Introduction

- A property owners association (POA) may be the very first, meaning most directly associated with the citizenry, form of governance in our republic. It may even come before the village, town or city and certainly before the county, state or federal levels. Moreover, it is also probably the most democratic form of governance, comprised totally of, by and for the citizens who are its constituency.
- While a POA may not necessarily be thought of as a "government" because of its private nature, it is nevertheless incorporated as a non-profit corporation and its members, (property owners within a specified geographic location), elect volunteer officers from their ranks and charge them to protect their interests as regards the physical maintenance, safety, security and recreational needs of the community in addition to providing an interface with commercial interests, local and state authorities and utilities.
- The expectation of property owners is this will be done in an appropriate, democratic and well organized manner with adherence to all applicable laws and the bylaws they, the members, have approved.
- POA's are very unique forms of association governance. While they do have some limited enforcement authority derived from assessments and liens, they have no judiciary or police functions and their legislative authority is restricted to the establishment of bylaws, with the cooperation and approval of all property owners, more appropriately known as association members.
- In short, POA officers or directors provide a public service. Because they serve their neighbors as unpaid volunteers, an unspoken agreement those neighbors make with their POA officers is a promise of support. This "promise" was made when they decided to buy into and

live in a POA community. These fellow residents and owners support their POA officers through their own voluntary service on committees, attendance and participation at POA functions including meetings and social gatherings, and in lending a hand, if they are able, with community projects that benefit everyone.

• This information guide has been prepared by an <u>unofficial</u> ad hoc nominating committee comprised of interested and concerned property owners as an <u>unofficial information guide</u> intended to assist POA officers, potential officers and POA members in developing a greater understanding of the Golf North Property Owner's Association, Inc. It is *NOT* associated with any standing or prior Board of Directors.

The Legal Organization of a Property Owner's Association

References:

https://info.legalzoom.com/difference-between-bylaws-covenants-27294.html https://www.kppm.com/understanding-the-differences-between-ccrs-bylaws-and-rules-regulations/

Covenants, Conditions & Restrictions (CC&Rs)

"This is a legally binding document that is officially recorded and filed with your state. Your CC&Rs (Note: We call them R&R's) cover the rights and obligations of the homeowners association to its members and vice versa.

CC&Rs often cover legal issues, such as:

- Property-use restrictions
- Clearly defined maintenance obligations for the HOA and individual members
- Mechanisms for rule enforcement and dispute resolution
- Lender protection provisions

- Assessment obligations
- Insurance obligations

Because this record is kept on file with the state, it can be difficult to amend and requires a vote by the membership to make any changes."

(Quoted from references)

The original R&R's for Golf North were executed by Carolina Trace and filed with Lee County in the 1970's, thus establishing Golf North as a separate POA. Subsequently, they have been amended and restated and the current R&R was filed with Lee County, North Carolina, on November 20 2008, and a copy of this document is provided at Attachment 1.

Bylaws

"CC&Rs (R&R's) cover the "what" of the HOA, and the bylaws cover the "how." Your community's bylaws establish the structure of day-to-day governance of your homeowners association. This includes things like:

- Frequency of HOA board elections
- Process for nominating and electing new board members
- Number of members that serve at one time
- Length of board member service terms
- Meeting frequency and quorum requirements
- Duties and responsibilities of board members

Like CC&Rs (R&R's), Bylaws are difficult to change, as they too may require a vote by the membership to amend."

(Quoted from internet references)

Our current Golf North POA Bylaws were revised December 1, 2008, and are included at Attachment 2.

Regulations

"A community's regulations are a catch–all for the things that aren't covered in the Bylaws or CC&Rs. These are often the rules that might need revising over time due to changes in the community. For example, an HOA might have a regulation that states that no children are allowed in the community pool before noon. This regulation would not be a part of the community's CC&Rs because it might need to change seasonally, or as more children move into the community.

Regulations can be changed by an HOA board vote with review by the members of the community. Traditionally, a Board will adopt a regulation then send a notice to the community members who will have 30 days to review it. After 30 days, the board will review the comments and concerns of members, considering the members' feedback in their final decision."

(Quoted from internet references)

Currently, there is a reference to Pool Rules and Regulations in Article XI Section 8, of the Golf North POA Bylaws.

Every Restriction Can Be Changed

"CC&Rs (R&R's), Regulations, and Bylaws are usually determined when a developer incorporates the community. The developer will try to anticipate the type of community or commercial property space they are creating, but the needs of a community often aren't fully clear until residents move in.

- Every rule, bylaw and regulation can be changed it's simply a matter of which process is required to make the change.
- CC&R (we call them R&R's) changes require re-filing with the state, so changes should be made sparingly and with the help of an experienced attorney.
- Meanwhile, regulations (not to be confused with CC&R's or R&R's) are in effect at the community level and simply require a board vote with community member review."

(Quoted from internet references)