



SUMMER REACH CONDOMINIUM TRUST Reserve Study Committee Charter

PURPOSE:

The Summer Reach Board of Trustees (BOT) has authorized the establishment of the Reserve Study Committee (RSC). The purpose of this committee is to provide review, analysis, and recommendations concerning the reserve fund. The RSC will act in an advisory capacity to the BOT and will support the Treasurer and 2nd BOT liaison in fulfilling his or her responsibilities. To be clear the RSC have no decision-making authority on behalf of Summer Reach Community.

RESPONSIBILITIES:

The primary responsibility of the RSC is advisory in nature to assist the BOT through data gathering, forward planning and scheduled status reporting to provide an understanding of the current financial stability and predicted rate of growth. In addition, the RSC will advise the BOT on budgetary considerations understanding that a healthy reserve fund is supportive of community market value and lending institution favorability.

Review the existing Reserve Study to ensure the list of components in the Reserve Study is current, accurate, and complete and that the Association is positioned to meet its requirements in the near future.

As part of the aforementioned review, the RSC shall:

1. Review assumptions within the existing Reserve Study.
 - i. Develop a clearly written and defined short and long-range investment policies that balances yield, liquidity, and safety.
 - ii. Determine future funding needs and goals consistent with maintaining the Association in good repair so as to avoid special assessments or necessitate outside funding.

2. Develop comprehensive reserve fund policies defining the scope of repairs under the purview of the reserve fund. In addition, create a list of upcoming predictable repairs or replacements.
3. Periodically determine the adequacy of the reserve fund using the Percent Funded Formula, and submit the results and recommendations to the BOT.
4. Working with the Treasurer, review the reserve plan to determine if adjustments are required to align the plan with reserve projections.

COMMITTEE STRUCTURE and TERMS:

The RSC shall be established or confirmed as active by the BOT at the meeting following the Annual Meeting and Election and shall serve until the following Annual Meeting and Election. The RSC shall be comprised of 3 to 5 community resident volunteers (a quorum is 3) and 2 BOT liaisons. RSC is open to any Summer Reach Condominium Trust unit owner willing to assist, and who has a working knowledge, background, or education in finance, insurance, accounting, bookkeeping or business. Each member of the committee must be unencumbered by any conflict of interest and also attest that they have never been convicted and to the best of their knowledge, are not presently under investigation for any felony. Members will be appointed by the BOT. Additionally, appointment consideration criteria will include, but will not be limited to, relevant experience, willingness and availability to serve, ability to get along with others, fairness, firmness and ability to function within a team. The RSC may vote to establish committee roles, (chairman and secretary), as deemed appropriate. RSC positions shall be voted by the committee membership. The committee shall meet as frequently as necessary. Minutes shall be kept of all meetings of the committee.

AUTHORITIES:

All RSC members shall serve at the will of the BOT. The BOT has the right and authority to disband and discontinue any committee or subcommittee, as well as appoint or dismiss any committee member or subcommittee member, with or without cause.

RELATIONSHIP TO THE BOARD:

The RSC shall be an advisor to the BOT and an RSC report shall be provided to the BOT. The BOT shall designate two board members to serve as liaisons between the BOT and RSC at its discretion provided, however, that such

designee shall not assume the position of chair. The RSC shall solely operate in an advisory capacity to the BOT and shall have no unilateral decision-making authority of its own. The BOT reserves the right to determine the matters that are referred to the RSC for its consideration and set the scope of the RSC's review. Matters referred to the RSC as well as scope of review will be documented in writing. This written document will be recorded in the RSC minutes. The RSC shall report back to the BOT Liaisons within (15) days of its receipt of any referral, unless an extension is granted.

RELATIONSHIP TO MANAGEMENT:

Management shall work with the BOT regarding RSC recommendations to provide advice from a management perspective to ensure that actions taken are consistent with the governing documents and may provide administrative support as required.

COMPLIANCE:

The RSC is not authorized to financially or legally obligate the Condominium Association in any manner (i.e. contract for services, hire contractors, borrow money, purchase equipment or supplies, or approve such request on behalf of the BOT). The committee shall meet as frequently as necessary for review and discussion of assigned tasks.

The Reserve Study Committee may only communicate their analysis and recommendations through the BOT's liaison and said analysis and recommendations shall not be disseminated to the residents unless authorized by the BOT.

Communication (written, oral, and email or text) between committee members or committee members and the BOT is considered confidential information and will not be disclosed to any third party, including relatives, friends, and business and professional associates unless the BOT has authorized disclosures.

While BOT and RSC members are expected and encouraged to discuss the organization with one another and targeted publics, they shall not repeat opinions expressed in meetings, nor shall they report independently on committee action, or engage in any communication that has not been approved by the BOT or that would be supported by board policy, procedures, or decisions. The BOT also has the right and authority to act or make decisions with or without involving any committees and to act and/or make decisions which are consistent with and/or contrary, in whole or in part, to any committee or subcommittee recommendations, should they see the need. The BOT also has the right to amend this Charter, should it be required.

Reserve Study Committee members must annually acknowledge understanding and agreement with the committee charter and it shall be recorded in the RSC minutes.

08/17/2023