meeting.

# Scenario: 55+ Designation Conflicts

## 1. Association Declaration

### SECTION 1 DEFINITIONS

1.7 “Dwelling” shall mean a part of a building consisting of one or more floors, designed and intended for occupancy as a **single family residence** and located within the boundaries of a Unit. The Dwelling includes any garage attached thereto or otherwise included within the boundaries of the Unit in which the Dwelling is located.

### SECTION 2 DESCRIPTION OF UNITS AND APPURTENANCES

2.1 Units. There are 52 Units, all of which are **restricted exclusively to residential use**. Each Unit constitutes a separate parcel of real estate. No additional Units may be created by the subdivision or conversion of Units pursuant to Section 515B.2-112 of the Act...

### SECTION 7 RESTRICTIONS ON USE OF PROPERTY

7.3 Residential Use. The Units shall be used by Owners and Occupants and their guests **exclusively as private, single family residential dwellings** and not for transient, hotel, commercial, business or other non-residential purposes, except as provided in Section 7.4....

# Scenario: 55+ Designation Conflicts

## 2. Association By-Laws

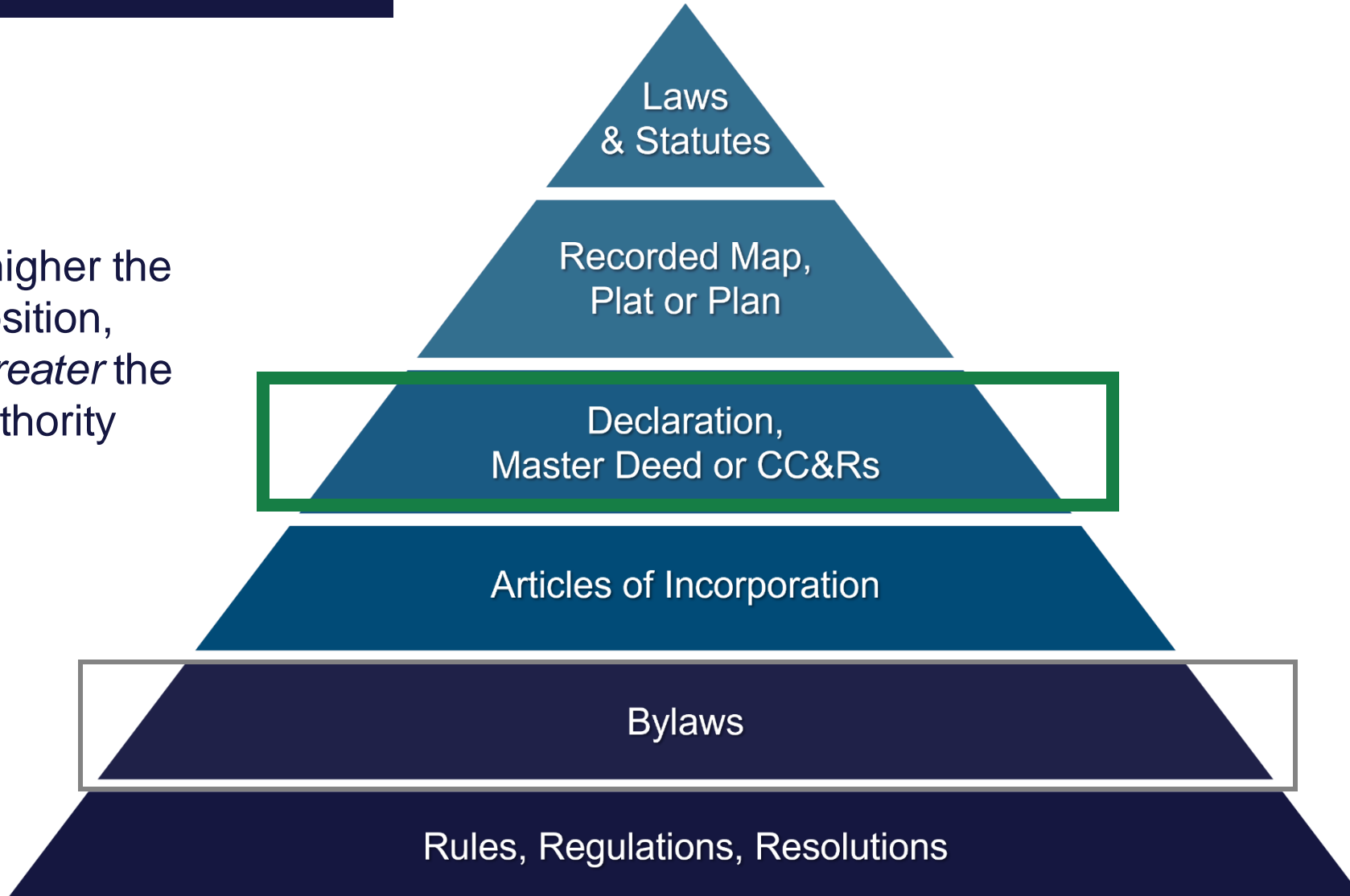
### SECTION 7 RESTRICTIONS ON USE OF PROPERTY

Golden Acres Owners Association shall be designated as housing for older people under the Housing for Older People Act of 1995 (“HOPA”). Pursuant to HOPA, Golden Acres Owners Association shall adhere to policies and procedures that demonstrate the intent required under HOPA, including but not limited to, all advertising, rules, regulations and actual practices of the Association. This shall also pertain to any rented units, unless rentals are prohibited in the future. Notwithstanding the requirement as HOPA, individuals under the age of 19 are allowed to reside temporarily in the community for a period of time not to exceed 90 days per year. All other provisions of the Declaration, Bylaws and Restrictions of Golden Acres Owners Association shall remain in full force and effect.

# Scenario: 55+ Designation Conflicts

## 3. Which Document Prevails?

The higher the position, the *greater* the authority



# Scenario: 55+ Designation Conflicts

## 4. Board Options

If the association intends to be designated as housing for Older people under the Housing for Older People Act of 1995 (“HOPA), the association should amend their governing documents to align and reduce risk



### **Amend**

An association can attempt to amend their documents to be more specific, however not necessary for all situations



# Recommendations



Understand and use your documents:



**READ:** Get to know your own governing documents



**CONSULT:** Use resources when considering changes and identifying resolutions (attorney, manager, community feedback)



**REMEMBER:** Comply with hierarchy of authority when drafting and adopting resolutions



**ENFORCE:** Association value depends on consistent and unbiased enforcement of rules



**COMMUNICATE:** Share decisions and changes with owners in your association

A group of diverse people are seated in a circle in a bright room with large windows and brick walls. Several individuals have their hands raised, indicating an interactive session. A dark blue rectangular box with a white border is centered over the image, containing the text 'Q & A' in a large, bold, dark blue font. Two horizontal dark blue lines extend from the left and right sides of the box.

**Q & A**

**Fan of AES? Please leave a 5-Star Review!**





# THANK YOU!

## Association Essentials Series

*Helping you manage your association*

**SEE YOU NEXT TIME!**

**BUILD A BETTER BOARD MEETING**

**March 26**