

PENNOCK PRESERVE PROPERTY OWNERS ASSOCIATION, INC.

FINANCE COMMITTEE CHARTER

WHEREAS, Article 7 of the Amended and Restated Articles of Incorporation (**Articles**) of the Pennock Preserve Property Owners Association, Inc. (**Association**) grants the Association all the powers necessary for the administration of the affairs of the association in accordance with applicable law, except for those matters which the applicable law or the governing documents require to be exercised and done by the Association's membership; and

WHEREAS, Section 4.1 of the Bylaws of the Association (**Bylaws**) provides for the Association to be managed by a Board of Directors (**Board**); and

WHEREAS, Section 7.14 of the Articles permits the Association to establish committees and delegate certain of its functions to those committees; and

WHEREAS, Section 9.1 of the Bylaws permits the Board to appoint such committees as deemed appropriate and grants the Board the power and authority to fill any vacancies on all committees; and

WHEREAS, the Board has established a Finance Committee; and

WHEREAS, the Board wishes to confirm that the number of members on the Finance Committee shall be at least three (3) members; and

WHEREAS, the Board wishes to formulate and determine a Charter for the operation and more specific duties of the Finance Committee; and,

NOW THEREFORE, be it resolved that the establishment of the Finance Committee be ratified and that the following procedures for this committee be adopted and implemented herewith:

A PURPOSE

The Board has authorized the establishment of the Finance Committee. The purpose of the Finance Committee is to serve at the will of the Board on all matters pertaining to the finances of the Association. The Finance Committee is responsible for recommending and monitoring financial policies, goals and budgets that support the mission, values, and strategic goals of the Association. The Finance Committee also monitors the financial health of all capital accounts against its goals and the annual budgets and will assist the Treasurer in his/her duties.

B RESPONSIBILITIES

The Finance Committee's specific responsibilities include:

- 1 Review existing expenses and prepare the Association's Annual Budget in conjunction with the Treasurer and Community Manager for submission to the Board; and
- 2 Review monthly financials as they become available and make suggestions to the Board regarding income and expenses as necessary; and
- 3 When requested, assist the Board to solicit and review bids from contractors and vendors for recommendations to the Board for special projects, special assessments and reserve funding (if approved); and
- 4 Work with the other Association committees to advise on applicable finances and provide guidance and assistance when needed.

C COMPLIANCE

The Finance Committee is not authorized to financially or legally obligate the Association in any manner (*i.e.*, contract for services, hire contractors, borrow money, purchase equipment or supplies, or approve such a request on behalf of the Board) unless it has been specifically approved by the Board. The Finance Committee shall meet at least once a quarter for review and discussion of assigned tasks.

D APPOINTMENT & ELIGIBILITY

Members of the Finance Committee are appointed by the Board. There shall be at least three (3) members of the Finance Committee at any one time. The Finance Committee is open to anyone willing to assist and has a working knowledge, background, or education in finance, accounting, bookkeeping, or business. Each member of the Finance 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.

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.

Finance Committee candidates and members need not be property owners but in the event they are, they can only be appointed if they are property owners in good standing. Good standing shall be defined as the absence of any liens, privilege penalty, assessment delinquency, architectural or covenants violation, or pending legal action with the Association. The Board has the authority to appoint professional consultants to serve as members of the Finance Committee at the expense of the Association. A member may serve on more than one committee of the Association at a time. Committee members may be Board members except where otherwise prohibited by the Declaration of Covenants, Restrictions and Easements or statute.

Interested homeowners must submit a written request for appointment to the Community Manager. Finance Committee members in good standing are eligible for reappointment at the discretion of the Board.

The Board of Directors will announce Finance Committee appointments each year at the Annual Meeting for one-year terms beginning in January of the following year. The Board of Directors may make additional appointments throughout the year if vacancies occur.

E ELIGIBILITY TO VOTE AND REMOVAL

The Board of Directors may remove any Finance Committee member at any time for any reason. The Board of Directors has the right and authority to disband and discontinue any committee, as well as appoint or dismiss any committee member, with or without cause.

The Finance Committee may make recommendations to the Board regarding the removal of Finance Committee members. A Finance Committee member may be removed, upon written notice from the Finance Committee Chairperson, for failure to attend three consecutive Finance Committee meetings and/or for failure to attend meetings duly prepared.

A Finance Committee member's ability to vote on any matter before the Finance Committee shall be suspended if such Finance Committee member is in violation of any provision of the Declaration of Covenants, Restrictions and Easements and/or the Community Standards in effect from time to time and has not rectified such violation upon notice from the Finance Committee or Community Manager. Such voting rights shall be reinstated upon compliance with such Declaration and Community Standards.

F ELECTION OF OFFICERS

The Board shall appoint the Chairperson of the Finance Committee, which may include, or be, the Treasurer of the Association. Members of the Finance Committee may make recommendations to the Board for the appointment of a Chairperson. Other officers of the Finance Committee may be elected by the Finance Committee membership. At a minimum, the Finance Committee shall elect a Vice-Chairperson as well as a Secretary who shall be responsible for recording accurate minutes of the Finance Committee's meetings and submitting them to the Community Manager, in a timely manner, for inclusion in the monthly Board meeting package and for posting on the internal Association web site. Minutes shall include a record of the date, time and place of each meeting. Minutes shall also include a record of Finance Committee member attendance and all votes of the Finance Committee.

The Chairperson, or his or her designee, shall be responsible for chairing meetings of the Finance Committee. In addition, the Chairperson is responsible for responding in a timely manner to Finance Committee e-mail messages forwarded from the web site.

G MEETINGS

Finance Committee meetings shall be held at a recognized meeting place of the Association or by means of video conference that all members and members can attend. All Finance Committee meetings shall be open to the membership. In order for the membership to be

reasonably informed of Finance Committee meetings, the Finance Committee Chairperson shall ensure that all Finance Committee meeting dates of the Finance Committee are listed on the web site, placement of printed notification at each community entrance, email notification to those members who have voluntarily elected to receive community emails, and publicized through any other means of posting that the Board deems appropriate. If it is necessary for the Finance Committee to reschedule or cancel a meeting, the Finance Committee Chairperson shall notify the management staff at the earliest possible time so that the membership can be reasonably notified. The Finance Committee Chairperson shall be responsible for contacting the members of the Finance Committee regarding rescheduled or canceled meetings. "Special" meetings or rescheduled meetings may be scheduled by the Chairperson upon five (5) business days posted notice stating the reason for the meeting.

The Finance Committee Chairperson shall designate a time period on each meeting agenda for resident input.

A majority of the members of the Finance Committee must be present to convene a meeting or conduct formal voting procedures. A majority vote of members while a quorum is present shall constitute a decision of the Finance Committee. All voting shall be conducted in open session.

H COMMUNICATIONS

In the interest of ensuring strong communications between the Board and the Finance Committee, it is expected that the Finance Committee Chairperson, or his or her designee, will attend each regularly scheduled business meeting of the Board. The Finance Committee representative will present Finance Committee recommendations, update the Board on the status of pending Finance Committee tasks, request assistance from the Board, as needed, and answer any questions the Board may have regarding Finance Committee assignments.

The Finance Committee is expected to maintain regular communications with the Board and with the Community Manager.

It is expected that the Finance Committee will provide accurate and timely information about its activities for publication in the newsletter, if such is published, on the web site and other communication vehicles of the Association. It is the responsibility of the Finance Committee to ensure that this information is updated on a regular basis.

I SUB-COMMITTEES

There are no sub-committees of the Finance Committee. However, workstreams with respect to various Finance Committee matters may involve less than all of the Finance Committee members. In that instance, a report to the full committee shall be required prior to any vote on such application.

THIS FINANCE COMMITTEE CHARTER, WAS DULY ADOPTED BY A UNANIMOUS VOTE AT THE February 15, 2023 MEETING OF THE BOARD OF DIRECTORS.

FOR THE ASSOCIATION BOARD OF DIRECTORS,

Name: Kenneth Stenroos

Title: President, HOA Board of Directors

Date 2-15-2023