TIL THE CROSSING AT KENBERG PROPERTY OWNERS ASSOCIATION
FINANCIAL RESERVES GUIDELINES

STATE OF TEXAS §
COUNTY OF KENDALL §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the property encumbered by these Financial Reserve Guidelines (the “Guidelines”) is that property covered by the Restrictions, Reservations and Covenants, and applicable Amendments, legally described as: Mountain Creek Section, platted at Volume 1, Pages 77-81, Map and Plat Records of Kendall County, Texas; River Forest Section, platted at Volume 1, Pages 82-87, Map and Plat Records of Kendall County, Texas; and, Hidden Lake Section, platted at Volume 1, Pages 100-115, Map and Plat Records of Kendall County, Texas, hereinafter collectively referred to as “The Crossing”. The Restrictions, Reservations and Covenants are hereinafter referred to as the “RR&Cs” as same have been or may be amended from time to time and made subject to the authority of The Crossing at Kenberg Property Owners Association hereinafter referred to as the “POA”;

WHEREAS, pursuant to Chapter 209 of the Texas Property Code, the Board of Directors (the “Board”) of the POA hereby adopts these Guidelines for the purposes of establishing and maintaining a Financial Reserve Fund; and

WHEREAS, the Board has determined that it is in the best interest of the POA to establish these Guidelines.

NOW, THEREFORE, BE IT RESOLVED, that the POA does hereby adopt the Guidelines, which shall run with the land and be binding on all owners and lots within The Crossing. These Guidelines replace any previous recorded or implemented guidelines that address the subjects contained herein.

ASSOCIATION FINANCIAL RESERVES

A. The Association’s recordkeeping is based upon rules established by the Financial Accounting Standards Board (FASB) formed from the American Institute of Certified Public Accounts (AICPA). The FASB’s mission is "to establish and improve standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information." FASB calls organizations such as this Association "Common Interest Realty Associations (CIRA)".

CIRAs conduct and report on two primary kinds of activities: (a) the CIRA’s normal maintenance and service operations, such as mowing, business management, minor repairs, and cleaning services, generally called the operating fund and
(b) the CIRA’s long-term major repair and replacement requirements, such as roof replacements, fencing, and painting, generally called the replacement fund or fund for future major repairs and maintenance. CIRAs usually assess their members for both purposes and generally should report such assessments separately. Fund reporting is the most informative method of presenting these separate activities.

B. Accounting principles generally accepted in the United States of America (U.S. GAAP) requires the use of the accrual basis of accounting. Financial statements presented on an accrual basis are particularly useful for CIRAs, which assess members based on annual budgets, because they include information about amounts payable and assessments receivable from members and thus allow users to compare these amounts budgeted amounts.

C. This Association supports that maintaining a reserve fund not only meets legal, fiduciary, and professional requirements, but it also minimizes the need for special assessments and enhances resale values. Therefore, the Association will continually update the property improvement plan to keep apprised of potential major repairs needs in future years and ensure that a reserve fund for capital improvements is maintained for future replacement of, for example, roofs, tennis court or the new construction, for example, of a community clubhouse.
CERTIFICATION

I hereby certify that, as President of The Crossing at Kenberg Property Owners Association, the foregoing Financial Reserves Guidelines were approved on the 19 day of NOVEMBER 2013, by unanimous written consent of the Board of Directors.

DATED, this 1 day of JANUARY 2014.

Neil Ciotola
President

STATE OF TEXAS

COUNTY OF KENDALL

BEFORE ME, on this day personally appeared Neil Ciotola, the President of The Crossing of Kenberg Property Owners Association, known by me to be the person whose name is subscribed to this Instrument, and acknowledged to me that he executed the same for the purposes herein expressed and in the capacity herein stated, and as the act and deed of said corporation.

Given under my hand and seal this the 19th day of JANUARY, 2014.

Notary Public – State of Texas

After Recording, Return To:
Tom L. Newton, Jr.
Allen, Stein & Durbin, P.C.
6243 IH-10 West, 7th Floor
San Antonio, Texas 78201