

THE ISLAND CLUB ASSOCIATION, INC.

Resolution to Establish a Reserve Fund

As of the 12th day of January, 2008

The Island Club Association shall establish a Reserve Fund consisting of two accounts:

The **Reserve Replacement Fund** and the **Reserve Other Fund** at "less reserves than required by" Section 718.112(2)(f), Florida Statutes and as further defined below:

- A). The Reserve Replacement Fund's purpose shall be that of major replacements or repairs costing more than \$10,000 of any Common Elements only.
- B) The Reserve Other Fund's purpose shall be that of minor replacements or repairs costing less than \$10,000 of any Common Elements and/or can be used to supplement the Operating Budget and/or the Reserve Replacement Fund in times of need, as so determined by the Board of Directors.
- C). Both Reserve Funds shall be funded as follows:
- 1). A \$25 Reserve Assessment to be added to the monthly maintenance fee, shall be collected from each unit and shall be apportioned as follows:
 - a). The first 50% of the Reserve Assessment shall be allocated to the Reserve Replacement Fund, defined in A) above.
 - b). The other 50% of the Reserve Assessment shall be allocated to the Reserve Other Fund, defined in B) above.
 - 2). All Dockage Fees collected by the Association for usage of that Common Element shall be apportioned as follows:
 - a). At least 25% of the monies collected for dockage fees shall be apportioned to the Reserve Replacement Fund defined in A) above.
 - b). The remaining 75% of dockage fees will be made available to the yearly Operating Budget.
 - c). To the extent that the yearly Operating Budget allows, more than 25% of the dockage fees may be placed in the Reserve Replacement Fund and/or the Reserve Other Fund, by the Board of Directors, at the end of any calendar year, as they deem fiscally fit.
- D). All moneys allocated to the Reserve Replacement Fund and the Reserve Other 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 2008 Annual Owners Meeting of The Island Club Association, Inc. and is included into the Associations Documents as is deemed appropriate.

Signed and Dated: By the Secretary of the 2007 Board of Directors: Dennis P Farretta