

Legislative Update

**LETTER
FROM THE
PRESIDENT**



The 2006 Legislative session was a busy one, from a homeowner association management standpoint. To make sure you are up to speed as these laws go into effect September 21, here's a recap of the most significant legislation affecting our industry – and the action AAM is taking on your behalf:

HB2824

HB2824 modifies A.R.S. 41-2198 and applies to both planned communities and condo associations. This legislation allows a homeowner to request a hearing before an administrative law judge for disputes over violations of the community's governing documents, or violations of state statute applicable to the HOA or condo association. This statute only applies to disputes between homeowners and the association, not with developers, builders, etc.

However, it is important to note that such requests for a hearing can occur during the declarant or developer control period. Homeowners who request such a hearing will have to pay a fee, which has been initially established at \$550. Civil penalties can be imposed by the administrative law judge and associations could be fined.

It is **EXTREMELY** important that you, as a developer and/or builder, are aware of any such notices for hearings you may receive while acting as board members or statutory agents for your communities. If you receive such a notice, please forward it to our office ASAP so that we can notify the community's insurance provider and arrange for attorney representation. If you use a third party statutory agent other than someone at AAM, PLEASE make that entity aware of this new legislation and be sure that they forward any such notices of hearings to our office. Associations will only have 20 days to answer the petition, and if there is no reply, the association would lose the

ability to contest the petition and will be subject to any potential fines and penalties.

SB1007 and HB2824

The second significant piece of legislation that will become effective on September 21 deals with notice of violations. SB1007 and HB2824 change the way associations must give notice to homeowners before an association can take action on violations. Statute will now require that community associations (or their management companies) provide written notice of a violation before taking any action, even if a fine is not imposed.

AAM has always provided written notification of violations to our homeowners. Now, however, there may be an additional step. If a homeowner responds to the written notice of violation via certified mail within 10 business days, AAM must respond with the following information: 1.) the section of the governing documents that pertains to the violation, 2.) the date of the violation or date the violation was observed, 3.) the first and last name of the person or persons who observed the violation; and 4.) a description of the process the homeowner must follow to contest the notice. AAM or the association has 10 business days to respond with these four pieces of information.

AAM has adopted a standard response form as well as a complaint form (to track third party observations of violations) to accommodate this new legislation.

Other related legislation

In relation to builders and new communities, the new flag legislation may also be significant in that now there are other flags as well as the American Flag that cannot be prohibited in planned communities (A.R.S. 33-1808) and or condo associations (A.R.S. 33-1261). In addition to the American Flag, associations

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Cornerstones of the Business

**EMPLOYEE
SPOTLIGHT**

**VICKI
SEARS**



During her 18 years in the real estate business, Vicki Sears has worn a number of different hats. She's managed homeowner associations, ranging from condominiums to single-family homes and

active adult communities, and has been very involved in the education side of the business, serving as a training manager and area manager at AAM.

An 8-year veteran of AAM, she recently was promoted to the company's Director of Community Services, a position that has her responsible for writing and reviewing governing documents for new communities, as well as serving on the architectural committees for developer-controlled projects.

Vicki says that while she enjoys many aspects of her job, perhaps her favorite is sharing her passion for proper training with both developers and homeowners. "Educating homeowners is especially important," she says. "If communication

and education begin from the very first day homeowners close on their homes, the association will emerge as a successful community."

Vicki maintains that education and communication are the bedrock of another essential for success – customer service. "In an industry that is bombarded with negative press, customer service, education and effective communication are the keys to ensuring that AAM remains the premier management company in Arizona."

FAST FACTS

- Developers, it's not too late to brush up on your knowledge of HOAs before the end of the year. Training sessions will be held from 9 – 11 a.m. October 11 and November 1 at AAM. We'll take an in-depth look at CC&Rs, compliance and fine collection policies in October, and budgets and financials in November. Breakfast is included, but space is limited, so contact **Gina Jerome** at gjerome@associatedasset.com or **602-288-2675** now to reserve a seat.
- Plan to join us for the Home Builders Association of Central Arizona trade show, Thursday, October 26 at the newly expanded and renovated Phoenix Convention Center (formerly Phoenix Civic Plaza). Stop by our booth and have some fun!

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cannot prohibit the outdoor display of official or replica flags of the United States Army, Navy, Air Force, Marine Corps, or the Coast Guard; the POW/MIA flag; the Arizona State Flag; or an Arizona Indian Nations flag.

AAM is including this language in the Association Rules and Design Guidelines we prepare for our clients.

Additional legislation relates to foreclosures (associations cannot foreclose unless the homeowner is delinquent in assessments for at least one year or if the delinquencies are \$1,200 or greater); inspection of books and records of the association; parking (municipal vehicles that are used for "repair and maintenance" of "electrical or water infrastructure" are now included in the list of vehicles that cannot be prohibited from parking on a street or driveway); condominium common elements; and closed board of directors meetings. More information regarding these new laws is available on the following website: www.carpenterhazlewood.com.

Amanda Shaw, President of AAM, LLC

News You Can Use

Fresh, new look. Same existing commitment to customer service, education and peace of mind. That's the message behind AAM's new logo – a friendly-looking pair of blue hands forming the shape of a home – which will begin appearing on everything from business cards to letterhead and other communications materials over the next several months.

In the 16 years since Laura Ziff opened the doors of Associated Asset Management, the stoic strong black and white block letters representing AAM have stood for the firm's top-notch service and responsiveness to issues before and after they arise; continuing education for employees, developers and homeowner clients; and a caring staff with a depth and breadth of industry experience that is unmatched in the marketplace.

But, what the logo failed to communicate, says AAM

President Amanda Shaw, is the warmth and personality that is at the very heart of AAM. "Yes, we're still the same progressive professionals you've always known us to be. But, we want people to understand that we're people, too," she says.

"We know this is your home and your community, and we want to continue to create value there. We want you to feel that when you go to bed at night, you truly have nothing to worry about. That we will treat your community as if we live there, ourselves, and that your concerns are not just in the hands of one person, but that you have a whole company behind you."

"We're very excited about creating a logo that better represents who we are," says Ziff. "As Amanda says, we haven't changed who we are. We've just figured out a better way to share it."



7740 North 16th Street
Suite 300, Phoenix, AZ 85020

Phoenix Phone:
(602) 957-9191

Prescott Phone:
(928) 771-1225

We're on the Web!
www.AssociatedAsset.com

Comments or Questions
Send to:
insider@associatedasset.com

Insider Industry

7740 North 16th Street
Suite 300, Phoenix, AZ 85020

