

EXHIBIT A

Trail's End Financial Management Policy

General terms and conditions:

1. All accounts of the Trail's End Homeowners Association (the "Association") shall be maintained in a federally insured banking institution.
2. All Officers of the Association shall serve as authorized signatories on the accounts of the Association for the purpose of withdrawing funds from the Association's accounts.
3. Management shall be authorized to serve as an authorized party to transfer funds by electronic transfer between the Association's accounts, but shall at no time serve as a signatory to withdraw funds from the Association's accounts.
4. The financial management of the Association shall be maintained via the cash method of accounting.

Accounts Receivable:

The following procedure is given as a clarification of the process for assessment billing and collection and is intended to be consistent with the Collection Policy of the Association, adopted June 7, 2006. If there is any interpretation of inconsistency between this procedure and the Collection Policy, it is understood that the provisions of the Collection Policy, written in compliance with Article VI of the Declaration, shall prevail.

1. Annual assessments shall be payable in advance in monthly installments and are due on the first day of each successive month. There is no penalty for prepayment of assessments.
2. Assessment coupon books will be mailed to all Owners no less than 30 days prior to the first day of the first month of the fiscal year reflecting a due date of the first day of the following month ("Due Date"), late after the 15th day of each month ("Delinquency Date").
3. A late fee will be charged for assessments not paid by the Delinquency Date. A late notice (the "First Notice") shall be sent to all Owners having an outstanding balance on their accounts which is at least 15 days past due, including late fees, attorney's fees or other charges authorized pursuant to the governing documents or Board resolution. Each charge for late fees shall be in the amount of twenty (\$20.00).
4. All accounts that have an outstanding balance 30 days after the Delinquency Date shall be given written notice (the "Second Notice") by certified mail, return receipt requested. A second late fee shall be assessed against the account and reflected on the statement.
5. Late Fees shall continue to be assessed on the 15th day of each month until the account is brought current.

6. Assessments that are delinquent by fifteen (15) days shall bear interest from the due date at a rate of twenty-one percent (21%) per annum.
7. If the assessment is not paid with fifteen (15) days of the Second Notice, the Association may file an Assessment Lien against the properties having delinquent assessments, and may accelerate the total amount of assessment due to collect all assessment through the end of the fiscal year.
8. All payments received on an account shall be date stamped and credited to the appropriate member account as of the date received. Payments received on the weekend or on a holiday shall be acknowledged the following business day. Payments shall be applied to past due amounts before being applied to current assessments.
9. Payments shall be endorsed "For Deposit Only" and be deposited within one day of receipt. No payments shall be held in the management office for more than 24 hours.
10. Assessment monies shall be deposited in the appropriate account based on the allocation defined in the approved annual budget.
11. Record of all deposits shall include a printout showing a breakdown of all checks deposited (per deposit) with the actual deposit slip attached.
12. If payment is made by check and returned for insufficient funds:
 - a. Reinstatement of the assessment fee shall be charged against the member's account(s)
 - b. An NSF fee, in an amount determined by the Board and set forth in the Association's collection policy, shall be charged against the account
 - c. Verification of funds will be made and re-deposited for payment
 - d. Upon receipt of a check because of NSF, the member shall be given written notice of the return of payment, informing the Owner if funds have or have not been verified and the check as or has not been redeposited. If the check has not been redeposited, a copy of the check shall be retained for the Owner's file and the original returned to the Owner. Upon receipt of a redeposited check because of NSF, a second charge will be applied to the account and a second notice will be sent to the Owner. This notice will require that payment via certified funds, be made within five days. All applicable late fees, charges and interest shall accumulate against the account as though no payment had been attempted until payment is received.

Accounts Payable:

1. All invoices shall be sent directly to the Management office.
2. All invoices shall be reviewed and verified by Management, and coded to the appropriate expense account in accordance with the approved budget or action of the Board. Any invoice for services not pre-approved (by virtue of a contract, the budget, or by action of the Board) shall be submitted to the Board for approval prior to payment.

3. Management shall prepare payment of approved invoices on the 1st and 15th of each month. Payments shall be made in a timely manner to accept any discounts, if offered.
4. Signature for all payments shall be received from one of the designated signatories (which shall include, unless otherwise voted, the President, Vice President, and Secretary-Treasurer.) One signature shall be required for all checks. Management shall be authorized to transfer funds between the Association's accounts but shall not serve as signatory to withdraw funds.
5. Management, verified by an officer, shall complete reconciliation with the official bank statement monthly. Verification must include a review of account balances on bank statements against bank balances on financial reports and a scan for anything unusual or outstanding for longer than 60 days.
6. All checks shall be retained in the permanent record of the Association, including all voided checks.

Funding of Reserves:

1. A review of the Association's reserve fund needs and obligations shall be completed by the Budget/Finance Committee (when appointed) annually, with recommendation given to the Board for implementation into the annual budget at the discretion of the Board.
2. Reserve/replacement obligations shall be defined in the annual budget. This budget shall be reported on a fund-accounting basis to show the specific assets to which monies are being allotted.
3. All reserve funds shall be held in a separate account outside of the operating funds and shall not be commingled with operating monies.
4. All proposed expenditures for the replacement of Association assets should be reviewed by the Budget/Finance Committee (when appointed) and approved by the Board prior to implementation.
5. Expenditures shall not exceed the budgeted funds allocated for a specific line item in any given fiscal year unless determined by the Budget/Finance Committee (if and when appointed) and the Board of Directors to be imminent or shall favor the Association in future replacement costs.