

TrailMark Homeowner's Association

Disbursement Protocol

The following is meant to establish a protocol regarding the distribution and/or reimbursement of funds to committees, committee members and individuals, which have provided, or will provide, a service or product to the Association.

- I. Whereas, the TrailMark Homeowner's Association has been formed as a Colorado corporation under the Colorado Nonprofit Act, and
- II. Whereas the affairs of the Association shall be managed by a Board of Directors, and
- III. Whereas the Board of Directors may, by resolution, elect to delegate portions of its authority to a managing agent, or a committee – such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for management of the affairs of the Association.
- IV. Therefore, as the Board of Directors has the fiduciary duty to act in the best interests of the Association – the Board must make financial decisions based on legal counsel, a public accountant, or another person with professional or expert competence – all contracts, money transfers or requests for proposals, must be made with the prior knowledge and permission of the Board. Any request for service or product must have prior permission from the Board. For example: an area beautification project is being planned – the Board must know and approve of the project, be aware of the committee/chairperson in charge and be fully aware, on an ongoing basis, of the financial needs of the project.
- V. The Association shall deposit all monies received by the Association to the Maintenance Fund, and such funds shall be used solely for the common benefit of all Members. Disbursements from the Maintenance Fund (both Operational and Reserve) shall be made for such purposes as are necessary or proper under the Declaration of Covenants, Conditions and Restrictions.
- VI. No committee or individual may move forward with any project without (first) submitting an action plan or devising a spreadsheet that identifies the project (or projects) and identifying all personnel and financial (financial may be approximated based on past history or consultation) needs.
- VII. After a project or function has been completed, a report must be submitted back to the Board identifying the project/function and the final results of same.
- VIII. All invoices, bills or history of advance payment of funds must be submitted to the Board, receive the okay for payment and be referred to the property manager for payment. Payment will not be made if prior approval of the Board has not been

obtained. Prior approval, however, can be obtained early on the basis of expected expense.

- IX. Payment (checks) may be mailed directly to the service/product provider; may be mailed to the committee chairperson for delivery; or picked up from the property manager by the committee chairperson or project chairperson.
- X. No committee chairperson or project manager may keep "petty cash" or funds which have not been delivered or have been delivered in part, for personal management.
- XI. The established committees for TrailMark Homeowner's Association (as of September, 2010) are as follows:
 - 1. Common Area Committee
 - 2. Covenants Committee
 - 3. Communication Committee
 - 4. Design and Review Committee
 - 5. Finance Committee
 - 6. Social Committee
 - 7. Safety Committee

XII. The Managing Agent for TrailMark is
Hammersmith Management, Inc., AAMC
5619 DTC Parkway, Suite 900
Greenwood Village, CO 80111
303-980-0700

Accepted and signed this 23rd day of September, 2010.

Signed by the Board of Directors 9.23.2010
