

LAKESIDE COMMUNITY OWNERS' ASSOCIATION

COMMITTEE CHARTER FOR THE FINANCE COMMITTEE

As approved by the Board of Directors ("Board") of the Lakeside Community Owners' Association ("Association"), the Finance Committee ("Committee") is hereby formed in accordance with the following:

AUTHORITY TO CREATE COMMITTEES:

As provided in California Corporations Code Section 7212(b), the Board may create committees that do not exercise the authority of the Board and which may be comprised of individuals that are not Directors for purposes of providing advice and guidance to the Board.

PURPOSE: The purpose of the Committee is to review and analyze the Association's annual budget, financial reports throughout the year, and propose recommendations to the Board as to recommended adjustments to the Association's annual budget, and in making financial decisions throughout the year.

GUIDELINES:

The Committee Shall:

1. Shall serve at the pleasure of the Board.
2. Shall not spend Association funds or incur debt on behalf of the Association unless otherwise authorized by the Board.
3. Does not have the authority to act on behalf of the Board or the Association.
4. May be provided information that should be held confidential and shared only within the Committee and the Board.
5. Shall work with the Association's management and other committees in reviewing financial reports, annual budget and other logistical matters relating to the finances of the Association. If the Committee and the Association's management are not in agreement on an issue, the Board will resolve the matter.
6. Shall work with management to help facilitate communications between the Committee and Board.
7. Shall ensure management is provided all Committee communications as a non-voting member of the Committee that may attend meetings in compliance with the Common Interest Development Open Meeting Act (Civil Code Section 4900 *et seq.*).
8. Shall ensure that any community-wide communications will be approved by a majority of a quorum of the Committee. Such communications must include a statement affirming that the Committee does not have the authority to act on behalf of the Board or the Association, unless otherwise provided by the Board upon Board review of a proposed communication.
9. May prepare and submit reports and recommendations to the Board for the Board's review and consideration, upon the initiative of the Committee or upon the Board's request.

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The Committee Shall Not:

1. Spend Association funds or incur debt on behalf of the Association unless otherwise authorized by the Board.
2. Act on behalf of the Board or the Association, except with respect to the terms of this Charter with respect to matters relating to compliance with the Association's Governing Documents.

COMMITTEE MEMBERSHIP:

The Membership of the Finance Committee shall:

1. Consist of up to five members that shall also be Members of the Association.
2. Serve terms lasting one year, which may continue until the Board's appointment of a replacement member of the Committee, or upon resignation or removal by the Board. The Board shall fill vacancies on the Committee.
3. Serve at the pleasure of the Board.
4. Appoint a member of the Committee to be responsible for recording and preparing the minutes of Committee meetings and for providing the Secretary of the Board copies of the minutes and notices of upcoming Committee meetings.

CHAIR GUIDELINES:

The Committee Chair shall:

1. Preside over Committee proceedings and, upon consulting with Committee members, coordinate meeting schedules, agendas, and assign tasks and responsibilities.
2. Be available to the Board and be email proficient.
3. Be appointed on an annual basis to serve a one (1) year term, which shall expire upon the Board's appointment of a replacement.
4. Provide regular updates on the business of the Committee to the Board liaison.

GOALS:

1. Review monthly financial statements and identify any issues or concerns or significant variations from the budget and provide report and recommendations to the Board regarding the issues identified and ongoing financial health of the Association.
2. Review annual budget prepared by management company and make recommendations for the Board to consider upon the Board's review and approval of the Association's annual budget
3. Review annual reserve study and reserve funding levels and make recommendations to the board about reserve funding, adequacy of current funding levels of reserves and other issues identified.
4. Periodically evaluate Association's Investment policies for reserve funds.
5. Consider and make recommendation or report on financial issues identified by Committee or the Board.

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GENERAL: Committee meetings shall be open to Members of the Association. The schedule of meetings should be published in a manner to provide general notice to Members of the Association. Any matter to be brought before the Committee for a vote should be submitted in writing to the Chairperson and distributed to the Committee at least two days prior to the scheduled meeting.

COMMITTEE PRODUCTS: The Committee will provide the Board, upon the Board's request, regular reports of the functions and activities of the Committee. All reports shall be submitted to management ten days prior to a scheduled Board meeting. The Committee may review the Association's annual budget and submit a recommendation to the Board for the Board's consideration.

CERTIFICATE OF ADOPTION

I hereby certify that I am the Secretary of the Association and that the foregoing Committee Charter is a true copy of the Committee Charter approved by the Board at its meeting held on _____, at which a quorum of the Directors was present. I further certify that the foregoing Committee Charter is in full force and effect, and that the same have not been rescinded, amended, nor modified.

Dated: _____, 2022 By: _____

Lisa Petersen, Secretary