

## Villas at Blackberry Run Association

### Roles and Responsibilities of Directors and Officers

To be effective, a homeowners association needs a strong board of directors that understands its role and pursues it with passion. The "Villas at Blackberry Run" board of directors is obligated to carry out its duties in good faith, in a manner that the board members reasonably believe to be in the best interest of the association, and with the care an ordinary prudent person in a similar position would exercise under like circumstances. Our Directors are unpaid volunteers, which mean Courts are more likely to defer to their decisions. Board members have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by law. Directors have an obligation to abide by the association's governing documents when carrying out their duties. The primary duty of a director and Board is to act in a way that benefits the community as a whole, not themselves or another individual.

A key purpose of directors is to maintain, protect and enhance the value of the property in the association. Board members have many functions that they jointly share, such as, establishing the association's budget and maintaining adequate reserves; levying, collecting and spending association assessments according to the association's approved budget; regulating the use, maintenance, repair, replacement and modification of the association's common elements; retaining and supervising property managers; passing and enforcing the provisions of the Governing Documents and any appropriate rules and regulations to protect the health, safety and welfare of the association's homeowners; enforcing the association's declaration and bylaws; and ensuring the association is properly insured, all in addition to the day-to-day management of the association's activities.

While these duties provide the Board significant authority, owners have the opportunity of participating in the decision-making process through voting in board elections, serving on committees or projects, and by providing input during the open forum segment at association meetings. Additionally, there may be times where the Board will solicit member opinions and discussion on important issues that they may face.

Board of director positions on The Villas at Blackberry Run Homeowners Association, Inc. (the "Association"), a Georgia nonprofit corporation, include the president, vice president, treasurer, secretary, and one "at large" member. The president, vice president, treasurer, and secretary are also known as the officers of the corporation. The By-Laws indicate these officers shall have such authority and perform such duties as generally pertains to their respective offices and such powers and duties as may specifically be conferred or imposed by the Board. Therefore, the Villas at Blackberry Run HOA board of directors clarify and prescribe the responsibilities, authority and duties of its officers as follows:

#### **President**

- Also known as the chief executive officer (CEO) of the association, he or she oversees the general and active management of the business of the association and sees that all resolutions of the board are carried into effect.
- The president executes all contracts or other legal documents on behalf of the association.

- The president's job is to prepare the agenda for meetings and to preside over all association and board meetings.
- In addition, the president is granted the power to manage the daily affairs of the association and to enter into agreements, approved by the board, on the association's behalf. In this role, the president is the liaison between the board of directors and any property managers retained by the association.
- The president has the authority to order specific actions in furtherance of the board's policies and serves as spokesperson for the board of directors in most matters relating to general association business.
- The president assures that association key business and management processes are defined and properly documented.
- The president secures any necessary legal counsel and is the designated legal consul contact.
- The president has nominating responsibility for all committees, appoints and oversees the committee chairpersons and board liaisons to the committees (e.g. architectural review, and community activities).
- The president also trains and prepares other directors for future leadership roles.
- 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.
- Establishes appropriate measurement system to monitor board performance on meeting objectives and is responsible for the short term business planning and long-term strategic planning process.

#### **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 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's role is to assist the president with all duties, as requested.
- The vice president may also be the chair for one or more of the association's committees.

#### **Secretary**

- The secretary shall be responsible for the maintenance and safekeeping of the association nonfinancial clerical records and correspondence. Copies of pertinent records should be obtained from the management company.
- The secretary is responsible for all minutes of the association. The secretary is responsible for accurate minutes to be taken and distributed to the board members. In addition, the secretary must ensure that all approved minutes are appropriately filed in the permanent records of the association. In many cases, some of these duties may be delegated to the management company. However, the secretary is still responsible for ensuring that accurate minutes of all meetings are maintained. That includes not only meeting notices and minutes, but also the governing documents, tax returns, contracts, insurance policies, warranties, legal files, and correspondence. If these duties of the secretary are assigned to the management company, the secretary remains responsible for their appropriate and correct filing and storage.

- The secretary is responsible for delivering or posting notices of regular and special meetings.
- Attests, by signature, to the legitimacy of certain documents, such as minutes. Secretary keeps track of time during meetings.
- The secretary shall maintain the BOD Action List – items requiring action, responsible party, and due date. Action List to be provided to each board member two weeks prior to each board meeting and will be a regular board meeting agenda item.
- The secretary authenticates records of the association; also certifies all meeting notices and voting results and maintains proxies and association members' voting authorizations. The secretary is responsible for sending all notices to board members and to association members as required by law and/or the governing documents of the association. This includes notices of board meetings and annual membership meetings. Additionally, at the time of the annual membership meeting, it is the secretary who is to receive and verify any proxies returned by the members. Just like being responsible for the minutes, some duties of the secretary may be assigned to our management company. However, the secretary remains responsible for their action to ensure notices are properly given and proxies correctly recorded.
- Makes recommendations to the board on association web-site architecture and method of making association information available to residents, via the internet. Responsible for maintenance, posting/updating essential information.
- Establishes/maintains an emergency contact system for association members.
- Maintains and communicates a Calendar of Key Events for board members and association members.
- In addition, the secretary is the custodian for most of the official records of the association, including contracts, official correspondence, and membership roster with contact information; is responsible for maintaining the association's corporate record book, which should include all meeting minutes, and resolutions and regulations.
- The Secretary may assist the board with the operation of the association and may serve on one or more of an association's various committees or assist in overseeing assigned functions.
- Lastly, the secretary when necessary is called upon to attest to the authenticity of the association's corporate documents.

#### **Treasurer**

- The treasurer is akin to the chief financial officer (CFO) for the association, and as such, is responsible for the funds and securities of the association, the keeping of full and accurate accounts of receipts and disbursements, and the deposit of all money into association accounts. The treasurer carefully reviews the financial statements prepared by the management company and obtains answers to any questions. At the board meetings, the treasurer should make a brief presentation about any significant items in the financial statement or management company report and, with the help of the management company, if needed, answer questions from the other directors. The treasurer should report on the financial condition of the association at the annual membership meeting. The treasurer shall bring any unresolved discrepancies to the board's attention in a timely manner.
- The treasurer reviews and monitors financial statements and approves and monitors any investments in accordance with the board's policies. In addition, the treasurer reports on budgetary and financial matters at each board meeting.
- The treasurer oversees the collection and expenditure of assessments.



- One of the most important roles of the treasurer is overseeing the preparation of the annual budget. While some tasks may be delegated to a committee or to the manager, the treasurer remains the responsible person for ensuring everyone completes their assigned tasks and that the proposed budget is presented to the board of directors in a timely manner.
- Prepares and gives the annual financial report on the financial status of the association
- Maintains a record of all association assets and liabilities.
- See that funds disbursed by Management Company are in accordance with budget and other actions as approved by the board.
- Ensures an up-to-date association financial report at all board meetings and provides comment and analysis on performance to budget expectations, or upon request of board president.
- Prepares a year-end financial report for distribution to each owner.
- As part of the role as CFO, the treasurer is responsible to making sure the replacement reserves are adequate to meeting the future needs of the community. With the assistance of an appropriate engineering study, the amount of funds for future major expenditures can be determined. The treasurer must present this information to the board as part of the budgeting process and include the needed amounts in the proposed budget.
- Makes available a copy of the most recent financial statement on the secured web-site, or at the request of an owner.
- Provides for an annual review of financial records by an independent accountant.
- Ensures that appropriate directors are signatories on operating fund bank account.
- Sees that appropriate income Tax Forms are filed.
- The treasurer is responsible for safeguarding the assets of the association. To do so, the treasurer will need to work directly with the association's insurance agent to determine the types and amount of appropriate coverage needed by the association. In addition, the treasurer should review all internal controls with the association's auditor and manager to ensure the highest level of protection against fraud or embezzlement.
- The treasurer is the liaison between the board of directors and its accounting firm or CPA. The treasurer is responsible for monitoring the progress of the audit report, meeting with the auditor to understand the report as well as reviewing and understanding the association's tax returns.
- 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.

## Directors

Before discussing the role of Directors, of which our Board consists of five, it would be good to discuss the difference between the roles, duties and obligations of Directors vs. Officers.

The board of directors' duties is to make necessary decisions regarding executing their duties and responsibilities as outlined in the governing documents, set forth the policy of the association, and approve the budget and any special assessments that may become necessary.

The officers' jobs are to carry out the policy set by the board in the day-to-day running of the association. This includes contracting for outside services on behalf of the association to conform to the policies and budgetary parameters that have been approved by the board.

- Our board members are directors and consist of five members; the executive officers (president, vice-president, treasurer, secretary) and one director at large position. The executive management (officers) is responsible to the Board and ultimately, the residents.
- The "at large" board members assist the board's officers with the operation of the association and may serve on one or more of an association's various committees. If Directors at Large are assigned specific committees as Chairperson or liaison, that director should lead efforts to maintain relevant information and records on committee work, assist with a committee's achievement of its goals, relay committee accomplishments to the board, and recruit new committee members as necessary.
- The "at large" board members may also replace one of the board's officers should an officer step down. The association is a corporate entity with rights, responsibilities, and duties to its members. The association's board of directors must carry out these duties, and bears the responsibility to maintain an association's property, and property values.
- In order to properly carry out its duties and protect the association's property values, the board of directors should have appropriate procedures in place. The board of directors may need to seek advice and opinions from other professionals, including legal counsel, management companies, and/or accountants, as a part of managing and carrying out the operations of its association in accordance with the law and the association's governing documents.

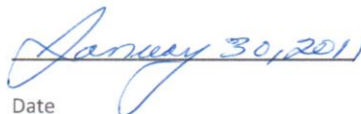
At the April 26, 2010, Board of Directors Meeting of the Villas at Blackberry Run Association the BOD hereby agrees to the Roles and Responsibilities of Directors and Officers as further outlined in this document and the Association Bylaws.

Subsequently,

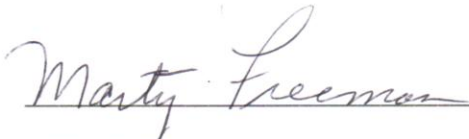
At the January 24, 2011 Board Of Directors Meeting of the Villas at Blackberry Run Association the BOD hereby agrees to the revisions of the Roles and Responsibilities of Directors and Officers in accordance with this document and the Association By-Laws.



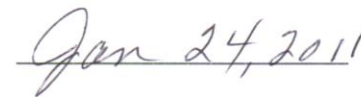
Carl Swanson



Date



Marty Freeman



Date