Policy for Use of Contingency and Reserve Funds

The Springhurst Board of Directors has approved a policy that all expenses from Reserve Funds and Contingency Funds must have prior approval from the Board before the work / contract is approved.

Procedure

1. **Reserve Funds** may be used for those replacement expenses identified in the reserve study. Reserve funds may not be used for capital expenses less than an accumulated amount of $1,500. Example: An accumulated amount would be replacement of lighting fixtures or shrubs in a particular area. Each individual item might be $50 but the total expense to replace them all is $1500.

2016 Reserve Study identifies reserve expenses to be used on:

Common Area

Entrance Fences	Ponds - aerators
Entrance Letters and Signs	Ponds - erosion control
Entrance Stone Masonry and Inspections	Ponds - sediment removal
Perimeter Fences	Tennis courts - color coat
Irrigation System	Tennis courts - fences
Landscape Tree Removal AND Replacement	Tennis courts - surface replacement
Playground Equipment	Playground mulch

Clubhouse and Pool

Light Poles and Fixtures	Building Services
Interior Renovation	Furniture – office and clubhouse
Restrooms – fixtures and partitions	Pool Deck
Pool Cover	Diving Board Stand
Steel Fence	Furniture
Mechanical Equipment	Pool Resurfacing
Shade structures	Curbs
Concrete Sidewalks	Irrigation
Asphalt Pavement- Mill and Overlay	Asphalt Pavement - Total Replacement

Asphalt Pavement - Asphalt Pavement – Crack repair, Patch and Seal Coat

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2. **Contingency Funds** may be used for expenses that cannot be anticipated, such as insurance deductible, storm damage and accident damage.

3. The responsible committee or the property manager will obtain cost of the project in accordance with the Association's contract procedure.

4.   The request will be presented to the Board for approval at the next regularly scheduled meeting.