

## The Homeowner and the Community Association

You have moved into your new home. Most of the boxes are unpacked, the curtains are up and you are ready to venture forth into your new community to find out what it is really like. You know that your community is governed by a homeowner association, and you would like to learn more about how your community operates, and possibly become a volunteer.

Or, perhaps you have been unpacked for some time. You know there is an association, but you have never really understood what it is all about. And, you have been reluctant to get involved. This article is for both of you. It will familiarize you with the purpose and operation of a community association (your POA) and it will also help you determine whether your association is operating effectively to protect your investment and your community.

There are three features which make ownership in the Communities of Four Seasons different from traditional forms of home ownership. One is that you share ownership of common land and have access to facilities, such as swimming pools, which often are not affordable any other way. The second is that you automatically become a member of the community association with all other homeowners, and as such, must abide by association rules. The third feature is that you will pay an "assessment"- a regular fee that is used to maintain the community's assets and to manage its day-to-day affairs.

Some of the advantages to living in a homeowners' association or property owners association (POA) are that it offers a controlled environment of well-designed home and common areas (assured by "Restrictive Covenants") and an array of private recreational facilities usually not affordable for single ownership. But this does not mean you will never have to think about these things.

The community association operates and maintains these shared facilities. Of course, you pay your share of the expenses, and as an association member, you have a voice in the association's government.

Because your association is so important to the community and your personal investment, it is vital that you know about its purpose and operation.

***What is a POA all about?***With the advent of specialized communities - an idea whose time has come - comes the obvious question: "Who takes care of the private association's property, who enforces its rules and who manages its daily and long-term affairs?" The developer sets the stage, so to speak, but it is the residents who must, thereafter, govern their community. The concept of an association of owners was born.

Our association is a private, not-for-profit organization in which all property owners automatically become members and have certain rights and obligations. The actual

ownership of the common areas, once turned over by the developer, will be in the name of the association (Four Seasons Lakesites Property Owners Association, Inc.). The *obligations* of the POA members are contained in the Four Seasons Declaration of Restrictive Covenants and the association's by-laws. Although the by-laws are predominantly for the operation of the not-for-profit corporation, the *restrictive covenants* are essential reading for the well-informed association member.

Four Seasons' POA and its governing document were initiated in 1971 by the developer, Four Seasons Lakesites, Inc., when the community was founded and lots were offered for sale to the public. For many years, the developer nurtured and guided the community and now, as it winds down its sales and developmental role, will look to the association and its six-member board of directors to accept (by deed) the common property and the responsibility of governing of the association.

Both the developer and the homeowners operate the association with the help and advice of others. Skilled advisors also play a vital role in association operation. Association managers attend association meetings to lend assistance and guidance and are generally responsible for the day-to-day management of the association's affairs.

***What does the POA do?*** The major responsibility of the association is to protect the investment and enhance the value of the property owned by the members. This is done by providing for the physical maintenance and operation of the common facilities, such as landscaped grounds, parking areas, private streets, swimming pools, and other recreational facilities. Our association also provides common services such as security, road maintenance, wastewater management, financial management, accounting and administrative services.

A community association operates much like a governing body, a community and as a business, making it a truly specialized type of organization. The association has other responsibilities too, such as enforcing the rules, regulations and architectural guidelines, as well as planning recreational programs, and setting up an effective communication system among members.

***How does the POA work?*** The association is administered by a board of directors through its managing agent. Our board was originally appointed by the developer and is self-perpetuating, with the exception of one elected member. Once the developer turns control over to the POA, all board members will be elected by the membership. The board is also assisted in its duties by committees made up of association members who volunteer their time. Typically, there are "Standing" or "Ad Hoc" committees developed to assist with financial review, planned activities, architectural control, communications and special projects.

Each homeowner should become involved in the association in some manner. Involvement for you may mean that you pay your assessment on time, cooperate with the association, and participate where you will be most effective. Management will always welcome your

suggestions and comments.

An important thing to remember about a community association is that *it is a business*. To be successful, it must be operated like one and have good financial management. This includes establishing sound financial and record keeping practices, establishing practical budgets and assessments, and collecting assessments from all members.

***Speaking of assessments...*** It is your money that the association is spending day-in and day-out, so you need to know whether a sound budget is in place. The budget must allow for maintenance of the common facilities, provide for special and routine services and a reserve for future replacement expenditures. The association's expenses will increase from time to time, based on many factors – inflation (cost of living increase), taxes, insurance, cost of goods and increased service needs.

Increasing the assessment unnecessarily should be avoided because it may lead to collection problems. One of the most serious association financial concerns is the failure on the part of the association to collect assessments. When some residents fail to pay their assessment, the association may be forced to cut back on its services to continue operating. Perhaps the swimming pool will not open as early this year, or exterior maintenance will be put off. Residents become unhappy, and more owners decide to sell their property. This ultimately affects property values. This extreme is easily avoided by an involved board, managerial guidance and the development of a sound operational budget.

***The budget process.*** The process of developing the Four Seasons POA budget is very detailed and exacting. Each department manager from the management company, Missouri Association Management, LLC, meets with the POA board's budget committee. They start with a "zero based budget" and then describe each service and the cost of man-hours required to satisfactorily meet the needs of their department, without compromising quality or the delivery time of the service. Once satisfied with the manager's answers and support data, this aspect of the budget is adopted. Management fees and a healthy reserve for future expenses are added and, finally, the total operating expenses are divided among the members. Simple sounding? Yes, but as we say – a very exacting, time consuming and detailed process.

***Restrictive covenants: our rules and regulations.*** When *any* group of people shares property and living conditions, rules must be established. These rules, and the enforcement of them, are essential to preserving property values in the community. Four Seasons Declaration of Restrictive Covenants details each owner's property rights and the conditions of use of the property, as well as the owners' rights and obligations in the association. This "Land Use" agreement is a ***contract*** between the owner and the developer and the association.

The "restrictive covenants" are important rules in our day-to-day living. They are designed to make the sharing of property convenient and fair for all involved and they cover both use of common property and use of individual residential properties.

No matter how well intentioned the rules are, someone will break them. Here's an example. Our association has a rule that dogs must be on a leash or under voice control at all times. The reasons for the rule are obvious to you, but maybe not to your new neighbor. He knows about the rule, but does not take it seriously and routinely lets his dogs roam through the neighborhood. Other dog owners see the dogs running free and begin to let their dogs out. Soon, the rule is broken more often than it is kept and the problems begin. The association must act quickly and firmly in cases like this. The association has the power of enforcement and must use it to be effective. Without proper enforcement, community rules mean little.

Usually, a friendly word or simple written notice from the manager will be enough to correct the problem. But with particularly stubborn violators, the association board can take more drastic measures, such as suspending violators from use of recreational areas or imposing fines. But this only works if rules are enforced fairly and consistently. As a last resort, the POA can take legal action. Our POA has always taken every effort to avoid going to court since it is costly and can create much ill-will.

***Architectural control.*** Most community associations provide for architectural control. These building guidelines and their enforcement are not set up to stifle individual creativity, but rather to ensure the integrity and harmony of the original community design. You can paint the inside of your home purple if you wish. It is only the exterior of your house that is of concern to the association.

Common problems with architectural control involve issues such as fences, paint colors, and tree removal. Four Seasons POA has an Architectural Control Committee (ACC) which develops and distributes architectural guidelines; reviews and approves all submitted plans; and enforces architectural standards. It is important that you are familiar with these controls and always work with the ACC when making any exterior changes to your property.

***Communication.*** Communication within the association is vital. The association cannot expect you to be interested in association activities if you do not know about them. Person-to-person contact is always a nice way to introduce a new resident to our community. A "welcome packet" of useful information is available at our POA office and presented to new property owners to help them learn the ropes of association life. The association's social functions are another form of communication. The bi-monthly newsletter (*The Association Press*) and meetings are still other forms. The association established a "Communications Committee" to assist in developing and enhancing the communications process, and, in keeping up with the ages, we have created these "web pages" containing Four Seasons POA information.

***Complaints.*** No type of communications program is complete without a method for airing disputes and grievances. Property owners become very frustrated if there is no way to bring their problems to the attention of the association. If Security has not noticed a

violation, an owner is free to call the association office to report a personal problem or a rule violation. To prevent "unpleasantness" between neighbors, these reports will remain anonymous. The POA staff will follow through and notify the reporting party of the final resolution.

**Management.** Smooth and efficient management means less worry for property owners and ensures that property values will be maintained. Missouri Association Management, LLC, managing agent for the Four Seasons Lakesites POA, has the following responsibilities to the association:

The operation, supervision, improvement and maintenance of common facilities and amenities, to include grounds care and building repair and maintenance.

General administration, to include association file maintenance; liaison with board, owners and management; communications; meetings, records and minutes; conflict resolution; contract administration, insurance review and solution; and rule enforcement.

Administration and oversight of security, wastewater operations, architectural control, and activities programs.

Financial management services to include accounting, billing, collections, budgeting, establishment of reserves, financial statements, tax reporting, audit assistance, fund disbursement and record keeping.

Although the management operation is a full-time business, all functions – philosophy, budgeting, rule enactment and enforcement, maintenance schedules, and more – are all overseen and evaluated by an active board of directors. Such is the safeguard to ensure the efficient and careful use of your assessment and its resultant effect on owners' property values. Such attention to its affairs not only establishes a sound fiscal policy for the association but perhaps, more importantly ensures the well-being and personal satisfaction of its residents.

**In Summary** Hopefully this article has given you a better understanding of your association (POA) and how it operates. Four Seasons is a wonderful community, growing in stature and size on a daily basis. A well functioning association with an interested, enthusiastic membership is, and always will be, key to our community's continued success. As always, should you have questions or concerns about your association, please call, write or come by our management offices, as shown elsewhere in this web site.