

Board Decision

Approval of Finance Committee Charter

September 8, 2004

Purpose

This resolution will adopt a Finance Committee Charter defining the committee's responsibilities.

Background

The board created a Finance Committee on April 11, 2001. The Committee met with the Audit Committee in December 2003 to define roles and compare charters. The Finance Committee is charged broadly with overseeing Energy Trust finances. The Audit Committee has a more specialized function overseeing audit-related functions. The Board adopted a charter for the Audit Committee in December 2003.

Recommendation

The Finance Committee recommends adoption of the attached charter.

Resolution

BE IT RESOLVED: That Energy Trust of Oregon, Inc., Board of Directors approves the Finance Committee Charter attached hereto as Exhibit A.

Moved by: _____ Seconded by: _____

Vote: _____ in favor _____ opposed _____ abstained

Adopted on (date) _____ by Energy Trust of Oregon, Inc., Board of Directors.

Exhibit A

Energy Trust of Oregon, Inc. Finance Committee Charter

Purpose and Scope

The primary function of the Finance Committee (the “Committee”) is to assist the Board of Directors (the “Board”) in fulfilling its responsibilities by advising the Board, and in certain instances by acting on behalf of the Board, on matters relating to the organization’s investment policies and financial activities.

Composition

The Committee shall be comprised of a minimum of three members of the Board as appointed by the Board, each of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Basic understanding of financial statements, general accounting policies and practices, investment, cashflow, and operations is encouraged. In addition, the executive director and chief financial officer will serve as staff representatives on the committee.

The members of the Committee shall serve until their successors are duly elected or until their resignation or removal. Unless the Board appoints a Committee Chair, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

One member of the Committee shall serve in a liaison role with the Audit Committee.

Meetings

The Committee shall meet as necessary to enable it to fulfill its responsibilities and duties as set forth herein. The Committee shall report its actions to the full Board and keep written minutes of its meetings, which in turn shall be recorded and maintained with the books and records of the organization.

Responsibilities

The Committee shall:

1. Advise the Board regarding any proposed debt, equity or hybrid financing transaction of the organization and review any such proposed transaction for compliance with any applicable rules and regulations promulgated by any governmental or regulatory body exercising authority over the organization (“Regulatory Body”).
2. Be responsible for recommending changes to the board-approved accounting policies.
3. Advise the Board regarding all matters affecting the establishment of accounts with banks or brokers.

4. Review and assess the adequacy of the organization's investment guidelines as necessary, assess whether these guidelines are appropriate for the organization, review such guidelines for compliance with any applicable rules and regulations promulgated by any Regulatory Body and review and recommend to the Board any amendments or revisions to the guidelines.
5. Periodically meet with management to review matters within the Committee's authority.
6. Be available to consult with members of the organization's senior management on matters relating to any proposed financing transaction, investment or other finance-related strategy to be pursued by the organization.
7. Regularly meet with staff to review the financial results of the organization's operations, and other financial or management reports which are provided to the Board and provide staff guidance as necessary.
8. Review with staff the annual budget draft and make recommendations to the full Board. Review and recommend any necessary budget changes during the year.
9. Review and assess the adequacy of this Charter periodically as needed and recommend to the Board any modifications to this Charter.

Authority

1. To the extent it deems necessary, the Committee may engage outside counsel, investment bankers, accountants and/or independent consultants to review any matter under its responsibility.
2. The Committee may take such other actions in matters under its authority as the Committee deems to be in the best interests of the organization or as required by any Regulatory Body.