



THE VILLAGES AT LYNX CREEK  
**POLICIES AND  
PROCEDURES  
MANUAL**

Revised: November 16, 2023

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**SUBJECT: INTRODUCTION**

**DEFINITIONS:** The Villages at Lynx Creek provides its residents with a lifestyle over and above what is commonly associated with residential living, by offering amenities associated with adult living such as a recreation center, tennis courts, and common areas designed for the enjoyment and use of the owners. To ensure that this lifestyle is maintained, a nonprofit corporation has been created to manage and administer the properties and facilities that form The Villages at Lynx Creek.

The Villages at Lynx Creek Owners Association is an Arizona nonprofit corporation. It is the owner of the recreation center, tennis courts and common area of The Villages, obtaining its title to them from the Developer. In addition, the Association administers the provisions of the Declaration of Covenants, Conditions and Restrictions (CC&Rs) for the Villages.

The Board of Directors manages the business of the Owners Association. Some of their duties include:

- Preparing an annual budget and establishing the annual rate of assessment
- Employing personnel for the operation of The Villages
- Collecting assessments levied to support the operation of The Villages
- Establishing rules and regulations governing the use of The Villages properties in accordance with the CC&Rs for The Villages
- Enforcing the provisions of all legal documents governing The Villages and its rules and regulations

**PROCESS:** The Owner's Association is responsible for maintaining all of the common areas of the Association, including landscaped areas, streets, areas around the recreation center, main entrance, recreation center and tennis courts.

The success of The Villages largely depends on the attitude and cooperation of its lot owners. It is your community - you chose to live here. We are certain you want to be proud of it and believe you want to keep it a nice place to live. As an owner, you are required to adhere to the Bylaws, Policies and Procedures, CC&Rs and the Rules and Regulations of the Villages.

**SUBJECT:** PURPOSE OF PROCEDURES MANUAL

**POLICY:** Procedures are mandatory for efficient operation of any organization.

Procedures must not be ignored. They must be followed. If a better way is discovered, they may then be changed to reflect the better way.

Procedures do not stifle creativity. On the contrary, they should stimulate everybody to improve the way things are being done.

The more routine the job to be done, the more detailed the procedure to assure uniformity and efficiency.

The more creative the job to be done, the broader the procedure to allow latitude in the performance of the job.

**CONTENTS:** The Procedures Manual assembles in one place all the procedures deemed necessary to accomplish the smooth functioning and interaction of all entities of The Villages. Its scope is shown in the Procedures Index, Procedure No. 1.01. These procedures are to be used in conjunction with the CC&Rs, the Bylaws and the Rules & Regulations.

**TIMELINESS:** To be of maximum use, each procedure must be reviewed from time to time to assure that it still represents the best way to accomplish a task. When necessary, a procedure can be revised to reflect the current thinking of how the task should be performed. Revisions require the approval of the Board of Directors.

Approved by BOD 2-20-2003

SUBJECT: PROCEDURES POLICY

POLICY: The Board of Directors of the Owner's Association of The Villages at Lynx Creek shall establish policies and procedures in the major areas of the Association to assure uniform understanding of the Association's objectives.

Every function performed on a repetitive basis shall be covered by a procedure to assure that these functions are performed in a uniform manner.

DEFINITIONS: A Policy is a general statement of understanding intended to guide the thinking of a decision maker. It defines the area in which the decision can be made and assures that the decision will be consistent with the objectives of The Villages.

Policies avoid the need for repeated analysis and review of existing courses of action, thereby permitting managers to delegate authority while maintaining control.

A Procedure is a step-by-step plan of how to implement a particular policy to accomplish a desired activity. It is a guide to action rather than to thinking.

Approved by BOD 2-20-2003

SUBJECT: PRECEDENCE

POLICY: The operation of the Villages at Lynx Creek shall be governed by:

- Articles of Incorporation of the Villages at Lynx Creek Owners Association, Inc.
- Declaration of Covenants, Conditions and Restriction for The Villages at Lynx Creek (CC&Rs)
- Bylaws of the Villages at Lynx Creek Owners Association
- The Villages at Lynx Creek Rules and Regulations
- The Villages at Lynx Creek Policies and Procedures Manual

DEFINITIONS: The Villages at Lynx Creek Owners Association is an Arizona nonprofit Corporation.  
It is the owner of the recreation center, tennis courts and common area of the Villages obtaining its title to them from the developer. Every lot owner in The Villages becomes a member of the Owners Association upon his or her acceptance of the title to their property in the Villages at Lynx Creek and payment of the Owners Association dues.

The Declaration of Covenants, Conditions and Restrictions for the Villages at Lynx Creek is recorded in the book of the County Recorder of Yavapai County, Arizona Book 4634 of Official Records, Pages 820-855, dated November 24, 2008.

It has been and may be amended pursuant to Article IX.

The Villages at Lynx Creek Rules and Regulations and the Bylaws are condensed from The CC&Rs for the Villages at Lynx Creek and serve as a shortcut to understand the laws governing The Villages.

The Villages at Lynx Creek Procedures Manual defines how the Board of Directors of The Owners Association wants a specific task or a set of tasks to be performed to assure uniform results.

Approved by BOD 6-18-2009

**SUBJECT:** MANAGER

**POLICY:** The Board of Directors may engage a Manager who shall be responsible for managing the day-to-day operations of the Association facilities, landscaping, community relations and resident relations. The Manager shall be responsible for office procedures.

**PROCESS:** Assists the Board of Directors in establishing policy by identifying short-term and long-term issues to be addressed.

Keeps the Board of Directors informed by collecting, analyzing and summarizing information and trends affecting the operation of the community. Remains accessible and answers questions and requests from the Board and the Owners.

Provides Owner services by establishing and improving a functional structure, enforcing Board decisions, monitoring and enforcing Board policies and procedures.

Maintains Association staff performance by training employees, coaching, counseling and assisting them.

Performs periodic reviews of the Association employees.

Supervises the preparation and issuance of the monthly/annual financial reports.

Complies with Federal, State and Local laws and regulations by studying existing and new legislation, enforcing adherence to requirements, and advising the Board of needed actions.

Supervises the management of the CC&R compliance and enforcement as well as Association's Rules and Regulations.

Approved by BOD 6-18-2009



SUBJECT: ALTERATION OR EXPANSION

POLICY: Since all Charter Clubs of the Association have been established as a nonprofit organization, formed solely to meet the recreational needs of the member of the Association, funding for construction, alteration, expansion or remodeling shall normally be supplied by the Associations. Furniture, fixtures, and equipment, new or replacement, may not be purchased or acquired without prior approval by the Manager and/or the Board of Directors.

PROCESS: When a Charter Club establishes the need for constructions, alteration, expansion or remodeling of an Association area which has been assigned to the use of the club, the following steps will be taken:

Written application is made to the manager and/or Board of Directors consisting of a detailed description of the proposed construction, alteration, expansion or remodeling, and justification why such changes are needed.

If necessary, club officers and/or member may be interviewed, site visits may be made, and other information may be required as requested by the Board of Directors.

Based upon the application materials and consideration of alternative, such as revised schedules of club operation, moving the club to other available facilities, or others, recommendations for appropriate action will be finalized. Then more than one alteration or expansion project is deemed appropriate for consideration, the Board will establish a priority list of cost estimates for such action of Association properties.

All recommendations, priority lists, and cost estimates thus established shall be submitted to the manager and/or Board of Directors.

The Board may authorize or require the Club to provide some or all of the needed funding through club dues, club assessments, and fund-raising projects.

Approved by the BOD 2-20-2003

**SUBJECT:** DONATIONS AND MEMORIALS

**POLICY:** Proposed donations and/or memorials should be representative of the sentiment of a significant segment of the Association, must be compatible with existing facility appearance, i.e., building decor and landscape, and shall not create an increase in maintenance expense or obligate the Association to a future commitment for replacement.

**PROCESS:** When the Association and/or the Manager receive an offer of donations in the form of plantings, plaques or furnishings as memorials to individuals, groups or organizations, the Board of Directors shall make the determination concerning acceptance or rejection of such offers.

Approved by the BOD 2-20-2003

**SUBJECT:** INDEMNIFICATION OF THE ASSOCIATION

**POLICY:** All organizations and members of the Association which are granted use of any Association facility shall hold the Association harmless from any and all liability they may incur as a result of its activities and/or use of said facility.

**PROCESS:** An organization or member of the Association wishing to use an Association facility shall execute a "Use Agreement for Facilities for the Villages at Lynx Creek" and may be asked to provide insurance.

Approved by the BOD 2-20-2003

SUBJECT: NO SMOKING

POLICY: Smoking is not permitted in any indoor area of any building owned, operated or maintained by the Association, nor is it permitted within the interior courtyard.

LIMITATIONS: The Board of Directors reserves the right to designate additional outside areas in which smoking will not be permitted.

Approved by the BOD 2-20-2003

**SUBJECT: ALLOCATION OF SPACE IN ASSOCIATION FACILITIES**

- POLICY:** The Association will give priority to use of facilities and the Social Hall in the following order:
1. For the use of the Association for its business
  2. For the use of Members and groups of Members for their various interests.
  3. For events/private parties sponsored by Members subject to availability and subject to approval and limitations established by Policies and Procedures 3.07, 3.08 and 3.09 and the Board of Directors.
  4. Association facilities are not for use by members or non-members whose purpose is to sell products or services, except as outlined in the Recreations Committee Rules

**DEFINITIONS:** The Association facilities consist of the Social Hall, the Activity Room, Card Room, Library, Swimming Pool, Courtyard area and all other rooms in the area. Their purpose is to provide convenient and equipped space for members recreational, social and leisure interests. Due to the utility costs involved, use of the Social Hall for small groups is discouraged unless justification can be made as to need (i.e., floor space, state, etc.....)

The use of the Association facilities is open to all residents of the Villages. If a resident chooses to participate in a scheduled activity they should be allowed. Activities that are individual use, by "invitation", private, or refuse to let others participate may use the facilities only when available. Other open, scheduled events take priority. Use of a sign- up sheet is advised if a set number of participants are required.

**LIMITATIONS:** While certain groups may be granted priority for the use of designated areas of the facilities, such use is not exclusive. Unless the group requires and uses all of the facility for its purposes, the unused portion may be used by other members or groups of members assuming that such use is not disruptive to the scheduled activity. Reservation use must be kept the designated timetable. When activities abut, arriving early or staying late may cause disruption to the other scheduled party. If problems arise – the timetable will be the rule.

All open activities use will be advertised in the Crier under "Activities Schedule". An activity may be labeled as "advanced" or "experienced" if lessons are not provided. It is recommended that at least once per year that lessons be given (if a skill level is required to participate) so that all are given the opportunity to participate in the event in the future.

Revision approved by BOD 9-17-2015

## ALLOCATION OF SPACE IN ASSOCIATION FACILITIES- Continued

**PROCESS:** Members or groups of members must make application with the Recreation Committee for the use of the facilities.

Recurring reservations must be requested for use of the Social Hall, Activity Room, or Card Room and updated on a yearly basis.

Owners wishing to reserve the Social Hall for a Sponsored event (P&P No.3.07) or reserve the Social Hall for a Private - Personal event (P&P No. 3.08) or Activity Room (P&P No. 3.09) for Private-Personal event must make application with the Villages on-site Office.

The library is not to be used for games or activities or Club meetings. Wi-Fi usage and jigsaw puzzles are permitted in the library.

All reservation requests must include an owner contact name and phone number in the event of a conflict or change. Parameters of need must also be outlined consisting of room needed, special needs, dates and time frames.

Should there be conflicting requests for use; decisions will be made by the Office Manager based on the policy above, number of participants, or other factors pertinent. Decisions may be appealed in writing to the Board of Directors whose decision shall be final.

Revision Approved by BOD 9-17-2015

SUBJECT: MAJOR MAINTENANCE, REPAIR, REPLACEMENT OR  
CAPITAL IMPROVEMENTS

POLICY: Except in the case of an emergency, and when practical, all items of major maintenance, repair or replacement of capital improvements, not included in the Reserve Study, shall be submitted to the Budget and Finance Committee for inclusion in the following fiscal year's budget.

DEFINITIONS: Major maintenance and repair applied to any required maintenance or repair that is not routine or day-to-day in nature.

This policy applies to club request, Maintenance Department recommendations, and requests from Board members, a group of residents or individual members of the Association.

The requesting entity shall submit to the Office Coordination/Board of Directors full and factual documentation detailing the requirements for major maintenance, repair, replacement or capital improvements of specific items(s). Documentation should include all pertinent data (plans and specifications and a preliminary estimate of cost), an opinion on the immediate and continuing monetary impact on the Association, the effect of health, safety, and welfare concerns, and advice concerning these recommendations and priorities.

The Board of Directors will make the final decision which will be announced at a regular meeting of the Association where comments and suggestions by the members can be heard. If rejected, the request may be resubmitted in the next fiscal year.

Approved by BOD 2-20-2003

**SUBJECT:** SPONSORED SOCIAL HALL USE

**POLICY:** The Association recognizes that on occasion an outside group or organization may request use of the Social Hall for an event or activity. Any such request must first be presented to the Board of Directors for consideration and approval.

Allocation priority of the hall must be within the policy stated in Procedure 3.05 ~~and must include an open invitation for all Villages residents to attend.~~ 11-16-2023

Such event must have an Association Owner act as Sponsor, and that Owner must take **full** responsibility for the event.

The Sponsor of an event must sign both the Facility Reservation Request as well as the Use Agreement to ensure their knowledge and understanding. They will also be responsible for obtaining and returning of any keys as per the current key policy. Sponsors must be in attendance at all times of each event they sponsor.

**LIMITATIONS:** The use of the hall would include any and all equipment accessible to the public (table and chairs, stage, platform, restrooms, parking, janitor's closet, etc.). Quoted charges are based on up to six (6) hour continuous usage maximum. Rates will increase (by \$50.00/hr. minimum) if more time is necessary or if a prior day is needed for preparation.

**FEES:**

50 Persons or less.....	\$150.00
51 to 100 Persons.....	\$250.00
101 to 300 Persons.....	\$350.00

Any facility reservation expecting over 300 people in attendance will require special Board permission with special fees imposed.

The fee structure for the use of the kitchen will apply to above events in which food or uncontained beverages are being served. This fee is to ensure proper usage and cleaning of equipment.

Beverages only .....\$35.00  
(Includes coffee and/or coffee pot usage and/or beverages only)

non-preparation of food.....\$60.00  
(Includes snacks or desserts, catered events, potlucks, etc.)

Food preparation use.....\$ 150.00  
(Includes actual cooking on premises - use of roasters, grills, ovens, etc.) Events serving contained beverages only will not be subject to a kitchen fee.



Sponsored Social Hall Use – Continued

Damage and Cleaning Charges:

Cleaning/Damage Deposit.....	\$ 100.00 (refundable)
Minor Cleaning infractions.....	\$ 25.00
(Dirty equipment, floors, tables, etc.)	
Extensive Cleaning infractions.....	\$ 50.00 +
(Mud, grease, spills, etc.)	
Damage to floor.....	\$ 25.00
Setting	
infraction.....	\$50.
00 (Failure to replace room to original	
configuration)	
Damage of any item	Estimated cost of repair or replacement

PROCESS;

A request must first be submitted to the Board of Directors for approval. Sponsor may make application for the use of the facilities by completing the Facilities Reservation Request at the Association office. After determining if the Social Hall is available, the user must complete the Contract and Agreement for the use of the facilities and place the applicable deposit fee to hold the date. All other applicable fees must be paid no later than 30 days prior to the event. Cancellations made 30 days or less of the scheduled event will forfeit the deposit. Owner-Sponsor Will be responsible for obtaining and returning the keys per the current key policy.

INSURANCE:  
Association with

User (outside group or organization) of the Social Hall must provide the an insurance binder for a minimum of \$1,000,000.00 (One-million) liability coverage. This policy must state that coverage limits, the dates and times of the event and that coverage is Primary and the Villages at Lynx Creek is not Contributory and the Villages at Lynx Creek is named as the additional insured. No waivers are allowed.

GUIDELINES:

All rules of the contract will apply. Any communication with the Village office is done through The Owner-Sponsor.

The Villages Board of Directors has the right to deny use of the Social Hall for events at their discretion but not on the grounds of race, color, religion, or creed.

If an event is cancelled by the Villages after the contract and funds have been received, the User will receive a full refund.

**SUBJECT:** VILLAGE OWNER PRIVATE SOCIAL HALL USE

**POLICY:** The Association recognizes that on occasion a Current owner may request to use the Social Hall for a private, personal event. If the hall is available (per allocation policy 3.05), all guidelines must be followed.

**LIMITATIONS:** The use of the Social Hall by a current Owner will be for Private-Personal immediate-family events such as a: Birthday, Anniversary, Wedding, Reception, Memorial, etc.

- Attendees may not enter any other area of the inside Courtyard and / or common area building rooms.
- Attendees may not enter or use the stage area
- Children under the age of 18 must be supervised by adults at all times. **NO ALCOHOLIC BEVERAGES ARE ALLOWED ON THE PREMISES.** The Association is **NOT** responsible for any accident or injury where alcohol is used at the event.

**SOCIAL HALL FEES:** 50 persons or less - - - - - \$ 25.00  
 More than 50 persons - - - - - \$ 50.00

(Exception: The Social Hall Fee is waived for a Villages' (currently-named) property Owners Memorial.)

Fees are based on up to six (6) hour continuous usage maximum. Rates will increase by \$50 per hour (one hour minimum) if more time is necessary or if a prior day is needed for preparation.

The fee structure for the use of the kitchen is to ensure proper usage and cleaning of equipment:

Non-preparation of food.....	Waived
(Includes beverages, catered events, potlucks, etc.) Food preparation use	\$ 50.00

**OTHER FEES:** The fee structure for the use of the kitchen is to ensure proper usage and cleaning of equipment.  
 Non-preparation of food: (serving beverages, catered events, potlucks) and non-use of any appliances) ..... Fee Waived  
 Food Preparation and /or any appliance use.....\$ 50.00  
 Damage and Cleaning Charges:

SUBJECT: VILLAGE OWNER PRIVATE SOCIAL HALL USE (continued)

Cleaning/Damage Deposit.....	\$ 100.00 (refundable)
Minor Cleaning infractions.....	\$ 25.00
(Dirty equipment, floors, tables, etc.)	
Extensive Cleaning infractions.....	\$ 50.00 +
(Mud, grease, spills, etc.)	
Damage to floor.....	\$ 25.00
Setting infraction.....	\$ 50.00
(Failure to replace room to original configuration)	
Breakage of any item.....	Estimated cost of repair or replacement

INSURANCE: Owner must provide the Association with a copy of their Homeowner’s Insurance Policy Liability Policy Coverage Declaration, no later than thirty (30) days prior to the event. No waivers are allowed.

PROCESS: Owner will make application for the use of the Social Hall by:

- Completing the Facilities Reservation Request at the Association Office.
- If the Social Hall is available on the requested date, the Owner must complete the Social Hall Use Agreement and place the deposit fee to hold the date.
- All other applicable fees must be paid no later than 30 days prior to the event.
- Cancellations made 30 days or less of the scheduled event will forfeit the deposit.
- Owners will be responsible for obtaining and returning the keys per the current key policy

Revision Approved by BOD 10-15-2015

- SUBJECT:** VILLAGES OWNER PRIVATE ACTIVITY ROOM USE
- POLICY:** The Association recognizes that an Owner may request to use the Activity Room for a small Private event. If the Activity Room is available (per Allocation Policy 3.05), all Guidelines must be followed.
- PURPOSE:** To provide space for a small group to celebrate a private event such as a Birthday, Anniversary or a social gathering of friends. Strict adherence is required to the following rules.
- PROCESS:** Owner must complete a reservation form at the Office at least two weeks in advance. Room availability depends on the existing reservations or activities schedules for Activity Groups or Clubs that have priority. The Office Manager maintains the use calendar. Owner will be given a copy of the approved reservation request.
- FEE:** A \$100 cleaning/ damage deposit is required (refundable). The condition of the room will be determined by the Office Manager on the following business day. If there is damage or cleaning required (carpet, furniture) the full deposit will be used and member will be billed for any additional expenses.
- INSURANCE:** Owner must provide the Association a copy of their Homeowner's Insurance Policy Liability Coverage Declaration, no later than thirty (30) days prior to the event. No waivers are allowed.
- LIMITATIONS:** **NO ALCOHOLIC BEVERAGES ARE ALLOWED ON THE PREMISES.** The Association is NOT responsible for any accident or injury where alcohol is used at the event.
- a) Maximum time for room uses- Four (4) hours (during regular facilities' hours).
  - b) Maximum number of persons for the private event- Thirty (30)
  - c) Adults only may attend (must be 21 and over). No Children may attend
  - d) Host(s) may only be Owners. The Owner must be present at the event.
  - e) Only cold food and cold drinks are permitted; i.e., hors d'oeuvres, snacks, sandwiches, salads.
  - f) No hot food is permitted. No electric appliances; i.e., crock-pots, warming pans, sterno-warmers, coffee pots, etc.
  - g) All foods and drinks are restricted to the rectangular folding tables. No food, drinks or items of any kind be placed on the shuffle board, cabinet tops, coffee table, end tables, or folding card tables.
  - h) Host must provide their own cleaning items: i.e., spray disinfectant (such as Lysol, 409) and paper towels/cloths and must clean all table surfaces after use. Host must provide trash bags for disposed items and remove same from the Activity Room at the end of event and transport to the trash dumpster. Host must vacuum carpet if needed.
  - i) Host must return the air-conditioning/heat thermostat to the noted settings on the thermostat.
  - j) Host must return all tables and chairs to the original configuration.
  - k) Host must turn off all lights at the end of the event.

Revision Approved by BOD 10-15-2015

**SUBJECT: USE OF BARBEQUE EQUIPMENT-INNER COURTYARD**

**POLICY:** The large commercial roaster-oven may only be used for Association meal events (Example: Woodshop or billiards Clubs cookouts)

**Limitations:** The small BBQ's may be used only by a Villages Club for a Club-Member Event

Individuals may not bring personal BBQ's, of any kind, into the Courtyard area.

**Process:** A Club President or designated Club representative will complete a reservation request at the Villages office to use the small BBQ equipment and sign out a key to unlock the BBQ. The key must be returned to the Office the next business day. The President or representative will receive written instructions on the operation of the BBQ's and will also sign a Waiver holding the Association harmless in the event of an injury due to using the BBQ equipment.

Participants may move rectangular resin tables and the non-fabric folding chairs from the Social Hall to the outside area by the BBQ's. This area will be designated as the only outside dining area and will be outlined on a diagram provided to the Club President or representative. Food may not be taken to the deck area or vicinity of the pool or the gazebo's area

After using the equipment and/or furniture, all items must be cleaned and returned to their original placement.

All food residue and supplies, such as paper plates, etc., must be put in trash bags supplied by the Club and deposited in the trash compactor.

Revision Approved by BOD 9-17-2015

- SUBJECT:** CAPITAL EXPENDITURES
- PURPOSE:** Establish guidelines for defining a capital asset.  
Establish parameters for the capital budgeting process, identifying the approval Requirements for the authorization of funds.  
Provide for tracking of final costs of approved capital expenditures.
- PROCESS:** The Capital Expenditures Budget is submitted concurrently with the fiscal year Operating Budget. Requests must include the name of requesting person/organization, reason for request, (for new asset, provide details of cost savings and other benefits; for replacement asset, give reason for replacement and method of disposal of asset being replaced); the cost of each proposed asset and the primary assigned location and use.
- After review by the Director/Budget and Finance Committee, the Capital Expenditure Budget is submitted to the Board of Directors for final approval.
- GUIDELINES:** Unused funds from an approved capital budget may not be used for any other purpose without further approval as specified above.  
Every request must be reviewed to determine what portion, if any, constitutes an expense rather than a capital asset.  
Following final billing of each approved capital project the Treasurer must submit a report of significant variances to the Board of Directors.
- INVENTORY RECORDS:** The inventory record for each capital asset must include:
- Date of purchase or construction completion date
  - Total Cost
  - Life expectancy
  - Assigned location
- RESERVE FUND:** Use of monies from the Reserve Fund for replacement of capital assets is covered in the Bylaws. An asset purchased, built or replaced with monies from the Reserve Fund will be classified as a capital expenditure. Estimated future repair and replacement costs for newly acquired capital assets will be included in the Reserve Study calculations.

Approved by BOD 6-18-2009

**SUBJECT:** CONTINGENCY FUNDING

**POLICY:** The line item entitled “Contingency” shall be included in each fiscal year budget.

**PURPOSE:** The purpose of the Contingency line-item in each fiscal year’s budget is to provide funding for any unforeseen expenses or capital equipment purchases that may occur during the fiscal year and cannot be deferred for budgeting in the following year.

**PROCESS:** If an unbudgeted expense or capital equipment purchase cannot be absorbed in the approved current fiscal year’s budget, the Treasurer will advise the Board of Directors of the dollar amount of the unforeseen expense or capital equipment purchase requested to be transferred from the Contingency Fund to the line item of the budget to which the expense is applicable

If the Board approves the transfer of such funds from the Contingency Fund, it shall notify the Budget and Finance Committee which will authorize the Treasurer to make the transfer.

**GUIDELINES:** Unused funds from an approved capital budget may not be used for any other purpose without further approval as specified above. Every request must be reviewed to determine what portion, if any, constitutes an expense rather than a capital asset. Following final billing of each approved capital project the Treasurer must submit a report of significant variances to the Board of Directors.

**LIMITATIONS:** The Contingency Fund in any fiscal year’s budget shall not exceed 5% of total expenses in the prior year.

Approved by BOD 6-19-2009

SUBJECT: CHECK AUTHORIZATION

POLICY: The Board may authorize a Director(s) to execute and sign checks above \$1,000.00 for specified routing bills such as, but not limited to, utilities, garbage service, insurance premiums, service contract, etc., which are evidenced by a billing from the payee. All checks in the amount of \$25,000.00 and over, for whatever reason, must bear the signature of two authorized signatures.

Approved by BOD 6-18-2009



VILLAGES AT LYNX CREEK PROCEDURES No. 4.04

SUBJECT: FEES ASSOCIATED WITH PROPERTY SALE OR TRANSFER

POLICY: In order that certain administrative costs arising from the transfer of properties within The Villages may be recovered, and to provide for participation by new owners in the General Reserve Fund, the Board of Director shall establish fees which are payable upon the transfers of Villages lots. These fees are categorized as follows:

DEFINITIONS: A "Transfer Fee" which shall reimburse the Villages for the administrative costs associated with the recording of changes in ownership. This fee shall apply to all such changes without exception.  
A "Disclosure Fee" to offset costs in inspecting properties, searching our records for Village's liens, overdue dues and assessments, and for preparing title company disclosure forms. This fee shall be payable on all transfers which are handled by title companies through escrow proceedings.  
An "Asset Preservation Fee" which is a contribution to the General Reserve Fund by new owners to share in the fund which has been created by previous Village's owners. This fee shall be payable on all transfers of Villages ownerships except for those which arise by inheritance or by transfers from a decedents trust, or are between family members such as parents and children or brothers and sisters and in which no monetary consideration is paid.

PROCESS: The fees established by this policy shall be: \$25.00 for the Transfer Fee; \$275.00 for the Disclosure Fee; and \$1,500.00 for the Asset Preservation Fee. These fees shall be paid out of escrow as a closing cost as appropriate or by the buyer and/or seller when transfers occur outside of escrow. All three fees shall increase, on an annual basis, based upon the U.S. Government's announcement in the month of November the current rate of inflation in the United States. The Board of Directors may increase, at it's discretion, more than this amount should it be deemed necessary. The increases shall take effect on December 1 of each calendar year. As of December 1, 2022, the fees are as follows: Asset Preservation Fee: \$1,615.50, HOA Transfer Fee: \$26.92, HOA Disclosure Fee: \$296.17.

For the exceptions set forth above for the Asset Preservation Fee, the inheritors or grantees shall execute a notarized affidavit showing that the transfer is being made without monetary consideration of any kind.

Monies received under this policy for the Transfer Fee and Disclosure Fee shall be deposited in the Operations Fund. Asset Preservation Fees shall be deposited in the General Reserve Fund.

**SUBJECT:** FINANCIAL REPORTING TO THE BOARD

**POLICY:** The Treasurer shall report to the Board of Directors at the monthly meetings with particular emphasis on any significant variances from the approved budget

**OBJECTIVE:** The reports will be used by the Board to determine if the financial performance is satisfactory or if the Budget and Finance Committee must be directed to reevaluate the current budget and to propose changes thereto.

Approved by BOD 2-20-2003

THE VILLAGES AT LYNX CREEK PROCEDURES No. 4.06a

SUBJECT: FINANCE COMMITTEE

POLICY: The Finance Committee, consisting of the HOA Treasurer, the Community Manager or Finance Manager and two Owners shall conduct a monthly review of the Association financial documents, including the Profit and Loss (P&L) Statement and Balance Sheet.

PROCESS: To achieve this goal, the HOA Finance Manager shall prepare for the Finance Committee a P&L and Balance Sheet for the previous month and give these documents to the Finance Committee for a monthly meeting review.

The Finance Manager will attend the monthly Finance meetings to address any concerns and answer questions. The Finance Committee shall present any issues or questions to the HOA Finance Manager through the HOA Treasurer as quickly as possible. The HOA Treasurer shall report to the Finance Committee the results of the issues brought forward.

From time to time, it may be necessary to review other financial documents to resolve issues. All parties concerned shall cooperate in these matters. Prior to the HOA Board meeting on the third Thursday of the month, the HOA Finance Manager shall have communicated any unresolved issues. These issues shall be on the Finance Committee's agenda until resolved.

The HOA Treasurer shall prepare and maintain the agenda. In addition to reviewing the P&L and Balance Sheet, the Finance Committee from time to time may suggest certain procedures be put in place by the HOA Board. For example, raising certain fees, getting bids for work, doing away with ineffective items, etc. It is then up to the HOA Board to consider these suggestions.

All matters discussed by the Finance Committee shall be treated as Confidential Information unless they are released in open meeting.

SUBJECT: PREPARATION OF ANNUAL BUDGET 4.06

POLICY: The Budget Committee, consisting of The Treasurer of the BOD and the Community or Finance Manager and up to two owners shall prepare the annual budget for approval by the Board of Directors.

PROCESS: The Budget Committee shall provide information by major line items for the next fiscal year according to the following schedule:

Between September 15 and October 1, the Budget Committee shall meet to analyze available information on estimated repair and maintenance, capital equipment, and Reserve Fund expenditures.

By October 15, present a preliminary list and estimated costs of proposed Reserve Fund projects together with the estimated total dollar amount in each Reserve Fund at the beginning and at the end of the following fiscal year; an estimate when each Reserve Fund will pass its upper or lower limit, if acceptable; a list of Capital Expenditures to be funded by operating revenues; an estimate of the Operating Expenses using current labor and benefit rates.

By October 31, the Budget Committee shall complete its review of the upper and lower limits for each of the Reserve Funds and the need for any changes in the current contribution level to each fund. Upon completion of a review of the entire budget, the Budget and Finance Committee shall make its recommendations to the Board of Directors for the budget to be presented to the Owners.

A minimum of 10 days prior to the November HOA meeting, the Budget Committee will present the budget for the next year to the homeowners. If any changes are necessary they will be made in time for the Board to accept and approve the budget at the November board meeting. A copy of the budget will be emailed or mailed to the homeowners by December 1<sup>st</sup>.

SUBJECT: PROCUREMENT POLICY

POLICY: For all contracts in excess of \$1,000.00, the contractor must be licensed, bonded and insured. For purchases in excess of \$5,000.00, a minimum of three (3) bids from qualified procurement sources shall be obtained.

DEFINITIONS: Blanket Procurements – limited to minor, low-cost purchases of small tools, Maintenance work, supplies, and hardware which are needed for immediate use. Vendors should be local businesses when possible.

Expense Items – food, miscellaneous operating supplies, paper products food services, etc.

Capital Equipment – electrical, mechanical equipment, motorized tools, vehicles, etc.

Reserve Fund Projects – goods and services, building construction and modifications, major repairs and replacement to plant equipment and facilities.

Emergency Services and Repairs – required due to catastrophic failure of facilities and equipment.

PROCESS: A purchase request shall be submitted in writing to the Board of Directors by the person/organization requesting purchase to be made. The request must define the product or service to be purchased, reason for the purchase, any applicable known specifications, estimated cost parameters, date needed, and any suggested vendors if known.

1. The Board of Directors shall determine the need of the request, verify that the planned purchase falls within the approved budget or is affordable from the contingency budget or General Reserve Fund.
2. If approved the Board refers the procurement to a committee (consisting of one Board Director and two others with knowledge in the field) to examine and/or set the specifications for the project.
3. The Board then reviews the specifications submitted and must approve prior to bids being obtained.
4. Detail plans and specifications for the goods and services to be procured can then be transmitted with a request for quotation to all bidders by the committee.
5. When the bids are obtained, the Committee review them for completeness, and compliance to specifications. Any deviations to the requested job must be noted. The Committee must verify that the contractor is currently licensed (through

the State ROC or the County ROC) and also contact the BBB to ensure contractor is reputable.

6. The bids are then compiled with all details outlined including price, timeframes, guarantees/warranties, and other criteria, if any, and presented to the Board in packet form with the committee's recommendation.
7. The Board of Directors shall review and evaluate the bids and award a contract to the lowest qualified bidder.

#### PROCUREMENT POLICY (continued)

Any departure from this process must be approved by the Board of Directors prior to awarding the contract. The Board of Directors must notify each non-- awarded bidder in writing stating the reason for the bid being rejected.

#### LIMITATIONS:

It is prohibited for any employee or Director of the Association who has, or whose relatives have, a substantial interest in any sale, purchase or service to the Association, from participating in any manner in such contract, sale or purchase without the approval of the Board of Directors.

Gratuities in any form from a vendor or prospective vendor of goods and services rendered to the Association, to any employee, officer or Board member of the Association, are strictly prohibited. Any violation of this policy provision may be grounds for immediate dismissal from employment or service as a Board member.

SUBJECT: RESERVE FUND PROJECT INITIATION

POLICY: The cost of preliminary investigations shall become part of the total project cost and shall be paid from the appropriate Reserve Fund for approved projects. If the project is not approved, these preliminary costs shall be paid from the General Fund in the current year's budget.

PURPOSE In order for the board of Directors to make informed and financially responsible decision regarding Reserve Fund Projects, it may be necessary for the Association to contract for professional services. These may include, but not be limited to, a feasibility study and/or preliminary plans and specifications, estimated cost, and actual bids before giving final approval of a project.

PROCESS: The Board of Directors reviews the needs and justification of the initial request for a Reserve Fund Project.

Upon approval, in principle, the Board of Directors may proceed with the preliminary analysis at a cost not to exceed \$10,000.00

Approved by Board of Directors 6/1/2009

**SUBJECT:** BILLING AND COLLECTION OF ACCOUNTS -  
ELECTRIC AND ASSESSMENTS

**POLICY:** It is the policy of the Board of Directors to be fair and consistent to all owners in the application and receipt of funds for assessments, fines, and late charges. The following policy meets all criteria as outlined in the C.C. & R.'s Article 6 and gives specifics as to the procedure for assessing late charges, collecting delinquent balances and the discontinuance of utilities and privileges to the Villages at Lynx Creek.

**LIMITATIONS:** As not all owners have electric meters that are billed through the Association, these procedures are outlined and categorized by two types - Electric Accounts and Assessment Accounts. Any special assessment on the account will be treated under the same policy as Assessment Accounts

**ELECTRIC ACCOUNTS:**

**PROCESS:** Reading Procedures: For those owners having the electric usage billed through the Association, the meters will be read on or around the 15<sup>th</sup> of each month. Any special reads requested for any other time must be submitted 3 days in advance of the date requested will be subject to an additional meter reading fee of \$4.00 per occurrence. Disputes of meter reading will be assessed the \$4.00 meter reading fee if the previous reading is proven to have been accurate. The Service fee will be waived if meter reading was inaccurate or meter proved to be faulty.

Billing Procedures: All owners having electric usage billed through the Association will be assess a monthly contribution to the Association of \$4.00 fee for reading of the meter regardless of usage. The total billing will be included on the monthly statement and will be mailed or emailed to the account of record. For those owners who rent their properties, the electric billing goes to and is the responsibility of the property owner. The owner may request in writing that the invoice be email or mailed to the tenant

Time frames: Electric bills are due and payable on the first of every month with a grace period of fifteen (15) days. On the sixteenth (16<sup>th</sup>) day of each month (or no later than the 18<sup>th</sup> of the month considering weekends or holidays), all unpaid electric balances over \$15.00 could be charge a late fee for the unpaid balance.



## BILLING AND COLLECTION OF ACCOUNTS - ELECTRIC AND ASSESSMENT- Continued

Notices: A statement will be generated to all accounts receiving a late charge and mailed to the owner of record or their designated receiver of the bill at the next statement. Any electric account that is delinquent by forty-five (45) days will receive a statement showing the second late charge applied to the account. At that time, those accounts in excess of \$25.00 will also be issued a notice to advise them that non-payment of the account may result in loss of common area privileges as well the electricity being turned off within 30 days. At sixty (60) days delinquent, another notice may be mailed to the owner of record as well as a notice placed on the property that non-payment may result in the utility turnoff in fifteen (15) days. Seventy-five (75) days delinquency results in turn-off with a letter notifying the owner that an on-going lien may be filed in fifteen (15) days. At ninety (90) days delinquent, a lien may be filed. A current service charge (or \$5.00), whichever is greater, may be charged for each turn-off and turn-on of utilities.

### GUIDELINES:

Termination of Utility: After the above steps have been taken, an account that is seventy-five (75) days delinquent results in turn-off with a letter notifying the owner that an on-going lien will be filed in fifteen (15) days. At ninety (90) days delinquent, a lien will be filed. A current service charge (or \$5.00), whichever is greater, will be charged for each turn-off and turn-on of utilities. No utilities will be turned off for non-payment of fines or late charges only. Liens, however, will be filed.

Second Offense: Should an account become delinquent a second time after termination of utility service, the Board may exercise its right to notify owner after thirty (30) days delinquent that Association owned utility suspension may occur at forty-five (45) days of delinquency.

Appeals: An owner has the right to appeal any notice of termination of utility or privileges as well as fines assessed as outlined in the C.C. & R.'s, Article 6 and the Bylaws, Article IV, section 4.

Approved by Board of Directors 6/18/09  
Revision by Board of Directors 1-15-2015

Revision by Board of Directors 11-17-2022

**SUBJECT:** APPLICATION OF PAYMENT RECEIVED

**POLICY:** It is the policy of the Board of Directors to be fair and consistent to all owners in the application and receipt of funds for all billings, assessments, fines, and late charges. The following policy meets all criteria as outlined in the C.C. & R.'s, Article 6.

**LIMITATIONS:** Late charges can only be waived by office personnel for clerical errors made by the Association. Any other requests for late charges or fines being waived must be presented in writing to the board of Directors. A specific form may be designated for this purpose. Any late charge or fine waived by the Board will be part of the owner's file record for future reference.

**PROCESS:** All payments received in the office shall be processed in a timely manner. Any payments received in the office postmarked on or before the 15<sup>th</sup> of any month will be deemed as received by the 15<sup>th</sup> of the month. Any cash payments will be issued a receipt. Automated Clearing House (ACH) payments are available to all owners with no extra charge. ACH payments are withdrawn from the owner's account on or before the 15<sup>th</sup> of each month. Thirty days' notice is needed to begin or discontinue ACH payments.

**GUIDELINES:** The Owner of record may determine the amount of payment to be applied on the outstanding electric balance. Any electric "credits" may be applied to outstanding Association Assessments in arrears without permission of the Owner. Funds received for payments other than electric may also be determined by the Owner of record as it applies to fines and late charges. If the Owner does NOT designate how funds are to be applied the Association will apply funds according to A.R.S. 33-1807(k) as outlined below:

1. Unpaid Assessments
2. Unpaid late charges on assessments;
3. Unpaid reasonable collection fees;
4. Unpaid attorney's fees and costs;
5. Other unpaid fees;
6. Unpaid Charges;
7. Unpaid monetary penalties;
8. Unpaid interest; and
9. Unpaid late charges on unpaid fees, charges, monetary penalties or interest.

Approved by Board of Directors 6/18/09

THE VILLAGE AT LYNX CREEK PROCEDURES NO. 4.11

FIXED ASSET AND CAPITALIZATION POLICY

**SUBJECT:** It is the intent of the Board of Directors to establish policies for the consistent capitalization of and accounting for Fixed Asset Acquisition

**POLICY:** Personal property acquired using operating funds or reserve funds with a cost of \$2,500.00 or and a useful life of more than 5 years shall be capitalized as an asset of the Villages at Lynx Creek. Individual expenditures of less than \$2,500.00 shall be recorded as operating expenses. A group of like items, individually valued at less than \$2,500.00 may qualify as a capital expenditure if the items are purchased together and their aggregate value meets the threshold outlined above.

This policy is effective as of February 1, 2023

It is the intent that this policy shall be applicable to the current and future Board of Directors unless otherwise rescinded, modified or amended by a majority of the Board of Directors.

**PROCESS:** Personal property capital expenditures as described above shall be added to the assets of the Villages at Lynx Creek and recorded within the Operating Fund. Depreciation expense will be calculated yearly and reflected in the annual Operating Account Financial Statement.

In the situation where personal property capital expenditures are made using Reserve Funds, such expenditures should be treated as an interfund transfer from the Reserve to the Operating Account.

The journal entries necessary to reflect such a transfer in the financial statement are shown below:

- a. Operating Account -credit transfer from reserve fund
- b. Reserve Fund – debit transfer to operating fund

Transfers between funds are not considered as revenues or expenses but should be accounting for a change in Fund Balances (Fund Equity). The above example assumes a credit to reserve cash and debit to operating fixed asset occurred upon purchase of the asset.

The cost to repair or replace assets are generally provided for through the funding of the reserve fund. The help ensure that the periodic Reserve Study is as comprehensive as possible, care should be taken to modify the reserve study of the new asset acquisitions.

Approved by the BOD January 19, 2023

**SUBJECT: INVESTMENT POLICY STATEMENT**

**INTRODUCTION:** The purpose of this Investment Policy Statement is to set forth operating procedures to guide the administration of the investment portfolio of the Villages at Lynx Creek Homeowners Association, Hereinafter call “The Villages”. The procedures set forth below are to be followed by the Investment Committee and operating personnel when carrying out the Investment Policy.

**COMMITTEE MEMBERS:** The Investment Committee shall be composed of: 1) The Association Treasurer or another designated Board Member, 2) A community Owner selected by the Board, and 3) The Community Manager

**ROLE:** The role of the Investment Committee is to serve as advisor to the Board of Directors on investment related financial issues, including opening new accounts, recommending portfolio strategies consistent with investment objectives, and recommending decision on specific investments.

**SIGNATURE AUTHORITY:** Signature authority for operating accounts will be delegated to the President and the Treasurer of the Board of Directors of the Association

**INVESTMENT OBJECTIVE** The primary investment objective is to ensure that the operating resources and long-term reserves are available for Association purposes when needed, while earning a positive return consistent with good credit risk and high liquidity need of the Association

**PORTFOLIO COMPOSITION:** In light of the investment objectives set forth above, the portfolio should be composed of assets with the following characteristics: 1) A low degree of credit risk, 2) A low degree of market risk resulting from changes in the level of interest rates and inflation, and, 3) a high degree of liquidity in the event of an unforeseen requirement for use of the assets.

Adopted by the BOD 3-17-2022

THE VILLAGES AT LYNX CREEK PROCEDURES No. 4.13

SUBJECT: RV LOT RENTAL RATES FOR VILLAGES RESIDENTS

POLICY: It is the policy of the Board to offer a fair and equitable rental rate while securing funds to properly maintain and service the lots in addition to increasing the Villages' operating funds over the long term via the use of this valuable asset.

PROCESS: The fee as of January 1, 2023, for storage is \$420 for a 12-month rental (\$35.00 per month). The Lessee agrees that the fee for a six-month storage, beginning in April through October or October through April is \$240.00 (\$40.00 per month). Fee must be paid in advance. For those desiring a month-to-month rental, the fee is \$50.00 and must be paid in advance. If lessee no longer requires the space prior to the end of the agreement and wishes a refund, the monthly charge reverts to \$50.00 per month for the months occupied, and the balance will be refunded upon vacating the space. (As an example: Lessee signed a contract for 1 year and paid the annual fee of \$420.00. Lessee decides to terminate after 4 months. Lessee will be charged \$50.00 per month for four months totaling \$200.00, then will be refunded \$220.00). Lessee will need to visit the Village's office 30 days prior to the end of the agreement to pay for a new 12-month period at the rate decided upon by the Association at that time. 30 days written notice must be received by the Association prior to move out. Late fees of \$25.00 per month will be accrued on month-to-month storage and the rental agreement will be null and void if the rental amount and the late fees are not paid by the end of the month. Additionally, The Association reserves the right to tow the vehicle(s) or equipment or RV stored in the space at a cost to the lessee. The above fees shall increase, on an annual basis, based upon the U.S. Government's announcement in the month of November of what the current rate of inflation is in the United States. The Board may increase the above amount should they deem it necessary. This increase shall take effect on January 1<sup>st</sup>.

Approved by the BOD 11-16-2023

SUBJECT: CONDUCT ON ASSOCIATION PROPERTY

POLICY: All parties involved in any physical altercation or any other inappropriate conduct, or unsafe conduct on Association property, may lose their privileges to use certain Association facilities.

PROCESS: All complaints should be reported to the Association Office which will fill out an incident report.

The Association Office shall refer the incident to the Board of Directors for a suspension hearing of the offender. The Board may then impose a suspension of Association facility use privileges of the member or members involved in the incident for a period not to exceed thirty (30) days.

The length of suspension of facility use imposed shall depend on the nature and severity of the incident. The Board may impose a suspension of facility use privileges of a member or members pending a membership suspension hearing.

If the member or members involved wish to appeal the Board of Director's decision of facility use suspension, they may do so by filing an appeal with the president of the Board of Directors. The president must schedule a hearing with the full Board within thirty (30) days after receipt of the letter of protest. The decision of the Board shall be final and binding upon the member(s).

Approved by BOD 6-18-2009

**SUBJECT:** CONFLICT OF INTEREST

**POLICY:** Each member of the board of Directors serves the Association in a fiduciary capacity.  
Each Board member must, therefore, avoid any direct or indirect participation in activities that could result in personal or family benefit at the expense of the Association's interest.

**PROCESS:** Director's must disclose to the Board of Directors any and all transactions between the Association and the Director (including any other corporation, firm, association, or entity in which the Director, or a member of the Director's family, is a member Officer, director, or has a financial interest). The transactions to be disclosed include but are not limited to: the sale, lease or exchange of property between the Director and the Association, the lending or borrowing of monies between the Association and the Director, or the payment of compensation by the Association to the Director for Services.

The disclosure by a Director of conflict-of-interest situations extends to not only the businesses currently engaged in business with the Association, but also businesses seeking to do business with the Association in the future. Directors must disclose their conflict-of-interest situation in writing at any Board of Directors

**LIMITATIONS:** Directors should err on the side of disclosing conflicts of interest to the Board. If the Board determines that a conflict of interest does not exist, then at the least the disclosure by the Director and the discussion and the decision of the Board are on record.

Approved by BOD 2-20-2003

SUBJECT: LEGAL AFFAIRS

POLICY: The Association Office is responsible for advising the Board of Directors concerning matters of a legal nature that may have an impact on the Association. The Association shall designate a single Association attorney to provide such legal advice and assistance. When appropriate, other attorneys may be employed for their specialized expertise with the prior approval of the Board.

PROCESS: All proposed contracts for goods or services requiring the payment of five thousand dollars (\$5,000) or more, and all personal service contracts and any other contracts or agreements which the Manager or the Board of Directors believe should be subject to legal review, may be submitted to the Association attorney.

All proposed amendments to the Articles of Incorporation, *CC&R's* or Bylaws and any other documents which the Board of Directors determines to require legal review may be submitted to the Association attorney.

LIMITATIONS: Unless otherwise determined by the Board of Directors, only members of the Board shall have authority to contact the Association attorney. Such contact must have the prior approval of the President of the Board. Such approval shall not be unreasonably withheld.

Approved by BOD 2-20-2003



**SUBJECT:** SOLICITATIONS, PETITIONS, DISTRIBUTION OF WRITTEN MATERIALS AND ELECTIONEERING

**POLICY:** Any solicitation, petition or distribution of literature shall in a manner that does not interfere with the rights of others, and that does not constitute any hazard to any person on the property of the Association.

**DEFINITIONS:** The Villages at Lynx Creek is a nonprofit corporation established under the laws of The State of Arizona. The incorporated entity (Association) is the “provide property owner” and this entity speaks through its Bylaws, Resolutions and Policy Statements of the Board of Directors.

**PROCESS:** Except for scandalous, malicious, defamatory or libelous materials, an Association member is entitled to solicit, petition, or distribute literature relating to issues of the Association and Association property. A copy of any petition, solicitation, or literature must be submitted to the Board of Directors at least forty-eight (48) hours prior to its distribution.

The Board of Directors may take whatever appropriate action it deems necessary to preserve the policies stated herein.

**LIMITATIONS:** If any solicitation, petition action, or distribution of literature is deemed “electioneering” (as defined in Arizona Election Day Statutes, and association Policy Statement, as applicable) then such “electioneering” shall be conducted in accordance with the Arizona election Day statutes, Arizona Revised Code, Chapters 1 through 8.

Approved by Board of Directors 2-20-2003

**SUBJECT** EMPLOYEE CONDUCT

**POLICY:** High standards of employee conduct are essential to the efficient, safe and productive operation of Association affairs in the daily course of the employee employer relationship. All employees shall maintain and demonstrate the highest standard of integrity and personal conduct during their work performance. Deliberate individual or group action(s) detrimental to the safe and productive operation of Association affairs will not be tolerated.

Employee violations of this policy and all rules and regulations may result in disciplinary action up to and including termination.

**PROCESS** The Association strives to balance its need to obtain, use, and retain employment information with each individual's right to privacy. Each employee's personnel file and/or salary information is considered confidential and will not be released without a written request approved by the Board of Directors on a need-to-know basis and with the full knowledge of the specific individual.

Approved by BOD 2-20-2003

SUBJECT: HARASSMENT

POLICY: Any type of harassment violates Association policy as well as the Federal Civil Rights Act and the Arizona Rights Act, and will not be tolerated.

DEFINITIONS: Harassment is a particularly unpleasant and disturbing form of misconduct which interferes with work productivity and wrongfully deprives employees opportunity to work in an environment free from suggestive remarks, racial or religious slurs, physical or visual conduct, or unsolicited and unwelcome sexual overtones.

PROCESS: Whenever harassment has been reported to the Board of Directors, a thorough investigation is conducted. If the Association deems that any form of harassment has occurred, immediate remedial action will be taken according to the circumstances involved. And employee determined by the Association to be responsible for harassment of another individual will be subject to appropriate disciplinary action, up to and including termination even on the first offense.

Approved by BOD 6-18-2009

**SUBJECT:** Hiring

**POLICY:** It is the policy of the Association to hire best qualified Owners, or tenants, but may solicit from outside.

**DEFINITIONS:** Vacancies will be filled by reassignment of a qualified employee, or by promotion of a qualified employee, or by outside recruitment, either by reinstatement of a qualified former employee or a new hire

Residents of the Villages are encouraged to participate in employment opportunities offered by the Association. Residents will be considered on an equal basis with other new hire applicants provided they meet the qualifications stated in the vacancy announcement.

It is the policy of the Association that no relatives of current employees or Board members be employed by the Association.

Approved by BOD 6-18-2009

**SUBJECT:** PERSONNEL INFORMATION DISCLOSURE

**POLICY:** The Association is committed to providing equal opportunity in all phases of employment to all individuals by following standardized established procedures for maintaining personnel records in order to manage its operation and comply with State and Federal record keeping and reporting requirements.

**PROCESS:** The Association strives to balance its need to obtain, use, and retain employment information with each individual's right to privacy. Each employee's personnel file and/or salary information is considered confidential and will not be released without a written request approved by the Board of Directors on a need-to-know basis and with the full knowledge of the specific individual.

**Approved by BOD 6-18-2009**

SUBJECT: USE OF ASSOCIATION ASSETS

POLICY: Any machine, tool, or other asset belonging to the Association may be used only on Association property by an Association employee.

PROCESS: All tools and other assets of the Association shall be properly maintained at all times.

Removing any Association assets from Association property or taking such property home for personal use is prohibited and subject to disciplinary action.

LIMITATIONS: A vehicle owned by the Association may be driven off Association property to perform such business as relates to the Association, or as needed with prior authorization of the Manager or Board of Directors.

Approved by the Board of Directors 6-18-2009