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Association and Board Member Parties

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Every year, community associations hold parties for the community members, whether it be pool parties, summer picnics, or holiday parties. As much fun as Association-sponsored events can be, there are issues that the Board of Directors should keep in mind when planning a community-wide party. This memo seeks to address some common issues with association-sponsored events and highlight some measures that can be taken to minimize issues that may result.

The association event should be limited in time, scope and location. These events should last no more than a couple of hours and they should have a specific end time. The association should be considerate in selecting the time frame of the party. For example, do not have a party scheduled from 8:00 pm to midnight in a party room located near other units or homes that would be disturbed by the noise. Just as the Board expects neighbors to be courteous to one another as far as noise, the Board should be concerned about the noise of the party disturbing owners as well. If you are in a condominium with a party room located

within hearing of other units, you should advise the adjoining owners about the party and that the noise levels may be slightly higher than usual during the hours of the party. Communication with the affected owners is key.

Not only is a noisy party annoying to adjacent neighbors, there are laws against excessive noise. Noise violations are generally dictated by county ordinances and could result in a fine upwards of \$1000.00, depending on the county. To avoid a possible noise violation, be familiar with the local ordinances related to noise. Many of them have hours identified as being key hours for nuisance noise (i.e. Fairfax is 11:00 pm – 7:00 a.m.) and you should schedule the party to end prior to the commencement of these hours.

When selecting the location for the event, the association should also keep in mind that certain locations may not be accessible for everyone in the community. For example, holding a party on an outdoor terrace which has stair-only access (no wheelchair ramps or elevators) would function to exclude

members of the community who have issues navigating stairs. Holding a party for the community should be inclusive and open to all of the members and should be selected to allow everyone to participate.

Furthermore, there are certain locations that lend themselves to being more risky, such as pool parties. Indeed, these parties, even in the winter in the pool house, do cause some concern with a pool, albeit empty, in close proximity. We would recommend that in these instances, additional precautions be taken to block off access to the pool area. In addition, bright lighting should remain on in the pool area so that the area can be monitored throughout the party. If you are having a pool party during the summer months, and the pool is being used, we would recommend additional precautions, such as additional lifeguards and perhaps excluding alcohol from the event altogether.

In that regard, if alcoholic beverages are to be served at the event, the association should check with its liability carrier to ensure that alcohol-related claims are covered under the association's policy or that the association has what is called in the industry "host liquor liability" coverage that covers claims that occur during the serving or distribution of alcoholic beverages. Normally, comprehensive general liability coverage (i.e., the coverage the association has for slips and falls) excludes liquor-related claims if the insured are in the business of selling, serving, manufacturing, furnishing or distributing liquor (alcohol, beer, wine, spirits, etc.). This exclusion sometimes applies even if the insured is "in the business" temporarily (example a 1 day event where liquor is served), and it applies

even if you don't make a profit from the sale of liquor. Accordingly, to fill the gap in coverage, associations should have host liquor liability coverage which applies when hosts of a business or social functions serve alcohol without a charge.

Furthermore, to the extent alcoholic beverages are provided, the association should check with the local liquor licensing authority or agency to determine whether the association needs a separate license for the serving of alcohol. If the event is catered by an outside source, most catering companies have the requisite license to distribute alcohol, although the association should be sure to confirm proof of licensure with the service provider before contracting. In addition, the amount of alcohol served should be limited and someone, preferably a Board member, needs to be charged with the duty of monitoring the party and guests in case the party starts to get out of hand or noise levels start reaching a volatile level. If this happens, the party should be ended early in order to avoid any additional problems.

The sense of community within an association is often a direct result of the Board's endeavors to have social events and activities that involve the whole community. We believe that boards can continue to have these events, provided sensible decisions are made regarding the time, place and scope of the events and the distribution of alcohol. This memo seeks only to provide general guidance and information to our clients regarding these parties. If you have specific questions regarding your association and community events, we would recommend that you contact your attorney directly.