

THE LANDINGS ASSOCIATION, INC.
 BOARD OF DIRECTORS
 POLICY MANUAL
 (as of September 25, 2018)
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I. INTRODUCTION

The purpose of this Policy Manual is to document the directives that have been approved by the Board of Directors of The Landings Association (“TLA” or the “Association”) that govern the implementation of TLA’s Bylaws, Covenants, and Articles of Incorporation and serve as an instructional and reference manual. This Policy Manual shall contain those permanent directives and statements of policy which reflect long-term authority and responsibility, and which have been officially adopted by the Board of Directors. Policy statements are formatted in *italicized* type, preceded by the underlined and bolded word “***Policy.***” This Policy Manual is for the use of the Board of Directors, the General Manager, Committees, and The Landings Company (“TLCo”) in the development of plans and programs and in managing and administering the affairs of the Association.

Policy: *Unless otherwise provided in the Covenants, Articles of Incorporation, or the Bylaws, the Board of Directors acts only when in session or through designated committees and is solely responsible for policy determination. The General Manager, and committees in certain specified instances, are responsible to the Board of Directors for formulation and recommendation of policy, and for interpretation and implementation of Board approved policy under conditions specified by the Board.*

Policy: *All current policy approved by the Board of Directors shall be contained in the Policy Manual or in other documents approved by the Board (e.g., Security Manual and the Architectural Review Guidelines) which constitute Board-approved policy. Changes to policy statements must be approved by the Board of Directors. All other informational content may be changed by the Governance Committee.*

Policy: *Board Committees shall periodically review policy affecting their areas of activity and make recommendations to the Board of Directors as to the addition, deletion, or alteration of policy.*

II. ORGANIZATION

A. Organization Structure

1. The Association is a member owned and controlled organization, governed by its Board of Directors, and utilizing its staff to carry out the programs and activities necessary to achievement of its objectives.

2. The relationships between members, the Board of Directors, and staff shall be established so as to take advantage of the strengths of each and provide for communications that satisfies the needs of each.

B. Organization Manual

Policy: *The General Manager shall maintain TLA’s Organization Manual that includes up-to-date copies of the General Declaration of Covenants and Restrictions, the Articles of Incorporation of the Association and its subsidiaries, the Bylaws of the Association and its subsidiaries, the Policy Manuals of the Association and its subsidiaries including any appendices, the Architectural Guidelines, the Rules and Regulations of the Association, and the position description for the position of General Manager.*

Policy: *The Organization Manual shall be available for review of any member during normal business hours.*

C. Committee Structure

1. Committees of the Association are generally made up of members of the Association, and established to assist the Board of Directors and the General Manager in fulfilling their duties and responsibilities.

2. All committees report to either the Board of Directors or the General Manager and have only those authorities or responsibilities specifically delegated or assigned by the Board of Directors or the General Manager.

3. The functions of all committees, their term, their establishment and the appointment of their members, and the parameters and conditions of their functioning are as specified in the Covenants, Bylaws and the Policy Manual of the Association.

III. MEMBERSHIP COMMUNICATIONS AND SERVICES

Policy: TLA's communications objective is to assure that all users receive appropriate and sufficient information to make informed decisions. TLA will communicate via TLA-sponsored meetings, direct mail, TLA's website, e-mail, community events sign board, the Landings Journal, and other electronic media as appropriate.

Various communication resources are utilized to communicate information, as follows:

A. Website

Policy: The Association's website will provide information 24 hours a day, seven days a week, as a service to our property owners, residents and website guests. A non-public section, maintained for property owners, includes items of a proprietary nature and shall require resident login and verification against TLA's internal database to ensure that the requester is, in fact, a resident. Updates of residents' addresses and e-mail addresses will occur as the residents request login access.

In general, the website will cover the following subjects as to content, with this listing being not all-inclusive or prioritized, but generally typical:

1. The website will direct visitors to The Landings Company and Landings Club websites and explain the purpose of each, so that visitors can find the information they need.

2. The website will contain links to other Landings community organizations as requested and as appropriate.

3. Items to be placed in the non-public section, requiring owners to login, will include items of a proprietary nature, such as the address book and message boards.

4. The Association's website will provide property owners with a selection of the most widely used Association documents and forms as a convenience and a reference, such as governing documents and Board minutes.

B. Mailing Lists and E-mail Lists

The Association maintains a protected database of property owners and renters.

Policy: *Because of the nature of the information contained in the database, and in order to protect the privacy of property owners and renters, no information from the database will be disclosed unless authorized by TLA's Board of Directors.*

The Association maintains a mailing list for its use in contacting property owners regarding business of the Association.

Policy: *Under no circumstances is TLA's mailing list to be shared with or sold to any other entity, unless authorized by TLA's Board of Directors. TLA may, with the authorization of the Board of Directors, assist with the distribution to the membership of approved materials from Landings-based non-profit organizations for an appropriate fee.*

Requests from Landings-based nonprofit organizations must be in writing and must be approved annually by the incoming Board.

C. Surveys – For Policy Making

Policy: *All surveys to be used by TLA's Board to assist decision-making should be well designed and statistically-valid. TLA's Board of Directors must approve all such surveys.*

D. E-Mail Bulletins – From TLA to Residents

For convenience and expediency, broad-based e-mail bulletins are periodically sent to residents for matters concerning TLA business. Residents may sign up for TLA e-mail bulletin service through the website.

Examples of e-mail bulletins from TLA to residents include:

- Reminding residents to vote in Elections.
- Notifying residents about roadwork or power outage causes, and giving late-breaking news.
- Making emergency announcements, such as updates from the Chatham Emergency Management Agency or announcements about road closings.
- Providing updates on activities of the Marinas.

Policy: *E-mails from TLA to residents are not to be used for individual clubs within The Landings, partisan political messages, or Skidaway Island church announcements. Individuals, including Board Members, are not permitted to communicate using the e-mail list.*

E. Communications – Board Members to Members and Residents

Policy: *Because the President is the official spokesperson of the Association, any communication that may involve a new policy initiative, a recommendation for Board action, or a matter not yet completed by Board action shall be made by the President or approved by the President for dissemination. The President shall be the official spokesperson for both the Board and the TLA for the purpose of communicating Board issues and decisions to external organizations; provided that the President shall have the authority to delegate this responsibility to others. No pending matter that involves personnel and/or litigation should be discussed.*

F. Email and Other Electronic Communications -Board Member to Board Member

Policy: *The use of e-mails and other electronic communication should be done with caution in discussion of sensitive matters, particularly personnel and litigation. There are certain things that should be discussed only in Executive Session and those types of topics are better for that forum than by means of electronic messaging.*

G. Mail Tubes

Policy: *Mail tubes are intended only for neighbor-to-neighbor communications, as well as for Landings Association notices. Businesses are prohibited from using the tubes. Any item placed in a mail tube must have the name and contact information of the property owner at The Landings responsible for the distribution. Commercial or political distributions are prohibited, as are any messages that solicit business. Any distribution to 50 or more properties must first be approved by The Landings Association.*

IV. USE OF THE ASSOCIATION'S FACILITIES AND PROPERTY

Policy: *The Landings Association will not tolerate unlawful acts including vandalism within our community and will take legal action according to the laws of the state of Georgia. Law breakers, their guardians and/or their member sponsors will be responsible for the cost of restitution of property, including replacement and/or repairs to damaged property. Legal action will be taken without regard to Association or Club membership status. In cases where an Association member, family member, renters, guest or commercial vendor/contractor of an Association member is involved, in addition to taking legal action, the matter will be referred to the Board of Directors for review and recommendation for suspension of Membership Privileges.*

Policy: *Reserved use of common property may only be on written request by the party wishing to use the property, on a form provided by the Association, and with approval of such request by the General Manager or his/her designee. Common property shall, in general, be available without charge; however, certain property may be rented for private use under terms and conditions and at charges approved by the Board of Directors of TLA. In the instance of non-Member or Special Interest Groups seeking to use common property and entry into the community, an evaluation of the group's purpose and its positive impact to the community's image and reputation, Members' enjoyment, and property values is required as part of the approval process. A Special Interest Group is one that is sponsored in the name of or for the benefit of an organized activity, club, charity, or a non-Member private party seeking to use community common property and attendance by non-Members is expected. This differs from an individual Member hosting a private party at the Member's own expense using community common property.*

Policy: *The Association is not responsible for the safety or welfare of participants in events; each attendee or participant shall waive any claims against the Association and shall assume all risks for any injuries or damages that occur. Persons or parties requesting reserved use of common property must agree to indemnify and hold harmless the Association and its directors, officers, and employees of and from any and all claims, losses, expenses or liability, including a claim for wrongful death, together with all expenses and attorneys' fees incurred by the Association which arise from such use. A statement to this effect shall be included on any request form for reserved use of common property. The Association reserves the right to deny access to the property to anyone.*

Policy: *If at any time, beer, wine or alcohol should be served by anyone on TLA property, the users of such property agree to hold harmless and indemnify TLA, its directors, officers, and employees of and from any and all claims for personal injuries, including wrongful death, and property damage sustained by anyone as a result of any act of commission or omission of any person who has consumed any such substance, including all expenses and attorney fees incurred by TLA which arise from such use.*

Policy: *Users of common property are responsible for any damage to such property, and for cleanup and trash removal from the property as a result of their specific use. If there is a clear record of property damage, or the potential for property damage, or failure to comply with this section by a user, the General Manager may require an appropriate deposit before authorizing further use of any common property.*

Policy: *Smoking is prohibited in Association meeting rooms.*

Policy: *TLA approval is required prior to public notice of any event that involves private use of common property.*

Policy: *The Landings Association reserves the right to suspend the rights and privileges of Members upon their second violation within one year of the published Rules and Regulations as they pertain to vehicles. Suspended members are subject to an access tag reactivation fee.*

The control of vehicles, including motorized scooters, mopeds, and golf carts operating on the streets, roadways, paths, and trails, is essential to safety.

Policy: *The Landings Association does not permit boaters to live aboard (as defined by the Georgia Department of Natural Resources) at the marinas. Transient/guest boaters who are visiting the marinas may reside on their vessel(s) for a maximum of 30 days each calendar year.*

Policy: *The Association marina water facilities are designed and operated to facilitate recreational boating activities, typically launching, docking, storing, fueling and incidental servicing of boats and watercraft. No swimming is allowed at Association marina facilities in which a swimmer could come into contact with a dock, a pier, a floating dock or any attachment such as ladders thereto which are owned and/or maintained by The Landings Association. Ladders are for emergency rescue purposes only.*

Swimming is prohibited at the Association Marina facilities for the following reasons: Dangerous conditions including boat traffic exist at a marina operation: Electrical cables and lines are under the water and not visible; Tidal conditions can change quickly based on weather; Pluff mud exists on the bottom of the river or creek surface in tidal areas; Wildlife, some dangerous to humans, are present in salt waters and marshes; Shallow water exists at low tides.

The Association shall designate the appropriate areas for launching various types of watercraft, such as kayaks or paddleboards. Any swimming associated with these watercrafts should also occur well beyond the marina harbor.

A. Amenity Development Process

Policy: TLA periodically receives requests from individuals and organizations who wish to have a new amenity developed on common property. The Board has approved a process for such requests as reflected in separate documents. The Board holds final authority for approval of such requests, following completion of the process.

Since the time that the Developer (Branigar Organization) transferred all common property amenities and maintenance responsibilities to The Landings Association, new and additional amenity development has been organized through resident groups and funded through private donations. Examples of amenities that have been established in this manner include the Dog Park, Athletic Field, Nature/Native Plant Trail and Kayak Launch. This philosophy and policy for amenity development ensures equity for all members of the Association. It provides a mechanism for those members who desire a new amenity to fund the development costs without impacting the annual assessment of all members.

Likewise, those amenities with use limited to specific beneficiaries (e.g., dog owners, RV owners, kayak owners) as opposed to all community members is considered a restricted use amenity and ongoing operating costs are funded by user fees. A restricted use facility is an amenity that will limit use of common property for one particular purpose that is not utilized by the community as a whole. User fees are established as authorized in Covenants Section 6.5.5 for the use of common property where such use results in an added expense to the Association and added benefits to the using members, and are reviewed annually.

In the event that an amenity has a restricted use (e.g., the Dog Park, Sunset Pavilion, Marina slip) a user fee may be established to fund the ongoing maintenance and depreciation of the amenity. If determined that maintenance and/or program costs are negligible versus administering a user fee, the ongoing maintenance cost for the amenity may be funded through assessment dollars.

If a proposed amenity has unrestricted use (e.g., Athletic Fields, Landings Harbor park area) and will benefit the entire community, TLA will evaluate funding the maintenance and depreciation through the assessment rather than applying user fees.

B. Use of The Landings Logo

Policy: The Landings Logo is a registered trademark of The Landings Association and The Landings Club. On occasion, as determined solely by The Landings Association and The Landings Club, it may be appropriate and desirable to grant permission for restricted and specific use of the logo to specific non-profit groups and organizations that represent the community.

Organizations wishing to apply for use of the trademarked Landings logo, a schooner ship, may obtain an application from The Landings Association or The Landings Club administrative offices. Generally, eligible organizations include non-partisan, apolitical, non-profit organizations whose members are comprised (entirely or largely) of Landings property owners. The use of the logo shall be for one-time events or activities that positively reflect the values of the community.

The application will be reviewed by the staff of both The Landings Association and The Landings Club within 30 days with a recommendation to The Board of Directors of the respective entities. Approval of both entities is required.

C. Revetments/Bulkheads on Common Property

Policy: *The Landings Association will maintain, repair and replace as required, those bulkheads and revetments that: 1. Are located on Common Properties; and 2. Were installed by the Branigar organization and/or The Landings Association under permit issued by the Army Corps of Engineers and DNR on common property prior to June 21, 2013; and 3. Have been accepted by TLA as Common Properties.*

Policy: *A revetment and/or bulkhead that has been placed on Common Property which either abuts or adjoins a private lot, and which has not been accepted by TLA as Common Property is an unauthorized encroachment on the Common Property and is not the maintenance responsibility of the Association. The Association will grant an easement over the Common Property on which the Revetment is located allowing the Revetment to remain on the Common Property on the condition that the Owner agrees for himself/herself and his/her heirs, successors, and assigns to maintain such Revetment and agrees to the following in a signed Easement and Maintenance Agreement:*

- 1. The "Owner" is the fee owner of the Lot that has executed this Easement and Maintenance Agreement and all of his/her successors, assigns, grantees, and heirs.*
- 2. Association hereby grants Owner a revocable easement over the property to allow the Revetment to remain on the Common Property where constructed ("Easement"). Easement shall be recorded in the Chatham County, Georgia land records.*
- 3. Association's granting of this Easement is not intended as a warranty or representation as to the structural integrity of the Revetment, nor compliance with any Federal, State or County regulation.*
- 4. The granting of the Easement shall not result in the Revetment being Common Property. The Owner shall continue to own the Revetment.*
- 5. Owner shall be solely responsible for the maintenance, repair, improvement and replacement of the Revetment, and for obtaining and paying for all permits. In the event the Association is the proper party to obtain a permit, Owner shall reimburse the Association for all costs incurred by the Association ("Maintenance Agreement").*
- 6. The Easement shall not be expanded without the approval of the Board of Directors of the Association. If approved, the expanded easement shall be recorded in the Chatham County, Georgia land records.*
- 7. The Easement assigned by this instrument shall be a revocable easement. Association retains the right to revoke this Easement if Owner fails to maintain the Revetment. Prior to exercising this power, Association shall give 30 days written notice, sent by certified mail to the Owner, informing Owner of the need for maintenance and the actions that must be*

taken to maintain the Revetment to avoid the revocation of the Easement. In the event an Owner fails to perform the requested action(s), Owner must remove the Revetment and return the property to its original condition. If Owner fails to remove the Revetment and/or return the property to its previous condition, Association shall perform the necessary work and owner shall be responsible for all costs incurred by the Association.

8. Notwithstanding the granting of this Easement and the Maintenance Agreement assumed by Owner, in the event any Federal, State or County authority requires the Association as the owner of the Common Property on which the Revetment is located, to perform any work on the Revetment, Owner shall be responsible for all costs incurred by the Association.

9. Owner of the Lot shall specifically recite and declare in any deed or other instrument of conveyance that the Easement and Maintenance Agreement contained herein shall run with the land and be binding on all parties claiming under said deed or other instrument of conveyance. Any conveyance of the Lot shall be deemed to include the recitations and declaration required by this paragraph, whether or not the instrument of conveyance specifically makes reference hereto. By the acceptance of a conveyance of the Lot, any and all successors in title to Owner agree to the contents hereof.

V. COMMITTEES

Policy: *The Board of Directors shall establish and maintain a committee structure consisting of Board Committees, Regulatory Committees, Standing Committees, and Special Committees. All Standing and Regulatory committees shall function under the general direction of the General Manager.*

The committee structure shall be reflective of the needs of the Association for member involvement in planning and program development, and functional as to needed recommendations to the Board of Directors or the General Manager in areas requiring special knowledge or detailed study. Committees may establish subcommittees or task groups within their ranks as needed. When establishing Regulatory Committees, Standing Committees or Special Committees, a statement of functions for each shall be a part of this Policy Manual. The current committees consist of the following:

The Board Committees of the Association are the Executive Committee, the Finance Committee, the Strategic Planning Committee, the Governance Committee, Development Committee and the Strategic Water Committee. Board Committees deal with Board operations and activities, and are chaired by Board members. Board Committee functions are addressed below.

A. The Executive Committee shall consist of the President, the Vice President, the Secretary, and the Treasurer, and shall have the power to act on matters not addressed in plans, programs, or policy between the regular meetings of the Board. The Executive Committee may not exceed the authority of the Board. Any action of the Committee must be ratified or rescinded by the Board unless authority to take action has been specifically delegated to the Committee by the Board. The Committee shall consider calling a Special Board Meeting before taking action on matters of significant importance to the Association.

B. The Finance and Audit Committee shall be chaired by the Treasurer and provide advice and make recommendations to the Board of Directors on financial policy, financial management, and other matters affecting the short and long term financial health of the

Association. The Finance and Audit Committee shall review, evaluate, and when appropriate, make recommendations to the Board of Directors in the following areas:

1. Financial Reports and Policy,
2. The Budget Process,
3. Financial Authorities and Accountabilities,
4. Information Processing and Control,
5. Internal Controls,
6. Risk Management Program,
7. Capital Expenditures Program, and
8. Tax and Government Regulations.

The Committee shall conduct internal audits of Association practices and procedures to assure compliance with policy.

The Committee is the financial planning and budget committee of the Board. As such, it reviews and supports the development by the General Manager of long range, assessment, and annual operating and capital budgets and makes recommendations to the Board of Directors when appropriate.

The Committee is also the Audit Committee of the Association and shall evaluate the results of the annual audit and make recommendations to the Board when appropriate.

The Committee shall also review and evaluate, including the bidding process, capital expenditure authorizations in accordance with the financial policies set forth in the financial sections of the Policy Manual. Capital expenditures which are proposed to be deferred or eliminated, and all capital expenditures which are not budgeted or exceed budget shall also be reviewed by the Committee and appropriate recommendations made to the Board of Directors.

C. The Strategic Planning Committee shall make recommendations to the Board of Directors as to objectives, strategies to achieve those objectives, and long-range plans, to serve as guidelines for operations and activities. The Committee is also responsible to the Board of Directors for identification of Association initiatives. The Committee shall also review the planning process to assure that it functions efficiently and is effective in the results it achieves. The Strategic Planning Committee shall also be responsible for monitoring annual plans and programs to identify continuing long-range needs.

D. The Governance Committee is responsible for the review and evaluation of governance documents and structure and for making recommendations to the Board of Directors as to effective governance of the Association and its related organizations. Specifically, the Committee is responsible for policy planning, development, and review; oversight of Board structure and function, committee structure, related organization relationships; the planning and organization of Board of Directors, Officer, and Committee orientation; and General Manager authorities and responsibilities. The Committee is also responsible for Covenants, Articles of Incorporation, and Bylaws, and policy review and recommendations. All policy recommendations must be submitted to the Governance Committee for comment on content, language and format before consideration by the Board of Directors.

E. The Development Committee is responsible for making recommendations to the Board of Directors on its review and evaluation of potential development within the community. The Committee shall identify and develop strategies and actions, consistent with the Strategic Plan, that enhance residential property values and the quality of the built environment.

F. The Strategic Water Committee shall develop and establish overall Water policy and to provide direction on strategy development relevant to Community water sources and supply.

- The Regulatory Committees of the Association are the Architectural Review Committee and the Appeals Committee. The role of the Architectural Review Committee is set forth in the Covenants. The role of the Appeals Committee is to review and hold hearings, when deemed necessary, to consider the facts and circumstances surrounding the issuance of an infraction letter or citation related to TLA's Deceleration of Covenants, Bylaws, Architectural guidelines, Private Property Maintenance Standards, Rules and Regulations and Policies.
- The Standing Committees of the Association are Communications, Public Works, Security, and Marinas. The purpose of Standing Committees is to assist the General Manager.
- The purpose of Special Committees is to perform specific, short-term functions or to assist the Board of Directors or the General Manager by addressing areas of special concern not otherwise contemplated by the committee structure. The Special Committees of the Board of the Association are the Nominating Committee for nomination of candidates for the Board of Directors, Nominating Committee for the Board Officers, Insurance Committee, and the Water Conservation Committee.

Policy: *All members and chairs of all Board Committees, Regulatory Committees, and Special Committees of the Board are appointed by the Board of Directors at the December Board Meeting, on recommendation of the incoming President, for terms of one year commencing as of January 1 of a year and ending on December 31 of the same calendar year to allow for change in the make-up of the Association's committees and to provide opportunity for broad Member participation in the affairs of the Association.*

The General Manager will consider the need for succession planning in making such recommendations to the Board. It is desirable but not mandatory that committee members have knowledge and experience relevant to areas of committee activity, and are available to meet throughout the year.

Policy: *With the exception of Special Committees, a schedule of committee meetings will be established by each committee at its first meeting of the year. All committee and subcommittee meetings will be conducted according to Robert's Rules of Order.*

Committee reports are considered confidential until received by the Board of Directors.

Policy: *The President shall appoint a Director to act as the Board's representative and liaison to each Regulatory, Standing, and Special Committee. It is the responsibility of the Board Liaison to communicate from the Board to the committee and to stay particularly knowledgeable in areas of concern to that committee. No Standing, Regulatory, or Special Committee, except for the Architectural Review Committee, shall*

recommend or take action unless at least one of the following is present: The Board Liaison or the TLA contact.

Policy: *Each year, as soon as practical after the December Board Meeting, an orientation shall be held for all Committee Chairs, Board Liaisons, and TLA contacts. The orientation shall include a review of the Association's goals and priorities, relevant portions of this Policy Manual, and other appropriate matters.*

All committee members shall sign and agree to adhere to the Committee Members' Code of Conduct.

Policy: *Residents who have received an adverse decision from the TLA Appeals Committee may ask the Board to review that decision. The following guidance should be followed by the Board in deciding to review an Appeals Committee decision:*

- *In the Owner's initial appeal to the Appeals Committee, Owners have an obligation, pursuant to the Appeals Committee Procedure, to submit a comprehensive statement of their reasons for appeal. The burden is on the property owner to present his best case to the Appeals Committee. The statement is the primary basis for the Appeals Committee's decision. The decision of the Appeals Committee is final except that the Owner may request review of the decision of the Landings Board of Directors*
- *Pursuant to the written procedure of the Appeals Committee, the TLA Board, in its discretion, may "review the decision" of the Appeals Committee. To "review the decision" means the review must be based only on the information that was considered by the Committee at the time of the appeal; that is, review may only be based on 'the record' before the Appeals Committee.*
- *Because the Owner has an obligation to present his best case to the Appeals Committee and because Board review must be based only on the record before the Committee, the Owner may not introduce new evidence or facts in support of his request for Board review.*
- *In considering whether to review the decision of the Committee, the TLA Board should respect the independence of the Appeals Committee and give due deference to its decisions. The Board should be cognizant not to undermine the authority of the Appeals Committee or second guess its decisions. Since decisions of the Appeals Committee are considered final, TLA Board review of Appeals Committee decisions are rare.*
- *Accordingly, the Board should review the decision of the Appeals Committee only if it appears that the Committee's decision is likely to have been clearly erroneous. If the Board finds that the Appeals Committee decision appears likely to be clearly erroneous, then the Board should accede to the Owners request and undertake a full review of the record. Upon completion of its review, the Board should issue an appropriate final decision from which no appeal may be taken.*
- *The scope of TLA Board review of a decision of the Appeals Committee shall be limited to the same scope as that of the Appeals Committee. In this regard, pursuant to the written procedure of the Appeals Committee, the Appeals Committee scope in hearing an appeal is limited to determining 1) whether a violation has occurred, 2) whether extenuating circumstances exist that would warrant rescinding or modifying the recommended fine or penalty and 3) if the application of the Declaration of Covenants or Rules was administered fairly and impartially.*

VI. GENERAL MANAGER

A. General

Policy: *The Association shall employ a full time General Manager who shall be the Chief Operating Officer of the Association. The Board of Directors shall determine the salary range and specific compensation for this position as set forth in the Bylaws.*

Policy: *Good management being the most important single factor in the successful performance of the Association, the Board of Directors shall establish policy, approve plans and programs, delegate authority, and assign responsibility to the General Manager. The General Manager is given latitude to exercise independent professional judgment and is expected to exercise good judgment and act in the best interests of the Association in areas where specific authorization or directives are lacking. The General Manager shall direct all operations and activities of the Association in accord with the Bylaws, policies, directives, and limitations established by the Board of Directors.*

Policy: *The lines of authority for management of the Association shall pass through the General Manager who shall be the connecting link between the Board of Directors and all other employed personnel. The General Manager shall also be the connecting link between the Board of Directors, and committees and committee chairs. The Board of Directors shall require full and complete information from the General Manager concerning all matters in connection with the management of the Association as set forth in approved policy.*

Policy: *The General Manager shall report to the Board of Directors by the submission of reports at all meetings of the Board of Directors, and special reports at such other times as the General Manager deems appropriate or as the Board of Directors may direct.*

Policy: *Annual Work Planning and Budgets - Utilizing the longer range strategic and financial plans approved by the Board of Directors, and working with committees, the General Manager shall develop annual work plans and budgets for approval of the Board of Directors. Annual work plans and budgets shall be specific as to the work to be performed, sources of funding, and the costs of projects and activities. The General Manager is responsible for implementing the work plans and budgets in accordance with Section IX of this policy manual.*

Policy: *The General Manager is the chief operating officer of TLA and the head of the administrative branch of TLA and shall be responsible to the Board for the proper administration of all affairs of the Association and the enforcement of all covenants, rules and regulations of the Association. The General Manager is accountable to the Board of Directors for all staff organization and activity, and shall provide a staff organization chart to the Board of Directors in conjunction with each annual work plan and budget.*

The General Manager is the connecting link between the Board of Directors and all employees; and shall organize the staff so as to provide for appropriate delegation of authority and assignment of responsibility, a department structure that reflects a realistic assignment of functions, and staff relationships that provide for effective supervision. The General Manager shall maintain an accurate and up-to-date file of all employee position descriptions for review by Board members.

Policy: *The General Manager shall have the authority to make all appointments and removals of all employees in service to the Association. Neither the Board of Directors, nor its committees or members, shall direct the General Manager's appointment, removal, or discipline of any person in the employment of TLA. The Board of Directors,*

its committees and members shall deal with that portion of the service of TLA for which the General Manager is responsible through the General Manager, and neither the Board, nor its committee or members, shall give any orders to any subordinates of the Manager. The Board may, however, inquire into the conduct of any TLA employees, department operations, the performance of any contract, or any of the affairs of TLA.

B. General Manager Performance Evaluation

Policy: *The General Manager shall have an annual evaluation conducted by the Board of Directors, as set forth in the process below.*

Preamble: The Board of Directors wish for the Association to be a learning organization for staff, committee, and board members. In recognition that turnover in committee and board membership particularly may lead to loss of institutional knowledge, various practices and policies have been established. Examples include regularly updated governance documents, board policy manual, operating policy manual, archived minutes of all committee and board meetings, and documented work processes. It is expected that the General Manager will develop and implement human resource practices that will permit individual learning and growth of the Association's employees and that will establish clear goals and performance evaluation for each employee. This measure is to define practices the Board of Directors will use to permit learning and growth of the General Manager and to establish clear goals and performance evaluation for her/him.

1. During the annual orientation for Directors, the incoming Association President will request input from all current and incoming Directors and the General Manager regarding goals of the Association for the coming year. The incoming President will prioritize the recommendations and recommend to the Board and the General Manager those key goals upon which the General Manager's performance will be measured. These goals should align with the Association's strategic objectives and key issues the Board members and General Manager have identified. With agreement of a majority of the Directors, the goals will be adopted and together with the current role description, serve as a guide to the General Manager and as the basis for evaluating the General Manager's performance. This exercise should occur before the incoming President qualifies for office on January 1.

2. Following the December meeting of the Board of Directors, the new Board shall review and ratify the goals. The President will then prepare an evaluation form encompassing both the annual goals and key elements of the General Manager role description. (The role description includes key accountabilities, key talents, and behavioral characteristics, and is unlikely to change significantly from year to year.) Copies will be given to each Director and to the General Manager.

3. The Board of Directors will provide counsel to the General Manager from time-to-time. This generally will be done via a conversation between the President and the General Manager, to advise the General Manager as appropriate and in a timely manner, rather than only annually, which would delay modifications that may improve performance.

4. The outgoing Association President will request input from all Directors and the General Manager regarding the General Manager's performance. The main purpose of this exercise is to provide information to the General Manager that will permit her/him to learn and improve her/his job performance. This exercise should occur before the outgoing President's term ends and before or concurrent with communication of any salary actions.

a. The evaluation process shall occur in December of each year, except that the Board may require an additional evaluation at any time during the year.

b. One month before the evaluation is scheduled, the General Manager provides a “self-evaluation” to the President by providing comments in each section of the General Manager Evaluation form. The President then provides each Director with a copy of the General Manager’s input, together with a copy of the evaluation form.

c. Each Director and the President completes the evaluation form, signs it, and returns one copy to the President.

d. The President prepares a composite evaluation from the individual evaluation forms and distributes it to the Board prior to the executive session evaluation meeting.

e. The Board meets in Executive Session to agree on the composite evaluation and to determine whether to continue, modify, or terminate the General Manager’s Employment Agreement. (The General Manager is not present at this meeting.)

f. The President presents the composite evaluation to the General Manager. Each Director’s individual evaluation also will be given to the General Manager.

g. The General Manager may request a meeting with the entire Board, the Executive Committee, or any individual Director to further discuss the evaluation. If the parties agree, summary of the meeting(s) may be documented and added to the General Manager’s personnel folder.

h. In a timely manner, the General Manager shall advise the Board whether she/he intends to terminate the Employment Agreement. If both parties intend to continue the Agreement, the General Manager may present any requests regarding changes to the Employment Agreement. The President also shall solicit additional adjustment suggestions from the Board. If either party intends to terminate the Agreement, transition terms (*e.g.*, dates) shall be mutually developed within the framework of the existing Employment Agreement.

5. Salary actions for the General Manager will be consistent with the performance evaluation messages. The General Manager’s compensation will be reviewed at least annually. The outgoing President will initiate the review. Any changes in compensation or award of bonuses will be agreed by a majority of the Board of Directors.

6. The President will maintain a personnel file for the General Manager that contains the job offer letter that was accepted by the General Manager, a current job description, a copy of all annual written performance evaluations, copies of any other relevant performance related documents, and records of all salary actions. The outgoing President will pass this file along to the incoming President so that it is always in possession of the current President of the Association and always kept current.

7. The Board of Directors will provide for the General Manager to participate in professional organizations and seminars as mutually agreed to gain outside knowledge and to enhance her/his professional skills.

8. All communications of Board Members with one another and with the General Manager as prescribed in this procedure shall be held in confidence by the members of the Board of Directors.

VII. RELATED ORGANIZATIONS

A. General

Policy: *The President shall appoint a Director to act as the Board's representative and liaison to other organizations and groups that bear a relationship to the Association, as determined by the Board. Such representatives shall be the official communications links from TLA to the organization, and report to the Board of Directors on matters of the organization relevant to TLA's operations and planning. These representatives are not to be deemed agents of TLA nor are they authorized to make commitments for the Association without specific direction from the Board. Representatives shall also be responsible for communicating appropriate TLA objectives, policies, and other relevant information to the related organization. It is the responsibility of the board representative to obtain direction from the Board as to the Board's wishes and intentions regarding that related organization.*

Agreements between organizations for provision of services are to be encouraged on a cost reimbursable basis where economies or efficiencies may be achieved.

B. The Landings Company

1. The Landings Company, as a wholly owned subsidiary of the Association, is subject to certain specific controls and restrictions as determined by TLA's Board of Directors.

2. The Landings Company may issue or transfer stock only to the Association.

Policy: *The Bylaws of The Landings Company may only be amended by majority votes of TLA's Board of Directors.*

3. As sole stockholder of The Landings Company, the Board of Directors of the Association elects directors of The Landings Company. The Association's Board of Directors shall appoint Directors to The Landings Company's Board, in accordance with the Company's Bylaws. At least one of these directors shall also be a member of the Association's Board of Directors. Any TLA requests or comments to TLCo should go through these TLA Directors rather than directly to the TLCo Board or TLCo General Manager.

VIII. STRATEGIC PLANNING

Policy: *The purpose of the TLA Strategic Planning Process is to provide a system by which the Association can successfully plan for the future. The process, outlined in a separate document, was developed specifically for TLA and its unique needs and approved by the Board of Directors on May 27, 2014. It provides the organization with a system that focuses proactive effort on the most critical issues that may affect TLA's future, enables it to sustain focus on these throughout changing governance cycles, and to align performance toward these critical objectives throughout the organization. The strategic plan covers two assessment cycles, typically a 6-year period.*

TLA's Strategic Planning Process has been designed to:

- *Drive the organization and community forward versus living with the status quo*
- *Reflect community input and support*
- *Provide clarity for the organization regarding what is important*
- *Ensure good alignment between the environmental conditions that TLA is facing and its goals*
- *Provide a sense of purpose for those who live and work here*
- *Help the Board, employees, residents, and partners see meaning in what they do*
- *Help each employee see how his or her job specifically contributes to the organization*

Absent significant changes in TLA's operating environment, it is not anticipated that major modifications to the Strategic Plan will be required during the 6-year plan period. Rather, it is expected that any changes required due to environmental shifts will be focused on adjustments to priorities or timelines within the plan. The need for such changes will be reviewed during the Annual Board Retreat and by the Strategic Planning Committee.

Each year, the Strategic Planning Process will be thoroughly reviewed with the Board of Directors as part of the January Board Orientation session. The General Manager shall provide the Board with a review of the status of the Objectives, Goals, Strategies and Measures at that time, as well as on a quarterly basis.

IX. FINANCIAL

A. General

1. **Policy:** *The Board of Directors shall establish overall financial policy to achieve uniformity in financial administration and accounting for the separate activities of the Association.*
2. **Policy:** *Financial accounting practices shall be consistent with generally accepted accounting principles, governing documents, and common interest realty association guidelines. The accounting system shall be on the accrual basis, and the fiscal year shall be the calendar year.*
3. **Policy:** *Association members may inspect and copy certain financial and other records of the Association as provided in the Association bylaws. No person may inspect or copy any Association record except as authorized by, and in accordance with, such bylaws, as required by law.*
4. **Policy:** *Annual financial statements and practices of the Association shall be audited at least annually by a Certified Public Accountant approved by the Board of Directors. Any management letter shall be included with the audit report.*
5. **Policy:** *Competitive prices shall be obtained on all goods and services through price and quality comparisons and competitive bidding. The General Manager shall establish a purchasing system to pursue this policy objective.*
6. **Policy:** *The Association is a not-for-profit community association operated in accord with its governing documents, following practices that allow it favorable*

treatment as a common interest realty association under the requirements of the Internal Revenue Code.

The General Manager shall review changing circumstances and conditions and, when appropriate, make recommendations to the Finance and Audit Committee and to the Board of Directors.

B. Delegation of Authority

1. ***Policy:*** *The Board of Directors, as trustee of all of the assets of the Association on behalf of the members, retains authority for all financial matters not specifically delegated to others through this Policy Manual or through the Bylaws. The Board of Directors specifically retains authority to:*
 - a. *approve annual and long-range operating and capital work plans and budgets,*
 - b. *approve all capital expenditures which require review and approval by the Board of Directors as set forth in Policy No. 4 of Paragraph G of this Section IX,*
 - c. *approve all non-capital contracts which require review and approval by the Board of Directors as set forth in Policy No. 4 of Paragraph G of this Section IX,*
 - d. *borrow money,*
 - e. *approve investment advisors and specify criteria and vehicles appropriate for investment of Association funds,*
 - f. *approve all bank and other accounts to which Association funds are deposited and identify their signatories,*
 - g. *set all fees for services and activities of the Association, and*
 - h. *appoint trustees of the Association's trust funds.*

The Board of Directors reserves such other authorities as are reserved elsewhere in this Policy Manual or are otherwise specified by the Board of Directors.

2. ***Policy:*** *The Finance and Audit Committee is delegated such authority as is specified by the Bylaws of the Association, and as also may be specified in this Policy Manual or otherwise by the Board of Directors.*
3. ***Policy:*** *The General Manager is the chief financial administrator of the Association, and as such, is authorized and directed to:*
 - a. *interpret and implement financial policy,*
 - b. *interpret and implement delegations of authority and assignments of responsibility in the position description for the General Manager,*
 - c. *develop work plans and budgets for review by the Finance and Audit Committee and approval by the Board of Directors, and on approval implement the work plans and budgets,*
 - d. *sign all commitments for capital expenditures that have received approval under the review and approval process set forth in Policy No. 4 of Paragraph G of this Section IX,*
 - e. *sign all non-capital contracts that have received approval under the review and approval process set forth in Policy No. 4 of Paragraph G of this Section IX,*
 - f. *administer all contracts approved by the Board of Directors,*
 - g. *specifically engage consultants approved by the Board of Directors, and*
 - h. *serve as staff advisor to the Finance and Audit Committee.*

C. Investments

1. **Policy:** *The principal investment objectives of the Association are preservation of capital, maintenance of liquidity sufficient to meet operating requirements, diversification sufficient to mitigate risk in security type or institution, a rate of return consistent with market performance of each type of investment vehicle, and compliance with Federal, state and other legal requirements.*
2. **Policy:** *The Landings Association has two types of investment funds – Operating and Reserves. Both funds have objectives of preserving capital and maintaining liquidity. However, the Operating investments have a shorter-term investment timeframe and generally are for day-to-day operations. The Reserve investments are for the repair and replacement of longer-term assets, and generally should be invested in longer-term instruments that normally result in a higher yield.*
3. **Policy:** *The Association may invest in U.S. Treasury Obligations, U.S. Agency Obligations, repurchase agreements fully collateralized by U.S. Obligations, Certificates of Deposit of commercial banks or savings institutions, AAA-rated at date of purchase corporate, municipal, or government bonds, and investment shares of money market mutual funds and online savings accounts approved by the Finance Committee. Investments shall be diversified as to specific instruments, institutions, and maturities to avoid risk; and made to assure that cash is available when needed without incurring early withdrawal penalties. In addition, the required amount of cash may be kept in the Association’s main bank account to offset the monthly bank maintenance fees (Earned Credit Ratio).*
4. **Policy:** *Cash and other investment decisions of the Association shall be made by the General Manager, with the approval of the Treasurer. All decisions shall be made with prudence, i.e., with judgment and care and under circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments shall not be made for speculation but for investment return, considering the probable safety of the capital as well as the probable income to be derived.*

D. Reserves

1. **Policy:** *Capital reserves are monies designated for capital improvements and replacements, such as roads, community paths, storm drains, bridges, seawalls, piers, and heavy equipment and machinery. The Landings Association shall maintain a Capital Asset Management Plan (CAMP) that captures capital assets of values greater than \$1,000 and with useful lives of more than three years. This CAMP shall be reviewed at least annually, with updates made to update replacement costs to current values, asset lives, and to determine whether the asset still is required.*
2. **Policy:** *Reserves may be established only by the Board of Directors for depreciation or amortization of physical plant, furniture and fixtures, equipment, or for future capital requirements, provided that the terms and conditions of reserve usage are specified.*

3. **Policy:** *Allocations to reserves may be made by the Board of Directors at any time, but allocations to reserves shall be reviewed at least annually.*
4. **Policy:** *Inflation/Interest - Asset values in the CAMP will not include an inflation factor; replacement costs shall be adjusted annually to current replacement value. Future interest income will not be included as a part of the reserve adequacy calculation. Each year, the advisability of applying an inflation factor to future year replacement costs and including interest income in the reserve calculation shall be reviewed by the Reserves Subcommittee.*
5. **Policy:** *Available Reserve Calculation - The available reserve calculation shall be based on cash, marketable securities, and other liquid assets.*
6. **Policy:** *Reserve Methodology - The Capital Asset Management Plan shall include all assets in one rolled-up, 25-year view for purposes of estimating future cash requirements. Cash requirements shall be reviewed every year by the Reserves Subcommittee chaired by the Treasurer of the Board.*

Policy: *Threshold (Floor)/Target - Each year, the Reserves Subcommittee shall determine the amount of cash required. The minimum level reserve threshold (floor) is established at \$5 million, with the target established at \$7 million. Cash and liquid assets available for reserves shall not drop below \$5 million unless approved by the Board. These amounts allow for one year of property and casualty insurance deductibles to be fully funded, and for projected reserve expenditures to be adequately considered. Further, the combined Association and Marinas Operating Account cash and liquid asset balance shall not fall below two months operating expenses, without approval by the Board of Directors.*

E. Receipts and Expenditures

1. **Policy:** *All receipts of the Association shall be deposited to the bank accounts of the Association approved by the Board of Directors. All receipts including employee payroll deductions shall be allocated to appropriate accounts in the financial records of the Association.*
2. **Policy:** *All expenditures of the Association shall be made from checking accounts approved by the Board of Directors or from a Petty Cash Fund established by the General Manager, and must be supported by appropriate vouchers approved by proper authority.*

F. Collections Policy

Assessment

1. **Policy:** *Delinquent Member Assessments will result in penalties, suspension of member privileges, and legal action as determined by the Board of Directors. A timeline for collection of delinquent accounts is outlined below:*

Date	Event	Fee
30 Days Past Due	<p>Late Fee Per the Property Owners' Association Act (POAA), a statutory lien is placed on any delinquent properties. Late notice mailed 1st class, which includes the 10% late fee, and notification of accruing interest (10% annually), the statutory lien, and the upcoming suspension.</p> <p>Recommendation will be made to the Board to suspend all owners with unpaid balances as of the Board Meeting.</p> <p>All member privileges will be suspended (including use of common property, Automatic gate entry via RFID tag, Automatic guest entry and Association charging privileges) will be approved by Board; suspension begins the following day; notice of suspension mailed 1st class.</p>	10% Late Fee
60 Days Past Due	<p>Finance Charge Suspension approved by Board; suspension continues the following day; notice of suspension mailed 1st class.</p>	10% Annually
90+ Days Past Due	<p>Finance Charge Suspension approved by Board; suspension continues the following day; notice of suspension mailed 1st class.</p> <p>Turn over delinquent accounts to collections attorney, who then will send a demand letter and file notice of statutory lien with the Superior Court of Chatham County. Lawsuit and possible foreclosure will follow once total is over \$2,000.</p>	10% Annually
Upon full payment of delinquent charges	Unsuspend in security access system and reactivate access tags.	\$75 Access Tag Reactivation Fee per vehicle

Note: Other charges may be incurred for non-sufficient funds and other collections costs not specifically mentioned above.

1. **Policy: Fees**

Assessments, late fees, interest, access tag reactivation fees, collection costs, and any attorney's fees are the personal obligation of the owner of the property at the time the Assessment or other sums are levied.

2. **Policy: Assessment Due Date**
In accordance with Covenants 8.6, the annual Assessments shall become due and payable on the first day of March of said year. The due date of any Special Assessment shall be fixed in a resolution authorizing such Assessment. It is the owner of record's responsibility to pay each Assessment in full every year, regardless of whether a statement is received.
3. **Policy: Application of payments**
Unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner, any payments made shall be first applied to late fees, interest, and collection expenses (including attorney's fees). Only after those fees are paid in full shall such payments be applied to amounts owed.
4. **Policy: Non-sufficient Funds**
If a check is returned for re-deposit and/or non-sufficient funds, the account will be charged a \$30 handling fee plus any bank charges.
5. **Policy: Disputes**
If an owner disputes the amount of any charge, the owner may pay all delinquent charges in full under protest and send the Association, by certified mail, a written notice that the amount is under protest. This notice must be given within thirty (30) days of the Notice of Statutory Lien. The Association must answer the owners' dispute within thirty (30) days of receipt of their letter.
6. **Policy: Records**
An owner is entitled to inspect the Association's accounting records pertaining to this account to verify the amounts owed.
7. **Policy: Payment Plans**
Each request for a payment plan is handled on a case-by-case basis. The Association is under no obligation to grant payment plan requests. Any owner may make a formal request in writing to the Association for a payment plan.
8. **Policy: Notice of Release of Statutory Lien**
Prior to the recordation of the release of any statutory lien, or dismissal of any legal action, all charges, late fees, interest, access tag reactivation fees, and cost of collection, including attorneys' fees, must be paid in full to the Association.
9. **Policy: Policy Notification**
A copy of this Collection and Delinquent Assessment Policy shall be posted on the website.

This Collection and Delinquent Assessment Policy was duly adopted by an action of the Board on July 23, 2013.

Services (Marina Fees, Merchandise, Mail Box Replacement, etc.)

2. **Policy:** *Resident Accounts are expected to be paid by the 25th of the month. Accounts unpaid will result in penalties, suspension of member privileges, and legal action*

as determined by the Board of Directors. A timeline and detailed procedures for the collection of delinquent Marina Accounts is outlined below:

Date	Event	Fee
30 Days Past Due	Finance Charge	18% Interest Annually
60 Days Past Due	Finance Charge Email/Letter sent from Finance.	18% Interest Annually
90+ Days Past Due	Finance Charge Email/Letter sent from Finance. All member privileges will be suspended by the Board (including use of common property, Automatic gate entry via RFID tag, Automatic guest entry and Association charging privileges) will be approved by Board; suspension begins the following day; notice of suspension mailed 1 st class.	18% Interest Annually
Upon full payment of delinquent charges	Unsuspend in security access system and reactivate access tags.	\$75 Access Tag Reactivation Fee per vehicle

Note: Other charges may be incurred for non-sufficient funds and other collections costs not specifically mentioned above.

1. **Policy:** *Fees*

Service fees, late fees, interest, access tag reactivation fees, collection costs, and any attorney's fees are the personal obligation of the owner of the property at the time the Assessment or other sums are levied.

2. **Policy:** *Application of payments*

Unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner, any payments made shall be first applied to late fees, interest, and collection expenses (including attorney's fees). Only after those fees are paid in full shall such payments be applied to amounts owed.

3. **Policy:** *Non-sufficient Funds*

If a check is returned for re-deposit and/or non-sufficient funds, the account will be charged a \$30 handling fee plus any bank charges.

4. **Policy:** *Disputes*

If an owner disputes the amount of any charge, the owner may pay all delinquent charges in full under protest and send the Association, by certified mail, a written notice that the amount is under protest. This notice must be given within thirty (30) days of the Notice of

Statutory Lien. The Association must answer the owners' dispute within thirty (30) days of receipt of their letter.

5. **Policy: Records**

An owner is entitled to inspect the Association's accounting records pertaining to this account to verify the amounts owed.

6. **Policy: Payment Plans**

Each request for a payment plan is handled on a case-by-case basis. The Association is under no obligation to grant payment plan requests. Any owner may make a formal request in writing to the Association for a payment plan.

7. **Policy: Notice of Release of Statutory Lien**

Prior to the recordation of the release of any statutory lien, or dismissal of any legal action, all charges, late fees, interest, access tag reactivation fees, and cost of collection, including attorneys' fees, must be paid in full to the Association.

8. **Policy: Policy Notification**

A copy of this Collection and Delinquent Assessment Policy shall be posted on the website.

This Collection and Delinquent Assessment Policy was duly adopted by an action of the Board on July 23, 2013.

G. Capital Expenditures

1. **Policy: DEFINITIONS.**

- a. *A Small Capital Expenditure is the purchase of a single item considered to be a depreciable or reserve asset costing between \$1,000 and \$20,000.*
- b. *A Large Capital Expenditure is the purchase of a single item considered to be a depreciable or reserve asset costing \$20,000 or more.*

2. **Policy: MONTHLY REPORTS AND CAPITAL BUDGETS.** *The General Manager shall provide a Capital Expenditure Report to the Finance Committee monthly, and shall include anticipated Capital Expenditures (Small and Large) in an annual Capital Budget to be reviewed and approved by the Board of Directors.*

3. **Policy: BID PROCESS.**

- a. *Anticipated Small Capital Expenditures should be negotiated with multiple qualified vendors to obtain the lowest cost. A qualified vendor is one that will be accepted by the Association if that vendor submits the lowest and best bid.*
- b. *Anticipated Large Capital Expenditures require a formal Request for Proposal ("RFP") process with multiple qualified bidders. The long-term interests of the Association are best served if qualified bidders continue to be interested. For that reason, an RFP is considered as the first step in a negotiating process with the objective of obtaining quality products and services at the lowest long-term cost. On occasion, the General Manager may conclude that extending a contract with an existing vendor is preferable to*

opening the business for new bids. Any such extension requires approval by the Board before a commitment is executed.

c. The General Manager may recommend vendors that are within 10% of the low bid if that is necessary to maintain the interest of multiple qualified vendors. The General Manager also is expected to explore multiple-year contracts that may benefit the Association and, for vehicle purchases, to explore the cost effectiveness of buying at the beginning or end of the model year.

4. **Policy: REVIEW AND APPROVAL.**

a. Budgeted Small Capital Expenditures costing less than \$5,000 require review and approval by the General Manager.

b. Budgeted Small Capital Expenditures costing more than \$5,000 and not exceeding their budgeted amount by more than 10% require review and approval by the General Manager.

c. Small Capital Expenditures costing more than \$5,000 that are either unbudgeted or exceed their budgeted amount by 10% require review by the General Manager, review and a recommendation by the Finance Committee, and review and approval by the Board of Directors.

d. Budgeted Large Capital Expenditures that do not exceed their budgeted amount by more than 10% require review by the General Manager and review and approval by the Finance Committee.

e. Unbudgeted Large Capital Expenditures and budgeted Large Capital Expenditures that exceed their budgeted amount by more than 10% require review by the General Manager, review and a recommendation by the Finance Committee, and review and approval by the Board of Directors.

f. In the event of an emergency, the General Manager may make expenditures exceeding the limits authorized herein. An emergency is defined as a situation that occurs and if not immediately corrected would jeopardize the health, safety, and/or property of residents, the health and safety of employees, and/or the property of the Association or significantly disrupt business operations of the Association

The following table is provided as a quick reference for the above-described review and approval process.

CAPITAL EXPENDITURES¹

Expenditure Amount	Budgeted	Staff	General Manager	Finance Committee	Board of Directors
Less than \$5,000	Yes	Research vendors; include research with PO submittal to GM. Captured as a depreciable asset in general ledger.	Review and approve. Include in report to Finance Committee and Board.	No action required	No action required
Under \$20,000, but greater than \$5,000	Yes, and does not exceed by more than 10%	Research vendors; include research with PO submit to GM. Captured as a depreciable asset in general ledger.	Review and approve. Include in report to Finance Committee and Board.	No action required	No action required
Under \$20,000, but greater than \$5,000	Not budgeted, or exceeds budget by 10%	Research vendors; submit written recommendation to GM. Captured as a depreciable asset in general ledger.	Review and submit to Finance Committee and Board	Review and recommend	Review and approve
Over \$20,000	Yes, and does not exceed by more than 10%	Develop and administer RFP; submit written recommendation to GM. Captured as a depreciable asset in general ledger.	Review and submit to Finance Committee.	Review and Approve	Receive report of GM and Finance Committee
Over \$20,000	Not budgeted, or exceeds budget by 10%	Develop and administer RFP; submit written recommendation to GM. Captured as a depreciable asset in general ledger.	Review and submit to Finance Committee and Board.	Review and recommend	Review and approve

¹ Lease of capital equipment shall be considered for approval in the same manner as Capital Expenditures for equipment.

H. Contracts

1. **Policy: DEFINITION.** *For purposes of this section, Contracts are non-capital financial commitments including, but not limited to, contracts and agreements for services, non-capitalized construction, insurance, professional and consulting services, and operating supplies and merchandise; said term shall not be construed to include auditing services (which shall be arranged and signed by the Treasurer on behalf of the Finance Committee and Board of Directors), notes, leases, mortgages, or deeds (which shall be signed by the President of the Board of Directors), or employment agreements (which shall be negotiated by the Board of Directors and signed by the President).*
 - a. *A Small Contract is a commitment that obligates the Association for less than three years and costs between \$1,000 and \$20,000.*
 - b. *A Large Contract is a commitment that obligates the Association for less than three years and costs \$20,000 or more.*
2. **Policy: MONTHLY REPORTS.** *The General Manager shall provide a Contracts Report to the Finance Committee monthly.*
3. **Policy: BID PROCESS.**
 - a. *Anticipated Small Contracts should be negotiated with multiple qualified service providers to obtain the lowest cost. A qualified service provider is one that will be accepted by the Association if that service provider submits the lowest and best bid.*
 - b. *Anticipated Large Contracts and any Contract that obligates the Association for more than three years require a formal RFP process with multiple qualified bidders. On occasion, the General Manager may conclude that extending a contract with an existing service provider is preferable to opening the business for new bids. Any such extension requires approval by the Board before a commitment is executed.*
 - c. *The General Manager may recommend service providers that are within 10% of the low bid if that is necessary to maintain the interest of multiple qualified service providers. The General Manager also is expected to explore multiple-year Contracts that may benefit the Association.*
4. **Policy: REVIEW AND APPROVAL.**
 - a. *Budgeted Small Contracts that do not exceed their budgeted amount by more than 10% require review and approval by the General Manager.*
 - b. *Unbudgeted Small Contracts and budgeted Small Contracts that exceed their budgeted amount by 10% require review by the General Manager, review and a recommendation by the Finance Committee, and review and approval by the Board of Directors.*
 - c. *Budgeted Large Contracts that do not exceed their budgeted amount by more than 10% require review by the General Manager and review and approval by the Finance Committee.*

d. *Unbudgeted Large Contracts and budgeted Large Contracts that exceed the budgeted amount by more than 10% require review by the General Manager, review and a recommendation by the Finance Committee, and review and approval by the Board of Directors.*

e. *Any Contract which obligates the Association for more than three years whether budgeted or unbudgeted, requires review by the General Manager, review and a recommendation by the Finance Committee, and review and approval by the Board of Directors.*

f. *In the event of an emergency, the General Manager may make expenditures exceeding the limits authorized herein. An emergency is defined as a situation that occurs and if not immediately corrected would jeopardize the health, safety, and/or property of residents, the health and safety of employees, and/or the property of the Association or significantly disrupt business operations of the Association*

The following table is provided as a quick reference for the above-described review and approval process.

CONTRACTS

Expenditure Amount/ Time Frame	Budgeted	Staff	General Manager	Finance Committee	Board of Directors
Under \$20,000 and Under 3 years	Yes, and does not exceed budget by more than 10%	Research service providers; include research with PO submittal to General Manager.	Review and approve. Include in report to Finance Committee and Board.	No action required	No action required
Under \$20,000 and Under 3 years	No, or exceeds budget by 10%	Research service providers; submit written recommendation to General Manager.	Review and submit to Finance Committee and Board	Review and recommend	Review and approve
Over \$20,000 and Under 3 years	Yes, and does not exceed budget by more than 10%	Develop and administer RFP; submit written recommendation to General Manager.	Review and submit to Finance Committee	Review and Approve	Receive report of GM and Finance Committee
Over \$20,000 and Under 3 years	No, or exceeds budget by 10%	Develop and administer RFP; submit written recommendation to General Manager.	Review and submit to Finance Committee and Board	Review and recommend	Review and approve
Over 3 years	Yes or No	Develop and administer RFP; submit written recommendation to General Manager.	Review and submit to Finance Committee and Board	Review and recommend	Review and approve

I. Risk Management

1. **Policy:** *The General Manager shall obtain and maintain reasonable insurance coverage for the Association including but not limited to casualty, employee and officer bonds, officer and director liability, performance bonds, and workers compensation insurance. All contract requests for proposals expected to exceed \$40,000 must be quoted with and without a performance bond and labor and material payment bond, although the Board of Directors may waive these requirements when evaluating bids. Such other insurance coverage as may be indicated by good business practice or the need to protect the Association shall also be provided by the General Manager.*
2. **Policy:** *Prior to each annual renewal of the Association's insurance coverage, the General Manager shall provide to the Board of Directors a review of insurance coverage, including a complete list of all policy limits, deductibles, and pertinent exclusions, in order that the Board shall have a clear understanding of all retained risks and uninsured assets.*

J. Financial Reports

1. **Policy:** *The General Manager shall review with the Finance and Audit Committee, and report to the Board of Directors at each monthly Board of Directors meeting on the financial status of the Association including a balance sheet, a statement of receipts and expenditures, and a capital expenditures report, all in comparison to budget. The General Manager shall also report such other financial information as is appropriate.*
2. **Policy:** *The General Manager shall report revised year-end budget estimates to the Board of Directors as part of the annual budgeting process, provided however, that such reports shall not constitute a change in previously approved budgets.*
3. **Policy:** *The General Manager shall report quarterly to the Finance and Audit Committee and to the Board of Directors at the last Board meeting of the year on the condition of all capitalized assets, and on any unusual adjustments to capital accounts and the reasons for them.*
4. **Policy:** *The Finance and Audit Committee shall be responsible for oversight of the content and frequencies of financial reports, and for any recommendations for change. The Board of Directors may require additional statements and reports of any nature at any time.*

K. Financial Planning

1. **Policy:** *Long range financial plans and assessment plans shall be developed by the General Manager and the Finance and Audit Committee on a repetitive planning cycle each year. Long range financial planning shall incorporate the Board approved TLA Strategic Plan developed by the Strategic Planning Committee. The long-range goals, initiatives, and programs of work contained within the Strategic Plan shall be translated into multi-year revenue and expenditure projections. The annual budget, including the annual financial plans and member assessment plan shall be developed by the General Manager for review by the Finance and Audit Committee, prior to submission and presentation to the Board of Directors.*

2. **Policy:** *The Annual Budget, accompanied by information on staffing, new and expanded activities, capital expenditures, and programs of work shall be adopted by the Board of Directors prior to the beginning of each year.*

L. Business Expenses

1. **Policy:** *Any person requesting reimbursement of business expenses from the Association shall be required to comply with the record keeping requirements established by the Internal Revenue Service for business expenses.*

Reimbursement for business mileage in a personal vehicle shall also be based on the allowance specified by the IRS. Expenses charged directly to the Association on an Association credit card or through an Association vendor account must be accounted for on the same basis.

2. **Policy:** *Employee expense accounts must be approved by the immediate supervisor and by the employee having budget authority for that activity.*
3. **Policy:** *Expenses of volunteers must be authorized in advance by the head of a department.*

M. Internal Controls

1. **Policy:** *The General Manager is responsible for all financial operations and is custodian of all assets and inventories of the Association. The General Manager shall establish and maintain an internal controls system based on reasonable separation of functions in financial operations, and on specific assignment of custody and accountability for assets and inventories.*
2. **Policy:** *Classes of assets include:*
 - a. *Financial*
 - b. *Land Improvements*
 - c. *Buildings*
 - d. *Furniture and Fixtures*
 - e. *Equipment*
 - f. *Inventories*
3. **Policy:** *The General Manager shall establish controls for each class of assets to assure that they are properly safeguarded and free of unreasonable risk of loss, and report annually to the Board of Directors on the condition and reserve status of each class.*
4. **Policy:** *The Finance and Audit Committee shall conduct independent internal audits to assure compliance with this policy.*

N. Donations

1. **Policy:** *A donation is defined as any gift from any person or organization to the Association of cash, securities, property, or an offer to provide funding for any of the above. Acceptance of a donation requires the approval of the Board of Directors, and the use of a donation may be determined only by the Board of Directors. The Board*

of Directors shall require a contract or other written agreement before the acceptance of any donation.

2. **Policy:** *Nothing in this policy shall be construed so as to delegate control of a donation or its use to the donors. The Board of Directors retains the authority to determine the use, continuation of use, and conditions of use of any donation.*
3. Offers of donations shall be made through the General Manager, who shall prepare a comprehensive report to the Board detailing all aspects and ramifications of the proposed donation. The report shall include evaluation of the immediate and long-term financial and operating impact on the Association, any immediate or contingent liabilities generated by acceptance of the donation, the benefit of the donation to the Association and its members, and the appropriateness of any programs or activities to be generated by the donation.
4. In the case of donations that improve or enhance common property such as new or additional landscaping, the General Manager shall also present alternative maintenance plans to be activated in the event of the failure or inability of donors to continue to provide proposed maintenance.

X. HUMAN RESOURCES

Policy: *The purpose of Human Resources Policy is to assure the equitable treatment of employees, uniformity in the benefits and restrictions incident to employment, clear delegation of authority and assignment of responsibility in Human Resources matters, enhancement of employee performance and morale; and to assure that employees are aware of the policies that affect them.*

Policy: *Human Resources Management, which includes the interpretation and implementation of Human Resources Policy; control over hiring, probation, promotion, termination, employee business expenses, salary administration, and Human Resources records administration is delegated and assigned to the General Manager. The General Manager may re-delegate authority, but remains accountable to the Board of Directors for that authority.*

Policy: *Personnel records and files are the property of the Association and may not be removed from Association premises. Individual personnel records are confidential and not open to anyone but the employee, the Human Resources Manager, appropriate supervisors, and the General Manager.*

Policy: *The General Manager shall prepare an Employee Handbook, which shall be in compliance with Federal and State regulations and contain other information pertinent to employment.*

Policy: *The General Manager shall classify all positions in the Association as regular or temporary, full time or part time, and exempt or non-exempt according to the Fair Labor Standards Act.*

Policy: *A Classification & Compensation Plan covering all employees except the General Manager shall be adopted annually by the Board of Directors and administered by the General Manager under guidelines approved by the Board. In addition, the Board of Directors shall approve annually the Employee Benefits plans, such as medical insurance.*

Policy: *The Board of Directors will specifically adopt any incentive compensation programs, and specify the employees that are eligible and guidelines for its administration by the General Manager.*

Policy: *The Board of Directors shall annually review and evaluate the need for a Management Incentive Plan.*

As amended by TLA Board actions up to and including amendments adopted on January 2, 2007, March 27, 2007, April 24, 2007, February 24, 2009, August 28, 2012, December 19, 2012, March 26, 2013, July 23, 2013, August 27, 2013, November 19, 2013, August 2017, January 2018, August 2018 and September 2018.