

RESPONSIBILITIES OF PROPERTY MANAGER

The Property Manager shall recommend to the Board such modifications which are in the best interests of the Association, make wisest use of Association resources, and serve the goals of the Board.

It shall be the responsibility of the Property Manager to ensure the smooth functioning within the boundaries of Holly Forest.

On occasion, the Property Manager may find it necessary to recommend to the Board the employment of specialists or consultants to maintain or support programs implemented by the Association in areas requiring specialized knowledge. These contractors or consultants will be considered by the Board on the merits of their potential contribution to the Association and the specific conditions of the stated contract or agreement, as well as the cost of the recommendation.

Duties and Responsibilities:

The Property Manager shall be directly responsible to the Board of Directors for the performance of the following assigned duties and responsibilities:

- A. Ensure that all aspects of Association operation shall comply with Association By-Laws, Policies and Procedures, Declaration of Protective Covenants and State and Federal laws.
- B. Establish and maintain any written plan that may be required by law and consistent with the goals adopted by the Board.
- C. Strive to increase the efficient use of the Association's resources.
- D. Assign staff to achieve the maximum benefit toward the attainment of goals.
- E. Evaluate the progress of the Board's goals.
- F. Analyze the results of programs as they apply to Board goals.
- G. Work cooperatively with Association active members and groups concerned with the betterment of Holly Forest.

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- H. Work cooperatively with the Board of Directors.
- I. Strive toward the highest standards of personal conduct.
- J. Keep the Board of Directors advised of new legislation appropriate to the Board.

Adopted April 21, 1998

ASSESSMENT OF ASSOCIATION GOALS

One of the major functions of the Board of Directors is to work with the Property Manager to establish the goals by which the Association can accomplish its mission and to provide the resources necessary for their accomplishment. Because of the importance the Board places on accomplishing goals, it has established the following policy for effective assessment of the Association's progress toward their realization.

In conjunction with its evaluation of the Property Manager, the Board shall also provide the time for both the Board and the Property Manager to assess the progress of the Board's goals during the previous year toward their total achievement. Both the Property Manager's evaluation and the progress-assessment of Board goals shall take place no later than one (1) month prior to the annual meeting. These goals and accomplishments shall be presented to the members at the annual meeting.

Adopted May 19, 1998

CONFLICT OF INTEREST - PRIVATE PRACTICE

The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct of the Property Manager and other Property Management employees is essential to ensure the proper performance of Association business as well as to earn and keep member confidence.

To accomplish this, the Board of Directors has adopted the following guidelines to assure that conflicts of interest do not occur.

1. Property Manager shall not engage in or have a financial interest, directly or indirectly in any activity that conflicts or raises a reasonable question of conflict with duties and responsibilities in the Association.
2. Employees shall not engage in business, private practice, rendering of services, or the sale of goods of any type where advantage is taken of any relationship they may have with any member of the Association, client, or parents of such clients in the course of their employment with the Association.

Included by way of illustration rather than limitation are the following:

- a. The use, sale, or improper divulging of any privileged information about a member of the Association gained in the course of the Property Manager's employment or through their access to Association records.
 - b. The referral of any Association member or client to any private business or professional practitioner if there is any expectation of fees or other remuneration for such referrals.
3. Property Manager shall not make use of materials, equipment, or facilities of the Association in private practice or the use of Association equipment for private gain.

Should exceptions to this policy be necessary in order to provide mandatory services to Association members, all such exceptions will be made known to and approved by the Board of Directors before entering into any private relationship.

Adopted April 21, 1998

BOARD - PROPERTY MANAGER RELATIONSHIP

The Board of Directors believes that, in general, it is the primary duty of the Board to establish policies and that of the Property Manager to administer such policies. The Property Manager should be given the latitude to determine the best method of implementing the policies of the Board.

The Property Manager, as the chief administrative officer of the Association, is the primary professional advisor to the Board. The Property Manager is responsible for the development, supervision, and operation of the Association's programs and facilities.

The Property Manager and/or other staff as directed by the Property Manager shall attend meetings of the Board. Participation shall be by counsel, guidance, and recommendation, as distinct from deliberation, debate, and voting of Board members.

EMPLOYMENT OF THE PROPERTY MANAGEMENT FIRM

The Board of Directors vests the primary responsibility for administration of the operation and management of the Association with the Property Manager. The appointment of the Property Manager, therefore, is one of the most important functions the Board can perform.

When the Property Management Firm's contract expires, the Board shall actively seek the best qualified and most capable Property Management firm at a reasonable cost.

The Board may be aided in this task by:

- A. a committee of Board members;
- B. the services of professional consultants;
- C. the participation of members of the Association.

The search will include, but is not limited to:

- A. preparation of written specifications of qualification;
- B. preparation of informative material describing the Association and its goals;
- C. the requirement that each applicant for the contract be interviewed by Board members in a format that encourages expression of his philosophy for the Association.
- D. where feasible, the opportunity for applicants to visit all areas of Holly Forest.

The terms of a contract offered to the chosen applicant shall include:

- A. the term for which employment is contracted, including beginning and ending dates;
- B. the fee which the Property Management Firm shall be paid and intervals of payment;
- C. a provision for the termination of the contract;

- D. such other matters as may be necessary to a full and complete understanding of the management contract.

The Property Management firm employed shall devote itself to the duties of the office.

Any candidate's intentional misstatement of fact material to their qualification for the employment or the determination of their fee shall be considered by this Board to constitute grounds for termination of contract.

EVALUATION OF THE PROPERTY MANAGER

The Board of Directors believes it is essential that it evaluate the Property Manager's performance not less than annually in order to assist both the Board and Property Manager in the proper discharge of their responsibility and to enable the Board to provide the Association with the best possible leadership.

The Board is responsible for determining the success of the Property Manager in meeting the goals established by the Board through annual evaluations of the Property Manager's performance. The Board, in formulating its position with regard to the performance of the Property Manager, shall rely, whenever possible, on the objective outcomes of its evaluations rather than on subjective opinions.

The Board shall, no later than sixty (60) days prior to the end of each twelve (12) month period of the Property Manager's contract, evaluate the performance of the Property Manager. Such evaluation shall include an assessment of:

- A. the progress toward the goals of the Association and the Board;
- B. the working relationship between the Board and the Property Manager as defined, but not limited to Policy 204, Board - Property Manager Relationship;
- C. the Board's own effectiveness in providing direction to the Property Manager;
- D. how they will attain the goals of their contract.

Such assessments will be based on defined quality expectations developed by the Board for each criteria being assessed.

As an outcome of the evaluation of the Property Manager's performance, the Board should be prepared to judge the advisability of retention of the Property Manager and be better prepared to:

- A. identify strengths and weaknesses in the operation of the Association and determine means by which weaknesses can be reduced and strengths maintained;
- B. establish specific objectives, the achievement of which will advance the Association toward its goals;
- C. improve its own performance as the public body ultimately charged with the responsibility of this Association.

Adopted May 19, 1998

NON-REEMPLOYMENT OF THE PROPERTY MANAGER

The Board of Directors has an obligation to the members of the HFA to employ professional leadership best trained and equipped to meet the needs of the Association. It shall meet the obligation by retaining only a highly-qualified firm as Property Manager of the of the HFA. If the services of the Property Manager are found to be below the expectations of the Board, the firm shall be notified by the President of the Board and given an opportunity to correct the conditions.

If Property Management services are unsatisfactory, the Property Manager shall be notified in writing by the President, as approved by the Board in open meeting. Notification of its intent not to renew and/or extend it's services shall be given by not less than thirty (30) days prior to the expiration of the current contract.

The contract of the Property Manager may be terminated in accordance with the terms of the contract.