

SYSTEM OF ACCOUNTING

It is the policy of the Board that a chart of accounts be established that meets all financial reporting needs. The Property Manager shall be responsible for the proper accounting of all Association funds. She/He shall ensure that expenditures are budgeted under and charged against those accounts which most accurately describe the purpose for which such monies are to be or have been spent. Wherever appropriate and practicable, expenditures for equipment, services and the like shall be allocated to cost/revenue centers which most accurately describe the purposes for which such monies were spent.

A report of the revenues and expenditures from the Operating Fund shall be made to the Board on a monthly basis.

AUDIT

The Board requires, after the close of each fiscal year (December 31st), that an audit of all accounts of the Association be made by a licensed certified public accountant. The audit shall be conducted in accordance with generally accepted auditing standards and shall include all funds over which the Board has control.

Preparation of the monthly financial statements are the responsibility of the Property Manager. At the close of the fiscal year, the Property Manager will prepare, or cause to be prepared, the following financial reports:

1. A Statement of the Financial Position (Balance Sheet).
2. A Statement of Operations.
3. A Statement of Cash Flows.

The statements shall be presented to the Treasurer of the Board for review on or before January 31st, followed by review and approval by the Board.

When this process has been completed, the statements shall be presented to the external audit firm for audit and verification.

The certified public accounting firm shall audit the financial statement and publish the financial condition of the Association at the close of each fiscal year, on or before the General Membership meeting of the next succeeding fiscal year. This audit shall be presented to the Board for review prior to the General Membership meeting (in August). The Board will review and approve this audit at the General Membership meeting.

The opinion by the certified public accounting firm and accompanying financial statements shall be made available to the Association membership at the General Membership meeting.

Adopted April 21, 1998

FISCAL PLANNING

The fiscal year of the Association will be from January 1st through December 31st.

The Board shall have the Property Manager collect and assemble the information necessary to discharge its responsibility for the fiscal management of the Association and to plan for the financial needs of the Association's programs. The Board will strive toward maintaining both short and long range projections of the Association's financial requirements.

Accordingly, the Board directs the Property Manager to:

1. Maintain the accounting system as prescribed in these policies;
2. Include cost estimates in all ongoing financial requirements;
3. Maintain a plan of anticipated revenues;
4. Report to the Board any serious financial implications that emerge from the ongoing fiscal planning.

As well, the Board shall prepare for a long range year-by-year plan for the maintenance of facilities and roads.

BUDGET PREPARATION

The Association's plan of operation is reflected in its budget. Each year, the Board will cause to be prepared a budget for the following year's operation. Article V, Section 1(k), HF By-Laws.

The budget shall be designed to carry out Association operations in a thorough and efficient manner, maintain Association facilities, and honor obligations of the Association.

The budget requires the critical analysis of every member of the Board. Once adopted, regardless of their position before its adoption, all members of the Board will support its execution.

The Board directs the Property Manager to present the budget to the Board along with all available information associated with each cost/revenue center in October to allow for proper analysis and discussion prior to adoption of the budget at the November meeting.

When presented to the Board for review and/or adoption, the overall annual budget shall include:

1. An Operating Budget projecting income and expenses from operations for the future period.
2. An analysis detailing receipts and expenditures related to any funded reserves.
3. The projected amount to be assessed upon Holly Forest property owners for annual dues to meet budget requirements.

BUDGET MEETING

The annual budget adopted by the Board represents the Board's position on the allocation of resources required to operate an appropriate system of operations for the Association. All reasonable means shall be employed by the Board to present and explain that position to Association active members.

Each member of the Board and the Property Manager shall be sufficiently acquainted with the budget and its underlying purpose to answer questions from members of the Association and ensure the Association operates within budgeted guidelines.

The budget approved by the Board shall be in the form prescribed in these policies and shall be made available for public inspection at the Property Management office at least ten [10] working days prior to its adoption.

The adoption of the proposed budget shall be made at the ~~November~~ Board of Directors meeting.

September

BUDGET IMPLEMENTATION

The Board of Directors shall adopt an annual budget as required of it in Article V, Section k, Holly Forest ByLaws. Once adopted for the applicable fiscal year, the budget shall be the guideline under which all sources of funds are to be received by the Association and expenditures made thereby. Nothing shall preclude revisions being made in the budget so long as such revisions are made by the Board of Directors only and at open and non-executive meetings thereof. The adopted or revised budget shall give the Board and the Property Manager authority to spend money for those purposes and those amounts approved.

The Board places the responsibility of executing the budget, once adopted, with the Property Manager.

The Property Manager shall be authorized to proceed with making financial commitments, purchases, and other expenditures within limits provided in the budgets.

All Association expenditures shall be made employing sound business practices and internal accounting controls. All expenditures not previously budgeted exceeding five hundred dollars (\$500.00) shall be approved by the Board of Directors.

In instances where expenditures are to be charged against an operating budget, a system of controls shall be operative which precludes such expenditures from exceeding a budget appropriation for that expenditure without approval of the Board.

If, during the fiscal year, it appears that actual revenues or expenditures deviate from estimated revenues or expenditures, including the available equity upon which the appropriations from the fund were based, the Property Manager shall present to the Board, as soon as is practical, recommended reprogramming actions that will prevent expenditures from exceeding revenues. Such recommendations shall be in accordance with the requirements of the Board as defined in the planning of the budget.

Adopted April 21, 1998

CHECKING ACCOUNTS

The Association shall maintain checking accounts as follows, based on Article V, Section 1(c), HF By-Laws:

- A. Operating Account;
 - B. Money Market Securities Account.
1. Deposits will be made timely and intact. An authenticated receipt shall be obtained from the depository for each deposit.
 2. Cash-on-hand will be kept in a locked receptacle.
 3. Persons entrusted with cash will obtain signed receipts for funds given to other persons.
 4. Accounts will be reconciled monthly.
 5. Transfer of funds shall be the responsibility of the President and/or Treasurer of the Board of Directors.

The Property Manager has check writing authority for the Operating Account. All checks over \$500 require two signatures, one of which must be a Holly Forest Board of Directors member.

The Board of Directors of the Association shall ensure optimum cash management, maximizing potential investment income with an acceptable level of risk no greater than low to moderate. Investment pools will be timed to mature at intervals that coincide with budget requirements.

INVESTMENTS

The Board authorizes the Treasurer of the Board and the President of the Board to make investments of available monies from the several funds of the Association in bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; obligations of the State, commercial paper, and banker's acceptances.

There shall be agreement among the Board of Directors prior to the commitment of funds for investment.

Earnings on an investment may become a part of the fund from which the investment was made, unless otherwise specified by the Board.

The aforementioned principals, acting with the approval of the Board, may withdraw funds from approved public depositories or sell negotiable instruments prior to maturity.

Funds will not be invested on "margin" or in any other high risk investments.

BAD CHECKS

When the Board and/or Property Manager receives a check from any source that, when deposited, is returned marked "insufficient funds", the Property Manager shall provide an opportunity for the payor to make proper payment or to arrange for a satisfactory payment schedule. The Property Manager shall write a statutory based letter (see attached Letter 1) to the payor requesting such payment.

If payment is not received within thirty [30] days, the payment schedule is not adhered to, or the monies do not appear to be collectable, the Board authorizes the Property Manager to remove the fee or charge from the Association's Accounts Receivable and to take appropriate action against the payor. At this time the Property Manager shall mail another statutory based letter (see attached Letter 2) demanding treble damages as well as the fees requested in Letter 1.

The maximum service charge allowed by law plus any bank charges related to the non-sufficient funds [NSF] check will be charged to the payor and/or the payor's account with Holly Forest, per General Statutes 25-3-506 and 6-21.3(a).

Letter 1

(Date)

Dear

This letter is written pursuant to G.S. 6-21.3 to inform you that on _____, you made and delivered to the Holly Forest Association a check payable to the Association containing your name and address in the sum of \$_____, drawn upon _____ (bank name), account #_____. We have compared your name, address and signature on the check with the name, address and signature on file and the signature on the check appears to be genuine. Also, we have received no information that this was a stolen check, if that is the circumstance.

The check has been dishonored by the above named bank for the following reason: _____ As acceptor of the check, we give you notice to rectify any bank error or other error in connection with the transaction, and to pay the face value of the check, plus the fees as authorized under G.S. 25-3-506 and G.S. 6-21.3(a) and listed as follows:

Face Value of Check #	\$
Processing fee authorized under G.S. 25-3-506	\$
Bank service fees authorized under G.S. 6-21.3	\$
Total Amount Due	\$

If the total amount due listed above is not paid within 30 days of the mailing of this letter, thereafter we may file a civil action to seek civil damages of three times the amount of the check (with a minimum damage of one hundred dollars (\$100.00) and a maximum damage of five hundred dollars (\$500.00)) for allegedly giving a worthless check in violation of law (G.S. 6-21.3), in addition to the amount of the check and the fees specified above.

Mr & Mrs Ronald Barratt
October 1, 1999
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Appropriate relief will then be sought before a court of proper jurisdiction for full payment of the check plus all costs, treble damages, and witness fees.

If you do not believe you are liable for these amounts, you will have a right to present your defense in court. To pay the check or obtain information, contact the Property Manager at 70 Sapphire Valley Rd, Sapphire, NC 28774 or 828-743-7101. Cash or a bank official check will be the only acceptable means of redeeming the dishonored check.

If you do not believe that you owe the amount claimed in this letter or if you believe you have received this letter in error, please notify the above referenced Property Manager as soon as possible.

Sincerely,

Jan Adams
Site Property Manager

/cls

(Date)

Letter 2

Dear

On _____, we informed you that we received a check payable to the Holly Forest Association containing your name and address in the sum of \$_____, drawn upon (bank name), account #_____. This check contained identification information which was used to identify you as the maker of the check. Also, we have received no information that this was a stolen check, if that is the circumstance.

The check has been dishonored by the bank for the following reason: _____. We notified you that you were responsible for the face value of the check (\$_____) plus the fees authorized under G.S. 25-3-506 (\$_____) and G.S. 6-21.3(a) (\$_____) for a total amount due of \$_____. Thirty days have passed since the mailing of that notification letter, and you have not made payment to us for that total amount due.

Under G.S. 6-21.3, we claim you are not liable just for the face value of the check and the fees. The damages we claim are three times the amount of the check or one hundred dollars (\$100.00), whichever is greater, but cannot exceed five hundred dollars (\$500.00). The total amount we claim now due is:

Face Value of check #	\$
Processing fee authorized under G.S. 25-3-506	\$
Bank service fees authorized under G.S. 6-21.3	\$
Three times the face value of the check, with a minimum of \$100.00 and a maximum of \$500.00	\$
Total Amount due:	\$

Payment of the total amount claimed above within thirty (30) days of the mailing of this letter shall satisfy this civil remedy for the returned check.

If payment has not been received within this 30-day period, we will seek appropriate relief before a court of proper jurisdiction for full payment of the check plus all costs, treble damages, and witness fees.

If you do not believe you are liable for these amounts, you will have a right to present your defense in court. To pay the check or obtain information, contact the Property Manager at 70 Sapphire Valley Road, Sapphire, NC 28774 or 828-743-7101. Cash or a bank official check will be the only acceptable means of redeeming the dishonored check.

If you do not believe that you owe the amount claimed in this letter or if you believe you have received this letter in error, please notify the above-referenced Property Manager as soon as possible.

Sincerely,

Jan Adams
Site Property Manager

Holly Forest Property Owners Association, Inc.
Collection Policy for Delinquent Accounts
2012

A.) Board Resolution

- The Board deems it to be in the best interests of the Association to adopt an uniform and systematic procedure for dealing with delinquent accounts in a timely manner and to refer these accounts promptly to the Association's attorney to pursue collections approved by the Board, acting through the Manager, so as to minimize the Association's loss of revenue.
- The Board shall levy certain charges against property owners in accordance with the provisions of Article VI of the Declaration of Protective Covenants.
- The Board, the Board President, or the Board Treasurer reserves the right to waive or alter the following collection policy and procedure if exigent circumstances exist and upon resolution of the Board.
- A copy of this Resolution shall be sent to all owners at their last known addresses.

B.) Due Date

The Annual assessment is due on the first of January of each year.

C.) Consequences

1. First Notice + 1.5% Monthly Interest Penalty (18% annually) from due date + Quarterly Late Fee at 10% of the past due assessment
A First Notice will be sent to any owner that is 60 days delinquent requesting immediate payment and detailing the interest, late fees & other charges due. The First Notice shall also state that unless the owner disputes the validity of the debt within thirty days (60) after receipt of notice, the debt will be assumed valid.
2. Second Notice and 15 Day Demand
A second notice & 15 day demand will be sent to any owner that is 75 days delinquent that may include acceleration that if the account is not paid in full within fifteen (15) days a Notice of Claim of Lien will be recorded and a copy will be forwarded to any lender with a mortgage against the unit. The Second Notice shall state that any request for special consideration of hardship circumstances, must be submitted in writing to the Board BEFORE the assessment becomes seventy-five (75) days delinquent, and if not so submitted, then such request shall be deemed waived.

3. Collection Turned Over To Attorney

The Manager is directed to refer any account which remains delinquent fifteen (15) days after the Second Notice to the Attorney for all legal remedies available.

4. Membership Privileges Suspended

The membership privileges of any owner whose account is thirty (30) days past due may be suspended at any time at the discretion of the Board.

C.) Contact With Delinquent Owner, Legal Fees and Costs

1. Once a delinquent account has been turned over to the Association's attorneys, neither Management nor Board Members shall have contact with the owner.
2. All legal fees, notification fees and all costs incurred in the collection of a delinquent account shall be assessed against the delinquent owner to the extent allowed by North Carolina law and shall be collectible as an assessment as provided in Article VI of the Declaration of Protective Covenants.

D.) Additional Enforcement Remedies

If after the expiration of the period specified in the Association's Second Notice & 15 Day Demand, an account remains delinquent, the Association's attorneys are authorized to take such further action as they, in consultation with the Board, believe to be in the best interest of the Association, including, but not limited to:

1. Filing suit against delinquent owner.
2. Filing claim of lien and if necessary, instituting a non-judicial foreclosure of the Association's lien.
3. Filing a proof of claim in a bankruptcy.
4. Instituting a judicial action for foreclosure of the Association's lien.

This Resolution was adopted by the Board of Directors on (insert date), and shall be effective (insert date).

4-17-13

Walter B. Hill
President

Print Name
John R Hill
Secretary Treasurer

Print Name
John R Hill

Assessments, Interest and Charges

The Board deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue.

The Board shall levy certain charges against property owners in accordance with the provisions of Article VII of the By-Laws and Article VIII of the Declaration of Protective Covenants.

1. Due Date, Interest and Invoices

Annual assessments are due January 1st. If an assessment remains unpaid after a period of sixty (60) days, interest will be charged at a rate of 18% per annum from the due date. Assessments billings, accompanied by a copy of the budget, shall be mailed to each owner by the third week of November of the prior year. Assessment invoices shall contain the following notation: "Payments of assessments are due January 1st. Assessments that remain unpaid after March 1st will be charged simple interest at the rate of 18% per annum from January 1st."

2. First Notice

Around March 15th, a reminder bill and First Notice will be sent to delinquent owners requesting immediate payment of assessments and late fees. The First Notice shall also state that unless the owner disputes the validity of the debt, or any portion thereof, within thirty days after receipt of the notice, the debt will be assumed valid. If the owner notifies the Manager in writing within the thirty day period that the debt, or any portion thereof, is disputed, the Manager will obtain verification of the debt and a copy of such verification will be provided to the owner.

The First Notice sent to the delinquent owner shall also state that any request for special consideration, including all reasons why the Board

should consider the request, must be submitted in writing to the Board within thirty days after receipt of the notice, together with a request for a hearing, or in the alternative, a request that the determination be made by the Board based upon the written request, and if not so submitted, then such request shall be deemed waived.

The membership rights of any owner whose account is ninety days past due may be suspended at any time at the discretion of the Board during the period that any installment, charge or assessment remains unpaid pursuant to Article VII of the By-Laws. In order to suspend membership rights, including the right of a delinquent owner to use the common areas, the Board shall first give the delinquent owner notice of its intent to suspend privileges and provide an opportunity for the delinquent owner to be heard and present evidence as to why said privileges should not be suspended. This notice of intent to suspend services, and to hold a hearing regarding same, may be given contemporaneously with the First Notice or may be given separately at a later date.

3. Collection Turned Over to Attorney

The Manager is directed to refer any account which remains delinquent for thirty days after the First Notice to the Association's attorneys for collection and the property owner will be liable for payment of all charges imposed by the Association's attorneys to cover fees and costs charged to the Association as well as the management company's additional costs due to the action to the extent allowed by North Carolina law.

Notwithstanding the above, the Manager is directed to consult with the Association's attorneys and turn over for collection immediately any account where the Manager is aware that the owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the property.

4. Second Notice

At any time after April 15th, the Attorney for the Association shall send a written notice referred to as the "Second Notice and 15 Day Demand" to all delinquent owners advising them that if the amount is not fully paid within fifteen days, a Claim of Lien will be filed against the property and the owner will be charged attorney fees and costs of collection. The "Second Notice and 15 Day Demand" shall also include other language required by N. C. Gen. Stat. 47F-3-116. The letter shall be accompanied by a statement of their account which will reflect assessments owed plus interest charges.

5. Contact With Delinquent Owner, Payment, Legal Fees and Costs

The following policies shall apply to all delinquent accounts once turned over to the Association's attorneys for collection:

1. All contacts with a delinquent owner shall be handled through the Association's attorneys. Neither the Manager nor any Association officer or director shall discuss the collection of the accounts directly with the owner after it has been turned over to the Association's attorneys unless one of the Association's attorneys is present or has consented to the contact.
2. All sums collected on a delinquent account shall be remitted to the Association in care of the Association's attorneys until the account has been brought current.
3. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent owner to the extent allowed by North Carolina law and shall be collectible as an assessment as provided in Article VII, of the By-Laws.

6. Additional Enforcement Remedies

If, after the expiration of the period specified in the Association's Second Notice and 15 Day Demand letter, an account remains delinquent, the

Association's attorneys are authorized to take such further action as they, in consultation with the Board, believe to be in the best interest of the Association pursuant to Article VII of the By-Laws and Article VIII of the Declaration, including, but not limited to:

- a. Filing suit against the delinquent owner for money due.
- b. Filing a claim of lien and, if necessary, instituting a non-judicial foreclosure of the Association's lien.
- c. Filing a proof of claim in a bankruptcy.
- d. Instituting a judicial action for foreclosure of the Association's lien.

7. Settlement Offers

If the delinquent owner contacts the attorney or property manager after one of the actions described in paragraph 6, above, has been taken:

- a. And offers to pay the past due amounts in full, including costs and attorney fees, then legal action shall pause for fifteen days until full payment of all past due assessments, interest, and legal fees has been received. Once full payment is received, legal action shall cease.
- b. Offers a promissory note or written payment plan, such plan must be presented to the Board at its next available regular meeting.
- c. If deeds are offered in lieu of payment of assessments, interest and legal fees, they are to be handled as outlined in the Property Section 500 of the Policy & Procedures Manual.

8. The Board reserves the right to waive or alter the above collection policy and procedure if exigent circumstances exist and upon resolution of the Board.

Adopted 8/12/10
(Date)

President 

Secretary 

USE OF CREDIT CARDS

The Board of Directors authorizes the use of credit cards by Property Owners in payment of yearly assessments and interest (if due).

The Treasurer of the Association and the Property Manager shall have the authority to negotiate with banks or financial institutions in order to receive the lowest fees possible for this service.

Adopted April 21, 1998

LIABILITIES AND DISBURSEMENTS

The Board of Directors shall not cause the Association to have outstanding debts unapproved by the active members in the Association in an amount greater than Fifteen Percent (15%) of the total budget approved per Article V, Section 1(k) of the HF By-Laws.

The Board directs the prompt payment of legitimate claims by suppliers of goods and services to the Association. Prior to approval for payment, however, the following procedures and verifications shall be followed:

1. Purchases will be made by the authorized Association agent on sequentially numbered purchase orders.
2. All merchandise received must be inspected, counted, and verified by the Property Manager or designee.
3. Payment will only be made against original invoices, matched with a purchase order and receiving certification.
4. Supporting documentation will be canceled upon payment.
5. Blanket Purchase Agreements for re-occurring items are authorized.
6. An account payable ledger shall be maintained.
7. The Account Payable Ledger will be reconciled to the General Ledger Account monthly.

PURCHASING

Association business shall be conducted in a manner above reproach, with complete impartiality and with no preferential treatment. *If possible the Board will purchase from established local merchants.* Transactions relating to the expenditure of Association funds require the highest degree of community trust and an impeccable standard of conduct. The general rule shall be to avoid any conflict of interest, or even the appearance of a conflict of interest, in Association-Contractor relationships.

It is the policy of the Board that the Property Manager shall endeavor to obtain at least three (3) oral or written price quotations on purchases of more than five hundred dollars [\$500] for a single item, except in cases of emergency or when the materials purchased are of such a nature that price negotiations would not result in a savings to the Association. When the purchase of and contract for single items of supplies, materials, services or equipment amounts to five hundred dollars [\$500] or more the Property Manager shall obtain only written competitive bids. The advertisement for sealed bids will generally be placed in the newspaper of general circulation.

Bids shall be sealed and shall be opened by the Treasurer of the Board and/or the Property Manager in the presence of a quorum of the Board of Directors. All orders or contracts should be awarded to the lowest qualified bidder; however, consideration can be given to:

- A. The quality of the item(s) to be supplied;
- B. Its conformity with specifications;
- C. Suitability to the requirements of the Association;
- D. Past performance of the vendor.

The Board reserves the right to accept any contract or proposal it deems to be in the best interest of the Association.

The Property Manager is authorized to make emergency purchases without prior approval of the Board of Directors, to keep the Association in operation. These purchases shall be made known to the President and/or Treasurer as soon thereafter as possible. Such purchases shall be brought to the Board's attention at the next regular meeting.

PURCHASES BUDGETED

It is the policy of the Board that when funds are available, all purchases contemplated within the current budget and not subject to bid be made in a manner that ensures maximum benefit for the Association.

All purchases that were originally contemplated in the budgeting process may be made by the Property Manager unless the completed purchase is for more than five hundred dollars [\$500], in which case prior approval is required from the Board.

Consent of the Board of Directors is required for all purchases of equipment, materials, and services when the purchases were not contemplated during the budgeting process.

In the interest of economy, fairness, and efficiency in its business dealings, the Board requires that:

- A. Items commonly used in or on the various common areas of the Association be standardized whenever consistency can be maintained;
- B. The Property Manager shall develop and maintain lists of potential suppliers for various types of supplies, equipment, and services;
- C. A prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;
- D. Upon the placement of a purchase authorization, the Property Manager shall commit the expenditure against a specific line item to guard against expenditures in excess of appropriations;
- E. No purchase of supplies shall be allowed without a properly signed purchase authorization. The Property Manager shall be held personally responsible for anything purchased without a properly signed purchase authorization.

Adopted February 17, 1998

COOPERATIVE PURCHASING

The Board recognizes the advantages of centralized purchasing in that volume buying tends to maximize value for each dollar spent. The Board, therefore, encourages the Property Manager to seek advantages in savings that may accrue to this Association through joint agreements for the purchase of supplies, equipment, or services with the governing body(s) of other property owners' Associations.

The Board authorizes the Property Manager and the President of the Board to negotiate such joint purchase agreements for services, supplies, and equipment which may be determined to be required from time to time by the Board and which the Board may otherwise lawfully purchase for itself, with governmental contracting units as may be appropriate, in accordance with the policies of this Board, and the dictates of sound purchasing procedures.

Cooperative or joint purchases require an agreement approved by the Board and the participating contracting body(s) which shall specify the categories of equipment and supplies to be purchased; the manner of advertising for bids and of awarding contracts; the method of payment by each participating party and such other matters as may be deemed necessary to carry out the purposes of the agreement. Such agreements are subject to all agreed upon bidding requirements among participating Associations.

Adopted February 17, 1998.

VENDOR RELATIONS

The Board shall not knowingly enter into a contract with any supplier of goods or services to this Association under which any Board member or agent of this Association has any pecuniary or beneficial interest, directly or indirectly.

All sales persons, regardless of product, shall clear with the Property Manager's office before contacting any member of the Association.

Each order shall be placed in accordance with policies of the Board on the basis of quality, price, and delivery with past service a factor if all other considerations are equal.

The Property Manager shall cause to be prepared and maintain a listing of all vendors which the Association chooses not to do business with.

Adopted February 17, 1998

CONTRIBUTIONS BY THE ASSOCIATION

Any contributions or donations of any value to be given to Associations, Civic Institutions, Charitable organizations, special interest groups or such others, shall be reviewed and considered individually by the Board on the basis of merit and/or the promotion of the best interest of the Association.

Adopted January 19, 1999.