

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
RESERVE INTEREST POLICY

Approved by Board: February 25, 2011

PURPOSE

To define how the Association allocates interest received on Reserve Accounts.

DEFINITIONS

Reserve Account – any account established and maintained by the Association to hold funds for the long-term or deferred maintenance and replacement of any assets that the Association is responsible for maintaining.

POLICY

Interest earned on reserve accounts is allocated annually in the following manner:

Each account will be credited with a percentage of the total interest equal to that account's percentage of the total of all accounts.

1. Add the interest earned on all cash reserve accounts as of December 31 to obtain the total interest earned for the annual period.
2. Add the December 31 balance on all equity reserve accounts to obtain the total of all accounts.
3. Divide each individual equity reserve account balance by the total from step 2 to obtain a percentage of the total for each account.
4. For each equity reserve account, multiply the total interest from step 1 by the corresponding percentage from step 3 to determine the amount of interest that will be allocated to each account.