

EMERALD LAKES VILLAGE

Homeowners Association
P.O. Box 113, Troy, MI 48099

Policy Letter Regarding: Reserve Fund Emergency Expenditures

ELV Policy **#19** dated and approved February 22, 2018.

The following items are NOT listed in order of importance or priority.

- 1) The intent of the Reserve Fund (aka, Reserve) is to maintain a Reserve of at least the equivalent of 50% of one (1) year's total dues to be used for emergencies.
- 2) A vote of approval of no less than 2/3 of the total voting members of the Board is required for the use of any Reserve Fund monies.
- 3) After the Reserve reaches the equivalent of 100% of one (1) year's dues, overages may be used for items other than emergencies with the approval of the Board as determined in Item 2.
- 4) In the case where the Board has approved the use of Reserve funds in alignment with Item 3, the Reserve is allowed to temporarily drop below the minimum amount indicated in Item 1 until sufficient subsequent year(s) dues collection provides for replenishing the Reserve to meet the minimum amount.