

RESOLUTION FOR CAPITAL RESERVE POLICY

Resolution of the Board of Directors of

The Lakeside Association

WHEREAS, the Board of Directors (the “Board”) of The Lakeside Association (“Lakeside”), held a meeting on May 16th, 2025, at which a quorum was present and acting throughout.

WHEREAS, at their April 22ND, 2025 committee meeting, the Finance Committee approved the following capital reserve policy.

Purpose:

The Lakeside Association Management reports to The Lakeside Association Board to assure that its mission is properly funded. The financial integrity of the Association is paramount to our continued ability to provide services. We intend to build a reserve to maintain our physical assets and real property.

Policy Statement:

In each fiscal year where the Association experiences an operating surplus, and exceeds the cash reserve threshold found in the operating/unrestricted cash reserve policy, the Finance Committee will evaluate how much of this surplus shall be set aside for improvements and emergency repairs to existing association property and new property. New property must have a useful life of five years or more. Improvements and repairs to existing property must extend the useful life of the existing property by three or more years.

Said Capital Reserves will be designated for projects during the current or next budget cycle. Once designated by the Association Board, the funds will become restricted for capital improvement projects.

Investment of Funds:

The capital reserve funds will be invested as per the guidelines provided in the Lakeside Chautauqua investment policy.

Monitoring and Reporting:

Management will provide an annual report to the Finance Committee on the use of such allocated funds before the end of each fiscal year.

Review of Policy:

This policy will be reviewed annually by the Finance Committee and any recommended changes will be submitted to the Board of Directors for approval.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby accepts the resolution for the capital reserve policy.

APPROVED, on this day, May 16, 2025

A handwritten signature in black ink, appearing to read "Rachel B. Miller". The signature is written in a cursive, flowing style with a horizontal line underneath.

Signature

Rachel Miller

Secretary of the Board of Directors

The Lakeside Association