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Sharper Management and you.*



FEBRUARY 2017 - The Sharper Focus

Thank you for reading our quarterly newsletter to all homeowners in Associations managed by Sharper Management! The goal of this newsletter is to touch on general industry news and helpful topics that may help you better understand how Community Associations work.

Every Association is different in their type, size, scope, and how things are organized and established via the Governing Documents. There are, however, a number of universal topics common to all Associations. We hope you will find this newsletter a valuable source of information!

[Visit Our Website](#)

Things to Know Before Selling in an HOA

As spring rapidly approaches in Minnesota, you may be thinking of selling your townhome or condominium. In addition to fixing a few things and adding a fresh coat of paint to your walls, there are also a few actions and items you'll want to familiarize yourself with regarding your HOA before listing your home. Because you live in a shared community, there are rules and guidelines in place for the protection of all owners in your association. Knowing these things before you have an offer in-hand will make your sale a smooth process.



A review of the Governing Documents for your association is a good idea to know what kind of things may be questioned about your association early in your selling process. If you need an updated copy of your Governing Documents, they are typically available on your Association's website through Sharper Management.

As the seller, you will be required to provide resale disclosure documents about your HOA. These documents contain a wealth of information for a buyer that include things like:

- * Pending litigation about the association
- * Up-to-date information about assessments
- * The association's financial status
- * Covenants and restrictions within the HOA
- * Any violations about the unit you are selling
- * Governing documents for the HOA

You may request resale disclosures through the Sharper Management website or visit this link directly to learn more. <https://www.condocerts.com/>

Insuring Your Property in an HOA

Owners within a townhome or condominium community need to carry their own homeowner's insurance. However, the details of your responsibility will differ based on your HOA and whether you own a condominium or a townhome.

As with all common interest communities, your HOA carries a master policy that insures damage to common areas in the community. In both condominium and townhome associations, coverage on the master policy can range from "studs out" (no structural coverage inside of the unit) to "all in" (coverage for anything "attached" inside of the unit). There is a wide variance on types and scope of coverage within associations. The Governing Documents dictate the scope of the coverage required on the master policy.



Before purchasing homeowner's insurance, it's a good idea to be familiar with your Association's master policy, what it covers, and whether your HOA requires minimum levels of coverage. Talk to your agent, the agent on the association's master policy, and consult the Governing Documents (typically insurance is listed in the Declarations).

A few things to look for and be aware of include:

1. What does the master policy for my association cover when it comes to structural coverage in the event of a loss? Generally, are two types of policies. The first is "studs out" coverage. This covers the exterior of the unit/building, but offers no structural coverage inside of the unit. Sheetrock, flooring, cabinets, etc. would NOT be covered and your HO6 policy would need to account for that. This pretty much covers siding, roofing and common areas. The second type is "All In" coverage. This means there is structural coverage inside of your unit. There are, however, variations of all in coverage. "All In, including betterments and improvements" is a common phrase for stating the policy truly covers everything attached inside of your unit. Take your unit and tip it upside down. Everything "attached" is generally covered. Flooring, walls, cabinets, installed fixtures, etc. Another common type of "all in" coverage is usually referred to as "original specifications." This means that sheetrock, flooring, cabinets, etc. may be covered, but only as the place was originally built. If you installed granite counter tops or wood flooring, that may not be covered in the event of a loss. And there are hybrids of "all in" policies that cover some of the above mentioned items, but not all. It is important to be aware of the exact extent of the master policy and bridge the gaps with your HO6.
2. How does the HOA's insurance cover liability? Many condominium and townhome master policies will cover injuries of guests that get hurt in common areas like the pool or tennis court. It does not cover injuries incurred within your four walls. In the case of a townhome, it may not cover injuries incurred by slipping on your sidewalk even though the incident happened outside of your four walls. The Association's policy will also not protect you if you cause damage to someone's property when you're away from your home. Your personal property insurance policy should include liability coverage. If you've owned a single-family home in the past and carried homeowner's insurance, you are familiar with how this portion of the policy works.
3. Covering renovations/improvements to your unit. Chances are if you've remodeled your unit, its value has increased and therefore you should consider adding more coverage to your property. It's not likely that your HOA covers improvements to your property.
4. Know the limits of your HOA's policy. Even though your HOA has a master policy in place, in the event of widespread damage from a storm or other disaster, the coverage limits may be exceeded. If this happens, the HOA will do a special assessment for all owners to pay

for the repairs. You may want to consider adding loss assessment coverage to your policy to guard against an unexpected expense such as this.

5. Can my HOA require me to carry insurance and stipulate coverage levels? There are instances where an HOA will require certain coverages for individual homeowner's policies. This is another very good reason to be familiar with your HOAs master policy and any HOA requirements before purchasing insurance for your home.

Winter's Not Over Yet

Even though it's felt more like April than February lately, we're probably not done with snow yet.

Just reminder about a few things regarding snow removal.

First off, every snow contract is unique. To better understand the nuances of your contract, check with your Board or contact Sharper Management. We are happy to share this information with you.

In this article, we will be covering some of the most common specs of a snow removal contract.

Specs that will affect your contract include:

Trigger Depth - Most contracts will state an accumulation total that must be met before snow service will commence. This can be anywhere from a trace up to multiple inches. For most, it is somewhere between 1"-2". This can be one of the biggest variables in the pricing of your snow contract.

Accumulations - The definition of "trigger depth" is important. Does your contract state that service will happen when the trigger depth has been met for a single snow event/storm, or is it vague regarding at what point trigger depth is met? There is a significant difference between the definitions. For example, you could have a winter where less than 1" of snow accumulates per event, but there may be many events like this in a relatively short period of days thus creating heavily packed drives in your association. Most contracts are written "by event".

Timing - The second most important component of your contract is the time in which snow service must be completed. For most contracts, "final cleanup" is somewhere between 6-12 hours after the snow has stopped falling. This timeline is also subject to snow accumulation totals. The more snow received, the more time allowed for cleanup.

Open-Ups - Most contracts provide for an open-up during snowfall events that exceed a particular total. For example, if 4"-6" of snow depth is met, but the event has not stopped, it is common for an open up to happen. Open-ups are simply done to allow vehicles to come in and out of the complex. They are not the same as a final clean up. Open-ups generally consist of a single pass through the roadways with the plow. One thing to define in your snow contract is whether open-ups include driveways, or just main roadways. Typical language states that an open-up will occur prior to __ AM and/or after __ PM.

Knowing a bit more about how your snow contract is written may alleviate some frustrations.



Sharper Maintenance

Did you know that Sharper has a handyman team available to service any of your home repair/remodel needs? Our team of highly skilled General Contractors and licensed techs are ready to tackle any project including plumbing, light electrical, drywall, heating/cooling equipment, painting or any type of general "handyman" job.



Contact Matt Froehlich with questions or to schedule. (952) 224-4777 or handyman@sharpermanagement.com

Resale Disclosures

Are you selling your unit? You will reach a point in the process where you will need to order a "Resale Disclosure Package." This typically happens when you have a Purchase Agreement in place with a potential buyer. The potential buyer has a legal right to review the Association's Governing Documents, financial information, disclosure certificates, dues current information, etc. They have a 10-day period to do this. It is the seller's responsibility to obtain and provide this Resale Disclosure Package to the potential buyer. Contact Sharper Management when you have reached that point in your selling process and we will help facilitate getting you the disclosure information you will need.



[Obtain Resales Disclosure here.](#)



Your Association Website

Did you know your Association has a website through Sharper Management? As a homeowner, you can access account information, pay your dues, submit maintenance requests, view the Governing Documents, stay on top of community news and more. It is a helpful tool for you and your community association! www.sharpermanagement.com