

**ADDENDUM TO THE NBRC PROPERTY OWNERS ASSOCIATION
TRUST FUND POLICY**

As filed in the Comal County Public Records #201506003504 on 1/28/2015

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF COMAL §

WHEREAS, the property encumbered by this NBRC Property Owners Association’s annual assessment fee is restricted by the Declaration of Covenants, Conditions and Restrictions for River Chase, various units, recorded as document number 9906010006, 9906027879, 9906031628, 200106021818, 200106021817, 200206017405, 200206017406, 200206039259, 200206039260, 200406019014, 200406019015, 200506016924, 200506020156, 200606019897, 200706001411, and 200206025740 filed in the Official Public Records of Real Property of Comal County, Texas, (hereinafter called the “Declaration” or collectively “DCCRs”), as same may be amended from time to time, and any other property which has been or may be annexed thereto and made subject to the authority of the NBRC Property Owners Association (the ”Association”);

Whereas, reference is hereby made to the Declaration for all purposes, and any and all capitalized terms used herein shall have the meanings set forth in the Declaration, unless otherwise specified herein;

Whereas, having met the criteria of Section 6.02 (d) of the DCRRs, The Board of Directors (the “Board”) of the Association adopts an **Addendum to The NBRC Property Owners Association Trust Fund Policy** filed in the Comal County Public Records #201506003504 on 1/28/2015.

Whereas, the Board of Directors now provides notice to ALL property owners in the River Chase Subdivision, Comal County, Texas of an **Addendum to The NBRC Property Owners Association Trust Fund Policy (“TRUST FUND POLICY”)**.

This addendum expands the scope of the TRUST FUND POLICY by:

1. Establishing a third trust fund to be named CAPITAL RESERVE TRUST FUND,
2. Establishes the funding source for the CAPITAL RESERVES TRUST FUND,

3. Establishes minimal reserve levels for the R&R TRUST FUND and,
4. Defines when the R&R TRUST FUND a fully funded.
5. Defines the term “nominal” as found in the Limitations section of the original Trust Fund Policy.

PURPOSE. The purpose of the CAPITAL RESERVE TRUST FUND (“CAPITAL RESERVES”) is to guarantee secure funding will be available to develop new facilities and infrastructure assets required by the Association. The funds in CAPITAL RESERVES are to be used **exclusively for capital improvements projects or for acquiring new assets**

FUNDING: The Texas Property Code (Prop 207.001- .003) mandates the Association provide POA, ownership/balance due records to owners and requesting agents; and allows the associations to charge fees for the service.

These fees are recognized by the taxing authority to have a special status and not considered as assessment fee. The fees garnered shall be expended only for capital expenditures or can deposited in a designated CAPITAL RESERVES bank account to be held in reserve until such time the balance can be used for a major Capital expenditure.

It is highly recommended that as the Prop. 207.001-.003 funds be transferred, from the general account ledger to the CAPITAL RESERVES bank account, on a quarterly basis. The exception is the fourth quarter, to allow for any expenditure adjustments that may need to be made to maintain the tax-free status as outlined under 90% rule of the IRS 528 tax code.

The balance and the location of the Capital Reserves, R&R, and Legal Trust accounts are to be reported in the month financial report.

MINIMUM BALANCE REQUIREMENT FOR R&R TRUST FUND.

1. It shall be mandatory that minimum balance of the **R&R TRUST FUND** be maintained at \$50,000.
2. It shall be mandatory that a minimum \$50,000 contribution be made to the R&R Trust

Fund annually.

- 3. Any exception will require a vote as stipulated in the original Trust Fund Policy Limitations Clause, Number 7.

FULLY FUNDED RESERVE LEVELS FOR THE R&R TRUST FUND.

- 1. It will be recognized that the **R&R TRUST FUND** is fully funded when the trust balance is maintained at \$500,000.00.
- 2. Any exception will require a vote as stipulated in the original Trust Fund Policy Limitations Clause, Number 7.
- 3. The term “nominal” as found in the Limitations section of the original Trust Fund Policy is defined to be \$2,500,00.

ADOPTED at the meeting of the Board of Directors, NBRC Property Owners Association held on _____, 2018

Thus, executed this ____ day of _____ 2018

NBRC PROPERTY OWNERS ASSOCIATION

By _____

Paul Bower, President NBRCPOA

STATE OF TEXAS §
 §
COUNTY OF COMAL §

I hereby certify that the foregoing instrument was acknowledged before me, the undersigned Notary **Paul Bower**, President, NBRC Property Owners Association, on the date of execution set forth above. Given under my hand and seal of office on the _____ day of _____, 2018

Notary Public, State of Texas