

**EARLY'S GREEN HOMEOWNERS ASSOCIATION INC.**

**POLICY RESOLUTION- Number 1.**

**OPERATING RESERVE**

**WHEREAS**, Early' Green Homeowners Association, Declaration Article 6. Section 6.2 ( 4.)(B) (2.) (f) (page 23 of Declaration states in part "Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors,(i) be placed in reserve accounts(ii) be placed in a special account to be expended solely for the general welfare of the Owners".

**WHEREAS**, Early's Green Homeowners Association, Declaration Article 6. Section 6.1 (b) (2) page 19 states in part " Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital ( available cash for day to day expenses which is otherwise uncommitted), a general operating reserve (including an amount to cover operating losses due to insurance deductibles and reserves for contingencies (potential costs or liabilities which have not been incurred but which should have been planned for) and replacements".

**WHEREAS**, Early's Green Homeowners Association, By-Laws Article 4, Section 4.1 states in part " The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and may do such acts and things as are not required by the Act or the Association Documents to be exercised and done by the members"

**NOW THEREFORE BE IT RESOLVED**, The Early' s Green Board of Directors will establish a general operating reserve to be used for insurance deductibles or reserve for contingency. The General operating reserve to be used for expenses exceeding the budget in a fiscal year , or special projects not in the operating budget in given year.

**NOW THEREFORE BE IT FURTHER RESOLVED** that the Board adopts the following General Operating Reserve policy:

The funding of the General Operating Reserve will be determined on an annual basis and presented in the adopted annual budget as a separate line item.

The effective date for this resolution shall be 8/22/2020

The Resolution was adopted and approved by the Board of Directors of Early's Green Homeowners Association on this day of 7/22/2020

 Samuel F. Esogna President