

September 2018

COMMUNITY MOMENTS

A REALMANAGE PUBLICATION



Maria Leal

Director of Community Association Management

RealManage Houston

PRESIDENT'S LETTER

The summer is quickly coming to an end and children in many parts of the country have started to go back to school. It is hard to believe that we are quickly approaching the last quarter of the year. With the temperatures beginning to slowly drop, it becomes a season of giving gratitude for all that we have achieved thus far this year. It is a time to reengage with the community to attract new volunteers and commence planning for what you want to achieve in 2019.

At RealManage, we give gratitude that each of your communities has chosen us as your provider of management services when there are so many options out there. Please know that we value each and every one of you and will always endeavor to do our best and make things right to the best of our ability. If you ever feel that we are not meeting your highest expectations, we encourage you to send us a message at clientsatisfaction@ciramail.com. Your feedback does matter.



Chris Ayoub
President, RealManage

September
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4	Employee Spotlight: Maria Leal
6	Board Spotlight: Kori Ray — Crossroads Condominiums
8	Mary's Corner Understanding Governing Docs Part II
10	WiFi Regulations for Community Associations



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EMPLOYEE SPOTLIGHT

Maria Leal

DIRECTOR OF COMMUNITY ASSOCIATION MANAGER - HOUSTON

Maria Leal, a 50-year resident of the Houston area, joined RealManage in 2011 and has been one of the "anchors" here in our Houston office ever since. She got her start in community management in 2009 working for a smaller, individually owned company after working in finance with Citigroup for more than 16 years. Maria knew she would find an industry she enjoyed and decided to join RCM, a company that joined the RealManage Brand of Families the day after she was hired and she's been with RealManage ever since!



Maria's areas of expertise are single-family, condominium and town home associations, allowing her to serve as a wonderful mentor and trainer for our group of community managers. She is proficient in contract negotiations, attends sales presentations, nurtures business partner relationships and has excellent communication with homeowners and board members alike. Her problem solving abilities and communication skills, coupled with her background in finance, allows her to understand all areas of client needs and lets her associations achieve their goals and meet their fiscal responsibilities.

When asked about what she enjoys most about RealManage she says, *"I think what has satisfied me the most about the company is that even though we are a national company, huge in size, it still feels like a close-knit family. The company's beliefs that family is first is extremely important. I think that is what makes the RealManage team feel like family. I feel a dedication to RealManage and that has been what has kept me here. I believe in the company, the employees and what we do. I feel honored to share my knowledge and experience over the years with others."*

When not working, Maria enjoys spending time with her three dogs (Stanley, Maggie & Lucky), touring in the Texas Hill Country, seeing her children as often as she can, and recently added to her life the planning of her daughter's upcoming wedding.

Written by **Sandra Vela Mora**
Senior Vice President of RealManage Houston

BOARD SPOTLIGHT

Kori Ray

CROSSROADS CONDOMINIUM OWNERS ASSOCIATION – CALIFORNIA

While the Silicon Valley is known for being the global center for high tech and innovation, many times we forget that these industries would not be able to function without people. As of 2015, the Silicon Valley was estimated to be home to more than 3 million people. This includes many common interest developments like the 200-unit complex known as the Crossroads Condominium Owners Association located in Milpitas, CA.

At the helm of this community is board president, Kori Ray. Kori is a homegrown Californian, originally from San Jose, meaning Milpitas was always a part of her stomping ground! When looking for a future home, Milpitas was on her list and that lead to her buying a condo in Crossroads in 2010.

Kori is married to a wonderful man and they have two sons who are 4 and almost 6. Their family also includes a black cat named Mr. Meow Meow. As if her plate wasn't full enough, she also works in a very admirable field as a high school special education teacher. We are sure her being an avid fan of Daffy Duck also comes through in both her parenting and teaching!

When asked why she joined the board, her answer was simply "because my neighbor asked if I could". As we see frequently through many common interest developments, many homeowners feel they are just too busy to serve on a board of directors. Although Kori is a very busy woman, she decided to go to a board meeting and in her words, *"Realized that if I cared about my home and community, I should join"*.



During her time on the board, the original members who she initially served with have now all eventually left for one reason or another. She was elected to serve as president which is a role she takes seriously. She, along with her fellow board member, Bo Peng, work tirelessly to ensure their community is moving forward in the right direction. While they hope more homeowners will volunteer, they also aren't afraid to take on the weight of responsibility. Again in her words, *"I felt the need to be present and represent"*.

When asked what she would like to see for her community, Kori stated that they are looking forward to revitalization. This includes the current project of a new playground which will give the children of Crossroads a fun and safe place to play and be kids. She is also excited to continue working to enhance the aesthetics of the

community making the Crossroads really shine!

It has been said that one of the greatest gifts you can give is your time. This is a precious commodity that we all share. Bruce Chang noted that as their RealManage Community Association Manager he always appreciates her responsiveness which makes his job easier when needing direction or decisions.

A heartfelt "Thank You" to Kori for her ongoing hard work, responsiveness and support at the Crossroads.

Written by:

Suzette Beck

Director of Community Association Management
Pleasanton



Understanding the Governing Documents of Community Associations - Part II

The general hierarchy of authority for governing documents is important because on occasion there may be conflicting information in the documents. For example, the declaration may state there will be five board members, while the bylaws may state seven. The document that is higher in the hierarchy would prevail. The general hierarchy of authority is as follows:

RECORDED MAP, PLAT, OR PLAN — This is recorded before the first parcel is sold, and it sets the boundaries of the development. It shows the precise location of units, lots and/or common areas and defines an owner's or a community's title to the property by clarifying **1) who is responsible for maintaining a particular piece of property**, and **2) whether a property improvement is properly located**.

DECLARATION, CC&RS, MASTER DEED — In community associations, deed restrictions are recorded in one document instead of the deed/title for each lot or unit. An understanding of these documents requires comprehension of the rights of ownership. The terms are sometimes used interchangeably:

- Condominium = Declaration/Master Deed
- Planned Community = Declaration of Covenants, Conditions, and Restrictions (CC&Rs)
- Cooperative = Proprietary Lease/Occupancy Agreement

More than any other single document, the Declaration/CC&Rs/Master Deed brings the community association into existence because it spells out the essential elements of ownership, generally including:

- Defining the portions of the development owned by the individual owners and those owned by the community association, if any.
- Creates interlocking relationships binding all the owners to one another and to the community association for the purposes of maintaining, governing, and funding the development
- Establishes standards, restrictions, and obligations in areas ranging from architectural control to prohibitions on various activities in order to promote harmonious living
- Creates the administrative framework for the operation and management of the community association (although many details are spelled out in the Bylaws)
- Provides the mechanism for financial support of the community association through assessments
- Provides for a transition of control of the community association from the developer to the owners

PROPRIETARY LEASE OR OCCUPANCY AGREEMENT — In a cooperative, this document defines the member or stockholder's rights and obligations in relation to the living unit. It serves generally the same purpose as the declaration or DCCRs in other community agreements.

ARTICLES OF INCORPORATION — Incorporation may or may not be a legal requirement for a community association. If incorporated, it is typically as a not-for-profit nonprofit corporation.

THE ARTICLES OF INCORPORATION SERVE THE FOLLOWING FUNCTIONS:

- Bring the corporation into existence
- Define the basic purpose and powers
- Indicate whether stock will be issued
- Indicate the number of board members and identify the initial board of directors

BENEFITS TO INCORPORATING A COMMUNITY ASSOCIATION INCLUDE:

- May help to limit the liability of individual owners for acts of the community association
- Entitles the community association to the rights granted to all corporations under state law
- May make it easier to deal with other parties, such as utility companies or vendors
- Grants the board of directors the same rights as all board members of incorporated entities under state statutes.

BYLAWS — Bylaws are formally adopted regulations for the administration and management of a community association. They address topics such as:

- Requirements for membership in the community association
- Requirements for membership meetings
- Voting rights of member owners
- Procedures for electing the board of directors; qualifications of directors
- Procedures for the board of directors to elect officers
- General powers and duties of the board
- Provision for indemnification of officers and directors

BOARD RESOLUTIONS — These resolutions cannot conflict with documents above in the hierarchy. A resolution is a motion that follows a set format and is formally adopted by the board of directors. Resolutions may enact rules and regulations or formalize other types of board decisions.

PUBLIC OFFERING STATEMENT — Because it is often accompanied by copies of the governing documents, some people think of the public offering statement itself as a governing document. However, this is a misconception. The public offering statement is simply a disclosure statement that provides information on the community association to the first prospective buyers in a new development.



WiFi Regulations for Community Associations:

Important Information for Protecting Member Information

Approximately 77% of Americans going online on a daily basis, being without WiFi can send people into an instant panic. Free WiFi is quickly becoming a consumer expectation when it comes to places like coffee shops and hotels. As people spend more time on their smartphones, community associations must take a closer look at how to handle WiFi when it comes to association members and their benefits.

UNDERSTANDING WIFI

Understanding how WiFi works is important in knowing how to regulate it within a community association. WiFi uses a router that allows other devices to connect to the internet. Many public places are "Hot Spots" that allow patrons to use their WiFi for free while they shop or dine. Community associations often offer hotspots in common areas, and some require a password for logging on to the network.

SECURITY ISSUES

Hot Spots present security issues because anyone using the WiFi — with the right skills — can access the files on devices of others using the same network. Using free WiFi in a public setting is a risk people take to stay connected to their work, family, and friends. They also use WiFi to check their bank balance and credit card accounts, exposing themselves to possible hacking. Security issues are one reason state laws exist when it comes to WiFi regulations. Before setting anything in writing, a community association board should seek the advice of an attorney familiar with their particular state's laws.

HOAS AND WIFI

While WiFi dependency and expectations continue to grow, it is nowhere close to becoming a package deal for associations. Security reasons alone, along with state laws governing WiFi regulations, make this a slippery slope for HOAs. Associations should encourage responsible use of free WiFi in common areas. Offering members a community-wide WiFi plan opens the door to potential cases of identity theft and hacking.

Moreover, believe it or not, there are people who do not use WiFi, and those are the ones who many challenge any WiFi fees included in an assessment package. Factor in concrete walls that block WiFi signals and the challenge becomes an even larger problem.

HOA boards should recognize that the issue of WiFi as part of a basic assessment package is becoming more of a possibility. Boards should consider approaching the topic cautiously as being part of an assessment package presents the invasive dangers to members personal information as WiFi.

5 TIPS FOR KEEPING YOUR COMMUNITY SAFE

1. REQUIRE A PASSWORD

According to a 2018 online survey by the Harris Poll, nearly 15 million consumers experienced identity theft in 2017. HOAs can help to protect WiFi users by requiring a password — and by changing the password frequently. The only place password information should be posted is the members-only section of the website.

2. USE WIFI WITH CAUTION

Provide friendly reminders in the members-only section of the website regarding matters of WiFi safety. Discourage members from using the WiFi to conduct financial business.

3. EDUCATE MEMBERS

Most electronic devices have an option for disabling any sharing yet a majority of people don't know how to find it or disable it. Include a quick tip in the member's only section of the website as a way of educating and reminding members about this important safety tip.

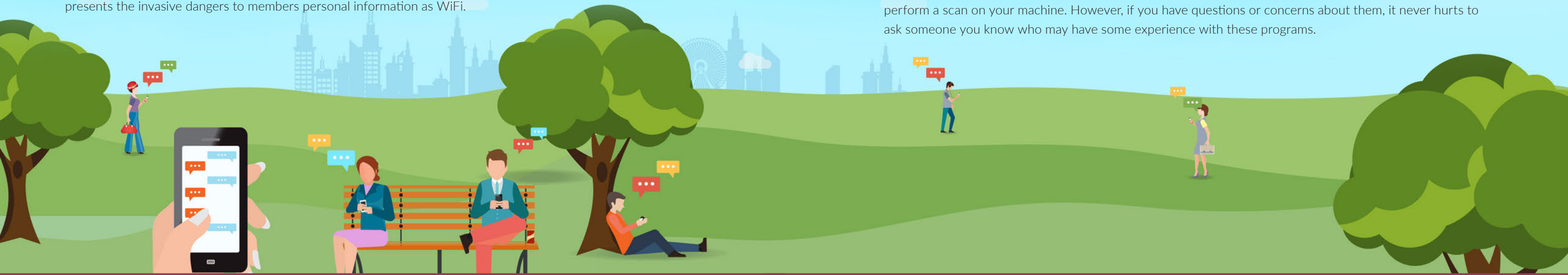
4. HTTPS = SECURE

Another important safety tip is to look for "HTTPS" in the URL of websites.

5. INVEST IN ANTIVIRUS AND ANTIMALWARE

Antivirus and Antimalware software is something that a skilled IT person should know how to install. These particular types of programs require frequent updates so be sure that someone keeps track of software renewals and replacements. Most computers manufactured in recent years have anti-virus and firewalls already running on the machine. These anti-virus programs and firewalls are typically very good at catching and/or stopping most threats to your computer during day-to-day use. However, it is fairly common for users to bypass the computer's default security checks when they make downloads or installations from various programs.

This is where manually running a diagnostic from an antimalware/antispysware program can come in handy. A good place to start with antimalware are the programs Malwarebytes, CyberBytes, or Spybot Search & Destroy. If you have never ran an antimalware program before, they are typically very easy to run and perform a scan on your machine. However, if you have questions or concerns about them, it never hurts to ask someone you know who may have some experience with these programs.





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