RESOLUTION 201-08.2026
RESOLUTION OF THE BOARD OF DIRECTORS
SUNFLOWER COMMUNITY ASSOCIATION
Adopting a 70% Reserve Fund Target Policy

WHEREAS, the Board of Directors ("Board") of Sunflower Community Association ("Association"), an Arizona non-profit corporation, is responsible for the governance, maintenance, and financial health of the community; and

WHEREAS, the Association's governing documents and the general duties of the Board require the maintenance of adequate replacement reserves for major common area components; and

WHEREAS, industry standards and professional reserve studies identify a "Percent Funded" level of 70% or higher as a strong financial position that minimizes the risk of sudden special assessments;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts the following policy, as passed by board motion on April 19, 2023:

Funding Goal: The Association shall target a minimum reserve fund level above 70% funded, as calculated by the community's professional reserve study.

Budget Integration: The annual operating budget submitted and approved by the Board shall include line-item reserve contributions calculated to reach, maintain, or safely progress toward this 70% threshold.

Periodic Review: The Board shall commission or review a formal reserve study at least every year to adjust for changing asset conditions, local climate wear, and economic inflation.

Effective Date: This resolution shall take effect immediately upon adoption.

CERTIFICATION, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Sunflower Community Association, and that the foregoing Resolution was duly adopted by the Board of Directors at a meeting held on August 26, 2026 at which a quorum was present,

Kathy Mitchell

Kathy Mitchell, Secretary