



PRESCOTT LAKES

COMMUNITY ASSOCIATION

INTER-FUND BORROWING POLICY

WHEREAS, Prescott Lakes Community Association (the "Association") is governed by its Board of Directors;

WHEREAS, Article III, Section C, Paragraph 3.16 of the Association's Bylaws gives the Board of Directors "all the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents, and as provided by law"; and

WHEREAS, the Board has determined that from time-to-time it may be necessary for the administration of the Association's affairs to borrow funds from one Association account to fund another, subject to certain guidelines.

NOW, THEREFORE, the Board adopts the following Inter-Fund Borrowing Policy:

1. The Board of Directors may authorize by written resolution a loan from one Association account to another if necessary for the administration of the Association's affairs.
2. The term of the loan shall be established by the Board of Directors.
3. If the lending account earns interest, the loan shall be paid with interest in kind for that account plus two percent (2%) per annum.
4. All transactions related to the loan must be clearly recorded in the monthly balance sheet as a "Due To and a Due From" denotation.
5. All decisions related to the loan or its repayment must be made a part of the Association record.

The undersigned, by affixing their signatures hereto, do hereby consent to, authorize, and approve the foregoing Policy, in their capacity as all the Directors of the Association

BOARD OF DIRECTORS

David Hackathorn 5-29-10
Dave Hackathorn Date

Gary Wilkes 5-29-10
Gary Wilkes Date

Gloria Hershman 5/29/10
Gloria Hershman Date

James Q. Kula 5/29/10
James Kula Date

Kevin Kohloff 5/29/10
Kevin Kohloff Date