

Ethics Statement for Strawberry Hill HOA

Board Members to Acknowledge

Effective March 30, 2011

In order to protect itself and the association, a board must satisfy the Business Judgment Rule, which requires board members to conduct reasonable inquiry and to act in good faith. To do so, the Strawberry Hill HOA Board should carefully examine all of their responsibilities:

Duty of Knowledge – The board is responsible for enforcing the association's governing documents, so board members should know the contents and requirements of the association's governing documents (CC&Rs, Bylaws, Articles of Incorporation and operating rules). The board is also responsible for managing the daily affairs of the association, so the board should be continually reviewing and evaluating association business, records and transactions.

Duty of Financial Management – The board is responsible for managing the finances of the association, including the levying and collection of homeowner assessments, review of financial records and distribution of required disclosures.

Duty of Maintenance - The board is responsible for the maintenance, repair and replacement of the association's common area components (i.e. exterior and structural portions of the association's buildings and improvements). The board should be aware of and plan for potential and actual deferred maintenance issues.

Duty of Operation - The board is responsible for the operation and management of the common area facilities and amenities, such as pools and clubhouses. The board is also responsible for contracting and paying for services for the association through the management company (i.e. janitorial services, landscaping, utilities, etc.). And, boards need to deal with foreclosed properties and abandoned units sitting vacant that are not being properly maintained by the current owners.

Duty of Enforcement - The board is responsible for enforcing the association's governing documents, including: enforcement of use restriction violations; delinquent assessment collection (the board should assess late charges, interest and collection costs for the collection of delinquent assessments); and architectural restrictions. The board is also responsible for imposing suspension of voting rights and membership privileges as a disciplinary action against homeowners for violation of the governing documents, if allowed under the governing documents, and this discipline should be applied uniformly and consistently. Directors should be aware of their responsibility in neighbor-to-neighbor nuisance disputes versus association to owner disputes.

Duty of Leadership - Effective and ethical board members are:

- Future oriented.
- Team players.
- Self-disciplined.
- Active participants.
- Appropriate delegators.
- Open and willing to learn about the community and their duties.
- Connected to the community and its values.
- Passionate about the success of the association and its members.
- Role models for following the CC&R's and Rules in the HOA and the community.

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