

## IN THIS ISSUE

SPRING 2011

- P2** NOW ON FACEBOOK
- P2** FINES
- P2** FINANCIAL CARE & MANAGEMENT
- P3** WELCOME OUR NEWEST CLIENTS
- P4** FREEZE UPDATES / READY FOR SPRING?
- P5** FOCUS & MOTIVATION
- P6** FIRST AVENUE REALTY

# THE PRINCIPAL PRESS

12700 Park Central Drive, Suite 600 | Dallas, TX 75251 | Tel: 214-368-4030 | Web: [www.principal-mgmt.com](http://www.principal-mgmt.com)

## Featured Client: **KENSINGTON ESTATES**

Kensington Estates HOA is a lovely community in Corinth, Texas where residents are able to enjoy a little taste of the country without actually having to harvest the land! Kensington Estates is a community consisting of 275 homes, complemented by a beautiful country side and park that is maintained by the City of Corinth. The community also provides a close-knit family feel with activities planned throughout the year to bring neighbors together to enjoy and celebrate their community.

Being surrounded by natural beauty and conveniently nestled between the cities of Lewisville and Denton, has created a population boom for Corinth, bringing traffic and congestion

to the winding country roads. One of the hot items that the HOA board and Principal Management Group's Association Manager, Julie Wilmoth, have worked on this year is the TXDot expansion of FM 2181 and negotiating the Right of Way easements of HOA property. It has been a long process but the last parcel was recently closed and the project will be starting soon. The road expansion will make for safer and smoother travel in and out of Kensington Estates.

The partnership between the Kensington Estates HOA board, Principal Management Group and the City of Corinth combines for an active community with homeowner participation and citizens with a vision for the future.



# PMG-NTX IS NOW ON FACEBOOK!



Principal Management Group of North Texas (PMG-NTX) is continuing to grow its on-line presence and we now have a Facebook page as part of our efforts to further engage and communicate with our neighbors and homeowners.

Facebook, with more than 500 million users worldwide, enables PMG-NTX to connect with you by posting updates and encouraging dialogue among its homeowners in a timely fashion.

By “liking” PMG-NTX on Facebook, you will have the opportunity to receive news updates; get information on board seminars, open houses, trade shows, monthly/quarterly/annual meetings, social events and fundraisers; view video features and photos; receive special announcements; and have exclusive access to promotions and giveaways.

On-line social networking, allows users to connect and communicate information to friends, family and coworkers, immediately and unobtrusively.

To “like” PMG-NTX on Facebook, please visit [www.Facebook.com/PrincipalManagementGroup](http://www.Facebook.com/PrincipalManagementGroup).

Join our network today!



## FINANCIAL CARE & MANAGEMENT with PRINCIPAL MANAGEMENT GROUP

.....  
by Shawn Fazekas,  
Director of Accounting Operations  
.....

Managing, maintaining, and protecting association funds are the most important function of the accounting department at Principal Management Group. Safeguards and internal controls, policies and procedures to keep association funds secure, are in place and monitored daily in the department.

Positive Pay is a process to verify checks submitted for payment by vendors of an association to prevent fraudulent check cashing. After checks are produced, signed, and mailed to the vendors for payment from our office, a file is uploaded to the bank listing every check's information, including the amount, vendor name, check date, and check number.

When a check is submitted to the association's bank for payment, the check is verified against the file uploaded to the bank. If there are any discrepancies with the check being submitted for payment, the bank will list the check as pending for two business days to allow Principal Management to verify the check as valid. The accounting department views the pending list on the bank's website every morning and researches each check that is in question. Research includes looking at the physical check that is being submitted for payment, check disbursement information, etc. In the event that there is a check that cannot be verified, the check can be selected as a return.



## FINES: AUTHORITY & PROCEDURES

One of the fastest, least expensive and therefore most popular methods to enforce deed restrictions is through a system of fines. However, this enforcement tool also contains a number of potential pitfalls and hidden dangers for unwary board members and managers. All condominium associations are granted the right to adopt a system of fines pursuant to the Texas Uniform Condominium Act, unless otherwise provided by the condominium's governing documents. Associations for planned unit developments only have the right to fine if the governing documents authorize fining.

For those associations which have the right to fine, the board's threshold inquiry should be whether the questioned action, condition or thing constitutes a violation of the governing documents. It is not sufficient that the conduct or item is unsavory or even illegal—it must actually violate a covenant, restriction or rule. Associations should only take action for violations of express provisions and not violations of the spirit or intent of the restrictive covenants.

continued on page 3

# FINES, continued

Once the association has made the decision that a condition constitutes a violation, and it decides to impose a fine, associations must follow statutory fining procedures (in addition to any fining procedures contained within the association's governing documents). For condominiums for which the declaration was recorded prior to 1994, the association need only provide the owner with notice and an opportunity to request a hearing. For post-1994 condominiums, the association must provide the owner with notice of the violation, notice that the owner has 30 days to request a hearing to contest the fine, and notice that the owner has a reasonable opportunity to cure the violation (which may be less than 30 days depending upon the action necessary to cure the violation), and the demand must state the amount of the proposed fine.

Associations for planned unit developments have a slightly more rigorous process to follow pursuant to Section 209 of the Texas Property Code. The association must send written notice by certified mail to the owner that describes the violation and states the amount of the fine to be imposed. It must also notify the owner that he or she is entitled to a reasonable period to cure the violation (unless a similar violation has occurred in the preceding six month period), and may request a hearing on or before the 30th

day after receipt of the notice. The association can charge the owner for its legal fees only if the owner is given written notice that attorney's fees will be charged if the violation continues beyond a certain date. However, the owner is not liable for attorney's fees incurred before the conclusion of the hearing, or if no hearing is requested, before the date to request a hearing.

Hearings conducted pursuant to Section 209 must be conducted before the board, or a committee appointed by the board. If the hearing is held before a committee, the notice letter to the owner must also state that the owner has the right to appeal the committee's decision to the board. The hearing must be held not later than the 30th day after the association receives the request for a hearing, and the association must provide the owner with at least 10 days' notice of the hearing. The board or the owner may request one postponement of the hearing of not more than 10 days, with additional postponements granted by agreement only. Pursuant to the Texas Property Code, the owner need not be present at the hearing, and the owner has a right to make an audio recording of the hearing.

As noted above, there are potential traps associated with fining that associations must be careful to avoid. The first is where the association lacks authority to fine or to promulgate rules, and then

attempts to fine for those violations. Similarly, associations sometimes only have authority to make rules and impose fines for conduct on the common areas and not owners' lots. There is also a risk that an association's written fining policy may not be identical to the statutory requirements for fining, and the association fails to follow both the fining policy and the statute when imposing a fine. If there is a conflict between an association's fining policy and the statutory requirements, the association should follow the standards imposed by statute.

Hopefully this summary article has helped to identify some of the basic concepts and larger issues associated with fining. If an association has questions about whether a particular matter constitutes a violation, the association should either utilize a strict interpretation of its governing documents, or seek the advice of legal counsel.

*This article is intended to provide property owners associations with a general outline of the procedures for fining. This article is not intended to provide legal opinions or substitute for the advice of legal counsel.*

Riddle & Williams, P.C.  
Attorneys and Counselors  
3710 Rawlins Street  
Suite 1400 – Regency Plaza  
Dallas, Texas 75219  
(214) 760-6766

**WELCOME OUR NEWEST CLIENTS: Principal Management Group is proud to welcome our newest clients to the Principal Management Group of North Texas.**

Foxwood Glen

Keller Southern Hills

The Fairways of Fossil Creek

Forest Lakes

Reflection Bay

Beverly Oaks

Springtree Crossing

Sienna / Southlake

Hardeman Estates

Harborview

Lofland Farms

## FREEZE UPDATE

IN FEBRUARY, THE METROPLEX EXPERIENCED RECORD COLD WEATHER WITH TEMPERATURES LOW ENOUGH TO DAMAGE LANDSCAPE PLANTS.

**WHAT YOU CAN EXPECT** - Temperature lows can vary within a landscape so expect wide variations in plant damage depending on location. Duration of subfreezing weather is also an important factor. The longer temperatures stay below freezing the greater the potential plant damage.

**Location Location Location** - It is not uncommon to see damage to plants on one side of a building but not on another. Many plants that show damage may be fine but we won't be able to fully evaluate the replacement needs of your landscape until late spring.

**Seasonal Color** – Pansies and violas were hard hit and kale plants were destroyed. Some pansies will grow and bloom in March/April with the help of moderate temperatures and lots of sun but if plants are brown or most of the bed is dead it is better to pull out and install a spring rotation of flowers.

**Shrubs & Trees** - Damage to woody plants depends on the species. Wait to see the extent of damage before pruning deadwood as some limbs may recover and produce new leaves. Do not prune damaged material that still has green tissue under the bark.

ValleyCrest will actively monitor your landscape and provide recommendations on your particular needs.

## IS YOUR IRRIGATION SYSTEM READY FOR SPRING?

IRRIGATION SYSTEMS ARE LIKE CARS. THE OLDER THEY GET THE MORE COMPONENTS START TO BREAK DOWN.

After the irrigation system has been dormant for a few months there is a high probability that some components will need to be replaced when the system is brought on line in the spring. This is a good time to conduct an irrigation audit to determine how efficiently water is being used.

### THINGS TO LOOK FOR

- Sprinkler heads spaced too far apart which results in poor water distribution and dry spots. To compensate, the system is often set to operate longer, which results in over-watering.
- Low water pressure can also lead to poor coverage and wind drift. It is often the result of valves, meters, piping, too many heads or other components of the irrigation system.
- High water pressure indicates an absence of a proper pressure regulation device and is often characterized by excessive misting that easily evaporates or is blown by the wind.

Correcting deficiencies discovered in an irrigation audit will reduce water waste, help lower water bills and improve the health of the landscape. Your ValleyCrest representative is available to evaluate your irrigation needs and provide you with a free irrigation audit.



## READY FOR SPRING?

SPRING IS ONE OF THE MOST COLORFUL OF ALL SEASONS THANKS TO MOTHER NATURE AND A HELPING HAND FROM VALLEYCREST.

To ensue your landscape is ready for its Spring debut, we recommend the following steps to get through the cold winter months.

### TREES

- Pruning during cooler months when trees are dormant is less stressful than during the active growing season. Remove twiggy growth and thin upper branches.
- Give them the boost they need with additional fertilizer and you'll see a stronger, healthier start next spring with increased blooming and better overall growth.
- Mulch trees to moderate temperatures, maintain soil moisture, deter weeds, prevent erosion and enhance attractiveness.

### SHRUBS

- Monitor shrubs to make sure they stay moist. Do not let them dry out.
- Check holly plants for scale and treat with dormant oil if necessary.
- Add mulch and apply a pre-emerge herbicide to help curtail weed growth.

### TURF, GROUND COVER, GRASSES AND PERENNIALS

- Cut back ornamental grasses to a height of 6" to 8" inches and cut back the tops of perennial plants. Divide older ones to enhance other areas.
- Cut back Liriope using a power mower instead of a line trimmer to prevent unattractive frayed edges.
- Spot treat broadleaf weeds growing in the turf with the proper herbicide.

# FOCUS & MOTIVATION VS. the ULTIMATE GOAL

Glen Farell | Association Manager | Dallas Office

In September of 2010, I was asked by some family members to join them in competing in a half-marathon. I have never really been a runner, but I accepted the challenge nonetheless. Then came the workouts. Using what I thought was my superior logic, I decided to use my first workout to attempt a trial run at the 13.1 mile half-marathon. I quickly learned that I was not ready. I had not even made the two mile mark before my body gave up. It was very discouraging, knowing I had committed myself to running 13.1 miles, and here I could not even run two. My first thought was to back out of the race. I realized that if I were to continue, then I had to seriously reconsider my method of attack.

After some thought, I realized I was discouraged because I expected myself to be ready for the ultimate goal immediately. That was just not practical. Rather than focusing on the ultimate goal, I had to focus on the workout at hand. My focus and motivation had to concentrate on being productive in the next workout. So I continued with my training, making my focus and motivation to complete the next workout and push myself just a little bit more than the previous workout. I kept track of my progress by writing down my mileage after each workout, and before I knew it I was running three miles per day; then four; then five. When it came time to run the race, my body was ready, and I sailed by without a problem. I realized my “ultimate goal” by concentrating on being productive in each individual workout.

My experience with the half-marathon is not unlike what we deal with in our careers with Associa and as Association Managers. If we focus on where we want to be in 10 years, we will be overwhelmed and run the risk of being discouraged. That is not to say that an ultimate goal is not important. Quite the opposite, without the goal of running a half-marathon, I never would have begun training in the first place. In the same way, without the goal of a successful career, we probably would not be Association Managers to begin with. We have goals of where we want to be in the future. To get there, we must set our focus and motivation on being productive today. Just like how I learned to focus on the workout at hand, we must focus on how to be productive today. As a result, just like how I was ready once race day came, we will be ready to take the next step in our careers when the time comes. If I had not been productive in each individual workout, I would not have been able to finish the race. A company full of productive managers is bound to succeed, and with that so will you.

## Industry Training & Education

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

MANAGER	DESIGNATIONS	OFFICE
Ashley Martinez	CMCA	Ft. Worth
Calinda Haddock	CMCA	Dallas
Carrie Bailey	CMCA	Dallas
Elaine Hyden	CMCA	Frisco
Leticia Reaux	CMCA	Dallas
Jake Christenson	CMCA	Dallas
Glen Farell	CMCA, AMS	Dallas
Amy Edwards	CMCA, AMS	Ft. Worth
April Tuey	CMCA, AMS	Frisco
Carol Moran	CMCA, AMS	Ft. Worth
Ed Colvin	CMCA, AMS	Dallas
Edward Laskey	CMCA, AMS	Frisco
Gary Klepperich	CMCA, AMS	Dallas
Ginny North	CMCA, AMS	Ft. Worth
Lisa Walker	CMCA, AMS	Dallas
Lori Nelson	CMCA, AMS	Frisco
Mark Bradley	CMCA, AMS	Dallas
Meredith Nguyen	CMCA, AMS	Frisco
Mark Southall	CMCA, AMS, CPM, PCAM	Dallas
Ginnye Nance	CMCA, AMS, PCAM	Frisco
Jamie Gordon	CMCA, AMS, PCAM	Ft. Worth
Jennifer Harper	CMCA, AMS, PCAM	Ft. Worth
Jim Heck	CMCA, AMS, PCAM	Dallas
Joy Maxfield	CMCA, AMS, PCAM	Ft. Worth
Kathy Epperson	CMCA, AMS, PCAM	Dallas-On Site
Lina Caggiano-Boer	CMCA, AMS, PCAM	Dallas
Stephanie Benham	CMCA, AMS, PCAM	Ft. Worth
Tom Armstrong	CMCA, AMS, PCAM	Ft. Worth
Laura Price	CMCA, AMS, PCAM, CCAM	Dallas
Julie Wilmoth	CMCA	Frisco

# 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 twenty-four hours a day, seven 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, ext 4.



## Principal Management Group of North Texas

12700 Park Central Drive, Suite 600

Dallas, Texas 75251

Tel: 214-368-4030

Web: [www.principal-mgmt.com](http://www.principal-mgmt.com)