

Financial Advisory Committee Charter

I. RESPONSIBILITY:

A. The Financial Advisory Committee (the Committee) serves at the pleasure of the Board of Directors (the Board). The primary responsibilities of the Committee are as follows:

B. To review and assist the Board in preparation of the annual operating budget of the Association, consulting the Park Manager and members of other Association committees, as necessary.

C. To recommend to the Board the adoption of the budget and recommend any changes in the homeowners' assessments that would be required as a result of such adoption. The recommended budget shall be submitted to the Board no later than October 1st, of each year in order to allow the Board time to review, adjust and adopt it, so that it may be included with the annual Notification Packet sent to the homeowners in advance of the annual meeting.

D. To periodically perform random test audits of the financial records of the Management Company to determine compliance with policies and procedures.

E. To ensure that a Replacement Reserve Study is conducted at least once every five years to determine the necessity and amount of reserves required to repair, replace and restore the capital components of the Association. The Committee shall monitor actual replacement requirements against plan projections and recommend funding requirements. The Committee shall review the Study annually to determine if replacement reserves are sufficient.

F. Develop the annual "charge" to the Association Auditor with regard to specific areas of interest to be investigated in the annual review of the Associations books. In conjunction with the Treasurer, receive, review and conduct a debrief of the findings of the Auditors annual review with the Board.

G. To evaluate major projects and determine the appropriate funding source(s) from operating funds, reserve account funds and/or building fund monies. Recommend financing alternatives if appropriate.

H. To recommend investment policies for Association reserves and excess operating funds to the Treasurer and the Board.

I. In conjunction with the Association's Treasurer and the outside accountant, the Committee shall coordinate the timely preparation and filing of the Association's Tax returns.

J. The Committee shall perform such other tasks as may be assigned from time to time by the Board.

K. The Committee operates only as an advisor to the Board.

II. MANNER OF ORGANIZATION:

A. Membership:

1. The Committee shall consist of at least seven (7) members appointed by the Board. The Association's Treasurer shall be the liaison between the Committee and the Board. For the purpose of conducting its business, a majority of members shall constitute a quorum.

2. Committee members shall be property owners in Country Roads. Spouses of members of the Board shall not hold a position on the Committee. The Park Manager shall be an advisor to the Committee and shall be available to the Committee at its request.

3. Members of the Board shall be informed of, and may attend any scheduled meetings of the Committee.

B. Terms:

1. Committee members shall normally serve a term of three (3) years.

2. In an effort to promote continuity, terms should be staggered so that one-third or the closest number to one-third of the Committee membership is appointed or reappointed each year.

3. Terms of Committee members will begin on January 1 and end on December 31.

C. Chair Person:

1. The Committee Chair shall be a member of the Committee, and shall be appointed annually by the Board. The committee shall designate a Vice Chair.

2. The Committee Chair will designate a recorder from among the Committee members. The recorder shall be responsible for maintaining committee records, minutes of meetings, and assisting the Chair in preparing quarterly and annual reports to the Board.

D. All Members:

1. Serve at the pleasure of the Board who may remove a member from the Committee, with or without cause.

III. MANNER OF OPERATION: The Committee shall conduct its business in the best interest of the Association and in accordance with this Charter, the Association's Declaration, Bylaws and Rules and Regulations. Any recommendation to the Board shall be forwarded only when a quorum is present.

A. Function of the Chair: Functions of the Chair shall include the following:

1. Coordinate and supervise all Committee activities, including subcommittees if applicable, and preside at all Committee meetings.
2. Prepare reports requested by the Board.
3. Represent the Committee to the Board through attendance at all Board meetings

B. Meetings:

1. The Committee will meet as necessary to review the financial position of the Association.
2. The Committee will determine its own meeting agenda.
3. Except as provided in the State of Arizona Statutes for convening in executive session, all meetings shall be open to all members of the Association. Notice of each meeting shall be posted in a place public to the Association membership. At least one copy of the agenda and any supporting material shall be made available for inspection by the membership at each meeting of the Committee.
4. Special meetings, with notice to all Committee members, may be called by the Chair or upon written request signed by the Association Treasurer or any two members of the Committee.

C. Reporting:

1. The Committee will provide reports to the Board, as requested.
2. The Committee will strive to provide an annual forecast focusing on internal and external events affecting the Association and provide specific recommendations to the Board for action where appropriate.
3. The recorder shall prepare and submit through the Chair minutes of all Committee meetings. Copies of all approved meeting minutes shall be delivered to the Park Manager and Board as soon as practical.