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COMMON INTERESTS

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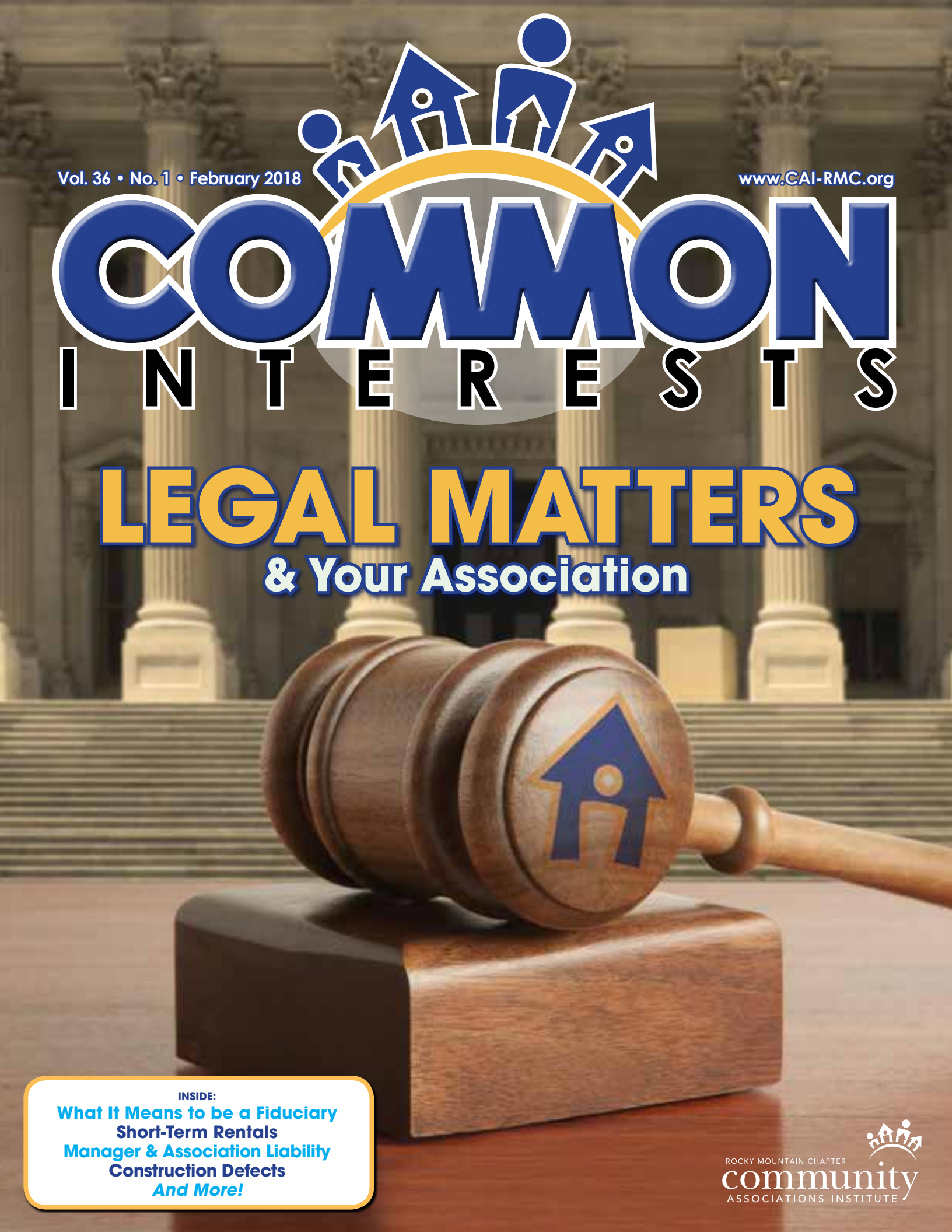

INSIDE:

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2018 Spring Showcase

Friday, March 16, 2018

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COMMON INTERESTS

IN THIS ISSUE

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President's Letter

DENISE HAAS
President
CAI-RMC

Happy New Year! By now you are well on your way to your accomplishing your resolutions for 2018. CAI-RMC is working diligently to help build your professional connections, ensure we provide you with the right classes and that you have advocacy for the issues that may be facing our industry.

The calendar for 2018 already has 48 events ready for you to attend. We have a cast of excellent committee chairs and chair-elects putting the events together. Maybe one of your resolutions was to get more involved in the industry. We encourage you to reach out to one of our awesome leaders and they will connect you with the right team to volunteer with. Then you can be a part of creating our successful events.

In case you missed our Holiday Gala Lunch, individuals receiving awards were:

Outstanding "Community Building" by an Association:
BackCountry Association

Community Manager Excellence in Service:
Debbie Gordon

Association of the Year:
Anthem Ranch Community Association

Congratulations again, and thank you for being a part of our chapter.

We have noticed through the years, that individuals forget that our website is a wealth of information. You can register for any event, search/post jobs, get contact information for any of our members, read articles that have run in our magazine and so much more. We encourage to check us out at www.cai-rmc.org.

Keep up the good work on your resolutions and I'll see you at our next event!

Executive Director's Message

BRIDGET NICHOLS
Executive Director
CAI-RMC

2018 is off to a great start for the Rocky Mountain Chapter of CAI. I am pleased with the progress we've made as an organization in the past few years and am even more excited about where we're headed. If you'd like to find out more about what we're up to and what we do on a regular basis to keep the chapter moving forward, be our guest at one of our committee meetings. You'll be surprised by how much time, expertise and "oomph" our volunteers contribute to make our chapter successful.

Hopefully by now you've noticed that the 2018 chapter events have been scheduled and are online and available for registrations at www.cai-rmc.org. I hope that this makes planning for your year easier and allows you to attend more events. Make sure to note new locations and new time formats for the events that we've held in the past and to check out the new programs that we're offering in 2018 as well.

I'd like to thank the business partners and management companies that have chosen to sponsor our programming and events. Our sponsors help us provide the opportunities for education, networking and fun. Check out the inside back cover for a list of some of our 2018 sponsors.

I hope to see you all the **Spring Showcase and Trade Show** on March 16!

COMMON INTERESTS

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An Update on Trends in Multifamily Insurance Litigation

By Matthew Pearson, Wes Wollenweber, Lisa Greenberg & Gravely Pearson Wollenweber Freedman, LLC

As many managers and certain board members know, condo and townhome associations are often involved in difficult disputes with their insurance carriers over significant property damage resulting from catastrophic weather events. These disputes unfortunately can result in lengthy court battles, many of which are in federal court. Catastrophic weather is truly on the rise in Colorado. Consequently, these disputes are not going away. The disputes are often incredibly similar: a condo community suffers damage from a major storm, such as hail and/or high winds, and contractors or public adjustors provide estimates of the damage to property owners in response to the low estimates prepared by the insurance companies or their representatives. To combat this problem, managers should know that Colorado has a relatively new but powerful statute that punishes insurers for unreasonably denying and/or delaying payment on valid claims (Insurance Bad Faith). Because this statute exposes an insurer who violates it to significant financial exposure, insurance companies are fighting these lawsuits vigorously.

Certain trends are resulting from these legal battles. Among these emerging trends are insurance companies' reliance on two policy provisions. These provisions are in nearly every commercial policy that covers a multifamily community, and insurance companies are claiming in litigation that homeowner associations are violating these provisions. The first provision requires policyholders to "promptly" notify their insurance company in the event of a loss. The second provision, commonly referred to as a fraud clause, arguably prohibits misrepresentations during the claims process.

Under the prompt notice provision, insurance companies try to defeat a breach of contract claim (based on denial or underpayment of a claim) by arguing that the policyholder failed to promptly notify them of the loss and therefore somehow caused the insurer some type of harm. Insurance companies are making the argument that multifamily community policyholders are obligated to take steps to inspect for weather damage as part of ordinary maintenance and that the failure to do so violates this provision. While it is not known yet how our courts will ultimately view this argument, it is important to be aware of this litigation trend.

While most, if not all, insurance policies do not require routine inspection for weather related damage, periodic photographs or video inspections, especially if used to compare to previous photo and video inspections, can help identify exactly when the damage occurred, preventing any prompt notice arguments. The lack of routine inspections can sometimes result in a community discovering weather related property damage months after the actual weather event occurred because the damage is not obvious and did not cause any leaks. Insurance companies are arguing that the lack of such routine inspections is somehow a breach by policyholders even though the insurance policies require no such routine inspection. It remains to be seen how federal and state judges will view this argument.

Under the fraud provision, insurance companies are working hard to establish what they call "reverse bad faith" by arguing that associations and their vendors are misrepresenting key facts or intentionally inflating estimates during the claims process. Insurance companies are developing these arguments to potentially recover insurance proceeds they have already paid under the pertinent policy. One of the reoccurring legal theories insurance companies have put forth involve allegations that the association's roofing contractor has padded its estimate and, thus, padded the association's claim.

In addition, as many community managers and board members know, because of the nature of these claim disputes, more and more communities are turning to Public Adjustors to serve as their advocates in the claims process. Certain insurance companies are fighting hard to paint a picture that Public Adjustors are conspiring with roofing contractors, and even the association's community managers to inflate the value of the insurance claim. The insurance companies even cite to community management contracts that allow managers to earn a fee for assisting with the association's claim as evidence of fraud or at least an incentive to inflate damage estimates.

Based on these trends, Associations, as policyholders, should be diligent to periodically document the condition of their community by photos or video. In the event of a loss, notify the insurance company as soon as possible and make sure that one person is designated to communicate with the insurance company or their adjuster. If the community needs to hire a contractor or public adjuster to assist them with the claim, make sure they are qualified and have experience evaluating and repairing damage. Insurance claims are often frustrating and time consuming. However, the Colorado law is in place to help policyholders obtain what they bargain for in paying premiums: fixing their property damage.

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2017 CAI-RMC Award Winners!

Association of the Year: Anthem Ranch Community Association

Recognizes the outstanding team effort of an association board of directors and homeowners whose members clearly understand their roles and fiduciary responsibilities putting the association's interest ahead of and above all personal agendas. A board comprised of effective volunteer leaders who are fair, responsible and reasonable in their decisions.

Community Manager Excellence in Service: Debbie Gordon

Recognition is given to a manager who displays integrity, reliability, commitment to the industry, loyalty to consumer clients and the ability to interact well with board members, managers, service providers and other industry professionals. Promotion of ethical conduct and competence are included as part of the qualifications for this award.

Outstanding "Community Building" by an Association: BackCountry Association

Recognizes an association that does an outstanding job at community resourcefulness, has a strong sense of commitment to enhancing the neighborhood, and recognizes and uses the strengths of its individuals within the association.

Congratulations to our winners!

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5:30 - 5:45 pm: Dinner
5:45 - 6:05 pm: Welcome/Opening Remarks
6:05 - 6:25 pm: City Remarks/Update
6:30 - 6:55 pm: Session 1
7:00 - 7:25 pm: Session 2
7:30 - 8:00 pm: Session 3

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Did You Just Call Me the F-Word?

What Does It Mean to Be a Fiduciary?

Melissa M. Garcia, Esq.
HindmanSanchez

In simplest terms, to be a fiduciary to another person or party is to be in a position of trust. For example, a patient trusts her doctor to make the correct diagnosis. A parishioner trusts his priest to keep his confessions confidential. And if you are my client I hope you will trust me, as your lawyer, to give you the correct advice!

How does being a fiduciary play into the setting of a community association? Again, a fiduciary relationship exists where people place a special trust in someone. In the association context, this means that if you are elected to the board of directors, the homeowners have placed their trust in you to preserve and protect the association's assets, maintain the association's property, enforce the association's covenants, and, in general, to promote the interests of the common interest community.

If you are a member of the board of directors then you owe a fiduciary duty to the association. On the whole, your fiduciary obligation encompasses the following four duties, each of which is discussed below:

1. Duty of Care
2. Duty of Loyalty
3. Duty of Obedience
4. Duty of Confidentiality

Duty of Care

The duty of care requires a board member to make decisions: (i) in good faith, (ii) in the best interests of the association and (iii) prudently. The foregoing standard is what courts will review when determining if a board member(s) acted appropriately when a decision is challenged. Directors are recognized as having the same duties as those of a business operation, so they must give the business of the association the same degree of care and diligence that prudent persons would exercise in their own affairs in similar circumstances. So what does this mean?

First, to act in good faith means, quite simply, act with honesty, fairness and good intentions. When taking action, do not act with deception; do not act maliciously; do not act with ill will. Sounds easy enough, but sometimes this can be one of the most difficult rules to follow. As a board member have you ever been faced with a person who repeatedly interrupts you during meetings, constantly challenges your decisions and seems to look for ways to personally attack you? Then, all of a sudden, that same person asks you to approve his or her fence request. And you find yourself looking for a way to deny it? That, my friends, is acting in bad faith. Always remember that as a board member you have to look at every decision objectively, and act with honesty and fairness.

Second, to act in the best interest of the association means set aside your self-interest. Even if you may be a homeowner, while on the board you must remove your homeowner hat and put on your board member hat. If moving forward with a particular action would be in the best interest of the association, you must cast your vote in favor of that action, even though it may not align with your own personal interests.

That being said, it's not uncommon for a board decision to also support your own individual interest as a homeowner. That doesn't mean the decision is incorrect or inappropriate, it just means your own self-interest is in line with that of the association. However, as a director your decisions will be scrutinized, and if there is any appearance of preferential board treatment, the decision may be challenged. Do what's necessary to avoid the perception that your action is solely in your best interest. Make sure you document how you made your decision objectively and without preference.

"The duty of care requires a board member to make decisions: (i) in good faith, (ii) in the best interests of the association and (iii) prudently. The foregoing standard is what courts will review when determining if a board member(s) acted appropriately when a decision is challenged."

And remember, your decision must be in the best interest of the association; not the best interest of another board member, not the best interest of the kindest person on the block; not the best interest of the most energetic and dynamic faction of the community. Any of the foregoing categories of people have the potential to sway, intentionally or unintentionally, a director's decision because of who they are as individuals, and because of a director's natural inclination to help the nicest group or the one in the most need. Do not review a proposal based on which homeowners will benefit of the decision. Review a proposal based on whether it benefits the association and is in the association's best interest.

Third and lastly, make sure your decision is prudent. This means ask a lot of questions so you can make an informed decision. Read, be familiar with, and follow your governing documents and applicable law. Make sure you attend board meetings. Review your board packet thoroughly before the meeting, so you can be ready to ask questions at the meeting. Study and understand your financial statements, so you know where the money is going. Hire qualified professionals and vendors. In short, when making any decision, board members need to be sure they exercise sound judgment.

Making an informed and sound decision is particularly critical if the decision has a significant impact on the association and its members. If, for example, your decision has a substantial financial impact on the homeowners, such as levying a special assessment or obtaining a loan, then make sure you do your due diligence. Review your governing documents and determine whether you have authority to levy the special assessment. Ask your managing agent for assistance in reviewing the operating and reserve accounts and in understanding the present financial state of the association.

Ask your attorney for a legal opinion on whether owner approval is necessary for obtaining a loan and pledging the income of the association as security.

And, paper trail, paper trail, paper trail. Make sure the association's files contain documentation establishing that the board's decision was made in good faith, prudently and in the best interest of the association. You can document your decision-making process through minutes, committee reports, opinion letters, memos and other such records.

"Your decision must be in the best interest of the association; not the best interest of another board member, not the best interest of the kindest person on the block; not the best interest of the most energetic and dynamic faction of the community."

Duty of Loyalty

The duty of loyalty requires a director to be loyal to the corporate entity of the association. Again, you need to set aside your self-interest in order to act in the best interest of the association. The duty of loyalty primarily relates to conflicts of interest.

A conflict of interest exists whenever any contract, transaction or other action taken by or on behalf of the association would financially benefit: (1) a director or (2) a party related to a director. A "party related to a director" means:

(i) a parent, grandparent, spouse, child, or sibling of the director;
(ii) the spouse or descendent of the director's sibling;
(iii) an estate or trust in which the director or party related to the director has a beneficial interest; or
(iv) an entity in which a director is a director or officer or has a financial interest.

A common example is if a director owns a landscaping company and wants to enter into a contract with the association to provide landscaping services. This potential contract would provide a financial benefit to the director. Thus, a direct conflict of interest exists. Or, if the landscaping company was owned by the director's sister, a similar but indirect conflict of interest arises. The existence of this conflict does not make the contract illegal or inappropriate in itself. It is the way the director proceeds with respect to the conflict that determines the correctness of the transaction.

Colorado law requires the director to disclose the facts of the conflict to the remaining directors before the board takes action on the proposed transaction. The transaction is enforceable if a majority of the disinterested directors, even if less than a quorum, in good faith, approves the transaction. And although not legally required, the director may consider it prudent to be absent from that part of the meeting during which the matter will be discussed, except when her or his information may be needed.

Note that even though the law does not require the director with the conflict to recuse him or herself from the discussion or vote, the board may adopt a conflict of interest policy which requires such recusal.

Colorado law requires the board to adopt a policy which:

(i) defines or describes the circumstances under which a conflict of interest exists;
(ii) sets forth procedures to follow when a conflict of interest exists, including how, and to whom, the conflict of interest must be disclosed and whether a director must recuse himself or herself from discussing or voting on the issue; and
(iii) provides for a period of review of the conflict of interest policies, procedures, and rules and regulations.

So, if the policy requires the director to refrain from participating in the discussion and from voting, the director must follow the policy. The minutes should then reflect his or her absence from discussion and abstention from any vote relating to the subject of the conflict.

Duty of Obedience

The duty of obedience is an easy one: obey the governing documents and obey the laws. Directors owe a duty to the association to perform their duties in accordance with the authority granted to them by statute and in their governing documents (i.e., the declaration, bylaws, articles of incorporation, and any rules, regulations and policies adopted by the board). If directors exceed this authority, and damage results, the directors may be personally liable for their unauthorized actions.

However, your obedience is only as good as the rules you follow. If your governing documents are outdated, then you could be following illegal provisions. Make sure to review your governing documents with your attorney, and revise or rewrite them to bring them into compliance with current applicable law.

Duty of Confidentiality

Board members will have access to private and confidential information that must remain confidential. A director should not individually disclose information about the association's activities unless they are already known by the members or are part of the association's records. In the normal course of business, a director should treat all matters involving the association as confidential until there has been general disclosure, such as at a board meeting (outside of executive session) or an owners meeting, or unless the information is part of the records available to members for inspection (i.e., minutes, resolutions, etc.) or common knowledge. This presumption of confidential treatment should apply to all current information about legitimate board or association activities.

To be effective, a community association needs a strong board of directors that comprehends its role entirely and pursues it effectively. And to be an effective board member, you must fully understand your fiduciary duties and responsibilities as outlined above.

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Current Issues with Short-Term Rentals

Jonah G. Hunt, Esq.
Orten, Cavanagh & Holmes, LLC

Many associations are struggling with the decision regarding whether or not to regulate short term rentals in their community. Short-term rentals are generally defined as rentals which are 30 days or less in duration.

With the rise of companies such as VRBO, Home, Away and Airbnb, vacation rentals have soared, with the short-term rental market in the U.S. expected to exceed $36 billion in 2018. Short-term rentals are growing at nearly twice the rate of the traditional tourism lodging market, climbing 11 percent in 2016. It is fair to say that short-term rentals are here to stay.

To Regulate or Not

Positive impacts of short-term leasing include that with increased visitors and tourists comes increased visibility and dollars spent in the community. Many owners who rent their units on a short-term basis do so primarily or solely for the income, which keep them solvent and lessen the probability of foreclosures in the community.

Opponents of short-terms rentals argue that their inherent nature is not harmonious with community associations, which emphasizes bringing people together, strengthening neighborhood bonds and promoting a sense of community. In contrast, short-term visitors with no ties to the community may not be contractually bound to the association's governing documents nor financially invested in the overall good of the community. Similar concerns include the change in character from a residential community to a transient one, increased noise, trash, and parking problems. Security and maintenance issues are also concerns for associations.

Regulation and Case Law

While some associations have covenants which address short-term rentals, most associations who choose to regulate do so through their rules and regulations. Colorado's Common Interest Ownership Act specifically confers upon associations the right to "(a)dopt and amend… rules and regulations." C.R.S. § 38-33.3- 302(1)(a). Rules must also not conflict with the association's governing documents. See Pagosa Lakes Property Owners Assoc. v. Caywood, 973 P.2d 698 (Colo. App. 1996), cert. denied.

Rules are typically enacted because owners who rent on their own are receiving association benefits while not paying a commission or fee to the association or its rental management program. Typically, there is also added impact on the physical components in the community. In Watts v. Oak Shores Community Assn., 235 Cal. App. 4th 466 (2015), the Court ruled in favor of an association which had adopted rules and implemented fees to address the negative impact short-term renters were having on the community.

The Colorado Court of Appeals has held that in order for short-term vacation rentals to be prohibited, "the covenants themselves must be amended … the board's attempt to accomplish such amendment through its administrative procedures was

unenforceable." Houston v. Wilson Mesa Ranch Homeowners Association, Inc., 360 P.3d 255 (Colo. App. 2015). Houston also found that short-term rentals are not a commercial use of property. This is not necessarily the law elsewhere. See Eager v. Peasley, et. al., published opinion of the Michigan Court of Appeals, issued November 30, 2017 (Docket No. 336460) (holding that short-term rentals violate "residential use" and "non-commercial use" restrictions contained in restrictive covenants).

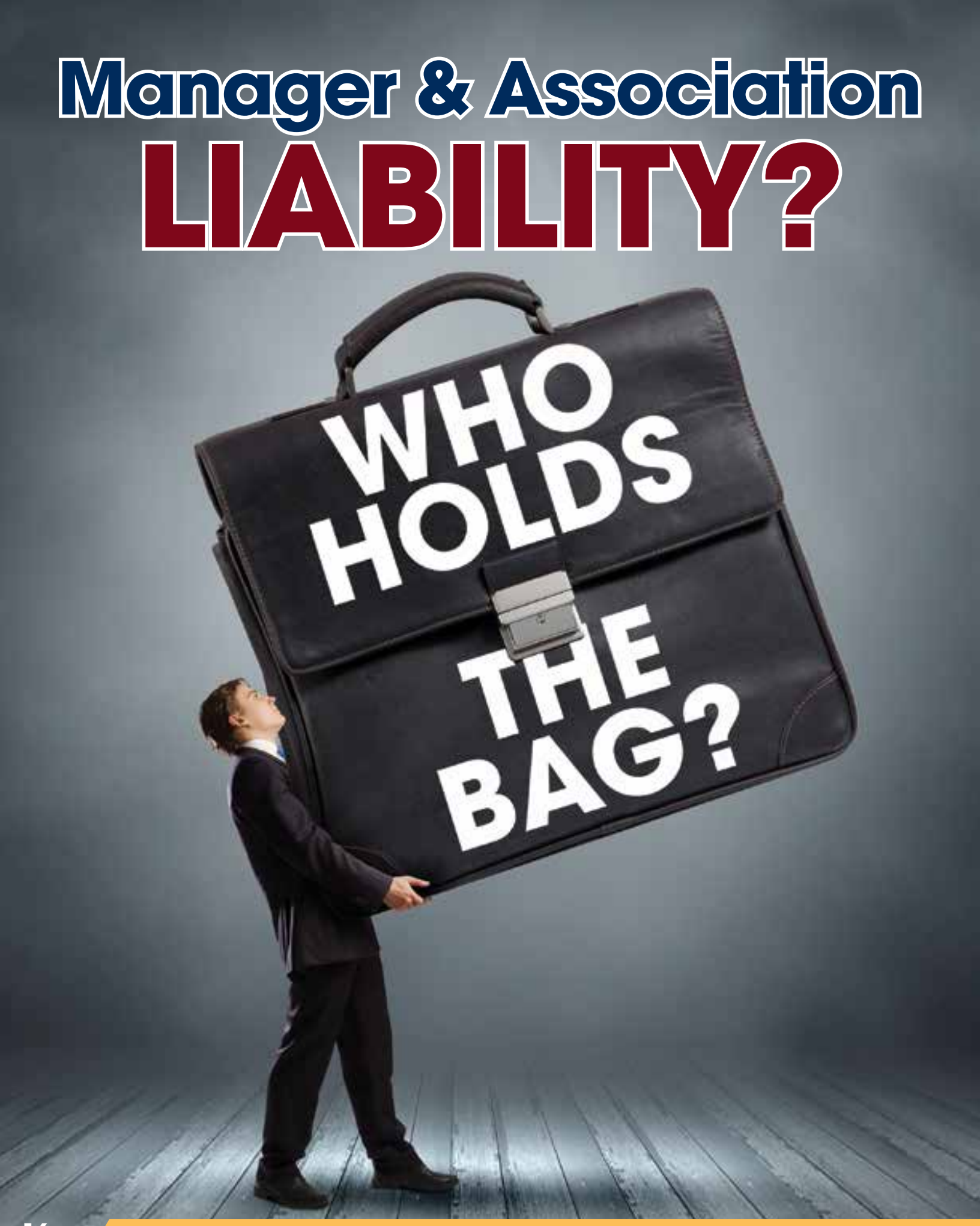
In Colorado, if an association is seeking to ban short-term rentals, it must do so through a covenant amendment. If an association is merely seeking to regulate such rentals, it may do so through rules and regulations, provided such rules are not arbitrary, capricious, unduly burdensome, or discriminatory.

Conclusion

Associations should work proactively with owners looking to rent on a short-term basis to ensure all owners are adhering to the same regulations, in ways that work best for the community. The Association should poll the community on the issue and have meetings and discussions to address owner concerns and needs. From there, the association can make the determination if it is appropriate to amend the covenants, or if there are appropriate rules or policies that can be adopted to address the issues.

Orten Cavanagh & Holmes advocates a proactive approach in providing legal representation to community associations throughout Colorado. The firm provides communities and associations with timely, value-oriented legal services.

Manager & Association LIABILITY?



Lindsay Smith, Esq.
Winzenburg, Leff, Purvis & Payne, LLC

As general counsel to community associations throughout Colorado, my job is, first and foremost, to provide legal guidance to the Boards of Directors who represent and act on behalf of my clients. Often, my clients have their managers act as my main point of contact. This can increase efficiency and decrease unnecessary legal fees, but can create conflicts when the managers take actions they shouldn't be taking—or fail to take actions they should take. This article addresses common errors that I see from the general counsel perspective, and offers tips intended to protect both my clients, and their managers, from conflict and liability.

Managers as Agents

Community association managers often walk a fine line between encouraging Board action and taking action for a Board. When a Board is non-responsive and time is of the essence, a manager may take action for the Board, knowing that the Board will agree to that action at a later date.

Don't Do That

A community association manager is typically an agent of the corporation. As a corporate agent, the manager will have broad authority to entertain negotiations with third parties, and often has "apparent authority" to bind the corporation to a contract or other course of action.

Sometimes, a community association manager will exercise his or her apparent authority in an inappropriate context. For example, the manager will select a contractor rather than wait for the Board to vet bids, or will approve a payment proposal offered by a delinquent owner. When a community association manager steps into the Board's shoes without legal authority to do so, third parties who rely on the manager's actions are usually permitted to enforce the agreement made by the manager. While the third party will be entitled to the benefit of the bargain made, the manager might not be as fortunate. Because the manager has taken action on behalf of the corporation without legal authority, the manager may face personal liability from the corporation for the contract. Put simply, if a manager contracts for an association without legal authority, the manager might have to pay for whatever was in that contract.

This is a general statement and will necessarily be impacted by the language of a management agreement. While all contracts differ, it is crucial to recognize the scope of management authority and to avoid making assumptions regarding a Board's potential decision. Additionally, Colorado law requires that certain decisions only be made by the Board (e.g. foreclosure). Make sure that you know what you are permitted to do on behalf of your client, and what you are not permitted to do. When in doubt, ask, and get it in writing.

Managers as the Board

A community's governing documents will often permit the association to charge a negligent or improperly-acting homeowner with the costs associated with that owner's bad acts. Communities subject to the Colorado Common Interest Ownership Act can assess unit owners for common expenses caused by their misconduct without additional authorization in the Declaration.

These provisions beg the questions—what is negligence? What is misconduct? And should the manager be the person who makes that determination?

Negligence is the failure to act in accordance with a legal duty, in a manner that causes harm to another person. The legal duty, in the community association context, may be a failure to maintain the interior of a condominium unit, a failure to report damages caused by exterior sources, or a similar failure to act as a reasonable person would in a similar situation. Misconduct is more affirmative in nature, and would include deliberate harm to common elements or gross negligence, such as drunkenly destroying a railing or cutting down a tree.

"Your clients may rely on you more than you realize. If your management agreement provides that you are the association's agent, you might have more responsibility than even you know!"

In light of these definitions, when a Board needs to determine whether a homeowner's negligence or misconduct has caused $25,000.00 in damages to the common elements, a manager should step back and make sure that whatever determination is made, it is made by the Board. In the event the homeowner challenges the determination that he or she is responsible for the damage to the common elements, and the challenge rises to the level of a lawsuit, the manager and the association will almost certainly find themselves with a conflict. To avoid this, and preserve your client relationships, stay in your lane and make sure your Boards are making the fact-based decisions.

Managers as Psychic

Your clients may rely on you more than you realize. If your management agreement provides that you are the association's agent, you might have more responsibility than even you know! A recent case out of Texas held a property management company jointly and severally liable with the community association for failure to make repairs to a retaining wall as recommended by a reserve study. The court found that the management company's contract imposed upon it duties to maintain the common elements. While the association did not expressly delegate the obligation to maintain the common elements to the management company, the management company assumed a duty to properly maintain the common elements by making this obligation part of the contract.

CAI Social Media Roundup

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The court found that the management company and the association were liable for the failure to repair common elements, even after the membership refused to approve a special assessment intended to fund the repairs.

Additionally, a recent case out of Maryland held that owners had a negligence claim against the board for failure to properly bring a construction defect lawsuit against the developer in a timely manner. While the case did not address the manager's liability, there could be liability based on a contract with the association. When managing relatively young communities, carefully consider whether there are defects in the developer's construction, and consult with professionals (and the Board) to protect yourself, and your communities.

The lessons in these cases are twofold: managers need to carefully consider the content of management agreements, and associations need to be diligent and proactive in investigating repairs for possible construction defects as well as funding repairs and associated reserves.

Conclusion

While not all liability can be avoided, it can be mitigated—for both the manager and the association—by ensuring that all parties are on the same page with respect to what actions are appropriately handled by management, and what actions are not to be delegated by the Board.

Lindsay Smith is a community association attorney with Winzenburg, Leff, Purvis & Payne LLP. Her practice focuses on general community association matters such as document amendments, governance, and document interpretation.

2018 PMDP National Course Schedule

Date	Location	Class
	JANUARY 2018	
18-20	Seattle, WA	M-100
18-19	Pikesville, MD	M-203
18-19	Lisle, IL	M-204
18-19	Las Vegas, NV	M-206
18-19	Austin, TX	M-201
25-27	Charlotte, NC	M-100
25-26	Phoenix, AZ	M-201
24-26	Falls Church, VA	M-100
25-26	Richmond, VA	M-203
25-26	Honolulu, HI	M-340
25-26	Denver, CO	M-205
26-26	Santa Ana, CA	M-202
	FEBRUARY 2018	
8-9	Seattle, WA	M-204
8-9	Hilton Head, SC	CASE
9-9	Indianapolis, IN	M-202
8-9	St. Louis, MO	M-201
8-9	Oxnard, CA	M-203
8-9	Riverside, CA	M-350
8-10	Houston, TX	M-100
21-24	Denver, CO	M-100
22-23	Dallas, TX	M-205
22-24	Honolulu, HI	M-100
22-24	Orlando, FL	M-100
23-23	Virginia Beach, VA	M-202
	MARCH 2018	
8-9	Pikesville, MD	M-380
8-9	Raleigh, NC	M-203
8-10	Richmond, VA	M-100
8-10	Atlanta, GA	M-100
8-10	Los Angeles, CA	M-100
15-17	Pikesville, MD	M-100
15-16	Salt Lake City, UT	M-206
15-16	Las Vegas, NV	M-204
16-16	Seattle, WA	M-202
22-23	Springfield, PA	M-205
22-24	Natick, MA	M-100
22-23	Houston, TX	M-203
23-23	Myrtle Beach, SC	M-202
22-24	Chicago, IL	M-100
22-23	Sacramento, CA	M-204
29-30	Santa Ana, CA	M-205
29-30	Colorado Springs, CO	CASE
29-30	Falls Church, VA	M-203
29-30	St. Petersburg, FL	M-204
29-30	Portland, ME	M-201
	APRIL 2018	
11-14	Colorado Springs, CO	M-100
11-13	Falls Church, VA	M-100
12-13	Seattle, WA	M-310
12-13	Charlotte, NC	M-206
12-13	Schaumburg, IL	M-206
12-13	Los Angeles, CA	M-204
13-13	Fairfield, CT	M-202
19-20	Pleasanton, CA	M-206
19-20	San Diego, CA	M-201
20-20	Kansas City, MO	M-202

Date	Location	Class
	APRIL 2018 (cont.)	
19-20	Austin, TX	M-204
19-21	Ft. Myers, FL	M-100
19-20	Amherst, NY	M-360
20-20	Vail, CO	M-202
	MAY 2018	
7-8	Washington, DC	CASE
7-7	**Washington, DC**	**M-400**
5/31-6/2	Windsor Township, NJ	M-100
5/31-6/2	Charleston, SC	M-100
5/31-6/2	Arlington Heights, IL	M-100
5/31-6/1	Cincinnati, OH	M-206
5/31-6/1	Sarasota, FL	M-203
	JUNE 2018	
7-8	Houston, TX	M-350
7-8	Atlanta, GA	M-206
7-8	Los Angeles, CA	M-205
7-9	Phoenix, AZ	M-100
7-8	Ft. Myers, FL	M-204
8-8	Dallas, TX	M-202
20-23	Steamboat Springs, CO	M-100
21-22	Natick, MA	M-203
21-22	Chicago, IL	CASE
21-22	Santa Ana, CA	M-201
21-23	San Diego, CA	M-100
21-22	Orlando, FL	M-201
22-22	Falls Church, VA	M-202
	JULY 2018	
12-13	Cranbury, NJ	M-203
12-13	Sturbridge, MA	M-360
12-13	Palm Springs, CA	M-204
12-14	Pikesville, MD	M-100
12-14	Santa Ana, CA	M-100
13-13	Schaumburg, IL	M-202
19-20	Falls Church, VA	M-320
19-20	Thornton, CO	M-203
19-21	Dallas, TX	M-100
19-20	Atlanta, GA	M-204
19-20	St. Petersburg, FL	M-206
20-20	Riverside, CA	M-202
	AUGUST 2018	
2-4	Hartford, CT	M-100
2-3	Pleasanton, CA	M-201
2-3	Ft. Lauderdale, FL	M-201
2-4	Portland, OR	M-100
16-18	Lisle, IL	M-100
16-17	Palm Springs, CA	M-203
16-17	Ft. Collins, CO	M-206
16-17	Ft. Myers, FL	M-340
16-17	Falls Church, VA	M-201
23-25	Seattle, WA	M-100
23-25	Virginia Beach, VA	M-100
23-24	Pikesville, MD	M-205
23-24	Santa Ana, CA	M-206
23-25	Salt Lake City, UT	M-100
23-24	Phoenix, AZ	M-330
24-24	Sandestin, FL	M-202

Date	Location	Class
	SEPTEMBER 2018	
6-7	Richmond, VA	M-350
6-7	Houston, TX	M-204
7-7	Birmingham, AL	M-202
6-7	Sandestin, FL	M-205
27-28	Pikesville, MD	M-204
27-28	Schaumburg, IL	M-203
27-28	Pleasanton, CA	CASE
27-28	Falls Church, VA	M-205
27-28	Sarasota, FL	M-370
27-28	Santa Ana, CA	M-203
28-28	Phoenix, AZ	M-202
	OCTOBER 2018	
17-19	Falls Church, VA	M-100
18-19	Seattle, WA	M-206
18-20	Windsor Township, NJ	M-100
18-19	Natick, MA	M-205
18-19	Wilmington, NC	M-360
18-19	St. Louis, MO	M-204
18-19	New London, CT	M-204
24-27	Ft. Collins, CO	M-100
25-26	Hilton Head, SC	M-206
25-26	Dallas, TX	CASE
25-26	Chicago, IL	M-201
25-27	Sandestin, FL	M-100
	NOVEMBER 2018	
1-2	Virginia Beach, VA	M-204
1-2	Danbury, CT	M-206
1-2	Atlanta, GA	M-201
1-2	Las Vegas, NV	M-340
1-3	Palm Springs, CA	M-100
15-17	Valley Forge, PA	M-100
15-16	Dallas, TX	M-206
15-16	Austin, TX	M-205
15-17	Chicago, IL	M-100
15-16	Santa Ana, CA	M-204
15-16	Falls Church, VA	M-204
	DECEMBER 2018	
6-7	Honolulu, HI	M-205
6-7	Falls Church, VA	M-206
6-8	Santa Ana, CA	M-100

Rights and Responsibilities for Better Communities

Principles for Homeowners and Community Leaders

More than a destination at the end of the day, a community is a place people want to call home and where they feel at home. This goal is best achieved when homeowners, non-owner residents and association leaders recognize and accept their rights and responsibilities. This entails striking a reasonable balance between the preferences of individual homeowners and the best interests of the community as a whole. It is with this challenge in mind that Community Associations Institute (CAI) developed Rights and Responsibilities for Better Communities.

Rights and Responsibilities can serve as an important guidepost for all those involved in the community—board and committee members, community managers, homeowners and non-owner residents.

Homeowners Have the Right To:

- A responsive and competent community association.
- Honest, fair and respectful treatment by community leaders and managers.
- Participate in governing the community association by attending meetings, serving on committees and standing for election.
- Access appropriate association books and records.
- Prudent expenditure of fees and other assessments.
- Live in a community where the property is maintained according to established standards.
- Fair treatment regarding financial and other association obligations, including the opportunity to discuss payment plans and options with the association before foreclosure is initiated.
- Receive all documents that address rules and regulations governing the community association—if not prior to purchase and settlement by a real estate agent or attorney, then upon joining the community.
- Appeal to appropriate community leaders those decisions affecting non-routine financial responsibilities or property rights.

Homeowners Have the Responsibility To:

- Read and comply with the governing documents of the community.
- Maintain their property according to established standards.
- Treat association leaders honestly and with respect.
- Vote in community elections and on other issues.
- Pay association assessments and charges on time.
- Contact association leaders or managers, if necessary, to discuss financial obligations and alternative payment arrangements.
- Request reconsideration of material decisions that personally affect them.
- Provide current contact information to association leaders or managers to help ensure they receive information from the community.
- Ensure that those who reside on their property (e.g., tenants, relatives, friends) adhere to all rules and regulations.

continued on next page

community
ASSOCIATIONS INSTITUTE

Community Leaders Have the Right To:

- Expect owners and non-owner residents to meet their financial obligations to the community.
- Expect residents to know and comply with the rules and regulations of the community and to stay informed by reading materials provided by the association.
- Respectful and honest treatment from residents.
- Conduct meetings in a positive and constructive atmosphere.
- Receive support and constructive input from owners and non-owner residents.
- Personal privacy at home and during leisure time in the community.
- Take advantage of educational opportunities (e.g., publications, training workshops) that are directly related to their responsibilities, and as approved by the association.

Community Leaders Have the Responsibility To:

- Fulfill their fiduciary duties to the community and exercise discretion in a manner they reasonably believe to be in the best interests of the community.
- Exercise sound business judgment and follow established management practices.
- Balance the needs and obligations of the community as a whole with those of individual homeowners and residents.
- Understand the association's governing documents and become educated with respect to applicable state and local laws, and to manage the community association accordingly.
- Establish committees or use other methods to obtain input from owners and non-owner residents.
- Conduct open, fair and well-publicized elections.
- Welcome and educate new members of the community—owners and non-owner residents alike.
- Encourage input from residents on issues affecting them personally and the community as a whole.
- Encourage events that foster neighborliness and a sense of community.
- Conduct business in a transparent manner when feasible and appropriate.
- Allow homeowners access to appropriate community records, when requested.
- Collect all monies due from owners and non-owner residents.
- Devise appropriate and reasonable arrangements, when needed and as feasible, to facilitate the ability of individual homeowners to meet their financial obligations to the community.
- Provide a process residents can use to appeal decisions affecting their non-routine financial responsibilities or property rights—where permitted by law and the association's governing documents.
- Initiate foreclosure proceedings only as a measure of last resort.
- Make covenants, conditions and restrictions as understandable as possible, adding clarifying "lay" language or supplementary materials when drafting or revising the documents.
- Provide complete and timely disclosure of personal and financial conflicts of interest related to the actions of community leaders, e.g., officers, the board and committees. (Community associations may want to develop a code of ethics.)

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Visit www.caionline.org; write cai-info@caionline.org;
call (888) 224-4321 (M–F, 9–6:30 ET)

Colorado Construction Defect 2017 RECAP

By Ryan Gager

The new year is upon us and it remains to be seen if 2018 will bring more changes to construction defect litigation. After years of both sides battling, 2017 saw two major decisions in the construction defect industry. First, was the introduction of House Bill 1279, a step towards construction defect litigation reform. Whether it was a step in the right direction or a step backwards probably depends on who you ask. The bill was touted as a bipartisan effort toward addressing the housing squeeze in Colorado. Construction defect has long been a hot topic in Colorado as developers and builders cite how easy it is for homeowner associations to sue, along with the high cost of insurance as the reasons there are very few condominiums being developed throughout the state. Homeowner associations and those representing them argue that it is their only recourse when a building isn't built correctly.

HB 1279 requires that a unit owners' association obtain approval through a vote of unit owners before filing a construction defect claim. The bill requires an association to notify all unit owners and the developer or builder of a potential construction defect action, call a meeting where both the HOA and developer or builder have an opportunity to present arguments and potentially remedy the defect, and obtain a majority vote of approval from the unit owners to pursue a lawsuit before bringing that lawsuit against a developer or builder.

If you are a homeowner in a community that always wanted to be more involved or know what was going on, this bill ensures that. All owners will be notified of a potential claim, and all will have a voice in a community-wide vote. Majority approval of the owner vote does not include nonresponsive owners and the court will determine whether diligent efforts were made to contact the owner, whether mail was undeliverable, whether the owner is occupying the unit, and if other contact information such as email or a phone number were used. All of this means that unit owners should keep all records and contact information up-to-date with their HOA, to ensure they can be part of the vote.

The other significant development in construction defect litigation last year, was the Colorado Supreme Court's decision in Vallagio at Inverness Residential Condo. Ass'n, Inc. v. Metro. Homes, Inc. The issue was whether a condominium developer can place a provision in the project's governing documents, a provision that requires that any dispute with the developer be summitted to binding arbitration and prohibits the condo unit owners from amending the document to remove that provision. The state Supreme Court ruled that the homeowner association was wrong to sue the builder after disregarding bylaws, including the provision, that require binding arbitration to settle claims of construction defects.

The building industry favors binding arbitration as a more streamlined way of dealing with allegations of defects. However, HOAs and those representing them argue that this decision gives too much power to developers and builders. It remains to be seen if developers and builders will now use this decision to place provisions in governing documents of all developments.

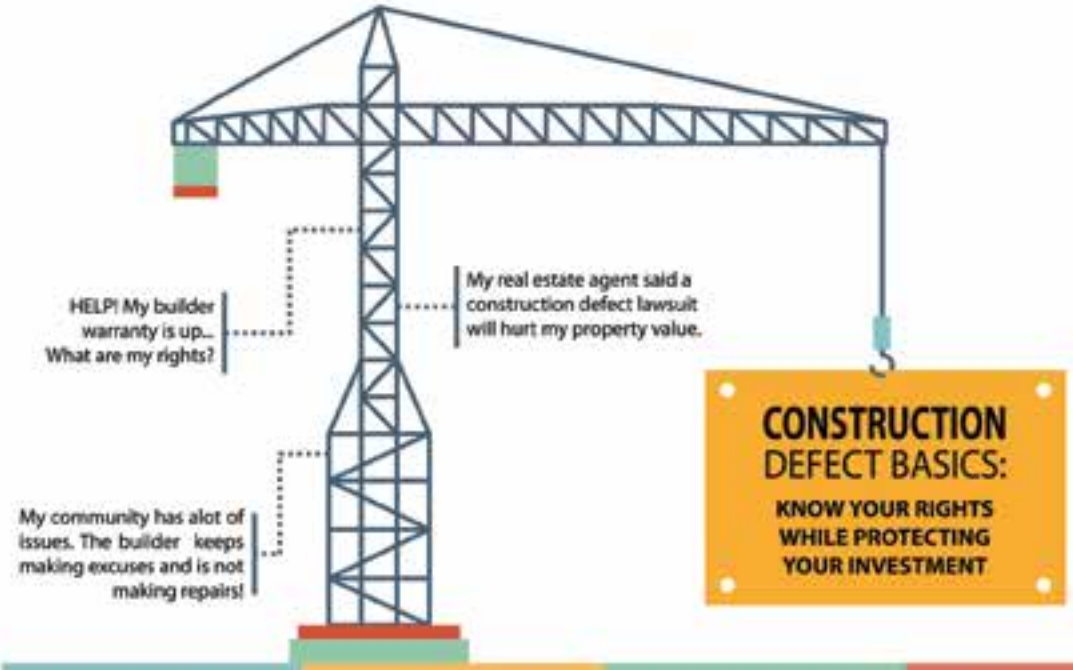
Whether these decisions are considered victories for developers and builders or not, developers and builders still need to continue to implement successful strategies to mitigate risks of construction defect litigation. These include third-party inspections, insurance programs, familiarity with state code and standard requirements, disclosures to homebuyers and turnover procedures to associations.

The one thing we do know is, based on the decisions and outcomes of 2017, we are a long way from a definitive solution to construction defect in Colorado.

Ryan Gager is the Director of Marketing at Hearn & Fleener, LLC, a construction defect firm serving all of Colorado.

Alex Nelson
BKSN Shareholder

Alex Nelson is a shareholder at BKSN, and has more than 14 years of experience in construction defect litigation. His practice includes representing HOA's and single-family homeowners in construction defect claims against builders, developers, subcontractors, design professionals, and their insurance companies.



STATUTE OF REPOSE

Restricts the amount of time a party has to hold their builder, developer or construction professional accountable for faulty construction.

The maximum amount of time property owners have to take legal action on construction defects in Colorado is:

6 YEARS
from substantial completion

STATUTE OF LIMITATIONS
"DISCOVERY RULE"

You have 2 years to take legal action from the time a defect* was first noticed or the day of discovery. This applies to each individual defect seperately.

2 YEARS
Time is ticking, watch the clock!

(*flooding, roof leaks, drywall cracks, etc... even if you do not know the cause of the issues)

This **can** extend the Statute of Repose to up to 8 years if discovered within the 6 year time limit.

NOTICE OF CLAIM

A Notice of Claim must be filed before bringing a cause of action (lawsuit). This puts your builder/developer on notice which temporarily stops the Statute of Limitations clock.

This process allows both the HOA and the builder/deveoper the time to investigate the extent of the construction defects impacting the community and create a plan of action.

MAJORITY VOTE

Community support is essential for holding builders/deveopers accountable. A majority vote is required to initiate a lawsuit. If you are experiencing construction defects, your property values are already negatively impacted and you have the right to protect your biggest investment.

THE NEXT STEP EVALUATION PROCESS:
DOES MY COMMUNITY HAVE A VALID DEFECT CLAIM?

Site Walk & Consultation

Preliminary Defect Report

Investigate
- ✓ Builder/Developer
- ✓ Insurance Coverage
- ✓ Documents & Plans

Evaluation of Claim & Advice to Client

RED FLAGS OF CONSTRUCTION DEFECTS:
COMMON ISSUES IN COLORADO

Don't ignore the signs...

If something doesn't look right, it never hurts to get an outside second opinion.

INSIDE
- ✔ Sump pump running frequently
- ✔ Doors not closing properly
- ✔ Window condensation
- ✔ Drywall cracks
- ✔ Uneven floors
- ✔ Water intrusion/ flooding

OUTSIDE
- ✔ Foundation cracks
- ✔ Cracking/distressed concrete
- ✔ Swelling trim
- ✔ Roof leaks
- ✔ Sinking steps
- ✔ Landscaping sloping towards foundation
- ✔ Water running towards foundation

COMMON AREAS
- ✔ Dead landscaping
- ✔ Soggy grass
- ✔ White residue on stone
- ✔ Streets in poor condition
- ✔ Standing water
- ✔ Reoccuring maintenance issues

Decl
Ame

Lindsay Smith, Esq.
Winzenburg, Leff, Purvis & Payne, LLC

Preface

This article is written by an attorney, but is not intended to be legal advice. It is general in nature. This article is intended to provide you with a broad understanding of the declaration amendment process and highlight some common problematic provisions so you can better discuss with community members, but it is not an in depth analysis. Every situation differs, and you should consult with your association's attorney before undertaking a declaration amendment.

The declaration creates the community. C.R.S. § 38-33.3-103(13). It is common for attorneys and developers to work closely together to ensure that the declaration that is created properly reflects the community that is created, but this doesn't happen in every instance. Sometimes, a declarant "saves money" by copying from another community's declaration. Other times, miscommunications between attorney and client result in a declaration that reflects what the attorney understood to be the declarant's intent, which actually has nothing to do with the declarant's intent.

The difficulty in creating a declaration that properly governs a particular community can be exacerbated by the passage of time. Communities created before the adoption of the Colorado Common Interest Ownership Act ("CCIOA") are not required to have the same declaration provisions as communities formed on or after July 1, 1992. These older declarations may have definitions that aren't aligned with CCIOA, missing assessment and maintenance provisions, or provisions that are now contrary to public policy. While many of these provisions are superseded by CCIOA, their presence in your declaration can make governance

aration ndments

and management an expensive headache. When your declaration does not allow the association to properly govern or function without constant legal opinions, you need an amendment.

Common Problematic Provisions

We see a lot of common problems in declarations. Some provisions that may need to be amended out, either by a limited amendment or by an amended and restated declaration, follow.

- **Errors in allocated interests.** When a declarant annexes in properties by phase or at the time of conveyance, they often record a supplemental declaration that revises allocated interests to reflect the addition. Sometimes these documents are recorded without appropriate legal oversight, and the allocated interests are not properly reallocated. Other times, a phased development results in allocated interests that do not total 100% (or one) as required by CCIOA. When this happens, the only option is a declaration amendment.
- **Incomplete definitions.** You will see declarations that treat certain words as defined terms, but never actually define the term.
- **Unreasonable restraints on Board power.** Some Declarations prohibit all assessment increases, restrict Boards from adopting reasonable rules, and hamstring normal operations.
- **Assessment ambiguities.** Some declarations and bylaws will both speak to assessments and collections, but their provisions (e.g., late fees, interest, due dates) will conflict.
- **Other assessment problems.** Assessment limits tied to the CPI and assessment caps can prevent an association from performing necessary maintenance.
- **Obsolete or inappropriate provisions.** Some declarations contain provisions that are contrary to public policy, such as prohibitions on solar panels. Very old declarations may even include provisions that directly violate the Federal Fair Housing Amendments Act. These provisions are unenforceable, confusing, and can create strife in a community.
- **Ambiguous or missing maintenance provisions.** CCIOA specifies default maintenance if the declaration is silent on the issue, but this default doesn't apply to pre-CCIOA communities. Similarly, missing or ambiguous insurance provisions create coverage gaps.
- **Ambiguous unit boundaries.** When you can't figure out whether the drywall is part of the condominium unit or part of the common elements, you will likely turn to legal counsel for an opinion. While CCIOA defines unit boundaries in the event the declaration has failed to, that section also does not apply pre-CCIOA communities. If your unit boundaries are ambiguous, you will have problems determining insurance and maintenance obligations.
- **Insurance provisions.** Some declarations limit all insurance deductibles to $5,000. These provisions are economically impossible when insurance companies charge wind and hail deductibles based on a percentage of the building's value.
- **Special assessments.** Documents that are silent on the power and process to levy special assessments hurt communities that have suffered unfunded losses, such as catastrophic hail damage.
- **Certified mailings.** Some declarations mandate certified or registered mailings for all but "non-routine" notices. The declarations do not define a routine notice, leaving associations to wonder whether the reminder letters that go out to a third of the community are routine or non-routine. Certified mailings are expensive, and do not benefit from any presumption that the letter reached its intended recipient.
- **Declarant provisions.** If your community is complete and the declarant is gone, the declarant provisions are obsolete. While the presence of these provisions may not harm the community, they tend to make the declaration more confusing for the average homeowner. Amend these provisions out, but make sure you have obtained any declarant consent you may require.
- **Construction defect provisions.** With the passage of HB 16-1279, many existing provisions intended to address construction defect lawsuits are presumably obsolete. However much you may want to amend the declaration to remove such provisions, be aware that you may have to obtain declarant consent—even if the community is built out, special declarant rights have expired, and the declarant has been dead for thirty years.
- **Leasing restrictions.** Leasing restrictions are restrictions on

the "alienation" of real property and need to be in the declaration. If you want to limit short term rentals, set minimum lease terms, restrict the total number of units rented, or take other substantive actions that impact leasing, you need a declaration amendment.

The Amendment Process

CCIOA governs declaration amendments in section 38-33.3-217. "Section 217" provides the process by which an amendment can be made, exceptions to that process, lender approval guidelines, and the judicial approval process. Your legal counsel should review your existing declaration to ensure that any unusual amendment provisions are appropriately addressed.

Section 217(1) creates the maximum threshold for most document amendments. Declarations—especially for older communities—frequently require approval by members representing 75% or more of the community. These provisions effectively precluded amendment in many communities, so the legislature took action in 2005 to amend the law. Now under Section 217(1), any amendment percentage greater than 67% is declared void as contrary to public policy. The amendment percentage can be as low as a simple majority of all votes in the association, but it cannot be higher—except when it is.

Sections 217(4) and 217(4.5) allow for higher percentage thresholds for amendments that create or increase special declarant rights, increase the number of units, change the boundaries of any unit, change the allocated interests of any unit, or change the uses to which any unit is restricted. Section 217(4) applies to pre-CCIOA communities; section 217(4.5), governing use restrictions, does not (don't worry, it gets more complicated soon). These types of amendments require a minimum of 67% of the votes in the association, but are governed by any higher percentage specified in the declaration. Thus, a community could be forced to obtain unanimous consent for a change in how common expenses are allocated, if the original document required unanimous consent for such an amendment. The community would have to obtain unanimous consent to decrease this amendment threshold for future amendments as well.

If the association does not reach whatever percentage threshold is required by CCIOA and/or the declaration itself, all hope is not lost. Section 217(7) sets forth a process by which an association can obtain judicial approval of an amendment where the failure to reach the voting threshold is due to non-response (as opposed to substantial opposition). To ensure your community can proceed with judicial approval, make sure that you discuss the amendment at a meeting of the association, send out at least two notices of the amendment, and obtain at least half of the votes you would need to approve the amendment outright. Consult with your association's attorney to make sure the meeting notice is appropriate for the proposed amendment, as document amendments have been a favorite topic of the Colorado appellate courts in recent years.

If you are proceeding with judicial approval, section 217(1) does not apply to the amendment. Appellate courts have not clarified whether this inapplicability is simply recognition that the court is approving an amendment rather than the homeowners, or whether this inapplicability means that the 67% threshold established by that section is ignored when calculating whether you obtained at least half of the votes you would need to approve the amendment outright. The cautious approach is to proceed under section 217(7) with whatever higher percentage is contained in the Declaration.

In addition, courts are not entitled to approve amendments that change the allocated interests, except to the extent that they change the portion of the allocated interests that is the common expense liability. You cannot obtain judicial approval of an amendment that changes the ownership interests in the common elements in a condominium, or the votes in the association in any community.

Conclusion

Declaration amendments, contrary to a statement made to me by an owner at a document amendment meeting, are not easy. You need to engage with legal counsel early to determine the appropriateness and viability of an amendment and create a roadmap to get from where you are to where you need to be. Do not try a declaration amendment on your own, but don't be afraid of the hard work associated with an amendment. They may take years in some circumstances, but the benefit to the community is long term.

Lindsay Smith is a community association attorney with Winzenburg, Leff, Purvis & Payne LLP. Her practice focuses on general community association matters such as document amendments, governance, and document interpretation.

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This comprehensive community association management course provides a practical overview for new managers and an essential review for veteran managers. It is approved by the Colorado Division of Real Estate (DORA) as a 24-hour qualifying course. You'll receive a 400-page participant guide filled with dozens of sample forms and time-saving tips for working with homeowners, vendors, managers and other professionals. Successful completion of this course is the first step in obtaining a professional designation in community association management. Topics include:

- Roles and responsibilities of managers, owners, committees and the board
- Management ethics
- Developing, implementing and enforcing rules
- Organizing and conducting board meetings
- Preparing budgets and funding reserves
- Assessment collection policies and procedures
- Collecting delinquent payments
- Financial statements, reporting methods and operations
- Evaluating risk management and insurance programs
- Implementing maintenance programs
- Preparing bid requests and identifying key contract provisions
- Recruiting, selecting and managing personnel
- Managing sustainable and developing communities

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community ASSOCIATIONS INSTITUTE

The Future is Here

and it's Electric!

Electric Vehicle Charging Stations and Community Associations

Ashley M. Nichols
Cornerstone
Law Firm, P.C.

Believe it or not, the electric car has a long and storied history dating back to the 19th century when inventors across the globe started tinkering with building cars which would run on electric power. In 1891, William Morrison of Des Moines, Iowa built the first successful electric automobile in the United States.

However, with the introduction of Henry Ford's gasoline powered Model T in 1908 and the invention of the first practical electrical automobile starter in 1912 (which made gasoline powered vehicles more alluring because it eliminated the hand crank starter), the vision of the electric car began its demise. However, throughout the late 20th century and certainly in the 21st, we have seen advances in the electric vehicle, leading to greater horsepower, the ability to drive longer distances, and lower costs allowing more access to the market.

The growing interest in these vehicles should not come as a surprise if you've driven on the roads in Colorado. In September of 2017, the Denver Post reported that there were more than 10,000 EVs on Colorado roads compared to less than 100 in 2011. Colorado boasts the sixth highest EV market share in the nation and the fourth-fastest growing EV market, according to the report.

Colorado passed legislation in 2013 regarding community associations and electric vehicle charging stations, declaring that the "widespread use of plug-in electric vehicles can dramatically improve energy efficiency and air quality for all Coloradans, and should be encouraged wherever possible."

So, why are we talking about this in 2018? While Colorado was one of the early adopters of legislation promoting the use of electric vehicles, associations should not consider it "old hat." It's certainly a trend affecting condos and HOAs across the nation in 2018. We are in a time where more and more individuals own or are looking to purchase electric vehicles. Because of this, associations, which may not have had to deal with this issue regularly since 2013, may have to entertain more requests for accommodation for owners' electric vehicles. So, what exactly is the law in Colorado and how can you make sure that your association is compliant?

In Colorado, community associations are required to permit owners to install Level 1 and Level 2 electric vehicle charging stations on their lots and on limited common elements designated for an individual owner's use.

LEVEL 1 CHARGING	When one charges the electric vehicle (EV) using the charger included with the car. These chargers can be plugged with one end into any standard 120V outlet, with the other end plugging directly into the car. Can take upwards of eight hours to fully charge the vehicle.
LEVEL 2 CHARGING	These chargers are sold separately from the car (although often purchased at the same time). Those chargers need a bit more of a setup, as they are plugged into a 240V outlet, which often requires the work of an electrician. Takes around four hours to fully charge the vehicle, but it costs more than a Level 1 charger.

The law does not require that associations incur expenses related to the installation or use of the stations. Because of the growing number of consumers purchasing electric vehicles (in large part to state and federal tax credits), community associations should consider adopting a policy regarding electric vehicle charging stations. Provisions which can be included in the policy are:

- Bona fide safety requirements, consistent with an applicable building code or recognized safety standard;
- Require that the charging station be registered with the association within thirty days after installation;
- Reasonable aesthetic provisions that govern the dimensions, placement, or external appearance of an electric vehicle charging system;
- In certain circumstances, require that the owner engage the services of a licensed and registered electrical contractor familiar with the installation and code requirements for electric vehicle charging stations;
- Require that the owner bear the expense of installation, including costs to restore any common elements disturbed in the process of installing the system; and
- Require that the owner provide proof of insurance naming the association as an additional insured on the homeowner's insurance policy for any claim related to the installation, maintenance, or use of the system, or payment of the association's increased insurance premium costs related to the charging station.

The bill also created the electric vehicle grant fund, which is used to provide grants to install recharging stations. Therefore, communities that want to participate in the progressiveness of today's electric vehicle are encouraged to apply for grants to assist with funding electric vehicle charging stations on common elements as an added amenity for owners.

The primary purpose of the law in Colorado was to "ensure that common interest communities provide their residents with at least a meaningful opportunity to take advantage of the availability of plug-in electric vehicles rather than create artificial restrictions on the adoption of this promising technology." And that is also certainly one of CAI's initiatives. According to CAI, by 2040, community associations will represent over 50% of the housing stock in the United States. By the same year, it is anticipated that electric vehicles will represent 35% of new car sales. To help promote these principles in your community or for questions about the potential impact of electric vehicles in your association or for your members, contact your legal counsel.

Ashley Nichols is the principal and founder of Cornerstone Law Firm, P.C. She has been in the community association industry for ten years, providing associations with debt recovery solutions for their communities. Cornerstone Law Firm represents Colorado communities in all areas of common interest community law. You may find out more at www.yourcornerstoneteam.com.

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**If you have more than 15 association board members, please call our Member Services Center for assistance at (888) 224-4321.*

Large Scale Manager Workshop to be Hosted in Denver in 2018

Each fall, CAI's Large-Scale Managers Committee hosts an annual workshop, exclusively for community managers specializing in large-scale communities. The workshop is hosted by at least one large-scale community and participants spend three days touring properties and attending innovative education sessions specifically designed for the large-scale community manager.

Are you a Large-Scale Manager? A Large-Scale Manager is defined through Community Associations Institute (CAI), as a full-time, on-site community manager whose community provides municipal services, has a minimum of 1,000 units, or 1,000 acres and $2,000,000+ annual operating budget.

The 2018 Large-Scale Workshop will be hosted in Denver, September 12-15, at the Hyatt Regency in downtown Denver. Registration is limited to the first 150 participants, so early registration is strongly recommended. Advance registration is limited to onsite large-scale general managers, assistant general managers, and those with a current LSM designation.

You can register online at www.caionline.org/Events and click on 2018 Large-Scale Managers Workshop. This year's host community tours include **Anthem Ranch, Anthem Highlands, Ken-Caryl Ranch Master Association, Highlands Ranch Community Association,** and a bonus downtown tour of **Riverfront Park**. The goal of the 3-day workshop is to provide managers with the opportunity to see how communities operate, learn the best practices and observe the products and services that are successfully used in the workshop communities. In addition, managers have an opportunity to network at social functions with other managers at the workshop events.

Are you a local Large-Scale Manager in Colorado looking to become involved? Interested in serving on the planning committee? Volunteers must be committed to attending monthly meetings through June, and then bi-weekly meetings from July until the workshop begins. Committee members will be expected to register for the conference, and volunteer every day throughout the entire event. If you are interested, please contact the **2018 LSMW Host Chair, Michele Ray-Brethower**, at **mray-brethower@meadowslink.com**, or **(303) 814-3952**.

2018

Calendar of Events

Please make sure to keep up to date with the chapter calendar at cai-rmc.org as dates may change.

January

16 Speaker Series
25 M205 - DTC

February

8 Managers Lunch - Denver
21 M100 - DTC
23 3rd Annual Bowling Classic - Centennial

March

16 Spring Showcase and Trade Show

April

11 Mountain Education - Roaring Fork Valley
12 Managers Lunch - Fort Collins
18 Speaker Series
20 M202 - Vail
21 Board Leadership Development Program
25 Mountain Education - Vail

May

16 Mountain Education - Breckenridge
18 DORA Day (20/20 Program)
22 HOA Roundtable - Aurora
23 Mountain Education - Steamboat Springs

June

12 HOA Roundtable - Castle Rock
14 Managers Lunch - Denver
20 M100 - Steamboat Springs
29 Golf Tournament

July

19 M203 Thornton

August

9 Managers Lunch - Lakewood
16 M206 - Fort Collins
21 Speaker Series

September

11 HOA Roundtable - Centennial
13 Clay Shooting
17 Mountain Conference & Trade Show - Vail

October

16 Speaker Series
20 Board Leadership Development Program
24 M100 - Fort Collins
25 Bowling - Windsor

November

6 HOA Roundtable - Thornton
9 Fall Conference / Annual Meeting

December

4 HOA Roundtable - Fort Collins
TBD Holiday Luncheon and Awards

ROCKY MOUNTAIN CHAPTER
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Welcome New Members

Kevin Andrew—Mesa View Estates
Larry D. Armstrong—Reserve Mortgage Funding, LLC
Karen Kay Bello
Courtney Bolla—Associa Colorado Association
Alison Brett
Adriana Burke—Westwind Management Group, Inc.
Meagan Carper—Precision Concrete Cutting
Christopher Crawford—Hammersmith Management, Inc.
Kristen Dale—Mesa View Estates
Jerry Dreiling—Mesa View Estates
Cynthia Dugan—Hammersmith Management, Inc.
Stephane Dupont—Dupont Law Firm, LLC
Jennifer Gill—Associa Colorado Association
Joe Glassman—Waterside Lofts
Helen Hardin
Michael Hendricks—Buffalo Mountain Managers
rocky Hill—Waterside Lofts
Renee Hook—Mesa View Estates
Rex Hughes—Mesa View Estates
Bob Husson—The Pinery Homeowner's Association Inc
Cory Johnson—Zenith Home Finishes
Jim Kimble—Steamboat Association Management
John Koehler—Palmer Engineering & Forensics, LLC
Mike Korchemny—IKO
Jim Mallon—Waterside Lofts
Vito Maretski—Gutter Maintenance Pro
Jennifer Matheson—Stailey Insurance Corporation
Shelley Nordin
Bill Opp—Mesa View Estates
Kevin Ottercrans—Waterside Lofts
Lisa Phelps—Hammersmith Management, Inc.
Charlie Ransdell—Mesa View Estates
Miri Roberts—Hammersmith Management, Inc.
Paul Smith—Waterside Lofts
David Stansfield—
Stansfield Insurance Agency—Farmers Insurance
Sean Swenson—Hammersmith Management, Inc.
Ralph Townsend
Scott Willis—Buffalo Mountain Managers

COMMON INTERESTS

Editorial Calendar

Issue	Topic	Article Due Date	Ad Due Date
April	Maintenance / Preventative	02/15/2018	03/01/2018
June	Insurance / Security	04/15/2018	05/01/2018
August	Finance	06/15/2018	07/01/2018
October	Tech / Modernization	08/15/2018	09/01/2018
December	Beautification / Upgrades	10/15/2018	11/01/2018

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CAI-RMC MISSION STATEMENT

To provide a membership organization that offers learning and networking opportunities and advocates on behalf of its members.

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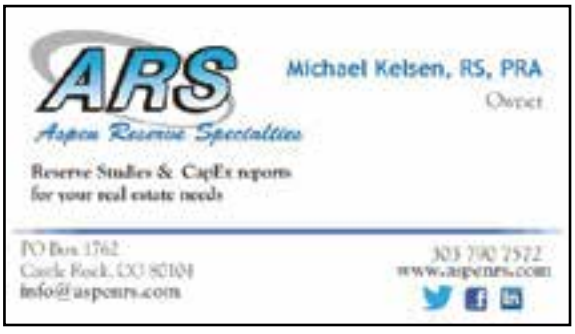

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CAI-RMC EVENT CALENDAR

FEBRUARY	
21 Wed	**M100—The Essentials of Community Association Management** Denver Tech Center
23 Fri	**CAI-RMC Annual Bowling Classic** Celebrity Lanes, Centennial
MARCH	
16 Fri	**Spring Showcase & Trade Show** Denver
APRIL	
11 Wed	**Mountain Education** Roaring Fork Valley
12 Thu	**Manager's Lunch** Fort Collins
18 Wed	**Speakers Series** Denver Tech Center
19 Thu	**HOA Roundtable** Boulder
20 Fri	**M202** Vail
21 Sat	**Board Leadership Development Program** Parker
25 Wed	**Mountain Education** Vail

For the latest information on all our programs, visit www.cai-rmc.org!
Don't forget to register for events as prices are significantly higher the day of the event.