

SUN RIDGE OWNERS ASSOCIATION, INC.
Administrative Resolution No. 2

Establishment of Audit and Finance Committee

PREAMBLE

A. Article IV, Section 1, of the By-Laws of the Association states that the affairs of the Association shall be governed by the Board of Trustees (the "Board") and Section 10 states that the Board shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the Association and the operation and maintenance of the Sun Ridge Community.

B. Article VII, Section 3, of the By-Laws states that the Board has the power to appoint committees from among the owners as the President may deem appropriate to assist in the conduct of the affairs of the Association.

C. The Board recognizes that a program of sound asset management is essential to the financial health and viability of the Association and to the protection of the Owners' equity.

D. The Board wishes to create a standing committee to provide assistance in their duties regarding asset management for the Association.

NOW, THEREFORE, be it resolved this 23rd day of October, 1995 that a standing Audit and Finance Committee be established, having the following terms of reference:

RESPONSIBILITY

The primary responsibility of the Audit and Finance Committee is to advise and assist the Board in planning and administering a program of asset management for the Association. In fulfilling its responsibility, the committee performs functions which include, but are not limited to the following:

- 1) Review and evaluate all financial statements and submit written comments and/or recommendations to the Board;
- 2) Advise the Board on long-term and short-term investments of Association funds, consistent with the governing documents of Sun Ridge;
- 3) Assist the Board in selecting an auditor;

- 4) Assist the Board in developing the annual budget;
- 5) Perform such other functions as directed, requested or approved by the Board.

MANNER OF ORGANIZATION

- 1) The Audit and Finance Committee shall be comprised of up to five (5) members appointed by the Board, with no more than two (2) members from each type of housing unit. A member of the Board shall reside as an ex-officio member of the committee. Each member shall serve for a two (2) year term and no more than three (3) consecutive terms.
- 2) Any Owner in good standing may serve on the Audit and Finance Committee.
- 3) The recorder of the Audit and Finance Committee is responsible for keeping a roster of committee members.

CHAIRPERSON

- 1) The Chairperson shall be appointed by the Board. The committee shall, at its first regular meeting following its creation, elect a Vice-chairperson from among its members, who shall serve in the Chairperson's absence.
- 2) The Chairperson shall serve a one (1) year term with the exception of the initial Chairperson who shall serve until the first regular committee meeting following the annual meeting.

VACANCIES

The Board may remove a committee member for cause. A vacancy created by removal, death or resignation of a member shall be filled by appointment by the Board after written notification to the committee members.

RECORDER

The Chairperson will designate a recorder from among the committee members. The recorder shall be responsible for keeping the committee membership roster, recording minutes of all meetings and in general maintaining written documentation on committee decisions and activities.

SUBCOMMITTEES

The committee may create from among its membership such subcommittees as it deems necessary and desirable, so long as each subcommittee has specific goals and objectives approved by the committee.

MANNER OF OPERATION

The Audit and Finance Committee shall operate as set forth below:

Consistent with the governing documents and this Resolution, the committee shall establish such other rules and methods of operation as deemed necessary.

FUNCTIONS

Functions of the committee include the following:

- 1) Assessing conditions and needs;
- 2) Establishing priorities for committee and subcommittee activity;
- 3) Proposing, for Board approval, guidelines relative to the committee's area of operation; and
- 4) Taking such actions as directed by the Board.

CHAIRPERSON

Functions of the Chairperson shall include the following:

- 1) Coordinating and supervising committee activities and meetings; and
- 2) Preparing committee reports for submission to the Board.

MEETINGS

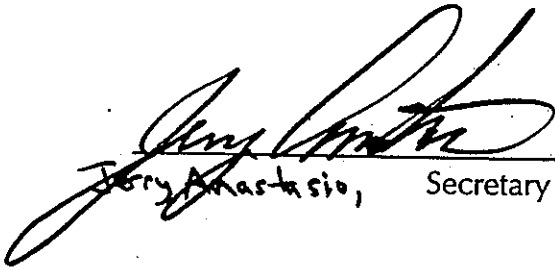
Regular meetings of the Audit and Finance Committee shall be held at least four (4) times per year or more often as necessary to carry out assignments and responsibilities. The purpose of at least one full committee meeting shall be to review the Association's independent audit and the purpose of at least one full committee meeting shall be to review the Association's annual budget. Following each such meeting the committee shall submit comments and/or recommendations through the Chairperson to the Board in sufficient time to allow adequate review of each such report prior to applicable Board

deadlines. Other meetings may be called by the Chairperson, upon request of any two (2) committee members or upon request of the Board. A majority of committee members shall constitute a quorum for the purpose of conducting committee business.


REPORTING AND CHANNELS OF COMMUNICATION

The Audit and Finance Committee shall, through its Chairperson, submit to the Board written reports on its meetings. These reports shall, to the extent applicable, include a summary of activities, problems, plans for the upcoming period, recommendations or proposals, and committee meeting attendance reports. The Chairperson shall report to the Board upon request to discuss specific issues or general committee business.

ATTEST:


Jerry Anastasio, Secretary

SUN RIDGE OWNERS ASSOCIATION, INC.

By: 
John Seramba, President

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