

Lockeridge Farms Home Owners Association

The Basics of our Home Owners Association

Presented by the Lockeridge Farms Board of Directors – January 2016

President/Treasurer

Vice President

Secretary



Starting At the Beginning Keeping It Simple



Who is the Homeowners Association (HOA)?

You and I Are.

We may have elected 3 members to be our volunteer HOA Board of Directors,
but there are 188 of us members in the Homeowners Association.

You and I Are The HOA.

It's a reasonable question that every first time homeowner has asked, “**WHAT** is a Homeowners Association - and why do we need it?”



The “**what**” may seem complex, but the concept is really simple.

By definition, an association is “a group of members who voluntarily enter into an agreement to accomplish a common purpose(s)”.

A homeowners association (HOA) starts with - “an initial group of homeowners”. Those homeowners have common purpose(s) for their community and they voluntarily agree to legally bind their commitments together to form an “association”. Once legally bound, each homeowner in the association is now referred to as a “member”.

From that point forward, all homeowners joining the association are binding themselves to the same common purposes of the community.

So in its simplest definition...

...a Homeowners Association is a group of homeowners (“members”) who legally agree to work together to accomplish a common purpose(s) in their community.

The next logical question is,
“So, **WHERE** do I find the ‘common purpose’ of *my* association?”



Where? In that massive stack of papers we all signed when we purchased our home!

The common purpose is found in the bylaws of the community.

Section 4.1 of the Lockeridge Farms bylaws reads in paraphrase, “the purposes for which this association is formed are: to provide for the preservation of the values and amenities and the maintenance of the common improvements of the property described in the declaration...”. Visit your copy of the bylaws and declarations and read the rest of the specifics. It will spell it out crystal clear.

If you’re like EVERYONE else, your first copy got lost in the boxes at move-in.

Your HOA Board of Directors will give you a free copy upon request.

Now we know the what, the why and the where of our association.
So, **HOW** do we accomplish the “common purpose” in the bylaws?



We said...a Homeowners Association is a group of homeowners (“members”) who **legally agree to work together** to accomplish a common purpose(s) **in their community**.

How? We comply with our legal agreement to **volunteer** together in our community...

Member-**volunteers** are the only way of achieving the “common purpose”

- We bring continuity and order by unifying together
- We work together to resolve problems
- We preserve our property values by complying with our self-imposed rules
- We protect the common community elements

Thank you to those who are faithful and reliable member-volunteers in our Lockeridge Farms Community!

What if members politely decline to volunteer - **what will happen?**



...a Homeowners Association is a group of homeowners (“members”) who **legally agree to work together** to accomplish a common purpose(s) **in their community**.

When association members refuse or even politely decline to volunteer together, then it is inevitable — the community will fail to achieve its common purpose because the association wasn’t designed to survive without member-volunteers.

What would be some certain signs of failure?

What if members politely decline to volunteer - **what will happen?**

Signs of Failure to Achieve the Common Purpose



- ☑ **Respect for Rules Decline**
 - Members expect to be exempt for their own self-imposed bylaws and declarations

- ☑ **Deed Restrictions and Filth Increase**
 - Member majorities become complacent in their property care and rage at restrictions

- ☑ **Budgets Decrease, Forcing Services to Decrease**
 - Members purposely avoid or refuse to pay their annual assessment

- ☑ **Poor Communication and an Uninformed Membership Is the Norm**
 - Members majorities no longer attend Association meetings

- ☑ **Insults and Disrespect Become Common Place**
 - Members majorities withdrawal from courtesies or neighborly assistance

- ☑ **Poor Results from Decisions Increase**
 - Member majorities no longer cast a vote at meetings for decisions
 - When only a small group of members cast a vote, they make decisions for the entire community

What if members politely decline to volunteer - **what will happen?**

Signs of Failure We May Already See...



- Respect for Rules Decreases
- Deed Restriction and Filth Increases
- Budgets Decrease, Forcing Services to Stop
- Poor Communication and an Uncaring Membership Is the Norm
- Insults or Divisions Between Neighbors Become Common Place
- Poor Results from Decisions Increase

All these may also indicate that a small group of member-volunteers...

... are being unfairly forced to dictate the future of the entire association

The cost is too high for you and I to refuse to volunteer and work along side each other !

- *Our Home Values Will Suffer*
- *Our Community Reputation Will Suffer*
- *Our Family's Safety Will Suffer*
- *Crime Will Eventually Settle Here*
- *Drugs Will Eventually Settle Here*
- *... **Nobody** is To Blame But Ourselves*

Whether we verbalized it or not...



When we purchased our family home in Lockeridge Farms...

...we expected that the neighborhood would remain beautiful, functional, and that our neighbors would be respectful and work together.

Is this what you expected?

Why should members serve on the HOA Board of Directors?



Because it is our **duty** as members:

1. To **enforce** the binding contracts with contractors who service our community
2. To **establish** fiscal policies and make fiscal decisions that reject debt and embrace reserves for our members
3. To **develop** a responsible budget that fulfills the mandates of our bylaws, preserves funds for future improvements
4. To **plan** and establish reserve funds for enhancements or future liabilities such as major pool repairs, perimeter wall failures, monument replacement, or catastrophe
5. To **act** on budget items and respond to rising costs of services that threaten to raise our assessment rates
6. To **collect** assessments that pay the bills of our association (Insurances, Electric, Property Management, Tax Prep, Facility Maintenance, Property Care, Legal, etc.)
7. To **help** establish, publicize, and enforce our rules and penalties that the voting majority of our Association have legally committed to

Why should members serve on the HOA Board of Directors?



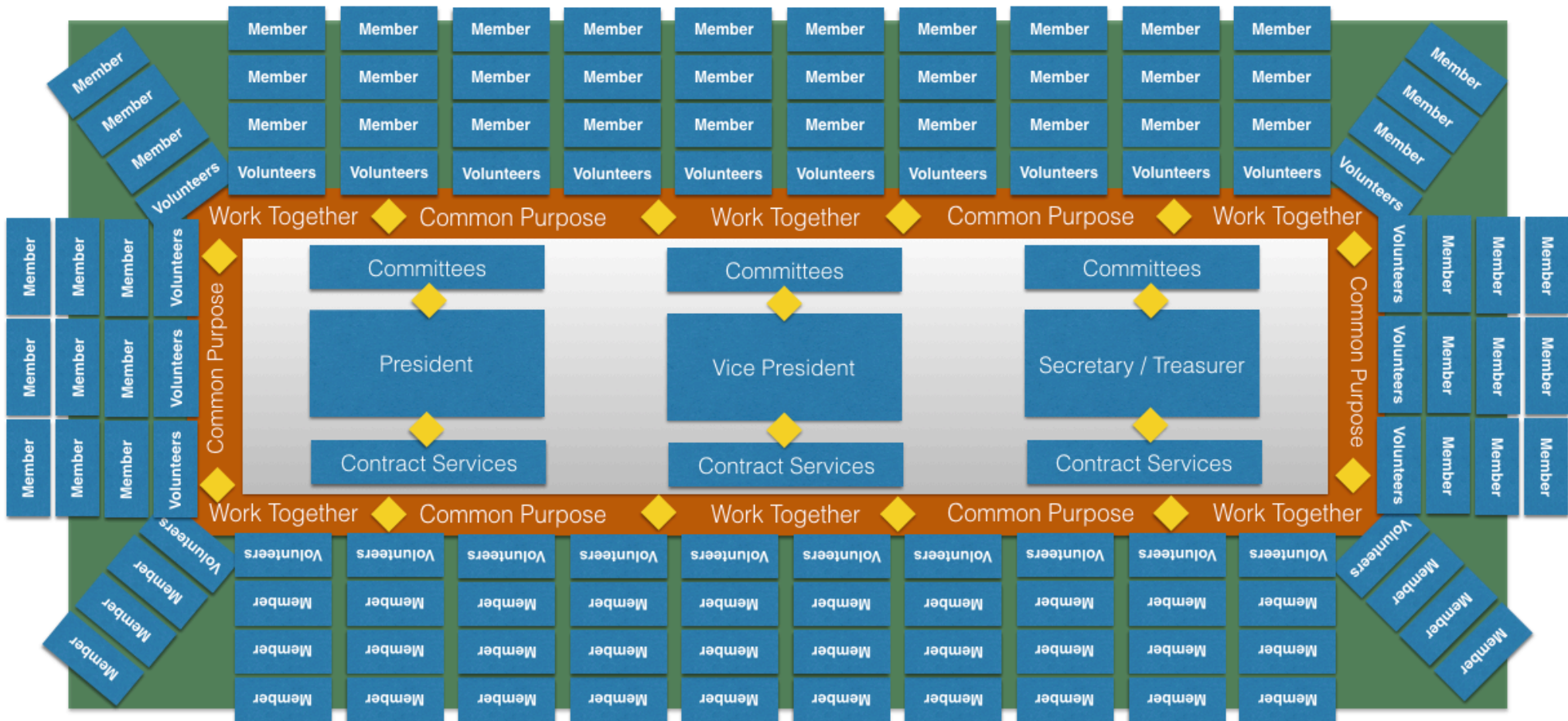
Because it is our **duty** as members:

8. To **authorize** legal action against members who refuse to comply with our self-imposed bylaws and threaten to harm our property values
9. To **submit** any bylaw amendments for legal review to avoid conflicts with state or local laws
10. To **appoint** committees comprised of our members to engage community duties and to provide resources to fulfill them
11. To **select** and engage an attorney, an auditor, insurance agent, tax preparer and other professionals for our Association
12. To **inform** our members of important board, civic or spending choices that require their decisions

188 Association Members

Volunteer Committees

3 Volunteer HOA Directors



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Volunteer HOA Board Officers

What is the role of our HOA President?



The HOA President is vested with all the powers generally given to the chief executive officer of a corporation. While specific by-law provisions may vary the president's duties, it is generally presumed that he or she will preside at all meetings of the board and the membership. The president will execute contracts, orders and other documents in the name of the association, as its agent. When signing documents, the president will indicate the capacity in which he or she is signing in order to properly represent the association under a doctrine of inherent powers.

The president also assumes general charge of the day-to-day administration of the association and has the authority to order specific actions in furtherance of the board's policies. The president serves as spokesman for the board of directors in most matters relating to general association business. Like all officers of the association, the president has an affirmative duty to carry out the responsibilities of the office in the best interests of the association. Unless otherwise specified in governing documents, the president serves at the will of the board of directors and can be removed with or without cause at any time by a majority of the full board.

Contact the HOA President at president@lockeridgefarms.net

Volunteer HOA Board Officers

What is the role of our HOA Vice-President?



***The HOA 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 does not automatically possess inherent powers to act in the capacity of the chief executive officer, and may act for the president only when the president is actually absent or otherwise unable to act.*

The vice-president may assume such additional duties as are defined by the board of directors. Often, the vice-president will chair one or more substantive committees like that of architectural review.

Contact your HOA Vice-President at vicepresident@lockeridgefarms.net

Volunteer HOA Board Officers

What is the role of our HOA Secretary?



***The HOA 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.*

In many cases, the secretary will not actually keep the minutes of the meetings, but will be responsible for obtaining someone who will do so as a recorder or assistant secretary. As the custodian for the minutes and other official records of the association, the secretary is responsible for insuring access to those records by the members of the association and their authorized representatives.

Contact your HOA Secretary at secretary@lockeridgefarms.net

Volunteer HOA Board Officers

What is the role of our HOA Treasurer?



***The HOA Treasurer** is the custodian of the funds, securities and financial records of the association. When the association has a manager or 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. Unless the by-laws otherwise specify, 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 does not have the authority to bind the association or the board of directors in dealings with third parties unless the board has provided express authority for the treasurer to do so. As with the association's secretary, the treasurer does not have to perform the day-to-day record keeping functions of the association when this responsibility is transferred to a management company, but 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.

Contact your HOA Treasurer at treasurer@lockeridgefarms.net

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