

April 2010 Newsletter

Management Company

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Patrick Bohner

Cristie Akers

Ron Simons

David Hobbs

Jason Kline

Wildwood Board of Directors

Patrick Bohner

Ron Simons

Lisa Lindsay

Ida Ward

Jimmy Weaver

Board Meetings

January

March

May

July

September

November

Morrison Creek: 3rd Tuesday @
6:30pm

Wildwood: 3rd Thursday @ 6:00pm

New Management!

By now everyone should be aware of the change in financial management for Morrison Creek Estates and Wildwood. As of January 1, 2010, LWeymouth Consulting assumed full management responsibilities, including your onsite and financial management. Our current contact information is listed on the left side of this newsletter. You can also go to our website, <http://lweymouthconsulting.com> for access to your governing documents, screening applications, archived newsletters, and much, much more!



Be respectful of your neighbors.

Pick up your animal's waste and dispose of it properly.

Maintain appropriate noise levels in your unit. While you may love Metallica, your neighbors might not appreciate hearing it at all hours.

Do not park your vehicle in such a way that you interfere with others' ability to enter/leave their garage.



Have you ever ordered a cake from a bakery and had it go horribly wrong? These people have. Check out cakewrecks.blogspot.com to see fabulous cakes go very, very wrong!



Tenant Screening

All tenants, age 18 and older, must be screened prior to moving in to the community. Unscreened tenants are a violation of the rules and allowing unscreened tenants to reside in your unit may result in fines. Tenant screening applications are available on our website and can be used for Morrison Creek, Wildwood, Brookfield, and Phoenix Park. There is a fee of \$37.50 per person being screened. Payment and application instructions are available online.

Security

Effective March 19, 2010, Capital Force Security will be patrolling the Brookfield, Morrison Creek, and Wildwood communities. More information will be provided at a later date.

LATE CHARGES



I conducted an informal survey regarding late charges. While some use the postmark for imposing charges, it is a minority position and seems to be limited to the IRS and to associations and management companies that handle funds without using lockbox services.

The majority of HOAs and management companies use lockbox services and do not track the postmark--they impose late charges based on the date payment is received (as do credit card companies). Some noted that online banking has also become a factor. In online banking, payment is counted when received by the bank, not when transmitted. Accordingly, charges are levied on the 16th or later. If the 15th falls on a weekend, most allow an extra day and then apply the late charges if the payment is not received on the Monday following the 15th.

Jeffrey Farnsworth, Director of Operations for Steward Property Services, offers a good explanation for how his company handles late charges:

Due to lockbox handling of our payments, we also are in the group that cannot monitor postmarks as qualification for timely payment. Our practice is to wait until all the deposits have been downloaded for the 15th before assessing late payments on the 16th. Many of our boards have policies to allow waiving one late fee per year per account, when requested, so we find that communication with the owner is the best way to deter late payment. Once an owner contacts us in protest, we try to work with the owner to educate them that the dues are actually due on the first and late after the second of the month, but that the association allows a grace period of fifteen days before levying a penalty. Many seem to think they are not due until the 15th, but we try to express that the association has monthly bills to pay and this is why they penalize for delinquent remittance. If an owner protests and wants more than one late fee reversed, we ask them to write a letter to the board for consideration.

RECOMMENDATION: Both policies for applying late charges are acceptable: using the postmark for when payment is sent as well as using the date when payments are received. Boards need to work with their management companies to pick one of the above policies and then make sure the [collection policy](#) is in writing and annually distributed to the membership.

REQUIRING OWNERS TO CARRY INSURANCE

QUESTION: Can owners be made to purchase H06 policies? Can docs be amended to include this requirement?

ANSWER: Yes, CC&Rs can be amended to require owners to carry insurance. The requirement can extend to tenants as well.

Renter's Policy. Renters can be required to carry an HO4 policy which protects a tenant's personal property against loss and limits exposure to personal liability claims. Protecting the tenant against loss protects the association.

Owner's Policy. Owners should be required to carry an HO6 policy ("Homeowners 6" or "Condominium Unit Owner Policy"). Without it, they are exposed to loss and are more likely to sue the association. Moreover, the secondary mortgage market is now requiring protection for owners. Owners' insurance should cover the following:





(Continued from previous page)

1. *Personal Property Coverage* that insures unit contents such as clothing and furniture.
2. *Personal Liability Protection* which pays for bodily injury and property damage.
3. *Loss of Use Protection* that pays for extra expenses (hotel, restaurants, etc.) while the owner's home is uninhabitable because of damage.
4. *Loss Assessment Coverage* that covers the owner's portion of special assessments levied by the association resulting from insured losses.
5. *Real Property Coverage* that insures those portions of the premises not insured by the association's master policy.

RECOMMENDATION: Associations should amend their CC&Rs to require both owners and tenants to carry insurance. To avoid potential liability, the amendment should also relieve the association of enforcement requirements related to the amendment. In addition, boards should regularly publish reminders that owners and tenants need to carry their own insurance.

DRUG DEALING TENANT

QUESTION: We have a renter who continues selling drugs even though he has been incarcerated in the past for doing so. Several people have notified the property manager and we have called the police. Can the association demand that the homeowner evict this renter?

ANSWER: If he is dealing drugs on the property and/or represents a threat to the safety of residents, you can demand eviction. In addition, you can hold hearings and impose fines against the owner for any rules violations committed by the tenant. If the owner refuses to evict the tenant, your association can take legal action against the owner. Your board should consult with legal counsel on the best course of action.



VIRTUAL BOARD MEETINGS



QUESTION: If an HOA's CC&Rs and bylaws do not specify that an HOA and HOA board must have physical (i.e. face-to-face) meetings, may the HOA and HOA board hold exclusively telephonic meetings and simply never meet in the same room?

ANSWER: The Corporations Code allows directors to participate in meetings through the use of a conference telephone, electronic video screen communication, or electronic transmission. As long as all members participating in the meeting are able to hear one another and participate in the meeting, it constitutes "presence in person" at the meeting. [Corp. Code §7211\(a\)6](#).

However, HOAs are also subject to the [Open Meeting Act](#), which allows members to attend meetings of the board of directors. If the board can structure a telephone or video conference meeting in such a way that all homeowners can "attend" the meeting, and can participate in an [Open Forum](#) at that meeting, then "virtual meetings" are permissible.

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Fire Safety

Daylight savings time is the perfect time of year to check your smoke detectors and air filters. The batteries in your smoke detector should be changed during daylight savings time and anytime you hear your system "chirp". You should also change your air filters to ensure optimal performance of your heating and air conditioning systems.

Another important and often overlooked fire safety tip is to clean out your dryer's lint catcher and ducts on a regular basis. The lint catcher can get an invisible build-up of the softener from dryer sheets which can burn out your dryer's heating unit and even cause a fire. To clean the filter, simply scrub with hot, soapy water and a toothbrush. Doing this simple task at least twice a year can double the life of your dryer and lower your energy bill!

The National Fire Protection Association recommends performing a test of your smoke detector systems once a month by pressing the test button on the face of the alarm. It is also recommended that each home have an easily accessible multi-purpose fire extinguisher and fire blanket in case of emergencies. For more information on fire safety, go to www.nfpa.org.

You have the right to peaceful enjoyment in our neighborhoods. If you are bothered by a resident's behavior or need to request a tow, please call 866-940-8884.

Insurance

Each Association carries insurance covering certain common areas. For more information, see your governing documents. It is recommended that owners carry their own insurance to cover the contents of their unit. Contact your insurance agent for more information and to discuss your coverage options.

The Associations are insured through Socher Insurance Company. If you would like to get a copy of your Association's insurance policies, please contact Lorena Gomez at (877) 312-9300.