

Heritage of Hawk Ridge Finance Committee Charter

GENERAL

The Finance Committee advises the Treasurer and Board of Directors on the Association's financial matters. The committee is advisory in nature and serves at the pleasure of the HHR BOD. Committee members may not make final decisions on any matters, expend any Association funds or speak on behalf of the community, without the approval of the Board.

MEMBERSHIP

The Committee consists of 3-to-5-home owners. The Treasurer will submit the proposed members to the Board of Directors for approval. Proposed members will be selected based on qualifications and good standing with the Association. Proposed members should have a financial background, including experience with accounting or tax.

Members of the committee who violate the charter or take actions that are considered detrimental to the Association may be subject to dismissal by the Board for cause.

MEETINGS

The Committee will meet at least 6 times per year and/or as often as required to accomplish their objectives, at a time and place of their choosing. Meetings may be attended through the use of teleconferencing.

REPORTS / RECOMMENDATIONS

The Committee will issue periodic written and/or oral reports to the Board of Directors on their activities and on matters referred to them by the Treasurer or Board of Directors. These reports will contain specific recommendations for consideration and action by the Board.

AREAS OF FOCUS

It is expected that the Board may request the Committee to address issues of interest, which have some direct bearing on financial matters of concern to the Association. In general, the following will be the principal areas of interest to the committee:

1. Annual budget

The committee will assist the HHR Property Manager in preparing the HHR annual budget. They will then present the budget to the Board of Directors for their approval. Based on this budget, the Committee will evaluate the current assessments and recommend to the board and changes deemed necessary in the assessment amounts.

2. Reserve and Operating Funds

The Committee will, based upon inputs from the Board of Directors, the various HHR committees and other relevant sources such as the Reserve Fund Study and the 5-year capital plan, analyze the current and projected status of the Association reserve funds and assessment amounts to assure they are appropriate. Recommendations as to the appropriate size and use of these funds will be made to the Board for their approval.

3. Review of Balance Sheet and Income/Expense statements

While the Treasurer is responsible for the monthly monitoring of expenditures and analysis of assets and liabilities, the committee will assist in this effort at the direction of the Treasurer. They will review proposed extraordinary expenditures for their impact on the Association's overall fiscal health and will make recommendations, as appropriate.

4.Homeowners Association tax return

The committee will compile the information necessary for the preparation of the annual tax return. The committee will review the return before the CPA firm files it.

5. Investments

The committee will monitor the investment of such funds and recommend investment strategies to assure that the maximum rate of return, consistent with the necessary safety of capital, is being obtained for the benefit of the Association.

5. Funding and/or savings opportunities

The committee will seek out and evaluate possible opportunities for supplemental sources of funds or of savings which might be suitable for HHR.

6. Contracts

The Committee may be asked to review any major contracts to be awarded to vendors and advise the Board of Directors regarding the inclusiveness of contract provisions and the appropriateness of the cost of goods and/or services covered in these contracts.