

March 3, 2015

Good afternoon, my name is Rodney Wright and I am the owner of HOA Management Services located in Wichita, KS. I am a member of Community Association Institute (CAI) which provides information and education for homeowner associations and professionals like myself. I am a Certified Manager of Community Associations (CMCA) and an Association Management Specialist (AMS) which I have earned through CAI.

I started HOA Management Services 6 ½ years ago, with one community association that had 11 homes at that time. I now manage 127 associations with over 22,000 homes in south central Kansas and have created 15 full time jobs in Wichita. I have never had to advertise my business, and yet it continues to grow. We continually receive calls from associations inquiring about our services. I have taken measures within my company to ensure that my employees are well trained and educated in state laws and management skills. The purpose for the brief history of HOA Management Services is to demonstrate the need and growing trend for management companies in the state of Kansas.

I am here today to speak about House Bill 2330 and the negative impact it will have on associations state-wide. Associations were developed to maintain the common areas and sustain the property values of the homes within the association through enforcement of their Declarations. The majority of the people that purchase a home in a covenant community do so for a reason; they want to live in a community that will protect their property values by not allowing their neighbors to park a car in their front yard, paint their home an undesirable color, or run an automobile repair shop out of their garage, just to list a few items.

I would like to start with item 2 (B). This paragraph would give the right for a resident who believes their rights have been violated to call and file a complaint with the Kansas Attorney General's office, who shall then investigate each complaint. Part of our job is to enforce the general restrictions of the Declaration. For example, most association require a resident to store their trash container out of sight except on the day of trash pickup. This seems like a very simple requirement, but when a resident violates this section of the Declaration, we send them a letter to remind them of the requirements. Residents that receive this letter

call our office and claim that we are harassing them or infringing on their right to leave their trash container out. I can only imagine that the Kansas Attorney General has more pressing matters to deal with other than investigating a documented violation of these kinds of trivial matters.

Section 5 (d)(3); The board or property manager may not bring legal action against a unit owner without first submitting the dispute to mediation.

In many lawsuits, mediation is one of the first steps that any reasonable attorney, property manager, and board of directors would be open to. However, to impose mediation as the first line of enforcement would only hamper the association's ability to pursue legal action necessary to enforce the Declaration. This just adds an unnecessary extra step to the enforcement process, and increases costs to the association.

Section 5 (d)(4); The board or property manager may not foreclose on a unit owner's property.

I have always discouraged my clients from foreclosing on a resident's property. Foreclosure should be the absolute and final action an association should take to resolve an issue. However, it is a necessary element to make residents understand there are consequences to not complying. Removing this option would diminish the board of director's authority to enforce.

Section 5 (e)(1) Unit Owners may:

(e)(1) Remove a property manager or nonrenew the contract of such property manager hired by the board of directors by a 2/3 vote of all unit owners.

Property managers are a valuable asset to developers, board of directors and the association as a whole. Management companies like the one I own, help the associations by negotiating lower prices on lawn care, landscaping, trees and pool services etc. We also have relationships with government agencies like the city, the county and the police department that aid the associations with special projects, enforcing city codes, crime alerts, and much more. We also ensure the board of directors is complying with state and federal laws, provide counsel on budgeting practices, necessary reserve accounts and ensuring that they are being fair to all residents within the association. Property managers often get bad publicity for

being “the bad guy” when it comes to enforcing the Declaration, but we only enforce what is in the Declaration, nothing more and nothing less.

5 (e)(2) The Unit owners may dissolve the common interest community by a 2/3 vote of all unit owners.

I’m no longer speaking as a business owner. I’m speaking as a resident that lives in an association, and I want to say that this is simply unacceptable. What this bill does is allows 52 out of the 78 residents in my community to take away my right to live in a covenant community. What if this was passed by the residents of my community? My association has over 10 acres of common area to mow, who will mow that? We have two entries that have marquees and landscaping, who will maintain those? We also have a \$300,000 clubhouse and pool. Who will pay for that? Who will pay for the city water to fill the pool and the pool company to clean the pool? Who will maintain insurance on the clubhouse so when there is a hail storm and the roof is damaged it can be fixed? Who will buy my house when my association looks like a junkyard because the common areas are no longer being maintained and my neighbor has an engine block sitting in his driveway? I do not want to see my property value or my right to live in a covenant community be taken away from me. It is unfair to the homeowners that choose to purchase in a Covenant Community, and knowingly accept that responsibility to maintain the common areas, and maintain their own property to the standards expected of them as listed in the Covenants.

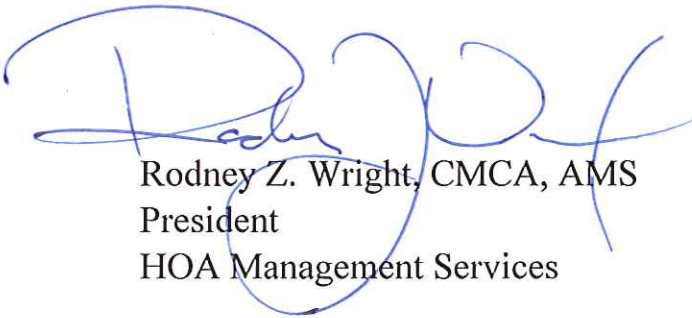
Often people who volunteer for the board of directors do not understand how an association is to be ran and what laws they need to abide by. This is where professionals who deal with associations on a daily basis come in. We make sure those new board members are educated on the state laws, bylaws and covenants of their community, and how an association is to conduct business in a fair manner to everyone.

Four years and two months later, K.S.A. 58-4601 is still as confusing today to the residents and board members as when it was passed in January 2011. Kansas associations have declarations that are specific on when liens are to be placed on a property and when or if liquidated damages can be assessed for non-compliance of the general restrictions. The Covenants are public record and are available to all potential home buyers to do their own due diligence in order to make an educated, informed decision before buying a home. By coming to the decision to purchase a

home in a covenant community, the new homeowner is agreeing to abide by these covenants and the consequences for non-compliance and non-payment of the general assessments. Residents have an opportunity each year to place their name on a ballot and serve on the board of directors if they feel the current board is not acting in the best interest of the association. Change can only take place if residents get involved with their community. Over the past 6 1/2 years of dealing with associations, I have found it is much easier for a resident to file a complaint with the Better Business Bureau or their House Representative to solve an issue that they have created on their own by not complying with their governing documents. They feel this is a much easier avenue to take rather than to simply correct the issue or contact the association or Management Company and make a plan of action on how to resolve an issue.

In closing, passing House Bill 2330 is not good for any property manager, developer, or homeowner that chooses to live in a covenant community. Kansas has great associations, great managers, great board members, and great residents that make their governing documents work on a daily basis without adding more government regulations. To pass this bill would be the start of the end of associations in the state of Kansas. Thank you very much for taking the time to listen to my concerns.

Kind Regards,



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President
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