SUN EAGLE BAY OWNERS ASSOCIATION BOARD OF DIRECTORS RESOLUTION

Resolution to Establish a Reserve Fund

Date: July 26, 2025

Resolution No.: 2025-07-RF01

WHEREAS, the Board of Directors of Sun Eagle Bay Owners Association recognizes the need for long-term financial planning and fiscal responsibility to ensure the ongoing maintenance, repair, and replacement of the Association's common areas, infrastructure, and amenities; and

WHEREAS, the Texas Residential Property Owners Protection Act (TROPA) and the Association's governing documents authorize the Board to establish and maintain financial accounts necessary for the benefit and preservation of the community; and

WHEREAS, the Board finds it prudent to establish a designated Reserve Fund to plan for future major expenditures and unexpected repairs or replacements, thereby minimizing the need for special assessments or emergency dues increases.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby establishes a Reserve Fund, separate from the general operating account, for the exclusive purpose of funding capital improvements, major repairs, replacements, and other non-recurring expenses as determined by the Board; and

BE IT FURTHER RESOLVED that:

- - The Reserve Fund shall be maintained in a separate, interest-bearing account at a federally insured financial institution.
- - Funds may only be expended from the Reserve Fund upon a majority vote of the Board of Directors at a duly called meeting.
- - The Board shall adopt an annual funding plan to contribute to the Reserve Fund based on a reasonable estimate of future capital needs.
- - The Reserve Fund shall be subject to periodic review, and the Board may revise funding contributions as needed to maintain financial stability and community infrastructure.
- - The Reserve Fund shall not be used for general operating expenses unless in the event of an emergency and upon a two-thirds vote of the Board.
- - The membership shall be notified annually of the status and balance of the Reserve Fund as part of the Association's financial reporting, for purposes of transparency and accountability.
- - The Reserve Fund shall be reviewed annually by the Board of Directors, and contributions shall be adjusted as necessary to ensure adequate funding for future capital needs

CERTIFICATION

This Resolution was duly adopted by a majority vote of the Board of Directors of Sun Eagle Bay Owners Association at a properly noticed meeting held on July 26, 2025, with a quorum present.

Stephanie Murphy

Stephanie Murphy, President

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF WOOD §

This instrument was acknowledged before me on the _17th day of September 2025, by Stephanie Murphy, President of the Sun Eagle Bay Property Owners Association, on behalf of said Association.

Sharon J Autry

Notary Public, State of Texas

My Commission Expires: Sept 21, 2026

NOTARY PUBLIC STATE OF TEXAS
SHARON J AUTRY
Notary ID #131733230
My Commission Expires
September 21, 2026