

THE ISLAND CLUB ASSOCIATION, INC.

Resolution to Establish a Reserve Fund

As of this 8th day of January, 2011

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 2011 Annual Owners Meeting of The Island Club Association, Inc. and is included into the Associations Documents as is deemed appropriate.



January 08, 2011

Signed and Dated: By the President of the 2011 Board of Directors: Frank Bosella

WAIVING OF RESERVES, IN WHOLE OR PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENT'S REGARDING THOSE ITEMS.