

Policy Regarding Contracting Authority and Approval of Recurring Expenses

STATE OF TEXAS §

§ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF COMAL §

WHEREAS, NBRC PROPERTY OWNERS ASSOCIATION (hereinafter the "Association") is a Texas non-profit corporation organized to govern the River Chase subdivision in Comal County, Texas, pursuant to the Declarations of Covenants, Conditions and Restrictions (hereinafter the "Declarations") for River Chase, various units, recorded as document number 9906010006, 9906027879, 9906031628, 200106021818, 200106021817, 200206017405, 200206017406, 200206039259, 200206039260, 200406019014, 200406019015, 200506016924, 200506020156, 200606019897, 200706001411, Official Public Records of Real Property of Comal County, Texas, and the Bylaws of the Association adopted by the Board of Directors (hereinafter the "Bylaws"); and,

WHEREAS, the management of the Association is vested in the Board of Directors of the Association (hereinafter the "Board"), pursuant to the Declarations and the Bylaws; and,

WHEREAS, the Declarations provide, in Article VIII, Section 8.10, and the Bylaws provide, in Article VIII, Section 8:1:1, the Board shall have the right to establish and amend reasonable rules and regulations for the operation of the POA;

NOW, THEREFORE, BE IT RESOLVED THAT the Board does hereby establish the following policy and procedures regarding Contracting Authority and Approval of Recurring Expenses

1 Definitions:

- 1.1 **Expenditures** – Includes reoccurring utilities, maintenance, services, and supplies, and non-recurring repairs, and Capital Projects.
- 1.2 **Board of Directors (BOD)** – The BOD has the sole authority to approve budgets, contracts, and payments for Expenditures.
- 1.3 **Common Area Committee (CAC) Chairman** – The BOD delegates the authority to the CAC Chairman to approve all payments for budgeted Expenditures.
- 1.4 **Community Manager (CM)**– The BOD delegates the authority to the CM to approve all payments for budgeted reoccurring utilities, maintenance, services, and supplies limits up to \$ 2500. The CM will write all contracts and issue Purchase Orders on all contracts approved by the BOD.

- 1.5 **Office supplies and expendables** – CM will approve, and the Office Manager will process payment for all office supplies and expendables as long as expenditures are within BOD approved budget.

2 Contracting Procedures:

2.1 Reoccurring Maintenance and Service Projects –

- The BOD delegates the authority for preparing Maintenance Services Agreements, Maintenance and Repair Agreements, and agreements for reoccurring office and maintenance supplies to the CM.
- The BOD delegates the authority to the CAC Chairman to review and approve all contracts on behalf of the BOD.
- All agreements will be reviewed on an Annual Basis.
- Ordering and payment of invoices for reoccurring services on these agreements will be approved by the CM up to \$ 2500.00. All invoices are required to have details for services in compliance with the signed agreements.
- Ordering and payment of invoices in excess of \$2500.00 will be approved by both the CM and CAC Chairman.
- Once approved the payment will be processed by the Office Manager.

2.2 Utilities – Utility bills will be reviewed and approved by both CM and the CAC Chairman, and then processed for payment by the Office manager.

2.3 Capital Improvements and Non-Reoccurring repairs –

- The CAC Chair will present the requirement for a Capital Improvement or Non-Recurring repairs to the BOD for approval to proceed with bid solicitations.
- In the event that the Capital Improvement is part of an approved Master Plan, the CAC Chair and CM will proceed to the following activities.
 - The CM and CAC Chair will develop the scope of work and obtain three bids from contractors, equipment vendors or service providers.
 - The CAC Chair will recommend the selected Bid and present it to the BOD for approval.
 - Once the BOD approves the award, the CM will develop and contract with the selected vendor/contractor for the execution of the project.
 - Subsequent changes to the scope of work or bid will be presented to the BOD by the CAC Chair for their approval.
- Invoices will be submitted by the vendor to the CM for review and initial approval and then final approval by the CAC Chair.
 - Once approved by both the CM and CAC Chair the Office Manager will issue payment.