



Real Estate Transfer Fee Utilization Policy

The purpose of this policy is to establish a procedure to restrict the obligation and expenditure of Real Estate Transfer Funds and to ensure consistent compliance in their utilization. By contrast, unrestricted funds may be used for any legal purpose appropriate to the JL POA.

A Real Estate Transfer Fee is due and payable upon the sale of a JL residential property in the amount of four quarterly assessments. Payments are deposited in the Real Estate Valley Bank checking account.

Funds earmarked for Real Estate Transfer Fee may be placed in T-Bills upon request by the Finance Committee until earmarked for expenditure.

Appraisal of Real Estate Funds Utilization

The POA Board of Directors wishes to restrict the use of Real Estate Transfer Funds to projects that provide a new benefit and/or service to the membership. As such, the Capital Reserve & Standards (hereinafter, "CR&S") Committee shall establish a clear understanding of the funds intended utilization and identify and evaluate projects that do not currently exist or that substantially improve existing projects by investing Real Estate Transfer Fee Funds.

Any committee authorized in accordance with the Article V, Section 10(f) of the Amended and Restricted By-laws of the J.L. Property Owners Association Inc. shall also have the authority to propose perspective projects to the CR&S Committee for Real Estate Transfer Fee funding consideration.

Projects shall be evaluated using a generally accepted project appraisal approach that includes cost and benefits to the community. Projects shall be appraised in conjunction with alternative projects before allocating scarce resources for the best project(s).

Once such a project has been identified, appraised, and approved by the CR&S Committee, it shall be referred to the Finance Committee for its review and approval. Upon approval of a project by both the CR&S and Finance Committees, the project(s) shall be referred to the JL POA Board of Directors for approval of the expenditure of Real Estate Transfer Fee funds.

Reporting

General ledger accounts shall be established as liabilities on the Balance Sheet to manage Real Estate Transfer Fee funds and segregate expenditures by project.

Amended: 10/2025