To All Owners:

Enclosed with this letter is a General/Limited Proxy form requesting owner approval to "pool" our reserve funds totaling **$452,441.44**, which were collected prior to January 1, 2025. This letter provides important information regarding this proposal and why the Board strongly recommends voting in favor.

Understanding Line-Item Reserves vs. Pooled Reserves

Reserve Type	Description	Usage Restriction
"Legacy" Line-Item Reserves (Pre-2025 Funds)	Funds collected before January 1, 2025, for specific, separate long-term expenses: *Roof Replacement, Painting/Waterproofing, Concrete Restoration, Other Capital Improvements, Elevator Replacement, and Catwalk Replacement.*	Funds are **restricted** to expenses related **only** to that specific line-item category.
"Pooled" Reserves (2025 Funds)	Funds collected after January 1, 2025, are already collected in two broader "pooled" categories: **SIRS** (Structural Integrity) and **Non-SIRS** (other components).	Funds within each pooled category (SIRS or Non-SIRS) can be used for any component within that category.

The Board is seeking owner approval to re-categorize the $452,441.44 in "legacy" line-item reserves and transfer them into the "pooled" reserve structure. Florida Statute permits Boards to move "legacy" reserves to "pooled" reserves with owner approval, which would grant the Board the flexibility to spend any portion of those funds on any capital improvement.

Rationale for Pooling Pre-2025 Reserves

The primary reason for this proposal is the urgent need to fund the upcoming roof replacement:

- **Roof Cost:** The replacement is scheduled to begin in January 2026, with an expected cost between **$425,000 and $450,000**.
- **Funding Gap:** We currently have only **$304,098.39** in the dedicated line-item "Roof Replacement" category, which is **insufficient** to cover the full cost.
- **Benefit of Pooling:** By pooling the entire **$452,441.44** in "legacy" reserves, the Board will have access to all necessary funds to pay for the roof replacement *without* requiring a special assessment.

(over)

Consequences of Not Approving the Pooling

If owners do not approve the pooling of "legacy" funds, the following situation will occur:

Reserve Usage	Funding Amount	Impact
"Legacy" Roof Funds	$304,098.39 (Used)	All available line-item *roof funds* are depleted.
2025 SIRS Pooled Funds	Up to $53,817 (Used)	Funds intended for *concrete restoration* and *painting* (anticipated in the next 1-2 years) would be depleted.
Resulting Shortfall	**$67,084.61 - $92,084.61**	This shortfall would necessitate a **Special Assessment** of approximately **$1,198 - $1,644 per unit**.

Furthermore, the remaining $148,343 in "legacy" line-item funds would remain legally restricted, significantly limiting the Board's flexibility to address other emergency or future capital expenses without another vote or special assessment.

Action Required

The Board strongly recommends voting **"IN FAVOR"** on the enclosed General/Limited Proxy to grant the ability to re-categorize specific reserve funds for the roof replacement and subsequently pool the remaining "legacy" reserves.

Proxies must be returned no later than the start of the Annual Meeting on Tuesday, December 2, 2025, at 10:00 AM. (*see below)

If you have any questions or would like to speak with a Board member, please send an email to **oakridgevcve@gmail.com**, and a Board member will contact you.

Board of Directors
Oakridge V Condo Association, Inc.

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* To ensure we achieve the necessary quorum to legally hold the vote on reserve fund pooling, please complete and return your General/Limited Proxy as soon as possible. **This is critical, even if you plan to attend the meeting in person.**

- **For owners currently in the building**, return your completed Proxy to the Board Office dropbox (3rd floor, high end, laundry room).
- **For owners away from the building**, scan and email your completed Proxy to our property manager at: cve-pm02@seacrestservices.com with **Subject: Oakridge V**