

CYPRESS LAKES HOMEOWNER'S ASSOCIATION, INC.

**RESOLUTION OF THE BOARD OF DIRECTORS
ADOPTING RESERVE GUIDELINES**

We, the Board of Directors ("Board") of Cypress Lakes Homeowner's Association Inc., a Florida not-for-profit corporation organized and existing under the laws of the State of Florida ("Association"), hereby certify that at a duly called meeting of the Board held at [Meeting Location] on the [Day] day of [Month] 2025, at which a quorum was present, the following resolution, which has not been rescinded or amended, was duly moved, seconded, and adopted, and is in full force and effect: *Mullins Hall*

WHEREAS, the Association manages the Cypress Run Subdivision as per the recorded Amendment and Restatement of Declaration of Restrictions for a Portion of Cypress Run ("Declaration");

WHEREAS, the Association is a homeowners' association as regulated under Florida Statutes Chapter 720;

WHEREAS, Article III, Section C of the Declaration expressly authorizes the adoption of rules and regulations governing the use and enjoyment of the common property and the maintenance of order and standards within the Cypress Run Subdivision;

WHEREAS, the Declaration and By-Laws of the Association grant the Board the authority to set aside funds for reserves to meet contingencies and for maintaining, repairing, and improving the common properties of the Association;

WHEREAS, Article XI of the By-Laws specifically enables the Board to determine the amount of Members' assessments and to maintain a reserve fund for the benefit of the Association;

WHEREAS, the proper management of Association reserves is critical to the financial stability and long-term planning of the Association;

WHEREAS, the Board of Directors recognizes the importance of adequately funding reserves to meet the future repair and replacement needs of the Association without imposing undue financial burdens on the homeowners;

WHEREAS, the Board of Directors desires to adopt rules and regulations concerning the Association's reserve accounts;

NOW, THEREFORE, BE IT RESOLVED that a majority of the Board of Directors approves the adoption of the following reserve funding guidelines, as it is in the best interest of the Association and its Members.

BE IT FURTHER RESOLVED that pursuant to a majority vote of the Board of Directors pursuant to the Declaration and the By-laws of the Association, the Association hereby adopts

12/2/2024

the following reserve funding policy effective [Insert Effective Date], applying to all homeowners within the Cypress Run Subdivision:

1. Statutory Reserves:

1. In compliance with Florida Statute 720.303(6), the Board may establish and maintain statutory reserve accounts specifically for capital expenditures and deferred maintenance for items with a deferred maintenance expense or replacement cost exceeding \$10,000.
2. As statutory reserves were not previously established by the initial budget provided by the developer, the establishment of these reserves requires the affirmative approval of a majority of the total voting interests of the association. This approval must be obtained at a duly called membership meeting where the establishment of these reserves is included as an agenda item.
3. Upon approval, the Board must conduct a detailed, professional reserve study that calculates the estimated useful life and deferred maintenance or replacement costs of the association's assets, which will form the basis for the reserve funding plan.
4. Reserve funds are to be used solely for the purposes for which they were allocated, such as major repairs or replacements of common elements and association property. Funds may only be redirected for other uses upon the affirmative approval of a majority of the total voting interests of the association at a duly called membership meeting.
5. The Board must include these statutory reserve accounts in the association's annual budget. Members of the association have the right to vote to waive or reduce the funding of these reserves each fiscal year, according to the guidelines set out in Florida Statute 720.303(6).
6. The Board shall ensure that the statutory reserves are funded annually according to the schedule determined by the reserve study, adjusting contributions as needed based on ongoing evaluations of asset conditions and repair/replacement timelines.

2. Voluntary/Discretionary Reserves:

1. The Board has discretion to determine the amount set aside for these reserves, which can be used for property improvements, repairs, and maintenance as decided by the Board.
2. While these funds offer flexibility, they can potentially be reallocated for other purposes at the Board's discretion, subject to the provisions in Article XI of the By-Laws.

3. These reserves do not require member approval for usage, giving the Board the ability to manage funds efficiently based on immediate needs and priorities.

BE IT FURTHER RESOLVED that a copy of this resolution and the reserve guidelines herein shall be distributed to all homeowners within the Cypress Run Subdivision and shall be available upon request at the Association's office.

Adopted this [Insert Date] at the regular meeting of the Board of Directors of the Cypress Lakes Homeowner's Association, Inc.

IN WITNESS WHEREOF, the Board of Directors has adopted this Resolution on this 2 day of December, 2025.

Cypress Lakes Homeowner's Association, Inc.

Robert J. Stawicki
Witness #1 Signature

Witness #1 Printed Name: ROBERT J. STAWICKI

Olivia Jones Niedzialek
Witness #2 Signature

Witness #2 Printed Name: Olivia Jones Niedzialek

By: Michael Lica 12/2/2024
(Signature)

Michael Lica
President
(Print Name)

By: [Signature]
(Signature)

Jecakeina Burtsev
Secretary **TREASURER**
(Print Name)

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this _____ day of _____, 20____, by _____, the President and _____, the Secretary of Cypress Lakes Homeowner's Association, Inc., who is personally known to me or has produced a _____ as identification.

[Notary Seal]

Notary Public

Printed Name:

My Commission Expires:
