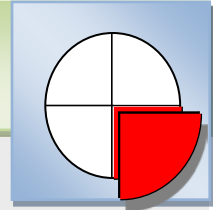


EL-3 FINANCIAL CONDITION



Policy Type: Executive Limitations

With respect to the actual ongoing financial conditions and activities, the chief executive officer shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities allocation established in *Ends* policies.

Further, without limiting the scope of the above statement by the following list, the chief executive officer shall not:

1. Borrow funds ~~unless those funds are in keeping with the Board's Borrowing Resolution~~ other than in keeping with the Board's Borrowing Resoltuion or providing credit facilities for overdraft protection and corporate credit cards.
2. Shift funds between accounts unless those funds can be returned within 30 days without borrowing.
3. Allow the untimely payment of payroll and debts.
4. Write off receivables without having first aggressively pursued payment after a reasonable grace period.
5. Allow tax payments or other government ordered payments or reports to be overdue, inaccurately filed or not filed at all.
6. Acquire, encumber or dispose of land or buildings.
7. Use reserve funds identified in GP-~~15~~14.

