

Running Deer Estates HOA

Overview – Board & Individual Member Responsibilities

1. Board of Directors

The Association is a Non Profit Corporation and has responsibility for its common elements as well as the management and operation of the association's business affairs, all in accordance with standards established by the governing documents created when the community was first developed. To the extent that an Association has such authority and control, it is its board that carries these duties and responsibilities.

Members of the board serve without compensation. The board's authority includes all of the powers and duties enumerated in general law, as long as these powers are not inconsistent with the provisions of the documents governing the association.

2. Officers of the Association

The Association acts through its officers and agents. The board of directors makes the policies for the association, but the officers and agents carry out these policies and administrative functions for the community. Some of the officers are clerical, others carry out substantive functions based on policies established by the board of directors. All of the officers have an affirmative obligation to act with utmost good faith and cannot deal in the funds or the property of the association to their own self advantage. The Association officers are president, vice president, secretary, and treasurer.

3. Elected Positions

Elected by the Association (Homeowners of Record) – 3 Trustees

Trustee terms do not expire simultaneously so as to maintain a base threshold of knowledge and Association stability. A 100% turnover to a potentially inexperienced new board is not in the interest of the HOA nor the Boards Fiduciary Responsibilities.

Elected by the Trustees

The president, vice president, secretary and treasurer are elected annually by the Trustees.

The Trustees may also appoint other officers as in their judgment may be necessary. They may also remove any officer at any time with or without cause by a majority vote of the Trustees then in office.

4. Fiduciary Relationship and Responsibility

The members of the board of directors and each officer of the association have a fiduciary relationship with the members of the association. It requires the members of the board to act in good faith and in the best interests of the members of the association. It means that board members must exercise due care and diligence when acting for the community, and it requires them to act within the scope of their authority.

The fact that the association is a not-for-profit corporation, or that the members of the board are volunteers and unpaid, does not relieve them from the high standards of trust and responsibility that the fiduciary relationship requires. When a member accepts a position on the board of directors, he or she is presumed to have knowledge of the duties and responsibilities of a board member.

Each board member must recognize the fiduciary relationship and the responsibilities that the board has to the association and each of its members. The board's duties must be performed with the care and responsibility that an ordinary prudent person would exercise under similar circumstances, and the ultimate responsibilities of these unique positions cannot be delegated to a manager, a management company or other third party. Management companies can be used to carry out the routine work at the direction and supervision of the Board.

5. Summary of Board Members Roles

a.) All Board Members

- Take all actions necessary, or desirable, to comply with the law and the Organizational Documents
- Establish sound fiscal policies and maintain accurate records.
- Set the budget, Set & Collect Assessments; Establish reserve funds. Foreclose liens against any property for which assessments are not paid or bring an action at law against the Owner(s).
- Suspend the voting rights of an Owner in default in the payment of assessments.
- Enforce the covenants, conditions and restrictions set forth in the Declaration
- Authorize legal action against owners who do not comply with the covenants
- Maintain the Common Areas
- If necessary, enter into management agreements for operation of the property.
- Procure and maintain insurance
- Select an attorney, an auditor, insurance agent and other professionals for the association
- Attend and participate at meetings.
- Signature approval for check payments for incurred expenses such as entrance lawn mowing, utilities).

b.) Position Specific Responsibilities

President

The president shall be the chief executive officer of the Association and at all meetings of members of the Association and at all meeting of the Trustees. The president shall have a general executive supervision of the business and affairs of the Association. The president will execute deeds, contracts, orders and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Trustees or otherwise provided for in By-Laws.

Vice President

The vice-president is vested with all the powers, which are required to perform the duties of the association president in the absence of the president. The vice-president may assume such additional duties as are defined by the board of directors. Given this role, the Trustees and vice president have the general understanding that the Vice president will be elected president in the following election so that each new president has experience to perform the duties of the position. There is no rule to this and other HOA members believed to be qualified by the Trustees can be president and/or vice president. The residing president may also decide to be a candidate and can be reelected.

Secretary

The secretary of the association is responsible for keeping and maintaining a record of all meetings of the board and the membership and is the custodian for most of the official records of the association. The position of secretary is not simply a clerical position. The secretary is responsible for insuring access to those records by the members of the association.

Treasurer

The treasurer is the custodian of the funds, securities and financial records of the Association and shall receive all money, bills, notes and similar property belonging to the Association. The treasurer is responsible for coordinating the development of the proposed annual budget and for preparing and giving the annual financial report on the financial status of the association. The treasurer is responsible for tax return filings.

The treasurer shall keep accurate financial accounts and hold the same open for inspection and examination by the Trustees and members of the Association. The Treasurer shall have such authority and shall perform such other duties as may be determined by the Trustees.

If the Association has a management company that actually handles the funds on a daily basis, the treasurer's duties will include overseeing the appropriate people to insure that the financial records and reports are properly kept and maintained.

The treasurer will ultimately be responsible for insuring that the financial records of the association have been maintained properly in accordance with sound accounting practices.