

COUNTRYSIDE PROPRIETARY

RESOLUTION NO. 135

RESERVE FOR REPLACEMENT

WHEREAS, Article V, Section 3 of the Covenants and Restrictions of the CountrySide Proprietary charges the Board of Directors with the establishment and maintenance of a reserve fund for replacements of the common areas and community facilities; and

WHEREAS, Article V, Section 4 of the Covenants and Restrictions of the CountrySide Proprietary states that the General Assessments shall be sufficient to, among other things, establish and maintain adequate repair and replacement reserves; and

WHEREAS, the Board of Directors wishes to formally segregate each year a portion of the General Assessments, to be set aside in a separate interest-bearing account and held in reserve, to hold and expend such funds solely and specifically as set forth herein; and

WHEREAS, the Board of Directors desires to rescind Administrative Resolution No. 9 and hereby substitutes Resolution No. 135.

NOW THEREFORE, BE IT RESOLVED THAT Administrative Resolution No. 9 be, and hereby is, rescinded, and the Board does hereby this date adopt the following policies governing reserve for replacements:

- I. A reserve fund for major repairs and capital replacements shall be established.
- II. All members shall be advised annually, by notice in writing, of the actual part of the total General Assessment which is a contribution to capital of the Proprietary, which will not be used to meet anticipated operating expenses for the ensuing year, but will be transferred by the Board of Directors to the reserve fund for major repairs and capital replacements, to be held and expended in accordance with the intent and purpose of this Resolution.
- III. The Board's treasurer or a Board-appointed designate shall place all such contributions to capital and transfer all monies presently held in reserve to one or more accounts which are insured by any agency of the United States of America or, in the discretion of the Board of Directors, invested in obligations of, or fully guaranteed as to principal by, the United States of America.
- IV. Withdrawals from the reserve fund account may only be used for restoration, repair and replacement of existing capital improvements, and for start-up expenses and operating contingencies of a non-recurring nature relating to the common areas and community facilities.
- V. Reserve amounts shall be determined annually by resolution of the Board of Directors.

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- VI. The Board of Directors may establish more than one reserve fund to promote the purposes of this Resolution.

ATTEST:

PRESIDENT: Roy Soltoff

DATE:

SECRETARY: Judith A. Startzell

DATE: