



Cedar Run Lake, HOA - 2020 Zoom Annual Meeting

Your HOA - Corporate Response 12/15/2020

Board/Homeowners Questions and Comments:

Question: Why did it take 8 months for the energy bills to be paid on time?

Question: Where is the Muskrat Money in the Budget for 2021?

Question: Why is no one keeping the board in the loop?

Question: Where is this \$600 that was taken out of our account for a fictitious muskrat company?

Question: Is Rich not doing our inspections anymore?

Question: Inspections are included in the monthly fee?

Question: When does the management contract end?

Question: Can the contract be canceled at any time?

Question: What happens if no one steps up to take over the board?

Your HOA Responses:

The Lost \$1,000 check - This was a \$193.00 check that was in question. The attorney mailed it in February to Cedar Run Lake Board directly, and Your HOA met with the board in March. That check was not a part of the items received in March at the meeting with my Team and I.

****Redact for Public Distribution*** -----
[Redacted text block]

[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

Energy Bills - When we took over management we called Duke and switched over the account mailing address (Late February of 2020) and for some reason or another, it didn't actually get it changed in their system. Duke was contacted and it was paid and rectified immediately once the issue was brought to our attention.

2021 Annual Budget - Our contract with your board of directors states that we are to "assist" the board in preparing the community budget, unfortunately we have had no input from the board prior to the annual meeting to get their input on the budget. The 2021 Draft budget was based off of actual amounts from 2020 and projected income/expenses for 2021. No questions pertaining to the budget were asked except for the line item for "Muskrat Control" nor was any input received prior to the board members resigning from the board.

At this point, there is no "approved" budget for Cedar Run Lake, HOA for 2021 which is a direct violation of your Bylaws and the Indiana HOA Laws and needs to be remedied immediately.

The Missing \$600.00 for Muskrats - The board has 24/7 online access to the community's Bill Pay and All Monthly Financial Statements (including the bank statements). The board can also run any reports that they want to see at any time as well as view the community communication between Your HOA and the homeowners/vendors. If there was anything spent out of their community bank account, the board would have known it by accessing and reviewing those statements and documents.

Rusty was able to come out and set the muskrat traps, but never caught anything. Therefore he did not charge you as a courtesy to Your HOA and your community due to our working relationship with him prior to managing your community.

Inspections - We have an entire inspections team that handles all of our communities. Rich is just one person on the (3) person team. When he was out with surgery, the rest of the team handled your inspections in the interim.

We have sent multiple drive logs out to the board with no response since October, 2020. The inspections team cannot effectively do their job if they don't receive information or comments back from the board.

Per the board's original instructions, and our management contract, we are currently doing (1) inspection monthly and sending all findings to the board for approval before sending any letters. The last letters sent out with approval from the board were in October, 2020.

The monthly management fee does in fact cover all costs from the management of your community besides the mailings (postage) costs and the annual tax filings. There are minimal costs.

What if there are No Board Members? - Homeowner associations are non-profit corporations and as a director you have a fiduciary duty to the community (legal obligation)

As the Director of the Non-Profit Corporation you must:

- Always act in good faith
- Govern with the care an ordinarily prudent person in a like position would exercise under similar circumstances
- Govern in a manner to be in the best interests of the corporation at all times
- Participate in all meetings
- Respect parliamentary procedure
- Maintain confidentiality of executive session meetings
- Accept the board's decision even if in disagreement
- Promote the interests of the association and avoid conflict
- Disclose financial conflicts of interest
- Ensure finances are well managed
- Uniformly enforce the covenants and governing documents
- Place the interests of the association above personal interests.

It is always recommended that a Board member resigns from the board if unable to accept these responsibilities.

There must be a “board of directors” for the association to function properly. The association is a perpetual entity, this means that even without a board, the association and all the requirements of the association still exist. The management company cannot make decisions for the community. With no board members, your association opens itself up to all legal possibilities including being sued by the homeowners or the state of Indiana for failure to follow its governing documents.

The Management Contract - The management contract that you signed in February of 2020 is for (1) one year. It ends on 02/01/2021 as long as there is a (60) sixty day notice to management in writing.

The contract can be cancelled at any time, “for any reason or no reason”, but there is a (60) sixty day transition of documents, association funds, etc. During that time, Your HOA remains in management of your community and the management fees are paid for those (60) sixty days.

It takes a majority vote of the board of directors to cancel the contract, so there would need to be a board of (3) members per the ByLaws in place to make that decision.

Please let me know if there is anything else that we can help with, my Team and I are happy to do so.

Timothy A. Plunkett

Founder and CEO

Your HOA Community Management, Inc.

1547 N State Street #210

Greenfield, IN 46140

Email: tim@yourhoahelp.com

Phone: (317) 682-0571