

## Principal Press

### FEATURED CLIENT: **BROWNSTONES AT TOWN SQUARE - “LIFE IN THE SQUARE”**

THE CITY OF SOUTHLAKE is one of the fastest growing communities in our area and is filled with opportunities to combine urban living with modern conveniences. Town Square in Southlake is the home of a uniquely planned community that provides the feel of a small town downtown with convenient shopping, restaurants, financial advisors and a true town square park area for relaxing. Nestled at the edge of Town Square are the magnificent Brownstones. The designer of these homes helped create the “Life in the Square” theme for not only the owners of the Brownstones, but for those that visit Town Square. The Brownstones themselves are filled with lavish amenities and particular touches that create a certain charm and ambiance. The Brownstones create a “welcome home” feeling as you wander down Main Street passing the manicured landscaping areas or taking a stroll in the city park directly across the street.

Principal Management Group is proud to manage the Brownstones at Town Square. Following the control transfer of the Association to the homeowners this last year, the Brownstones Board of Directors has worked closely with their Association Manager to develop policies and procedures for their community. Being a part of continual development in Town Square provides Principal Management Group an opportunity to participate in continuing the education of new owners on the experience of “Life in the Square”. The homeowners and management look forward to The Garden District coming to life in the near future. The Garden District will be located directly behind the Brownstones and will host an additional lifestyle of luxury condominiums with walking paths, a clubhouse with an outdoor entertainment area and an overall extension to the ease of living downtown. Elements in the Garden District will contribute to the world-class feeling this community within downtown creates. Visit Southlake and experience “Life in the Square”.



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## SUMMER 2011

# ENFORCEMENT: Consistency versus Selective

Laura Price, Senior Vice President

Consistency in HOA Management has always been an issue with Managers in the enforcement of covenants for their clients. It has not always been that way with Board of Directors or legislation but has become increasingly more important as time has passed and HOA's evolved into what they are today. Although laws change from state to state, the consistency of enforcement has always been there in the forefront. Consistency versus selective enforcement.

In the early eighties, Community Association Management was a fairly new industry that the state in which I resided in did not totally know how to govern the industry. Because of their lack of understanding the industry, lawmakers decided that Association Managers should be governed by the same rules and legislation that governed mobile home parks. A few years later, they still did not recognize what was required of our service and they then decided to place the governing of Association Managers under the Department of Real Estate. After many threats of requiring us to obtain our Real Estate license many of us Managers ran out and got our licenses.

Finally, some lawmakers recognized how unique the business of managing homeowner associations was and trends began with lawmakers starting

to write legislation specifically geared toward homeowner associations. It was at this time that their eyes turned to enforcement and the concept of selective enforcement was born. As Managers, this was not new to us but it did give us what we needed to pull those rogue Board Members back into the fold.

Unfortunately, with this new legislation came the lawsuits of everyone who had received fines and all of a sudden, selective enforcement suits were all the rage. Homeowners were also now armed with this weapon as disclosure laws also became effective. The threat of "I am going to sue the Association, the Board and you personally" became a common occurrence for Association Managers.

As Managers, we have to step back on occasion and remind ourselves what this whole "homeowner association" thing is about. Covenants Conditions and Restrictions are intended to preserve and protect the values of homes and/or lots by imposing requirements on homeowners to do or not to do certain actions that may affect the value of the properties in the community or that interfere with a member's quiet enjoyment of their homes or property.

At the same time, this is a very emotional situation when you are

dealing with a person's "castle". It is difficult to find that balance between the governing documents and a peaceful community however the Board does not have the luxury of avoiding its duty to enforce its CC&Rs or Rules. Failure to enforce will just as quickly invite lawsuits from those Owners who purchased into an association with the expectations that the governing documents would be enforced and protect their property. Even worse, failure to enforce could potentially subject the Association to the risk of abandonment or waiver of the right to enforce the documents.

To avoid certain pitfalls regarding enforcement, the Board should be enforcing their restrictions in a fair manner to reduce risks. It is helpful for the Board to also adopt policies to better define the restrictions and assist in educating the membership of the expectations of their responsibilities.

Under the law, a Board is presumed to have acted reasonably unless an owner can prove that there was discriminatory or arbitrary enforcement involved. Therefore, it is imperative that a Board make consistent decisions regarding the implementation of policies and the enforcement of policies and restrictions. Failure to do so subjects a Board and its members to costly litigation.

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## Welcome our Newest Clients

Principal Management Group is proud to welcome our newest clients to the Principal Management Group of North Texas family!

Brookside Estates HOA | Cottonwood Creeks HOA | Brookville Estates Mountain Creek Lakes | Ariana Estates Lofland Farms | Harbour View | Lindsey Estates | Mountain Creek Lake | Preston Oaks Crossing | Wylie Sage Creek Quail Run Allen | Montclair Parc | Waterway Park





The Associa Advantage Network is a free and voluntary **VALUE-ADDED SERVICE** available to members of the Associa Family. By leveraging the purchasing power of Associa’s 8,000 communities and 2 million households, we are able to negotiate exceptional savings on household goods and services commonly used by our clients, maintenance groups and employees.

Through the Associa Exclusive Offers, area members will find trade partners that are icons in their industry such as Lowe’s, Sherwin-Williams, DoodyCalls, 1-800-GOT-JUNK?, Budget Blinds and *Bulbs.com* to name a few.

**Associa Advantage. Buy Smart.**  
[www.associaadvantage.com](http://www.associaadvantage.com).

“I recently placed an order with *Bulbs.com* through the Associa Advantage program and was extremely pleased with their pricing and service. I received a quote from our normal supplier and *Bulbs.com* beat their price by 50%! The ordering process was easy and we received our shipment fast. This is a phenomenal program and I look forward to sharing the savings information with my Board of Directors and using their services for future orders.”

-BLAKE ROSE, CMCA®  
 COMMUNITY MANAGER

“I was getting ready to order more bags for our pet stations and thought this was my chance to experience Associa Advantage for myself. There was definitely a huge savings! For \$115, I received 4000 bags from DoodyCalls! The closest competitor would have cost the Association \$250. In times like these the Association definitely appreciates the savings.”

-MAYEA HENDERSON, CMCA® AMS®  
 BEECHTREE COMMUNITY MANAGER

## ENFORCEMENT, CONT.

With that said, in today’s economic environment, this can also be a slippery slope. Job loss, terminal illness and a country at war with military servicemen deployed can add to the complication of consistent enforcement. It can also bring on unwanted media attention that divides a community and reflects the Board in a bad light to the public as well as its’ own community.

So what then when an appeal is received for any of the aforementioned hardships and presented to a board obligated to enforce the restrictions and policies consistently? We have

to look at each of these appeals for a waiver individually, looking for alternative compromises and as always, legal advice from the Association’s attorney who is not only familiar with homeowner association law but with the community’s governing documents. Many times it is similar to consideration of a variance in an architectural submittal. Considerations such as the needs of the owner (could be economical, could be medical), his/her neighbors, the topography of the property and so on.

As with all dealings involving a homeowner association, the Board and the Manager should always consider the term “reasonableness”. More often than not, that is what

the community and the courts will look for. Is it reasonable? You only need to look at the case laws setting precedent up to today’s times and the majority of them deal with reasonableness of enforcement as well as the right of the Association to enforce certain restrictions.

The concept of consistency versus selective is not new nor will it ever go away. We can only guide our Boards. Constantly remind your Boards of the need for consistency with reasonableness and hope that with our education and knowledge, they will follow our guidance and work with the utmost care when making these decisions. Hopefully consistently and not selectively.



# Associa Statements

By using Associa FlexBill Statements™, homeowners can customize their statements delivery method by registering online to receive FlexBill eStatements™. Instead of a printed statement, an e-mailed link will be sent to each registered homeowner's preferred email account which directs them to an online version of their billing statement.

**Why Offer eStatements™** – The eStatements™ option allows homeowners the ability to view their statements online. After the initial self-registration, homeowners will be notified via email when their statement is available. Homeowners can then view and print both current and past statements, with the option to pay their bill online by e-check or credit card. If the homeowner fails to view their eStatement™ online, a printed statement is generated and mailed to ensure it is received.



### Added Features of eStatements™:

- Ability to view past and present statements in one location
- Easy link to online ePayment
- Paperless, eco-friendly solution

### Why Associa Statements:

- Reduces questions and confusion by displaying clear and concise details
- Shows a detailed breakdown of assessments and fees



## BUDGET SEASON for 2012

Budget season is fast approaching! With half of the fiscal year complete, it is time to start brainstorming about the association's budget, such as possible repairs and maintenance and non-scheduled expenses. Will the fence need to be stained next year? Will a sprinkler controller need to be replaced? Consider common area that will need general repair and maintenance performed. These expenses should be researched so an educated estimate of the cost can be made. Looking for the cost of supplies and labor will assist in creating an accurate budget. Another brainstorming method is to look at the first six months of expenses for the current fiscal year and analyze the activity. Did the social event expense exceed the budget for the first six months? Were

there more scheduled trash pickups than budgeted for the first half of the year? These observances can be used to estimate the budget amount for next year, and used as a basis for discussion of a possible increase of those topic's expenses.

The association manager is a valuable tool in obtaining information on the financial status and activity for the association. Always consider each expense when analyzing the monthly financial, and ask the manager about any expenses that seem relatively high or low for the month. Variances displayed on the income statement are important in examining the budget against actual expenses.

Being proactive and educated on the activity of expenditures of the current year will lead to accurate estimates for next year's expenses!

# AWARDS

We're proud of our national and local leadership roles in the Community Associations Institute (CAI).

## DALLAS

Carrie Bailey	CMCA®
Claudia Alvarez	CMCA®
Ed Colvin	CMCA®, AMS®
Glen Farell	CMCA®, AMS®
Jake Christenson	CMCA®, AMS®
Jim Heck	CMCA®, AMS®, PCAM®
Katherine Harmon	CMCA®
Laura Price	CMCA®, AMS®, PCAM®, CCAM
Leticia Reaux	CMCA®
Lina Caggiano-Boer	CMCA®, AMS®, PCAM®
Lisa Walker	CMCA®, AMS®
Mark Bradley	CMCA®, AMS®
Mark Southall	CMCA®, AMS®, CPM, PCAM®

## DALLAS ON-SITE

Kathy Epperson	CMCA®, AMS®, PCAM®
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## FORT WORTH

Gary Klepperich	CMCA®, AMS®
Amy Edwards	CMCA®, AMS®
Carol Moran	CMCA®, AMS®
Ginny North	CMCA®, AMS®
Jac Crespo	CMCA®
Jennifer Harper	CMCA®, AMS®, PCAM®
Joy Maxfield	CMCA®, AMS®, PCAM®
Michael Macphail	CMCA®, AMS®
Stephanie Benham	CMCA®, AMS®, PCAM®
Tom Armstrong	CMCA®, AMS®, PCAM®

## FRISCO

April Tuey	CMCA®, AMS®
Edward Laskey	CMCA®, AMS®
Ginnye Nance	CMCA®, AMS®, PCAM®
Julie Wilmoth	CMCA®
Lori Nelson	CMCA®, AMS®
Meredith Nguyen	CMCA®, AMS®

Our participation in CAI's industry certification programs coupled with Association's professionally developed courses ensure that your management team is aware of the latest trends and changes affecting community associations at the local, state and national level; understand complex legalities facing associations; and has the knowledge and national problem solving resources that your association can depend upon.

Here are the designations earned among your Principal Management Group's pool of Association Managers. We are very proud of their accomplishments and their personal pride in their designations.

# FIRST AVENUE REALTY

AMONG THE COMPLETE PROGRAM OF MANAGEMENT services provided to the individual real estate investor, First Avenue Realty will:

## MANAGEMENT SERVICES

- Collect tenant rents, including the coordination and representation at eviction hearings if necessary
- Schedule and supervise maintenance and repairs, including “make-ready” prior to leasing
- Work in conjunction with homeowner association (if any) in assuring tenant compliance with association rules and regulations
- Provide complete bookkeeping services including deposit of rental and other income, payment of vendor and other invoices, and preparation of annual forms 1099 (if needed)
- Produce comprehensive monthly financial report including current month and year-to-date income statements, detailed account register, outstanding accounts payable listing, and copies of all paid bills
- Handle emergency calls 24 hours a day, 7 days a week
- Market and lease property as described in Leasing Services

## LEASING SERVICES

- Market your property through local leasing networks and publications
- Show your property days, evenings and weekends to prospective tenants
- Carefully screen applicants’ employment, credit and resident histories, and criminal background
- Prepare the lease for your new tenant, coordinate its execution (including new resident “orientation”), and collect your security deposit and first month’s rent.

## BROKERAGE SERVICES

Finally, should you ever decide to sell your investment property or perhaps purchase more, First Avenue Realty offers complete brokerage services, specializing in the sale of condominiums and townhomes.

For more information, contact Ann Black, Director, at (214) 522-3221, extension 304.



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