ALLURE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS RESOLUTION

RE: ALLURE CAPITALIZATION POLICY

WHEREAS, Allure Homeowners Association (the "Association") is a Nevada nonprofit corporation governed by the laws of the State of Nevada, including Nevada Revised Statutes ("NRS") Chapter 116, which governs common-interest communities; and

WHEREAS, NRS 116.3102 grants the Association the authority to adopt and amend rules and policies and to manage the affairs of the Association; and

WHEREAS, the Declaration of Condominium for Allure Condominiums and the Bylaws of the Association authorize the Board of Directors to act on behalf of the Association in matters of administration and financial management; and

WHEREAS, the Board of Directors finds it to be in the best interest of the Association to adopt a consistent and reasonable standard for capitalizing Association property for financial reporting purposes;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the following Capitalization Policy:

Purpose

The purpose of this policy is to establish a consistent and reasonable standard for capitalizing Association property for financial reporting purposes in accordance with generally accepted accounting principles.

Policy

The Association shall capitalize purchases of Association property that meet all of the following criteria:

1. The individual item or integrated system has a total purchase cost of Five Thousand Dollars ($5,000) or more, including applicable taxes and directly attributable acquisition and installation costs;
2. The item or system is expected to have a useful life greater than one (1) year; and
3. The item or system constitutes Association common property or other property for which the Association is financially responsible.

Items that do not meet all of the above criteria shall be expensed in the year incurred.

Systems and Multiple-Item Purchases

When property is acquired as part of an integrated system that functions as a whole, the total cost of the system may be considered for capitalization purposes.

When multiple items are purchased at the same time but function independently, capitalization shall be evaluated on a per-item basis rather than on the aggregate purchase amount.

Routine repairs, maintenance, consumables, and replacement of individual components that do not materially extend the useful life of an asset or system shall be expensed.

Reserve and Funding Clarification

Nothing in this policy shall be interpreted to determine whether an expenditure is properly categorized as an operating expense or a reserve expenditure.

This policy governs accounting treatment for financial reporting purposes only and does not alter:

- The Association's statutory obligation to establish and maintain adequate reserves pursuant to NRS 116.3115;
- Any reserve study funding plan;
- Spending authority or procurement requirements; or
- Maintenance or repair responsibilities established by the governing documents.

Administration

This policy is intended solely to promote consistency in accounting and financial reporting.

The Board of Directors retains discretion to interpret and apply this policy in a reasonable manner consistent with generally accepted accounting principles and the best interests of the Association.

Application of this policy shall be prospective from the date of adoption.

Review

This policy may be reviewed and amended by the Board of Directors as circumstances warrant.

ADOPTED this 4th day of March, 2026, by the Board of Directors of Allure Homeowners Association.

Signed:

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Woodward
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Sharon M. Wong
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