

## **Watters Crossing Board of Directors Responsibilities and Standards**

- Fiduciary Duty is comprised of two duties: the duty of care and the duty of loyalty.
- The Duty of Care – requires the fiduciary to exercise the skill and care a reasonable person would exercise under similar circumstances.
- The Duty of Loyalty – requires the fiduciary to recognize and avoid or minimize potential and actual conflicts of interest.

### Board Responsibilities

- To borrow funds to pay cost of operation secured by assignment for pledge of rights against delinquent owners
- To enter contracts and maintain one or more bank accounts
- To retain services of an attorney, accountant and any other persons or service providers reasonably necessary for the operation and management of the Association
- To delegate certain of its duties and powers to one or more committees of the board who shall be appointed by and serve at the pleasure of the board
- To annually prepare budgets and establish the dollar amount of annual assessments and special assessments, if any, required to meet the operating and projected capital needs of the Association
- To establish reasonable rules and regulations for the operation of the Association
- To collect and use any insurance proceeds to repair damaged or replace lost property, to assess the owners in proportionate amounts to cover any deficiency
- To enforce the provisions of the CCR's
- To collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings
- To retain the services of a professional management company to operate and manage the Association as needed

### Board Standards

- They view their roles as “servant leaders”
- Confidentiality – A fiduciary cannot disclose information obtained during his role, to do so would result in the breach of his duties.
- Recognition of a problem is accompanied by respective solutions.
- Board and Staff protocol is established and followed through.
- They work to shape the community based on measuring community input.