

## Merger Bylaws Draft: FAQ 5.2.17

### *Q. What changes are required in the community “Governing Documents”?*

- The existing FOSHA corporate structure will be modified to accept the FOSA name change in **the Articles of Incorporation**.
- The **Amended & Restated Bylaws** outline general operational parameters within the community and allows administering the duties and obligations in the 1983 Agreement currently being administered by FOSCA
- The **1983 Agreement** identifies the common facilities & activities in the community that all residents have the privilege to use and enjoy, and the rights and obligations associated with these privileges.
- A **Policy/Procedure, Rules & Regulations (PPR&R’s) manual** will include specifics to the community’s daily operations and resident rights and obligations. All PPR&R’s are to be established and maintained by the Board of Directors in compliance with the By-laws.

### *Q. Who governs the community?*

- An elected **Board of Directors** who are the policy making and decision making body.
- **Professional Manager(s)** who is/are responsible for the daily management & administration of the association.
- Each unit **Owner/Resident** is obligated to follow all governing documents.

### *Q. Who will constitute the Board directors and how long will they serve?*

- The Board will continue to have **seven (7) elected directors**, with eligibility available to all unit owners identified in the 1983 Agreement
- Directors will serve one **three (3) year term**, and are eligible for an additional elected (3) year term
- **Elections will be staggered** on a rotating schedule: three (3) directors elected in one year, two (2) directors the next year and two (2) directors the third year. The election cycle repeats 3 -2 -2 (over the next 3 years). This provides for continuity of board experience and for mentoring of newly elected directors
- Individuals appointed to fill a **board vacancy** will serve the remainder of that unexpired term.

### *Q. What about the \$40,000 Board spending authority?*

- This discretionary spending has been eliminated.
- By clarifying the budgeting process, including all committee input and finance committee review, the adopted annual budget becomes the authorized operating plan for the next fiscal year. Strengthened planning eliminates impulsive spending which dismantle financial operations.
- Act of God emergencies may occur. If it happens, the Board shall act within their elected fiduciary role, as they deem proper and expedient. Their actions must parallel Association objectives, protect community interests and conform to all applicable Local, State and Federal laws.

***Q. Who decides the annual operating budget and when?***

- All committees (designated and appointed by the Board of Directors) are to maintain annual revenue & expense records in accordance with the PPR&R's. These records are to be reported to the Board along with funding requests for the subsequent operating year.
- Beginning in June, the Finance committee and the Association Manager will develop a proposed operating plan for the upcoming year in accordance with the PPR&R's. This plan will consider all funding requests, reference the adopted long-range and master plans and the current reserve study before making their recommendations to the Board of Director's. Upon approval, the budget becomes the operational spending program for the next year.

***Q. What are these reserve accounts and how will they be used?***

- **RESTRICTED REPLACEMENT RESERVE FUND (RRRF).** To be used for restoration, major repair and replacement of existing or future capital improvements and equipment (this would include annual maintenance expenditures for building painting, routine pool maintenance, road resurfacing, crack filling & sealing, etc.). Will be funded from regular assessment allocations, as deemed appropriate by the Board, or other fees or charges imposed by the Board in accordance with the governing documents. These items would be included in the annual budget planning and approval process. Withdrawals from the RRRF will only be made by the affirmative majority vote of the Board and with the meeting minutes identifying the project purpose and specific amount to be withdrawn.
- **RESTRICTED CAPITAL ASSET FUND (RCAF).** To be used solely for the major modification of existing capital assets or acquisition of new capital assets (this would include the bricks & mortar type assets such as newly constructed facilities, major additions to existing facilities that are not identified within RRRF reserves). Shall be funded by allocations from any assessments or other sources as deemed appropriate by the Board. *Withdrawals from the RCAF can only be made when all three (3) conditions are met.* 1. Development of a specific project including project specific costs. 2. The Board takes an affirmative vote on the specific plan with associated costs. 3. Approval is obtained by an affirmative vote of the unit owners for that specific plan with associated costs.
- **COMMUNITY IMPROVEMENT FUND (CIF).** To be used solely for specific projects identified via monies received from voluntary gifts, donations, memorials, bequests and fundraisers, etc. Contributions may be expended for their intended specific community improvement project as determined by the Board. Additionally, board approval shall follow the communities governing, as well as, Master and Long Range planning documents.

***Q. What is the association's annual assessment rate?***

Annual assessments shall be based on the budget needs of FOS. The assessment rate may not be increased in excess of ten percent (10%) of the prior year, without majority approval of the unit owners votes cast at a meeting held for that purpose.

***Q. What is an age restricted community?***

At least one occupant of each living unit must be 55 years of age or older for the property to qualify under the age 55 housing exception under the Fair Housing Amendments Act of 1988.