

Board Policy Manual for Stonebridge Country Club Community Association

(Approved by the BOD on February 19, 2016; Last Amended on January 25, 2019)

Part 1: Introduction and Administration

This Board Policy Manual (BPM) contains all of the current standing (ongoing) policies adopted by the Board of Stonebridge Country Club Community Association (SCCCA) with regard to how the Board and the General Manager/COO operate. The BPM is not intended to impose requirements or restrictions on SCCCA members. Per the Articles of Incorporation and Bylaws, this BPM falls below the Florida Statute – Chapter 720, Master Declaration, Articles of Incorporation, Bylaws, and Rules & Regulations in priority order.

- 1.1 **Reasons for Adoption.** The reasons for adopting this BPM include:
 - * Efficiency of having all ongoing Board policies in one place
 - * Ability to quickly orient new Board members to current policies
 - * Elimination of redundant or conflicting policies over time
 - * Ease of reviewing current policy when considering new issues
 - * Providing clear, proactive policies to guide the General Manager (GM) and staff

- 1.2 **Consistency.** Each policy in this document is expected to be consistent with the law, the articles of incorporation, the master declaration and the bylaws, all of which have precedence over these Board policies. Except for time limited or procedural only Board decisions (approving minutes, electing an officer, etc.), which are recorded in regular Board minutes, all standing Board policies shall be included or referred to in this document. The GM is responsible for developing staff organizational and administrative policies and procedures that are consistent with this manual.

- 1.3 **Transition.** Whether adopted part-by-part or as a complete document, as soon as a version of a policy is voted on as the “one voice” of the Board, that policy becomes a part of the BPM and supersedes any past policy that might be found in old minutes unless a prior Board resolution or contract obligates the organization with regard to a specific matter.

- 1.4 **Changes.** These policies are meant to be reviewed periodically and to be frequently refined. When language is recommended for deletion, it is shown in ~~strike-through~~ format. Proposed new language is underlined. Any change to this manual must be approved by the Board after review by the Legal & Governance (L&G) committee. Proposed changes may be submitted by any Board member as well as by the GM. In most cases, proposed changes shall be referred to and reviewed by the appropriate committee and then reviewed by the L&G committee before being presented to the Board for action. Whenever changes are adopted, a new document should be printed, dated, and quickly made available to the

Board and staff. The previous version should be kept by the General Manager for future reference if needed.

- 1.5 **Specificity.** Each new policy will be drafted to fit in the appropriate place within the BPM. Conceptually, policies should be drafted from the "outside in," i.e., the broadest policy statement should be presented first, then the next broadest, etc., down to the level of detail that the Board finds appropriate for Board action and below which management is afforded discretion as to how it implements the policies in this BPM. Unless otherwise indicated, an approval by the Board means approval by a majority of Board members attending an official Board meeting.
- 1.6 **Oversight Responsibility.** The BPM parts and sections, the committees primarily responsible for drafting and reviewing those sections, and the individuals with authority to interpret, implement and make decisions within the scope of those policies are:

BPM Part or Section	Draft/Oversight Body	Implements Policies
Part 1: Introduction and Administration	Legal & Governance Committee	General Manager
Part 2: Organization Essentials	Full Board	General Manager
Part 3: Board Structure and Processes	Legal & Governance Committee	Board President
Part 4: Board/GM Relationship	Officers	Board President and General Manager
Part 5.1: General Guidance	Legal & Governance Committee	General Manager
Section 5.2: Finance	Finance Committee	General Manager
Section 5.3: Culture and Communications	Communications and Information Technology Committee	General Manager
Section 5.4: Planning and Programs	House & Member Services Committee	General Manager
Part 6: Board Policies	Legal & Governance Committee	General Manager

1.7 **Maintenance of Policies.** The GM or his/her designee shall maintain this BPM and provide updated copies to the Board whenever the policies change or upon request. A policy change will be proposed by the responsible committee and then reviewed by the L&G committee for adherence to Florida statutes and all governing documents. L&G will then refer the proposed change back to the originating committee which will revise the proposal, if necessary, before submitting to the Board for approval. The Board will ask that legal counsel review this BPM periodically to ensure compliance with the law. Discrete documents referred to in the BPM, including all BPM Appendixes, will be kept in a notebook called the Board Resource Manual (BRM) (see Section 4.95 of this BPM).

Part 2: Organizational Essentials

- 2.1 **Slogan.** Relaxed Elegance...Unsurpassed Value.
- 2.2 **Vision.** To be the friendliest country club community in Southwest Florida, providing a beautiful setting of relaxed elegance and unsurpassed value.
- 2.3 **Mission.** The Stonebridge mission is to provide an unrivaled welcoming atmosphere and lifestyle for current and future members, maintain prudent financial management and offer responsive governance reflecting our core values.
- 2.4 **Core Values.** Our core values are truly important and direct the decisions we make, define our character and preserve what is special about Stonebridge Country Club. They are:
 - 2.4.1 Respect - exhibit mutual respect among members, management and staff.
 - 2.4.2 Reputation – protect and enhance our well-deserved reputation for friendliness and hospitality.
 - 2.4.3 Responsibility – maintain property values in a financially stable community.
 - 2.4.4 Excellence – provide superb facilities, service and activities.
 - 2.4.5 Communication – promote transparency through clear, honest and open communication.
- 2.5 **Accountability.** The Board of Directors (Board) shall be accountable to the members of SCCCA as indicated in the governing documents as well as compliant to applicable state, local, and Federal laws.
- 2.6 **Strategic Planning:** The Board is expected to think strategically at all times and to articulate the strategic direction in the form of a plan that looks out over the next three to five years. The November 17, 2011 SCCCA Strategic Plan and current Objectives and Actions Plans are incorporated by reference into this BPM. The GM, with the Strategic Planning Committee (SPC), shall review the Objectives and Action Plans periodically but not less than on an annual basis and report to the Board regarding updates. The SPC shall review the Strategic Plan with the GM when necessary (approximately every three to five years) and make recommendations to the Board regarding any modifications. The Board shall approve any modifications and publish the revised Strategic Plan no later than the last regularly scheduled meeting of the Board prior to the Annual Meeting of the Members in the year of the modifications.
- 2.7 **Current Objectives.** The GM's current objectives have been established and mutually agreed to by the President and the GM. The objectives are included in the BRM and are incorporated into this BPM by reference and are subject to the requirements for on-going maintenance as described in BPM Part 1.

Part 3: Board Structure and Processes

- 3.1 Governing Style.** The Board will approach its task in a manner that focuses on strategic vision rather than on operational issues while encouraging diversity of perspective and observing a clear distinction between Board and staff roles in a proactive manner. As such, the Board will:
- 3.1.1 Enforce upon its members whatever discipline is needed to govern with excellence. Discipline shall apply to matters such as attendance, respect for individual roles, communicating with management and the membership in a unified manner and self-policing of any tendency to stray from the governance structure and processes adopted in these Board policies.
 - 3.1.2 Be accountable to club members for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the Board to usurp this role or hinder this commitment.
 - 3.1.3 Monitor and regularly provide training and orientation to the Board, seeking to ensure the continuity of governance functions and evaluate the same.
 - 3.1.4 Be an initiator of policy, not merely a reactor to staff initiatives or member requests.
- 3.2 Board Job Description.** The job of the Board is to lead the club toward the desired performance and ensure that performance is achieved. The Board's specific contributions are unique to its trusteeship role and necessary for proper governance and management. Consistent with the powers granted the Board in the governing documents, the Board shall:
- 3.2.1 Determine the strategies, and major goals/outcomes (strategic initiatives), and hold the GM accountable for developing an operational plan based on these policies.
 - 3.2.2 Determine the limitations or parameters within which the GM is expected to achieve the goals/outcomes.
 - 3.2.3 Monitor the performance of the organization relative to the achievement of the goals/outcomes within the executive parameters.
 - 3.2.4 Maintain and constantly improve all ongoing policies of the Board in this BPM.
 - 3.2.5 Ensure financial solvency and integrity through policies and behavior.
 - 3.2.6 Require periodic financial and other external audits to ensure compliance with the law and with good financial and club management practices.
 - 3.2.7 Evaluate, update or educate and constantly improve the Board's performance and set expectations for Board members' involvement as volunteers.
 - 3.2.8 Communicate regularly through the President with club members regarding the status of club affairs.
 - 3.2.9 Develop and enforce the policies set forth in Part 5 of this BPM.

3.3 Orientation. Prior to election, each nominee shall be given this BPM along with adequate briefings on the role of the Board, officers, and staff and an overview of programs, plans, and finances. Soon after election, each new Board member will be given more comprehensive orientation material and training. Throughout the year, continuous education may be provided, as needed, as an additional resource to Board members.

3.4 President's Role. The President shall be the Chair of the Board and shall manage the Board so as to maintain the integrity of the Board's processes and policies as stated in the BPM. The President ensures that the Board behaves in a manner consistent with its own rules and those legitimately imposed upon it from outside the organization. Meeting discussion content will be those issues that clearly belong to the Board, not the GM, to decide.

The duties and responsibilities of the President, as well as the other Board Officers, are outlined in the Association's bylaws. In rare occasions where an "emergency" decision is required outside a board meeting, the President, in conjunction with the Board Officers, may make a decision, consistent with any reasonable interpretation of Board policies in this BPM and in the governing documents, and then notify the Board within 72 hours. The President shall be the spokesperson for the Board and shall communicate frequently with the members on Board issues, actions, and decisions.

3.5 Board Meetings. Policies that are intended to improve the process for planning and running meetings follow:

3.5.1. The schedule for Board meetings shall be set at the organizational meeting for each new Board.

3.5.2. The GM shall assist the President and the committee chairs in developing agendas, which, along with background materials for the Board and committees, monitoring reports, the GM's recommendations for changes in the BPM, previous minutes, and other such materials, shall be emailed to all Board members no later than 3 days in advance of Board meetings.

3.5.3 The President shall conduct meetings using Robert's Rules of Order, which shall encourage open, honest discussion and fair consideration of the views of each Board member. Where possible, the President shall seek a consensus on decisions and policy-making. Where the timing of a decision dictates, however, he/she may accept a decision where there is no clear consensus.

3.6 Board Committees. Board committees help the Board be effective and efficient and operate under the provisions of the SCCCA Committee Guidelines as implemented in March 2017. Committees speak "to the Board" and not "for the Board." Other than the Architectural Review Committee (ARC), committees shall act solely in an advisory capacity to the Board and management and shall have no authority to act on behalf or bind the Association or the members. Once committees are created by the Board, the Board President shall appoint

committee chairs and members for one-year terms, subject to Board approval. The Board President shall be an ex officio member of all committees. The General Manager shall assign staff members, as appropriate, to assist with the work of each committee. The roles and responsibilities of the standing committees and the ARC are detailed in the bylaws section 5.16, Committees and Article XIII of the Master Declaration, respectively. The Board may also create ad hoc committees or working groups from time to time as required.

3.7 Board Member's Role. Board members act in the role as directors only during board meetings and while acting on board matters. At all other times, board members are club members with no more authority than other club members, whether board members are serving on a committee or serving as advisers to the President, General Manager or a staff member.

3.8 Board Member's Code of Conduct. The Board expects of itself and its members ethical and businesslike conduct. Board members are required to abide by the description of their duties as presented in the Bylaws. Board members must offer uncompromising loyalty to the interests of the entire organization, superseding any conflicting loyalty such as that to family members, advocacy or interest groups, individual neighborhood association and other Boards or staffs of which they are members. Board members must avoid any conflict of interest with respect to their fiduciary responsibility. There should be no conduct of private business or personal services between any Board member and the organization except as procedurally controlled to assure openness. Each Board member is expected to complete and sign a Code of Ethics Statement (see Article I, Section 3 of the Board Resource Manual). As the spokesperson for the Board, the President shall determine whether and when Board information is shared with the Club members and the general public.

3.9 Board Member Communication. When a Board member uses e-mail to conduct Board business, the e-mail shall include the following notice at the bottom of the message:

Both (Board Member Name) and Stonebridge Country Club Community Association, Inc. intend that this message be used exclusively by the addressee(s). This message may contain information that is privileged and confidential. Unauthorized disclosure or use of this information is strictly prohibited without the consent of the sender. If you have received this communication in error, please permanently dispose of the original message and notify (Board Member Name) immediately at (Board Member Name)@StonebridgeCountryClub or (Board Member Phone Number). Thank you.

3.10 Member Recognition. The Thomas L. Brooks Outstanding Volunteer Award is established for the Board to recognize a member volunteer for their diligence, commitment, dedication, thoroughness and overall contribution. The award will

be presented each year at the Annual Meeting of the Members. The award winner will be approved by the Board based on the recommendation of an ad-hoc committee comprised of three Board members and Mr. Brooks as an honorary, non-voting member. A candidate for the award is subject to the following guidelines:

- Cannot be a current Board member
- Must be a resident member in good standing by every measure
- The effort/contribution must benefit the entire Stonebridge community
- Cannot be awarded to a full committee

3.11 Board Policies. The following Board Policies remain in effect unless rescinded by Board of Directors resolution:

3.11.1 Resolved, that the Board of Directors adopt a policy that any new capital project, the cost of which (i) exceeds the Master Reserves available for such purpose as identified by the Association's reserve schedule (if any); and/or (ii) exceeds 20% of the Annual Club Dues plus the Base Assessments for the fiscal year shall require approval from a majority of the members who cast their vote. The vote shall take place at a Members' Meeting with quorum present, either in person or by proxy. This policy shall not apply to the unanticipated reconstruction, replacement of a capital asset required due to a casualty or federal, state or local laws and regulations. (See Section 6.1.1 for complete resolution)

3.11.2 Resolved, that the Secretary be authorized to vote the Association's proxies on behalf of the Board of Directors. The Secretary shall have the authority to vote on procedural motions, including but not limited to the approval of minutes. The Secretary will cast any limited proxy votes for the election of directors, as directed by the person giving the proxy. In the event that the person giving the proxy does not designate the candidates they wish to vote for, and permit the proxy holder to vote as he or she sees fit the Secretary shall cast all ballots so obtained, on behalf of the Board, for the three candidates who have otherwise received the highest number of votes in the election. If the Secretary is running for reelection then another Officer will be designated and the same guideline noted above shall be followed. It is the intent of this Resolution that any proxies received by the Board shall be used for establishment of a quorum, voting on procedural motions, and casting votes for directors where the proxy holder's specifically designates his/her preferences. However, it is not the intention that any proxies held by the Board will be used to change the results of the election based upon those who vote in person or by limited / directed proxy. (Resolution last amended January 29, 2016)

Part 4: Board–GM Relationship

- 4.1 Delegation to the General Manager as the Chief Operating Officer.** While the Board’s job is to establish high-level policies, implementation of those policies and subsidiary policy development are delegated to the General Manager (GM), who is the Chief Operating Officer (COO).
- 4.1.1 All Board authority delegated to staff is delegated through the COO, so that all authority and accountability of staff—as far as the Board is concerned—is considered to be the authority and accountability of the GM.
 - 4.1.2 The policies in BPM Section 5, Executive Parameters, define the acceptable boundaries within which the GM is expected to operate. The GM is authorized to make decisions, take actions, and develop activities as long as they are consistent with any reasonable interpretation of the Board’s policies in this BPM.
 - 4.1.3. The Board may change its policies during any meeting, thereby shifting the boundary between Board and GM domains. Consequently, the Board may change the latitude of choice given to the GM, but so long as they are within the policies that are in place, the Board and its members will respect and support the GM’s choices. This does not prevent the Board from obtaining information in the delegated areas.
 - 4.1.4 Not only is the GM expected to be responsive to the Board’s request for data, but also he/she is expected to be responsive to data requests from Committees through their Chairs. Notwithstanding the foregoing, if, in the GM’s judgment, a request made by a Board member or a Committee to the GM or the staff requires a material amount of staff time or funds or is disruptive, the GM will discuss the matter and proposed resolution with the Board President.
 - 4.1.5 Clearly defined Roles & Responsibilities have been established for the Board, GM, Department Heads and Board Committees. These Roles & Responsibilities are included in the BRM and are incorporated into this BPM by reference and are subject to the requirements for on-going maintenance as described in BPM Part 1.
- 4.2 GM Job Description.** As the Board's single official link to the operating organization and consistent with the governing documents, the GM's performance will be considered to be synonymous with organizational performance as a whole. Consequently, the GM's responsibilities can be stated as performance in two areas: (a) organizational accomplishment of the major organizational objectives in Section 2.7 of this BPM, and (b) organization operations within the boundaries of prudence, fiscal responsibility and ethics established in Board policies.
- 4.3 Communication and Counsel to the Board.** The GM shall keep the Board informed about matters essential to carrying out its policy duties. Accordingly, the GM shall:

- 4.3.1 Inform the Board of relevant trends, anticipated adverse media coverage, and material external and internal changes, and, particularly, changes in the assumptions upon which any Board policy has previously been established, always presenting information in as clear and concise a format as possible.
- 4.3.2 Relate to the Board as a whole except when fulfilling reasonable individual requests for information or responding to officers or committees.
- 4.3.3 Report immediately any actual or anticipated material noncompliance with a policy of the Board.
- 4.3.4 Draw on the President, the Officers, Legal & Governance Committee, other Board members or SCCCA outside attorney for counsel on sensitive issues, particularly those involving club member behavior, situations that could result in legal action against the club, or other matters where confidential treatment of the information is paramount.

4.4 Monitoring Executive Performance. The purpose of monitoring is to determine the degree to which the mission is being accomplished and Board policies are being fulfilled. Monitoring will be as automatic as possible, using a minimum of Board time, so that meetings can be used to affect the future rather than to review the past. A given policy will be monitored through reports described below. The GM shall help the Board determine what tracking data are available to measure progress in achieving the mission and goals and conforming to Board policies.

- 4.4.1 Annual Reports
 - 4.4.1.1 Year-end balance sheet and income statement
 - 4.4.1.2 Explanation of budget variances
 - 4.4.1.3 Manager's Statement of Operations
 - 4.4.1.4 Utilization Report
- 4.4.2 Quarterly Reports
 - 4.4.2.1 Year to date Balance sheet
 - 4.4.2.2 Year to date income statement
 - 4.4.2.3 Explanation of year to date budget variances
- 4.4.3 Monthly Reports
 - 4.4.3.1 Monthly income statement
 - 4.4.3.2 Manager's Statement of Operations
 - 4.4.3.3 Utilization Report

4.5 GM Annual Performance & Compensation Review. The GM and the Board President will agree on specific personal performance goals annually. These goals shall be (1) documented in a letter to the GM from the Board President, (2) documented in BPM Section 2.7, and (3) be the primary basis for determining the GM's annual performance as described in this section. See section I.4. of the Board Resource Manual for the General Manager/Chief Operating Officer Goals & Objectives and Performance Evaluation Process.

- 4.6 Staff Compensation.** The GM is expected to hire, train, motivate, compensate, and terminate staff in a professional and caring fashion. Stonebridge Country Club's compensation philosophy is established to ensure that we attract and retain top notch team members by remaining competitive with the local market for comparable positions. Our goal is to compensate at, or above, the average rate in any given position while remaining within the overall payroll budget constraints. The GM shall (a) develop and maintain an employee manual that is reviewed annually by competent legal counsel and/or a human resources professional and (b) provide copies of this manual to the Board for information each year.
- 4.7 Staff Treatment.** With respect to treatment of staff, the GM may not cause or allow conditions that are inhumane, unfair, or undignified or that may be considered a hostile work environment under the law. Accordingly, he/she may not:
- 4.7.1 Discriminate against employees for any reason.
 - 4.7.2 Fail to take reasonable steps to protect staff from unsafe or unhealthy conditions.
 - 4.7.3 Withhold from staff a due process, unbiased grievance procedure.
 - 4.7.4 Retaliate verbally or by actions against any staff member for expressing an ethical dissent.
 - 4.7.5 Prevent staff from grieving to the Board when (a) internal grievance procedures have been exhausted and (b) the employee alleges that Board policy has been violated to his or her detriment.
 - 4.7.6 Fail to acquaint staff members with their rights under this policy.
- 4.8 Staff Management.** The GM is to manage the human resources consistent with current laws, regulations and policies and oversee the ancillary benefits of the staff in-house with appropriate professional outsourcing in the necessary areas, such as the 401(k), workers comp insurance, payroll processing, etc. The Controller is to be the 401(k) Administrator and Limited Trustee. The Board President, Treasurer, General Manager and Controller are the 401(k) Named Fiduciaries.
- 4.9 Hiring and Termination.** A search committee, consisting of the Board Officers, shall be formed to complete the hiring process for a new GM. The search committee may engage additional resources in the hiring process as deemed appropriate. The termination of the GM shall only occur by majority vote of the Board.

4.95 Board Resource Manual. In addition to reports that the GM makes to the Board, the GM shall develop and maintain a Board Resource Manual (BRM) with all pertinent documents to which Board members might want to refer during Board and committee meetings (e.g., articles, governing documents, organization chart, recent minutes, committee roster, list of key volunteers/consultants, Board documents referred to in this manual, insurance coverage, etc.).

Part 5: Executive Parameters

- 5.1 General Guidance.** The purpose of Part 5 is to detail those executive parameters or limitations that will guide the GM and the staff as they accomplish the objectives of SCCCA. These limitations are intended to free the GM and the staff to make timely decisions without undue Board directives. As a general statement of policy in this regard, the Board expects that the GM will do nothing that is illegal, unethical, or imprudent. In addition to this general statement of boundaries, the Board details its executive limitations in the sections that follow.
- 5.2 Finance.** The GM must ensure that the financial integrity of the organization is maintained at all times; that proper care is exercised in the receiving, processing, and disbursing of funds; and that financial and non-financial assets are appropriately protected.
- 5.2.1 Budgeting.** The budget during any fiscal period shall not (a) deviate materially from the Board's goals and priorities listed in Section 2 of this BPM (Budget to the Mission), (b) risk fiscal jeopardy, or (c) fail to show a generally acceptable level of foresight. Accordingly, the GM may not cause or allow budgeting that:
- 5.2.1.1 Contains too little detail to (a) enable accurate projection of revenues and expenses, (b) separate capital items from operational items, (c) monitor cash flow and subsequent audit trails, and (d) disclose planning assumptions.
 - 5.2.1.2 Deviates from a balanced budget between income and expenditures yielding a zero surplus/deficit for the fiscal year.
- 5.2.2 Financial Controls.** The GM must exercise care in accounting for and protecting the financial assets of the organization. To this end, the GM is expected to incorporate generally accepted accounting principles and internal controls in the financial systems that are employed in the organization. In addition, the GM may not:
- 5.2.2.1 Receive, process, or disburse funds under controls insufficient to meet the Board appointed auditor's standards. The authorized signers on the accounts of SCCCA shall be the Treasurer and the General Manager/COO as well as other members of the Board of Directors as deemed appropriate by the Board of Directors. All invoices shall be authorized by the applicable department manager, the GM, and a member of the Board of Directors. Checks written on the accounts of SCCCA shall bear the signature of one (1) of the authorized signers. A member of the Finance Committee shall periodically (no less than quarterly) review the bank reconciliations prepared by the Controller.
 - 5.2.2.2 Approve an unbudgeted capital expenditure or commitment of greater than \$10,000 without the approval of the Board.
 - 5.2.2.3 Allow the balance in the Resale Reserve to fall below \$25,000.

5.2.2.4 Draw on a line of credit without authorization by a majority of the Board Officers.

5.2.3 Asset Protection. The GM may not allow assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, the GM may not:

- 5.2.3.1 Fail to insure against material theft and casualty losses and against liability losses to Board members, the organization, or staff beyond the minimally acceptable prudent level.
- 5.2.3.2 Unnecessarily expose the organization, its Board, or its staff to claims of liability.
- 5.2.3.3 Make any major purchases or initiate projects with an estimated value of over \$25,000 without three (3), when available, sealed bids or some other demonstrably prudent method of acquisition of quality goods and services; make any purchase without a written record of competitive prices (where available); or any purchase wherein normally prudent protection against conflict of interest has not been provided.
- 5.2.3.4 Acquire, encumber, or dispose of real property without Board approval.

5.2.4 Asset Repair. Regardless of insurance coverage, any damage or destruction to the common property, including the club facilities, shall be repaired and reconstructed by the Association and the Association shall bear the financial burden of such repair. Common property as stated is inclusive of the areas known as “the strip”.

5.2.5 Risk Mitigation Fund. This fund has been established to mitigate potential risks such as uninsured damages (i.e. hurricane damages) and other non-operational liabilities incurred by risk. This can be funded through operational surpluses at the discretion of the Board. Funding and utilization of the Risk Mitigation Fund requires Board approval.

5.3 Culture and Communications. The SCCCA culture is its brand, which is shaped by the degree club members, the Board, and the staff honor the core values expressed in BPM Section 2.4. The GM shall ensure that each member of the staff is thoroughly aware of the values and is held accountable for exhibiting them in carrying out his/her duties. The GM shall also work with the Board to develop policies that reinforce the club values with a combination of efficiency and sensitivity.

5.3.1 Rules. The SCCCA Rules and Regulations are incorporated into this BPM by reference and are considered Board policies subject to the requirements for Board approval and on-going maintenance as described in BPM Part 1. The GM shall ensure that the staff is aware of the Rules and Regulations and are trained in how to help members and guests

comply with the rules. The GM shall also establish and enforce a procedure for the staff to report repeated violations of Rules and Regulations by members or guests.

5.3.2 Communications. The President shall be the sole spokesperson for the Board on matters of Board policies. The President and GM shall also be the sole spokespersons to news media or other external parties unless the Board has otherwise authorized.

5.4 Planning and Programs. The GM shall plan and carry out programs and club events at the club that are consistent with the Organization Essentials in BPM Part 2. To assist him/her in this role, he/she must work with the respective committees, which shall serve as advisers to the GM and his/her staff. Unless specifically pre-authorized by the Board, all club events must be planned to achieve at least a financial break even, calculated using marginal (i.e. variable) costs and revenues.

5.5 Signature Authorization. The GM is authorized to sign agreements on behalf of SCCCA for the bulk rate agreement for communications service, information services and/or internet services (including cable television) and the single family neighborhood landscaping, tree pruning or other requested higher level of service or special services requested by the neighborhood.

Part 6: Board Policies

6.1 Resolutions restated. The purpose of Part 6 is to fully state the resolutions adopting Board Policies so that full context can be given.

6.1.1. Capital Project Voting Board Policy approved August 24, 2018.

WHEREAS, the Amended Declaration of Covenants and Restrictions, as Amended and Supplemented, Article XI, Section 4, states that Special Assessments may only be levied for unanticipated costs and expenses. Special Assessments which exceed 20% of the Annual Club Dues plus the Base Assessments for the fiscal year require a member vote. Legal counsel has therefore advised that a capital project (such as the Clubhouse renovation) cannot be classified as a Special Assessment since it is not unanticipated.

WHEREAS, the Board of Directors has the authority to fund capital projects, except for Special Assessments, through a temporary increase in members' Annual Club Dues, Base Assessment, or Capital Reserve Assessment without a member vote. (Article XI, Sections 2 and 7)

WHEREAS, the Board of Directors has the authority to borrow funds and the repayment of those funds can be accomplished through a temporary increase in members' Annual Club Dues, Base Assessment, or Capital Reserve Assessment without a member vote with certain specific limitations. (Article XI, Sections 2 and 7)

WHEREAS, the Board of Directors is proposing a new Board Policy to constrain this capital project funding to 20% of Annual Club Dues plus the Base Assessments for the fiscal year unless there is a member vote. This is not intended to prohibit the Board of Directors from seeking an informal member vote for a new capital project less than this 20% threshold if they deem a member vote to be warranted.

WHEREAS, the Legal & Governance Committee, at its meeting on July 26, 2018, at which six (6) of eight (8) committee members were present, either in person or by phone, recommended a Board Policy pertaining to member voting on new capital projects.

RESOLVED, that the Board of Directors adopt a policy that any new capital project, the cost of which (i) exceeds the Master Reserves available for such purpose as identified by the Association's reserve schedule (if any); and/or (ii) exceeds 20% of the Annual Club Dues plus the Base Assessments for the fiscal year shall require approval from a majority of the members who cast their vote. The vote shall take place at a Members' Meeting with quorum present, either in person or by proxy. This policy shall not apply to the unanticipated reconstruction, replacement of a capital asset required due to a casualty or federal, state or local laws and regulations.

FURTHER RESOLVED, that management shall add this to the Board Policy Manual and communicate in the club's electronic newsletter.