



OAKS ROYAL PHASE III HOME OWNERS ASSOCIATION, INC.

BOARD OF DIRECTORS

RULES AND REGULATIONS

RESERVE ACCOUNTING

1. In accordance with Florida State Statute 720.303, Oaks Royal Phase III Home Owners Association, Inc. will officially designate the budget entity formerly titled "money market" as "Reserve Account".
2. These funds are designated as Capital Expenditure, Capital Maintenance (emergency) and Planned/Deferred Maintenance project funds, to be used for these purposes only. These projects would otherwise be funded individually by Special Assessment to Association Members. Capital Expenditure projects are new planned construction or development. Capital Maintenance (emergency) projects are unbudgeted, usually large, maintenance items that come up unexpectedly and need to be handled in a timely manner by HOA Board approval. Planned/Deferred Maintenance projects are large expense, planned maintenance projects.
3. Reserve Account balance will be maintained at \$25,000 - \$50,000, with a minimum of \$25,000. This level would ensure enough to cover the cost of a major project on hand and to expand to defer the cost of expected project over several years.
4. Unspent Association funds at the end of the fiscal year shall be transferred to the Reserve Account.
5. If Reserve Account balance drops below minimum \$25,000, a replenishment line item of no less than \$5000 shall be added to one or more future budgets.
6. Reserve Account funds and any interest accruing thereon shall remain in the reserve account and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a meeting at which a quorum is present. Capital Expenditure and Planned/Deferred Maintenance projects require member approval. Often these projects can be planned in advance, possibly with the cost spread in advance over several years' budgets.

Approved by Oaks Royal III HOA Board of Directors, on 12/3/2023, (see vote - HOA Board minutes 12/3/2023 & presented - HOA members minutes 12/4/2023)

Ann Parks, President

Guy Engelhardt, Vice President

Harry Whitaker, Director Grounds Maintenance

Sharon Pollard, Secretary

Dot Dodge, Director Hospitality

Pam Champeau, Treasurer

Lisa Whitaker, Director Social

Ernie Stevens, Director Clubhouse

Paul Grizenko, Director Pool