

THE ISLAND CLUB ASSOCIATION, INC.

Establishment of a Reserve Fund Resolution

Dated this 28th day of January, 2006

The Island Club Association shall establish a **Reserve Fund** at "less reserves than required by" Section 718.112(2)(f), Florida Statutes and as defined below:

- A). The Reserve Fund's purpose shall be that of major replacements or repairs costing more than \$10,000 of any Common Elements.
- B). This Reserve Fund shall be funded by:
- 1). A \$25 Reserve assessment to be added to the monthly maintenance, with the following stipulations:
 - a). The first 50% of the Reserve assessment shall be allocated to the Reserve Fund for the specific purpose of replacing the Common Elements defined in A) above only.
 - b). The other 50% shall also be allocated to the Reserve Fund **but may be made available** for expenses not covered by the yearly operating budget.
 - 2). At least 25% of the monies collected for dockage fees shall be allocated to the Reserve Fund for the specific purpose of replacing the Common Elements defined in A) above only.
 - a). The remaining 75% of dockage fees will be made available to the yearly operating budget.
 - b). In the event that the yearly operating budget allows, more than 25% of the dockage fees may be placed in the Reserve Account by the Board of Directors.
- C). The Reserve Fund Assessment shall be placed in the existing investment account and be accounted for separately. All monies in the existing investment account as of December 31, 2005 **minus** any remaining or future monies collected for the Special Dock Project Assessment or any other special project assessment will be allocated to the Reserve Fund **but may be made available** for emergencies not covered by the yearly operating budget.
- D). All moneys allocated to the Reserve Fund shall only be used for the purposes indicated above unless modified by a majority vote of the unit owners or as specified in the Associations Documents or Florida Statutes whichever takes precedent.

This resolution was voted on and approved by a majority membership vote at the 2006 Annual Meeting of The Island Club Association, Inc. and is included into the Associations Documents as is deemed appropriate.

Date: 1/28/06

Signed by the Secretary of the board:

Diana Vanderbilt:

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