

HERITAGE HIGHLANDS HOMEOWNERS' ASSOCIATION

DEVELOPMENT, ADOPTION AND IMPLEMENTATION OF POLICIES

I. PURPOSE

The purpose of this document is to emphasize the importance of the policy-making role of the Board of Directors, hereafter referred to as the Board, and provide a process to continue that ongoing effort.

II. GENERAL STATEMENT OF PROCESS

Formal guidelines are necessary to assure the Heritage Highlands Homeowners' Association, hereafter referred to as HOA, that the Board responds to its mission and operates in an effective, efficient and consistent manner. A set of written policy statements shall be maintained and modified as needed. Policies should define the desire and intent of the Board and be an affirmative statement of their desired goals as well as an explicit guide for action to be taken by the Board and/or General Manger.

III. DEVELOPMENT OF POLICY

A. The Board has jurisdiction to create policy for the HOA with the force and effect of law. Board policy provides the general direction as to what the Board wishes to accomplish. The Board shall determine whether a policy is to be implemented by the Board or General Manager.

B. The Board's written policies provide guidelines and goals for the HOA. The policies shall be the basis for the formulation of guidelines and directives by the General Manager. The Board shall determine the effectiveness of the policies by evaluating periodic reports from the General Manager.

C. Policies may be proposed by a Board member, committee or staff member or a homeowner. Proposed policies or ideas for policies shall be submitted to the HOA Office on a Recommendation Tracking Form. The form will be logged into the system and then copied to the Board for appropriate distribution and study.

IV. ADOPTION OF POLICY PROPOSALS

A. The Board shall give homeowners notice of proposed policy changes or adoption of new policies by posting notice prominently in the Clubhouse, by including messages in "The Week Ahead", or by a "Straight Talk" Board e-mail, and by announcing the proposed changes at Board Study Sessions and Board Meetings. Homeowner comments will be accepted at both Board Study Sessions and Board Meetings.

B. The final action taken to adopt the proposed policy shall be approved by a simple majority vote of a quorum of the Board after sufficient homeowner notice and comments have been taken. The adoption of a policy will generally occur at a meeting following the meeting at which it was initially read. The policy will be effective on the later of the date of passage or a date stated in the motion.

C. A policy may be adopted at the first reading if the Board determines that a second reading is not necessary, or in cases of emergency, or where the effect of the policy is limited in scope to specified individuals who are aware of the proposed changes or other reasons the Board deems appropriate. In the case of an emergency, a new or modified policy may be adopted by a majority vote of a quorum of the Board. A statement regarding the emergency and the need for immediate adoption of the policy shall be included in the minutes. The Board shall have discretion to determine what constitutes an emergency situation. Any Board member may ask for reconsideration of a policy adopted in an emergency by less than a majority of the entire Board.

D. If a policy is modified because of a legal change over which the Board has no control, the Board may, at its discretion, adopt the modifications at the first reading.

V. IMPLEMENTATION OF POLICY

A. It shall be the responsibility of the General Manager or the Board to implement Board policies and to develop administrative guidelines and directives to provide greater specificity and consistency in the process of implementation. These guidelines and directives shall be subject to approval and periodic review by the Board.

B. Under supervision of the Board, It shall be the responsibility of the General Manager, employees designated by the General Manager and/or individual Committees designated by the Board, keep the respective policy manuals current.

C. The Board shall review policies at least once every four years. The General Manager shall be responsible for developing a system of periodic review. The Board may decide to review any policy at any time if a simple majority of the Board deems it desirable, or in the event federal or state law may necessitate a policy change.

D. When there is no Board policy in existence to provide guidance on a matter, the General Manager is authorized to act appropriately under the circumstances keeping in mind the mission, goals, and objectives of the HOA. Under such circumstances, the General Manager shall advise the Board of the need for a policy by presenting a Recommendation Tracking Form as soon as possible.