

# MISSION VIEJO HOMEOWNERS' ASSOCIATION INC.

## Policy for Service Contracts and Bids of Work to the Association

### Effective Date:

NOW, THEREFORE, IT IS RESOLVED that Mission Viejo HOA does hereby adopt the following policy for service contracts or bids for work.

#### 1. Contract preference:

The Association prefers that work performed for the Association be prepared in a contract form by the contractor /bidder and that it contain specific provisions including: a detailed scope of work, insurance liability coverage, contractor or business licenses, taxpayer identification, payment terms and remedies for default or breach, amendments provisions, assignment/survivor-ability, and attorney fees for the prevailing party in any dispute that may arise under contract terms. A contract is required for any work to the association that totals over 5,000 dollars.

All contracts must be reviewed by the Association's Board approved legal counsel. All contracts must be voted-on and approved by the Executive Board at a regularly scheduled board meeting. The President must sign the contract and the approved contract must be recorded in the association's minutes. Any Board amendments or deviations from the contract work need to be approved and countersigned by the contractor/bidder and the President prior to the commencement of work or service.

#### 2. Proposals for work:

The Board may elect to adopt and accept a bid or proposal from a contractor/bidder for work of less than 5,000 dollars in lieu of a formal contract. However; the bid must contain at a minimum, a detailed scope of work, proof of insurance liability coverage, proof of contractor or business licenses, taxpayer identification information, payment terms and remedies for default or breach.

All proposals for work must be voted-on and approved by the Executive Board at a regularly scheduled board meeting. The President must sign the bid proposal and the approved bid must be recorded in the association's minutes. Any Board amendments or deviations from the contract work need to be approved and countersigned by the contractor/bidder and the President prior to the commencement of work or service.

The undersigned hereby certifies that the foregoing resolution was adopted and made part of the minutes of the meeting of the Board of Directors conducted on the 21<sup>st</sup> day of September, 2010.

Mission Viejo Homeowners Association Inc.

By: [Signature] Title