

**PORTILLO RIDGE HOMEOWNERS' ASSOCIATION,
an Arizona non-profit corporation**

A RESOLUTION OF THE BOARD OF DIRECTORS

Re: Financial Policies (replaces April 2011)

At a meeting of the Board of Directors of Portillo Ridge Homeowners' Association (the "Association"), an Arizona non-profit corporation, duly called and held on the 28th day of February, 2012, a quorum being present and voting, the following resolution was unanimously adopted:

The following financial policies are to be followed:

- All checks \$250 or over must be signed by two authorized Board Members.
- All expenses must be signed by a Board member other than the submitter of the expenses or the signer of the reimbursement check.
- Checks may not be written by the approver or submitter of the expenses.
- All expenses of \$250 or more must be approved by the Board. The exceptions include the following: Planned social activities not directly funded by the HOA (e.g. a self-funded Holiday Party.)
- All investments must be approved by three Board Members before the investment is made. Documented verbal approvals are acceptable.
- All investments must be made following the guidelines in Section 8.5 of the AMENDED and RESTATED BYLAWS of PORTILLO RIDGE HOMEOWNERS' ASSOCIATION.
- All receipts must be deposited ASAP, but in no case, later than seven days after receipt of the monies.
- All investments shall be classified as either securities to be held to maturity or securities available for resale.
- All securities to be held to maturity will be valued at face value on financial statements. If it is later determined that a security will not be held to maturity, or its inherent value has diminished (e.g. bankruptcy of the issuer of the security), the security shall be reclassified as available for resale.

- All securities available for resale will be valued on the financial statements at market value. All market value fluctuations shall be noted as a separate component of Equity for each month's financial statement.
- All interest shall be posted when received to the respective financial account(s) where earned. E.g. all interest earned on reserves shall be posted to reserves and all interest earned on operating funds shall be posted to operations.
- DATED this 28 day of February, 2012

PORTILLO RIDGE HOMEOWNERS' ASSOCIATION
an Arizona non-profit corporation

By: Donna Severitt
Its: President

ATTEST: A Bohannon
Secretary