

Pine Hollow Homeowners Association Policy

Title: Repair/Replace Reserve Limits and Capital Improvement Reserve Limits
Revision: 1

Purpose:

The Board recognizes the importance of collecting the annual Association dues that promote the health, safety, welfare of homeowner's in good standing as well as provide limited recreational opportunities for its members. The purpose of this policy is to ensure that the Association Repair/Replace and Capital Improvement reserves are well adequately funded to meet the reserve intended fiscal purposes without unduly or excessively taxing homeowners.

Policy:

The Board of Trustees can establish fund limits to the Repair/Replace and Capital Improvement reserves by a simple majority vote of the Trustees. The Trustees will determine the adequate level of the reserves to ensure the viability of the Association for possible expenditures from these reserves based on past, present, and historical data and trends. These reserve limits, to date, have been set at the following amounts:

Capital Improvements: \$20,000
Repair/Replace: \$35,000

Once these limits are reached, the Trustees can decide to stop accruing money into these reserves until the fund balances fall below the reserve limit. Excessive funds that were originally directed into these reserves can be redirected to other reserves or offset the Association Dues per the discretion of the Board. If the account balance listed above falls below the set limit, funds will be re-directed back into these accounts until limit is again reached.

The Board of Trustees has the right to change the fund limits for these reserves by a simple majority vote. This change can be done on a permanent or temporary basis pending on the situation. If a permanent increase or decrease is made to either fund's limit, appropriate policy will be updated and rationale provided.

**PRESIDENT'S
AND
SECRETARY'S**

CERTIFICATION: The undersigned, respectively being the President of the Pine Hollow Homeowners Association, a Texas nonprofit corporation, certifies that the foregoing policy was approved and adopted by the Board of Directors of the *Association*, at a duly called and held meeting of the Board of Directors of the *Association* on this

3 day of May (month), 2010
and in witness thereof, the undersigned has subscribed his/her name.


PINE HOLLOW HOMEOWNERS ASSOCIATION
a Texas non-profit corporation,

By:



_____, President

Attested:

 Secretary