

New Laws, New Challenges

2003 California Homeowner Association Legislation

BY KENNETH H. DILLINGHAM, JR. ESQ.



In 2003, California followed a national trend in homeowner association legislation. From coast to coast in America, states are passing laws expanding the rights of homeowners in common interest subdivisions. Many of these new laws result from actual or perceived abuses by some boards of directors, and the corresponding activism of individual homeowners in these communities. An example from last year in California was the “Flag Bill,” invalidating restrictions on flying the American flag in subdivision communities. This year brings several similar new laws, most will be effective on January 1, 2004.

AB 104, Chapter 375, Accounting Books & Records; Minutes.

While provisions of the existing California Civil and Corporations Codes already required homeowner associations to maintain certain financial and meeting records, AB 104 adds Section 1365.2 to the Civil Code regarding more regulation of financial and meeting records. Section 1365.2 makes certain clarifications and additions to the “where” and “what” of record keeping duties and member inspection rights.

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THE WHERE — After January 1, 2004, associations must make the “accounting books and records” of the association, and the minutes of proceedings, available for inspection by a member or the member’s representative (which must be done in writing by the member). These documents must be available at the association’s on-site business office. If there is no on-site business office, the association must make the documents available at a location agreed upon by both the member and the association. If the parties cannot reach an agreement, the association may satisfy its obligation by mailing copies of the documents to the member. The association must also mail the documents to the member if it receives a written request to do so. The cost of copying and mailing may be billed to the member, but you must inform them of the amount first.

THE WHAT — Associations must keep and produce detailed accounting books and records and minutes of proceedings. Section 1365.2 restricts the ability of an association to withhold, or “redact,” certain information. While you can withhold information that may likely lead to identity theft, fraud or that which is otherwise privileged, you cannot withhold information concerning compensation paid to employees, vendors or contractors. For example, the accounting books and records must now show the amounts paid to landscape companies, management companies, and any person employed directly by the association, such as janitors or security personnel, as a separate line-item rather than lumped together in one category. Fortunately, employment informa-

To assist those victims of the recent firestorms in California, Anderson & Kriger has compiled the following fire disaster response assistance:

- **The San Diego Better Business Bureau's** free 24-hour consumer help line at (858) 496-2131. The main office can be reached at (800) 600-7050. The bureau's Web site – www.sd.bbb.org – has information about scams and a list of BBB member companies.
- **The Contractors State License Board**, which operates under the state Department of Consumer Affairs, investigates about 25,000 complaints every year. Licenses can be verified at www.cslb.ca.gov or (800) 321-CSLB. The board has a hotline exclusively for disaster victims at (800) 962-1125.
- **State Insurance Commissioner John Garamendi's** office can be contacted at (800) 927-HELP or www.insurance.ca.gov.
- **The victim assistance line** for state and federal programs can be reached at (800) 621-3362.
- **The San Diego City Attorney's Office** has victim alerts, consumer advice and complaint forms at www.sandiegocityattorney.org. The office's Consumer and Environment Protection Unit hotline is (619) 533-5600.

tion may be set forth by job title, *not* by name, social security number or other personal information.

Note that this information may not be requested or used for any commercial purpose, and the association has a specific right to sue to stop such commercial use. Conversely, owners have the right to sue the association for failing to follow the new law, and may be awarded up to \$500 for each violation.

AB 512, Chapter 557, Chapter & Article Headings; Procedural Fairness in Decisions and Rules.

A product of the California Law Revision Commission, AB 512 represents an effort by the legislature to “clarify and simplify” the laws relating to common interest subdivisions. With one hand they give you their version of simplicity and understanding, and with the other hand they

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take away the ability of the board of directors to unilaterally enact rules and architectural standards. Sprinkle in a few provisions requiring the president's name to be filed with a state agency and some changes affecting only commercial and industrial projects, and you have a recipe for a dish only lawyers would love!

SIMPLICITY — The Davis-Stirling Common Interest Development Act was originally enacted by California as a means of simplifying the various laws relating to subdivisions. It took separate provisions of several different codes and centralized them in one area of the Civil Code. Since that time, we understand that the Davis-Stirling Act has been one of the most amended portions of the Civil Code ever! What started out as a relatively simple and well-intentioned Act became confusing and understandable only by professional masochists (attorneys).

Enter the California Law Revision Commission ("CLRC"). This is a body of professionals whose sole job is to research and deliberate upon subjects referred to them by the legislature. The legislature said "Fix the Act!" And so, after many years and many studies, CLRC determined that the Act needed chapter and article headings. (Hmm, do you think clearer language choices may be more effective?!)

But wait. . . there's more!

CLRC also thought that owners needed more rights in their communities! Therefore...

RULES — A whole new section is being added to the Davis-Stirling Act regarding enactment of rules by community associations. No longer can the governing body, the board of directors or governors, enact rules all by themselves without owner input. These new sections, beginning with Section 1357.100, totally change the way rules can be enacted and enforced. First, a rule is valid and enforceable only if:

- The rule is in writing;
- The rule is within the authority of the board to enact;
- The rule is consistent with law and the community documents;

RULE CHANGE TIMELINE FOR BOARD MEMBERS AND MANAGERS

- Come up with an idea for rule change
- Develop language
- Approve language
- Approve sending draft to members
- Copy and send to all members
- Wait 30 days for comments
- Approve rule change as sent to members (without any more changes)
- Send approved rule change to members within 15 days
- Wait 30 days
- Hopefully, you're clear!

- The rule is "adopted, amended, or repealed" in good faith and in compliance with the new laws; and
- The rule is "reasonable."

Second, owners now have a right to see some types of rules before they are enacted, and have the right to veto, or take-back, the rules they don't like. Owners have review and veto rights for the following types of rules:

- Common area use rules;
- Exclusive-use common area use rules (for example, balcony storage);
- Home use rules (for example, noise regulations);
- Architectural rules;
- Discipline rules, including any fine schedule;
- Payment plans for delinquent assessments; and
- Assessment dispute procedures.

Any proposal to change any of the above rules must be copied and sent to all members thirty days before any decision is made. Then, any decision on that change must be made at a board meeting, after discussion of any members' comments. If the board decides to adopt the rule change, they must provide notice to all owners within fifteen days. If, within thirty days of the rule-change-notice, at least five percent of the membership disagrees with the rule change, they may call for a special meeting to vote on the rule change. The rule change

may be reversed if a majority of members at the meeting (assuming there is a quorum present) vote to reverse the rule change. The vote may be by mail-ballot, instead of holding a meeting.

Note that there are exceptions for "emergency rule changes" made to address an imminent threat to public health or safety, or an immediate risk of substantial economic loss to the community. These rule changes do not need the 30-day notice period, but are only effective for up to 120 days, and may not be re-adopted after their expiration. The review and veto rights of owners apply only to the types of rules described above. They do not apply to the following types of rules or decisions:

- Common area maintenance;
- A decision on a specific matter that is not intended to apply generally;
- Regular or special assessment amounts;
- Any rule required by law; and
- Any repeating of existing law or governing document provision.

There are a few other changes in AB 512. The first requires the name of the president of the association to be reported to the California Secretary of State, along with his or her address and daytime telephone number or e-mail address. The second makes changes to Civil Code Section 1373 which limits the applicability of certain portions of the Davis-Stirling Act to industrial and commercial developments. The third addresses acceptable methods of document delivery between owners and their associations, including personal delivery and first class mail.

Interestingly, delivery by e-mail, facsimile, or other electronic means is allowed if agreed to by the recipient!

AB 1086, Chapter 393, Transfer of Title Fees.

Section 1368 of the Civil Code requires sellers of homes in common interest developments to provide buyers with certain documents prior to close of escrow. Some of these documents must be provided by the association for the development, and Section 1368 allows the association to charge its reasonable cost to prepare and reproduce the requested items.

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Earthquake Insurance and Owners Parking in Garages

Court Denies Petition to Amend CC&Rs

BY JOEL M. KRIGER, ESQ.



The Petition of Ventana Neighborhood Homeowners Association for approval of a CC&R amendment to mandate the purchase of earthquake insurance and require owners to park in their garages was denied. *Ventana Neighborhood Homeowners Association v. Becker.*, (2003) Cal. App. Unpub. Lexis 4457. Ventana petitioned the Superior Court because it was unable to obtain the 75 percent vote required to change the CC&Rs. Under California law a Court can approve a CC&R amendment if at least a majority of the members approve it and the amendment is reasonable. Although the Association was able to meet the first requirement, it failed, in the Court's opinion, to meet the second as to both amendments.

Earthquake Insurance

The Board petitioned the trial court for approval of an amendment requiring that the project obtain a master earthquake insurance policy. In the event of an earthquake, it wanted discretion to negotiate an insurance

settlement, manage the insurance proceeds, hire contractors, and monitor construction. The policy would cover the exteriors and structure of the homes but not the interior and initially would increase assessments by \$17.00 per month. Seven owners opposed the petition on the basis that the Board was, in effect, forcing them to insure their own property and the property of others and also that there would be no limit on the increased cost of coverage. The Court, in determining that this amendment was unreasonable, felt that the Association failed to answer many important questions. There was no evidence concerning the cost or the coverage of a master earthquake policy. The Court was also concerned that there was no ceiling placed on the amount of the assessment to fund the policy. Since no evidence of the extent of coverage or the deductible was presented, the Court questioned whether a master insurance policy would benefit the owners in the event of an earthquake.

Garage Parking Amendment

This amendment would have required owners who own two vehicles to park one in their garage. Owners

with three or more vehicles would be required to park two in the garage. The amendment did not indicate whether owners could park extra vehicles in their driveways. This amendment was also opposed by several members of the Association. In finding the amendment unreasonable, the Court noted that there was no evidence of serious parking problems. There was no showing of inadequate parking, that cars were towed, or that vehicles blocked owners from reaching their homes or prevented access by emergency vehicles.

Based on these considerations, the Court found that the amendments were not reasonable and denied the Association's Petition to amend its documents. ■

Reputation Injured Based on Distribution of Letters

Homeowner Sues Association Attorney for Libel

BY JOEL M. KRIGER, ESQ.

The Lindholms filed a lawsuit over two defamatory letters distributed to everyone in their condominium complex. *Lindholm v. Swedelson*, (2003) Cal. App. Unpub. Lexis 4596. One of those letters was written by the Association's attorney who had been hired to defend the Redondo Beach Condominium Complex against the Lindholms' allegations that board members had stolen money, failed to provide sufficient security against vandalism and were guilty of "relentless harassment." In response to the allegations against the Board, the association's counsel distributed a letter to all residents living in the complex. The letter accused the Lindholms of being

"on a personal mission to bring down the board as part of a vendetta against the Board." In addition, association counsel called the allegations of the Lindholms "nonsensical" and reported that Mr. Lindholm had "misrepresented facts" in court in order to wrongfully obtain a restraining order against the board. It is this letter that triggered a lawsuit against the association's legal counsel for libel.

Association's counsel filed a motion to have the libel lawsuit dismissed without going to trial. The Court refused to dismiss the case. Counsel argued that because the letters were written in the course of a lawsuit, to achieve the objectives of the lawsuit, the attorney could not be sued for libel based on

the letters' content. Under California's litigation privilege, counsel was correct. Unfortunately, the Court found that the careless distribution of the letter to nonparticipants in the litigation went beyond the privilege granted participants in litigation. Generally the participants are permitted to virtually say anything about each other so long as it is in the context and framework of the litigation. Since this went beyond its boundaries, the Court held the case would not be dismissed and that the Lindholms would be permitted to take the association's counsel to trial on the issue of damages for injury to their reputation based on those letters. ■

Discrimination on Familial Status

Dispute Gives Rise to Fair Housing Act Lawsuit

BY LAURI CROCE, ESQ.



Two individual condominium owners, Kayla Joyella and Terri L. Hamad, brought suit against their condominium association, its property manager, and five members of its board of directors, alleging that the association's bylaws discriminated on the basis of familial status in violation of the federal Fair Housing Act. The bylaws for the Woodcrest Condominium Association contained a provision which limited families with children to first-floor units only. The trial court granted judgment as a matter of law against Joyella and Hamad, but the Sixth District Court of Appeal sitting in Michigan reversed. The court certified the case, *Hamad v. Woodcrest Condominium Association*, 2003 FED App. 0118 (6th Cir.), for publication. (This article deals with only parts of the Hamad decision, for the sake of clarity and brevity.)

What the Bylaws Dictate

Woodcrest is a four-building, three-story condominium development located in Monroe, Michigan. Its bylaws prohibited families with children from purchasing or living in units on the second or third floors. The bylaws further provided that if a child moved in with a second- or third-floor owner, the owner would be fined if he or she did not vacate the unit within one year of the child's arrival. Terri Hamad and her husband, Akram, purchased a first-floor unit in 1997. When they had a child in 2000, they decided to move, despite not being required to do so. They attribute part of their difficulty in selling the unit to the bylaws that restrict children to first-floor condominium units. Kayla Joyella owned a third-floor unit. She was thinking about becoming the legal custodian of her 15-year-old nephew. But the Woodcrest board of directors denied Joyella's request for permission to allow her nephew to move in with her.

Disputes with Board

Prior to the filing of their lawsuit, Hamad and Joyella were both embroiled in emotionally-charged disputes with the board. The ruckus began in September of 1999 when Hamad sent a letter to members of the condominium association detailing a series of complaints against the association's board of directors. Hamad complained that the board had attempted to prevent an elderly co-owner from arranging for bus service at the door of her building. She alleged that the board held secret meetings and spent money on physical improvements without the knowledge and approval of the association's members. Finally, Hamad alleged "again without our knowledge, preparations are being made to turn this complex into a 50+ complex." She signed her letter as "Owner #57 and Director, Monroe County Commission on Aging."

Complaint Filed

In October, Hamad filed a complaint with the Michigan Department of Consumer and Industry Services alleging that the association's property manager had received an illegal "referral fee" from a real estate broker. (The Department eventually concluded that the allegation could not be substantiated.) In November, Hamad complained to the Michigan Civil Rights Commission of several "Fair Housing Issues" at the association relating to the bus service issue. Mrs. Hamad also complained, for the first time, that "[f]amilies with children are limited to first floor condos." She later wrote to a member of the Michigan legislature for help "regarding the bus situation at Woodcrest."

Lawsuit Filed Under the Fair Housing Act

Although the bylaw provision limiting families with children to first-floor units had been in effect for over a decade, Mrs. Hamad made no mention of the first-floor rule in her previous letters.

In May of 2000, Joyella distributed a letter to other Woodcrest owners to

make them aware of "recent conduct" of the board members and property manager. Joyella referenced some of Hamad's complaints, then complained that the property manager treated her rudely when Joyella asked about the bylaw provision limiting children to first-floor units. Thereafter, the board and property manager distributed their own letter rebutting the points raised in Joyella's letter. Although Hamad's complaints against the board related primarily to the busing issue (with the issue of discrimination against families with children raised only incidentally), and Joyella's complaints focused on her treatment by the property manager and board members (not on her inability to have her minor-nephew live with her), Hamad and Joyella filed their lawsuit under the Fair Housing Act in June of 2000.

The Fair Housing Act prohibits discrimination in the sale or rental of housing because of "race, color, religion, sex, familial status, or national origin." 42 U. S. C. Section 3604. Any "aggrieved person" is authorized to bring a civil action pursuant to 42 U. S. C. Section 3613. The Act defines an "aggrieved person" as one who "(1) claims to have been injured by a discriminatory housing practice; or (2) believes that such person will be injured by a discriminatory housing practice that is about to occur." Section 3602(i).

In deciding that Hamad did not have standing to sue as an "aggrieved person," the district court adopted overly narrow reasoning to conclude: "Hamad lives in and is attempting to sell a condominium unit that is on the first floor, one that may be purchased by families with children." Similarly, as to Joyella, the court narrowly concluded that she too lacked standing because she did "not yet have legal custody of her minor nephew."

Court of Appeals Reaffirms Broadening Fair Housing Laws

The Court of Appeals disagreed with the district court. The crux of the *Hamad* decision is that anyone who

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Reduces Lawsuits over Unpublicized Rule Changes AB512

Rule Change Notice Rights

BY PATEE L. BARTA, EDITOR



Assemblywoman Pat Bates, R-Laguna Niguel, authored a bill, AB512, signed by Governor Gray Davis on September 29 which

requires homeowner association boards to notify all residents 30 days in advance of a meeting to propose a rule change. Section 1357.120(a) prevents architectural committees from changing rules without proper notice and will help homeowners in disputes between them and their homeowner associations.

Denial of Architectural Review Application

Anderson & Kriger's clients located in a community association in Orange County were wrongfully denied their architectural review application to construct a second story on their house, based on *implied* view restrictions. Attorneys Clayton Anderson and Lauri Croce represented the husband-and-wife residents. "View restrictions in California are strictly construed and may be enforced only if expressed and not implied,"

said Croce. After a three-day binding arbitration and several hearings and written motions, the arbitrator ruled in favor of Anderson & Kriger's clients, issuing a permanent injunction against enforcing implied view restrictions and requiring the association to approve the clients' building plans. The arbitrator also awarded \$113,500 in damages and some \$70,000+ in attorneys' fees and costs of arbitration.

This case is one of a growing number of homeowner associations in California facing such legal feuds each year. In Irvine, California, a family was planning the expansion of their Turtle

Rock home when they were halted by their homeowners association after blueprints had already been drawn.

City Approved Plans – Architectural Committee Rejection

The Roy's owned a 1,650-square-foot, one-story home which they had outgrown when they drew plans to expand to five bedrooms making it a two-story home. With the city-approved plans in hand, the residents only needed an approval from their homeowners association, The Highlands Community Association. The homeowners allege that in July of 2003 their association stated that "residents needed approval from their next-door neighbor," according to the article *Taking Back the Neighborhood* in *The Orange County Register*. This neighbor-approval provision changed the bylaws to add this as a new requirement allegedly after the couple had submitted their request. The couple, in August, decided to sue the association. In a quote from *The Orange County Register*, the homeowners said, "they never imagined they would have to sue to expand their home."

Learn About the Rule Change Notice Rights

AUTHORED BY ASSEMBLYWOMAN PAT BATES, R-LAGUNA NIGUEL
SIGNED INTO LAW BY GOV. GRAY DAVIS ON SEPTEMBER 29, 2003

MAIN POINTS INCLUDE:

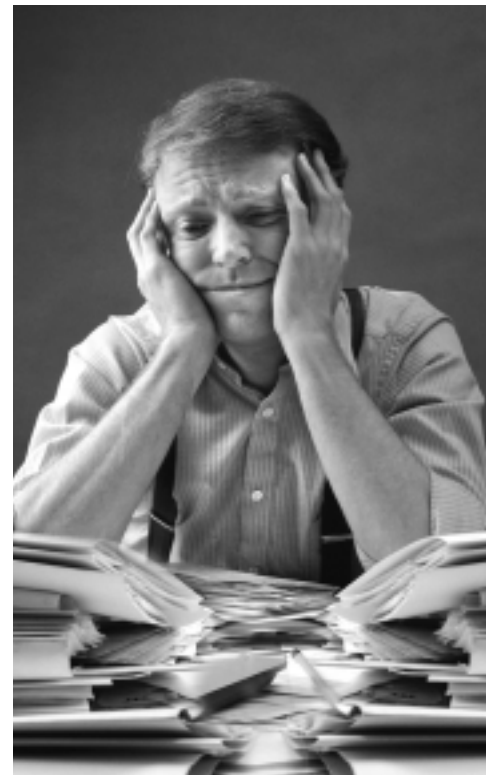
HOA boards who propose a rule change must:

- Notify all residents 30 days in advance of meeting
- Notification can be through mail, e-mail, fax or other electronic means (if residents agree) or by television, newspapers, billing statements and newsletters.

A vote to overturn a rule can take place if five percent of the residents call for a special meeting.

Thomas Roy, a contractor, and Wendy Roy, a teacher, purchased their home in 1992, converted a den into a bedroom for one of their two children but still needed space since they had no formal living or dining rooms.

The Roy's felt that the association had "overstepped their boundaries when they had made a decision, then changed the rules to back it up." The



lawsuit was prompted by failed attempts to mediate and arbitrate with the association. The Roy's are concerned that, in the future, they will not be accepted if they are allowed to build.

Right of Appeal

The bill will reduce lawsuits over unpublicized rule changes. These include such issues as bans on flag flying, play equipment, paint colors or parking regulations.

According to Assemblywoman Pat Bates, R-Laguna Niguel, the 30-day notification of proposed rule changes bill also gives residents the right of appeal which they did not have before.

Who is Affected by the New Law?

With 35,000 homeowner or community associations in the state, the law affects some eight million people. About half of Orange County's three million residents live under homeowner association governance. According to the California Law Revision Commission, "as many as 175,000 disputes between residents and associations each year end up as lawsuits or formal complaints." Hopefully this law will provide an equitable situation for both homeowners and their boards. ■

New Laws 2003

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AB 1086 changes this slightly. It was originally written to address situations where some associations were charging significant fees upon a transfer (to fund reserves or other improvements).

AB 1086 clarifies that an association, a community service organization, and its management agent, **may not charge any fee** in connection with a transfer of title except for (a) an amount not exceeding its actual costs to change its records, and (b) its reasonable costs to prepare and reproduce requested copies.

Certain community service organizations, for example those formed to restore or maintain wetlands or to mitigate environmental problems, may be exempt from these changes. If this exception may apply to your situation, please consult with an appropriate legal professional.

AB 1423, Chapter 147, Common Interest Development Managers.

AB 1423 was intended to cleanup certain gaps in the manager certification bill from last year's AB 555. Essentially, if you are a community manager who has a professional designation prior to July 1, 2003 (e. g.

PCAM, CCAM, etc.), you have until July 1, 2004, to receive your required California instruction, in order to be able to call yourself a "Certified Common Interest Development Manager."

The second important provision of the bill is that **it deletes** the requirement that an association's articles of incorporation disclose whether its managing agent is certified. This specifically addresses major concerns expressed by both attorneys and managers with regard to the articles of incorporation. Serving as a permanent record in the California Secretary of State's office, these articles could, for now and ever after, state that a manager or company is not certified (when, in fact, the certification was obtained later).

The third important bill provision changes the timing and content of the annual disclosures that managers are obligated to provide to the association in accordance with Section 11504 of the Business and Professions Code. Rather than mere annual certification disclosure, your disclosure obligations begin on or before September 1, 2003, and continue annually thereafter. In addition to the other disclosure items, you must disclose the possession of an active real estate license, if applicable.

AB 1525, Chapter 773, Invalidation of Sign Restrictions.

Quite possibly the most significant piece of homeowner-rights legislation to pass since the American flag bill of 2002 is AB 1525 of 2003. AB 1525 **invalidates** the restrictions on signs in each of California's 60,000+ homeowner associations. Indeed, the legislative intent behind AB 1525 specifically states that owners in common interest developments need to be protected from unreasonable restrictions on their ability to engage in constitutionally protected free speech traditionally associated with private residential property. AB 1525 adds Section 1353.6 to the Civil Code. This section prohibits all common interest community governing documents, including the CC&Rs and rules, from restricting the posting or displaying of noncommercial signs, posters, flags, or banners. The only exceptions are (a) those for the protection of health and safety, and (b) those which

MANAGER ANNUAL DISCLOSURE CHECKLIST

California Business and Professions Code Section 11504:

On or before September 1, 2003, and on an annual basis thereafter, a person who either provides or contemplates providing the services of a common interest development manager to a community association shall disclose to the board of directors of the community association the following information:

- (a) Whether or not the common interest development manager has met the requirements of Section 11502 so he or she may be called a certified common interest development manager.
- (b) The name, address, and telephone number of the professional association that certified the common interest development manager, the date the manager was certified, and the status of the certification.
- (c) The location of his or her primary office.
- (d) Prior to entering into or renewing a contract with a community association, the common interest development manager shall disclose to the governing board of the community association whether the fidelity insurance of the community manager or his or her employer covers the operating and reserve funds of the community association. This requirement may not be construed to compel or require a community association or common interest development manager to require fidelity insurance.
- (e) Possession of an active real estate license, if applicable. This section may not preclude a common interest development manager from disclosing information as required in Section 1363.1 of the Civil Code.

violate the law. Other than those two exceptions, owners now have the right to place noncommercial messages on or in their homes. Owners may place signs or posters which do not exceed 9 square feet, or flags or banners which do not exceed 15 square feet, in their yard or windows, on their door or outside wall, and on their balcony. These items may be made of paper, cardboard, cloth, plastic or fabric. They may not be made from lights, building or paving materials, plants, or balloons. Also, owners may not paint the messages on architectural surfaces. Clearly, this has the potential, depending upon the residents in your community, to directly impact your operations and the aesthetics of your community. Imagine what two owners

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The A&K News is written to provide information and education, not legal advice.

If you have legal questions or issues, consult a lawyer.

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who are fighting each other would post in their yards. Or how about the owner with a significant complaint against the disciplinary actions being taken by the board against him or her? Or what about the owner who adores seasonal flags? Also, don't forget that the 2004 election is rapidly approaching. Party affiliation and candidate signs are due to spring up like weeds

in a flowerbed. Fortunately or unfortunately, depending upon your point of view, there's very little that you can do about this.

Conclusion

The new legislation of 2003 presents homeowner associations and the professionals working with them with new challenges and opportunities in the day-to-day operations of these

important housing choices. It is now up to you, the professional and the board member, to educate your associations and their members about these new requirements, and to conduct your activities in compliance with these laws. Of course, as attorneys, we will be here to assist in any way possible. Good luck! ■

Housing Lawsuit

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lives in a condominium complex with discriminatory provisions in their governing documents is an "aggrieved person" simply by virtue of being subject to the discrimination, whether in fact the discrimination actually affects him or her. In other words, "the touchstone for standing under the Fair Housing Act is whether one is a member of the community in which allegedly unlawful discrimination is taking place," and Joyella and Hamad "clearly alleged that they were resi-

dents of Woodcrest." Note that the appellate court was unpersuaded by the contention that Joyella and Hamad lacked standing because they failed to offer evidence that they suffered any of the stigmatic or economic harm associated with membership in a community whose familial-status composition was being manipulated. Binding precedent in the Sixth Circuit held that members of the community in which allegedly unlawful discrimination was taking place had standing to sue because, as members of the com-

munity, they were *threatened* with the stigmatic and economic harm attendant to proscribed segregation, even if they did not introduce evidence that they actually suffered such harm. Hence, what started as an apparent crusade on the part of Terri Hamad to redress the Woodcrest board of directors' mistreatment of an elderly resident's busing needs developed into a federal lawsuit and appellate decision which re-affirmed that fair housing laws should be broadly, not narrowly, construed. ■

A&K Faces 'n' Places



A Joel Kriger would like to introduce Janet Wilcox to all of our great clients. Janet will be working in the HOA Division as their new Office Administrator. Janet comes to A&K with 16 years experience in both large and small firms in both the San Francisco and San Diego area. Read more about Janet in her profile in the January 2004 Edition of the A&K News.

B East County Lawyers Club President Lauri Streeter brings marketing speaker Barbara Nichols-Menzer in for an MCLE Course in "Rainmaking Strategies." The attorneys met in the El Cajon Court in Division 6 at lunch. Left to right: Patee Barta, Marketing Director, Michelle Mierzwa, Esq., Judy Marolt, Esq., Bud Klueck, Esq., Jennifer Lyons, Barbara Nichols-Menzer, Sheryl Graf, Esq., Tamara Smith, Esq., Lauri Croce, Esq.

C Managers and staff from Merit Management's Temecula office take in a Legal Lunch & Learn Seminar entitled New Laws, New Challenges presented by Attorney Ken Dillingham and Marketing Director Patee Barta.

Note: Rate Changes effective January 1, 2004. In accordance with current market averages, we have adjusted hourly rates for both retainer and non-retainer services. The Yearly Retainer Program remains the same. Collections rates will be updated and can be requested by contacting Rachele Wadley at (619) 589-8800.

Non-Retainer	Partners....	\$255	Senior Associate	\$240	Associates ..	\$220
Retainer	Partners....	\$220	Senior Associate	\$200	Associates ..	\$190
Non-Retainer	Paralegals	\$125	Assistants	\$105	Annual Retainer Fee:	
Retainer	Paralegals	\$110	Assistants	\$ 90	\$750.00	

Leadership in Legal Education 2004

Joel Kriger will teach "Homeowner Association Law for Board Members and their Managing Agents" at two colleges offering community learning classes:

Citrus College - February 28, 2004 - 9 p.m. to 12 Noon

Where: 1000 West Foothill Blvd., Glendora, CA 91741-1899

Contact: Continuing Education at (626) 852-8022 or download form at www.citruscollege.edu Fax form to (626) 852-8028.

Fee: \$45 Book: Condominium Blue Book - \$12.50 (Paid to instructor)

San Diego State University - March 6, 2004 - 9 a.m. to 12 Noon

Where: Gateway Center, SDSU., 5250 Campanile Drive, San Diego, CA

Contact: College of Extended Studies (619) 594-5152

Schedule Number: 04SP 9703 ES

Fee: \$55 Book: Condominium Blue Book - \$12.00

Parking: Park in Parking Structure Number II - Above Level One

When you enroll, use your confirmation as a permit in the window.

This 3-hour basic course will assist board members of condominium and homeowner associations in understanding their legal rights and responsibilities. The course will be taught by an attorney experienced in representing homeowner associations in California. Each attendee will need to purchase the Condominium Blue Book which is a comprehensive source of laws and regulations governing homeowner associations in California.

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Temecula, CA 92591
(909) 296-5090 · Fax (909) 296-5098

Orange County Office

22362 Gilberto Street, Suite 250
Rancho Santa Margarita, CA 92688
(949) 635-2255 · Fax (949) 635-2253

Riverside Office

2155 Chicago Avenue
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Antelope Valley Office

41319 12th Street West, Suite 104
Palmdale, CA 93551
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Sacramento Office

3831 North Freeway Blvd., Suite 110
Sacramento, CA 95834
(916) 569-1940 · Fax (916) 569-1939

Ponder this...

"In Business... people will forget what you said... people will forget what you did... but people will never forget how you made them feel."

— Unknown author