

Dear Homeowners:

The Enclave At Berwick Plantation Homeowners Association, Inc.'s Financial Operating Procedure

The Enclave At Berwick Plantation Homeowners Association, Inc.'s Board has spent many hours up to this point deciphering the manner in which the Board of Directors has operated in the past. The new Board has endeavored to establish a comprehensive set of procedures for all expenditures on behalf of the Board of Directors and homeowners. The operating procedure is absolutely critical since the Board holds a fiduciary relationship with the homeowners of The Enclave.

As a starting point, the Board has attempted to review all expenditures over the past year, 2023, and in some cases, we have gone back to 2022. The reason for such a time consuming review is to see what procedures have been followed in the past, with a view to assist in establishing a clear set of guidelines for the future. We have determined that differences do exist over the last couple of years, as to how the Board operated, and this is an attempt to set standard procedures for this Board and all that follow. Of course, there is no guarantee that all future Boards will follow the lawful practices as will be set forth below.

It is the intent of the Board of Directors elected in December 2023 to follow a set of guidelines and after consultation with professionals in the area of real estate, real estate law, Georgia law and community management, we have a comprehensive procedure to follow.

First, the Board established a Finance Committee to assist the Board in following accepted accounting principles and to give direction on financial matters with the proper recording of financial matters. The first meeting of the Finance Committee will be held Thursday, January 25, 2024, at 5:00 pm. The Finance Committee is composed of Enclave homeowners with considerable experience in

accounting, business and finance. This past week the Board published the list of Finance Committee members.

Second, immediately upon entering office, the Board directed Associa to immediately stop payment of all invoices and not to take any action without clear and comprehensive Board approval of all expenditures, whether from this year or previous years. Unfortunately, some invoices or bills from 2023 are still outstanding which will impact the 2024 budget; however, the Board will scrutinize all outstanding obligations before payment to ensure accuracy and appropriate expenditures.

Our initial investigation discovered that Associa frequently made payments to vendors without clear authority granted by the Board. It is unclear at the moment if the proper documentation was provided to Associa and the Board has requested any and all documentation within Associa's possession. With the publication of this document, any financial records the former Board may know of or have possession of would also be helpful in our review. We appreciate any and all information that may be available.

So, in an effort to establish a standard operating procedure for payment of outstanding bills or to meet operating costs or conducting business, the Board will follow Robert's Rules of Order when conducting Board business as follows.

The process shall be:

- 1) motion;
- 2) a second to the motion;
- 3) any discussion;
- 4) then a vote on the expenditure; and
- 5) a Board written Resolution evidencing the full process of approving the use of corporate funds.

The authorization to Associa, or other property manager, will include the motion, the second, the vote along with a Board resolution that shall be included in the directive. Each expenditure with supporting documentation shall be retained as a permanent record for all purchases, reimbursements or contracts, etc.

Attached below is the format for the Board's resolution and may be used for any and all expenditures. As with all Board meetings or committee meetings, except those in Executive Session by the Board, any homeowner wishing to attend may do so. Of course, the Board will hold quarterly meetings as set forth in the controlling corporate documents.

The below Corporate resolution will be used for expenditures of Corporate funds in the future and will clearly identity the action of the Board of Directors.