

AUTUMN CHASE HUNT HOMEOWNERS ASSOCIATION

RESOLUTION NO. 05-2015

**STANDARDS OF CONDUCT FOR
MEMBERS OF THE BOARD OF DIRECTORS AND COMMITTEES**

WHEREAS, Section 4.1 of the Bylaws for Autumn Hunt Homeowners Association (“Bylaws”) provide that the Autumn Chase Hunt Homeowners Association (“Association”) Board of Directors (“Board”) shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Virginia Property Owners’ Association Act (“Act”) or the Association governing documents to be exercised and done by the Owners;

WHEREAS, the Virginia Property Owners’ Association Act (“Act”) establishes certain requirements for the conduct of business by the Association Board of Directors;

WHEREAS, Section 4.1(4) of the Bylaws empowers the Board to adopt and amend any reasonable Rules and Regulations not inconsistent with the Association Documents;

WHEREAS, Section 55-513 of the Act grants the Board the authority to establish, adopt, and enforce rules and regulations with respect to such other areas of responsibility assigned to the Association by the Declaration;

WHEREAS, the Board has determined that it is in the best interests of the Association to develop and specify standards of conduct by which members of the Board and Committees of the Association are expected to conduct themselves in the course of service to the Association and to specify a process for considering contracts and other matters where an apparent conflict of interest exists;

WHEREAS, the Board wishes to establish and publish a policy regarding Board and Association commitment to compliance with all laws protecting against discrimination and ensuring equal opportunity under the law as well as promoting sensitivity and respect for the diverse racial, ethnic and cultural backgrounds represented by owners and residents; and,

WHEREAS, the Board has determined that it is in the best interests of the Association to develop appropriate sanctions which will be incurred by members of the Board and Committees of the Association who are determined to have breached the terms of this Resolution.

ARTICLE I

Standards of Conduct

Association Board or Committee members are expected to follow the following standards of conduct:

1. The duty to act in good faith, in compliance with applicable law and regulations and the governing documents, in the best interest of the Association.
2. The duty to act in accordance with the Code of Conduct, attached as Exhibit A to this Resolution.
3. The duty of undivided loyalty to the Association.
4. The duty to avoid conflicts of interest in transactions with the Association, or between the Association and any corporation, firm or association in which one or more directors of the Association are directors or officers or are pecuniary or otherwise interested.
5. The duty to maintain the confidences and confidential information of the Association in accordance with policies adopted by the Board and consistent with requirements of applicable law.
6. The duty to comply with the requirements of the Act and relevant provisions of the Bylaws with respect to Board meetings. Meetings shall be open to all members of record and minutes shall be recorded and made available for examination. The Board or a Committee may only convene in executive session to consider matters specifically permitted by law.
7. The duty to refrain from engaging in exchanges or communications that rise to the level of discussing or transacting Association business in avoidance of the requirements for meeting conduct under the Act.
8. The duty to preserve the confidential nature of matters considered in executive session and privileged communications where applicable by refraining from discussion of those matters outside of that forum.

ARTICLE II

Additional Standards of Conduct

In addition, conduct of the Board and Committee members shall be governed by the following standards.

1. A Board or Committee member is strictly prohibited from accessing, removing, replacing, or altering Management or Association files or records unless the actions of the Board or Committee member are authorized in writing by Management or the Board.

2. Unless the Board or Committee member has knowledge or information concerning the matter that makes reliance unwarranted, a Board or Committee member may rely on information, opinions, reports, statements, if prepared or presented by:

- a. An officer or employee of the Association whom the Board member or Committee member believes, in good faith, to be reliable and competent in the matters presented;
- b. Association legal counsel, public accountants, or other persons as to matters the Board member or Committee member believes, in good faith, are within the person's professional or expert competence; or
- c. A Committee of the Association of which he is not a member, if the Board member or Committee member believes, in good faith that the Committee merits competence.

ARTICLE III **Interested Directors**

1. Any contract or other transaction between the Association and any of its directors, or between the Association and any corporation, firm or association in which any of the directors of the Association are directors or officers, or are pecuniarily or otherwise interested, is void or voidable unless at least one of the following conditions is met:

- a. The fact of the common directorate or interest is disclosed or known to the Board or a majority thereof or noted in the minutes, and the Board authorizes, approves or ratifies such contract in good faith by a vote sufficient for the purpose;
- b. The fact of the common directorate or interest is disclosed or known to at least a majority of the lot owners, and the lot owners approve or ratify the contract or transaction in good faith by a vote sufficient for that purpose; or
- c. The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

2. If any of the above conditions are met, any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board or Committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize the contract or transaction.

3. If the Director or Committee member fails to disclose the circumstances or relationship giving rise to a potential conflict of interest, and the Board or Committee is otherwise made aware of the potential conflict, or the Board member or Committee member chooses to participate in consideration of a matter in which that Board or Committee member has a potential conflict, the Board or Committee may vote by majority vote to exclude the Board member or Committee member from voting on the matter giving rise to the potential conflict.

ARTICLE IV

Enforcement and Sanctions

Board and Committee members are expected to sign the Code of Conduct attached as Exhibit A to this Resolution at the annual organizational meeting of the Board and if not at the organizational meeting, within 30 days after the organizational meeting or adoption of this Resolution. The original, signed copy of the Code of Conduct shall be filed with the Association Secretary, or the management agent, on behalf of the Association and made part of the minutes of the meeting following which the Code of Conduct were signed. If a member of the Board considers the conduct of another member or members of the Board or Committee to be in violation of this Resolution the following procedures and sanctions may apply:

1. The complaining member of the Board shall submit a written complaint to the Board of the alleged violation, detailing facts and circumstances surrounding the alleged violation.
2. The Secretary of the Board shall send written notice of the complaint to the member who is accused of the violation and advised the member that he may answer the allegation in writing within fifteen days of the date of his receipt of the notice.
3. At the next meeting of the Board, the President of the Board shall by proper motion request the Board to convene in executive session for the purpose of discussing a possible violation of this Policy Resolution or the Code of Conduct.
4. While in executive session, all facts and circumstances surrounding the allegations of the complaining Board member shall be heard without interruption. The subject Board member shall then be heard in response.
5. After fully hearing and considering the statements from all Board members who choose to be heard, the Board by a majority vote shall determine which of the following sanctions is appropriate:
 - a. No action;
 - b. Private reprimand, with or without terms;
 - c. Public reprimand, with or without terms; and
 - d. Removal from position as an officer of the Association pursuant to Section 6.3 of the Bylaws.
 - e. Recommendation to the Owners, at an Annual or Special meeting of the Association, for removal of the Board member pursuant to Section 5.5 of the Articles of Incorporation for Autumn Chase Hunt Homeowners Association.

AUTUMN CHASE HUNT HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS CODE OF CONDUCT

Members of the Board of Directors (“Board”) are fiduciaries in the service of Autumn Chase Homeowners Association (“Association”). Each member of the Board shall act in accordance with this Code of Conduct.

All Board members shall:

1. Listen attentively to the views of other members at meetings of the Board and other official assemblages;
2. Refrain from interrupting the presentations of fellow members, and obeying the directions of the President of the Board or Chair at all official assemblages;
3. Use best judgment in arriving at decisions on matters pending before the Board;
4. Respect and abide by decisions of the Board;
5. Comport themselves in accordance with the proposition that all authority is vested in the Board, and not in individual members in regard to all matters occurring before the Board;
6. Recognize, and accept the President as the spokesman of the Association, and refrain from offering dissenting opinions once a vote has been taken on an issue;
7. Declare on the record any interest that may conflict with an interest of the Association or the Board and, at a minimum, abstain from casting a vote or lobbying other directors in such circumstances; and,
8. Treat members of Association staff and management with respect and in an appropriate businesslike manner.

All Board members shall strive to:

1. Become knowledgeable of, and abide by, the governing documents and rules and regulations of the Association.
2. Work towards the common good of the members of the Association, to protect the members’ property values and enhance the welfare of all residents.
3. Avoid conflicts of interest and the appearance of conflicts of interest.
4. Respect other Directors, Association members and residents within the community, as

well as all vendors and potential vendors doing business with the Association.

5. Be a good neighbor and set positive examples within our community

Furthermore, members of the Board are precluded from undertaking the following actions:

1. Criticizing fellow members (though positions taken at meetings on items of interest may be discussed in objective, non-derisive terms);
2. Using email or other means of communication to discuss Association business outside of a properly convened meeting of the Board, except as authorized by law;
3. Discussing confidential proceedings of the Board with anyone other than another director;
4. Offering to vote in a particular manner prior to the discussion of the matter at issue by the Board;
5. Using the Association, or any part of it, for personal gain.

Sanctions

A Director who violates any of the above shall be subject to: a private reprimand, public reprimand, censure, removal as Association officer, removal as Association director, or any combination of the above.

Enforcement

A member who is accused of violating the requirements set forth above shall be notified in writing by the Secretary of the Board of the alleged violation, as well as the facts and circumstances surrounding it, and advised that he may answer the allegation in writing within fifteen days of the date of his receipt of the notice of violation.

The Board shall meet in executive session to determine, based upon the allegation and the member's answer (if any), if the member engaged in the alleged misconduct and, if so, whether the member should be sanctioned by the Board. A sanction shall be imposed only upon the affirmative vote of the majority of the Board present at the open session immediately following the executive session at which the matter has been determined

Signature

Date

AUTUMN CHASE HUNT HOMEOWNERS ASSOCIATION

RESOLUTION ACTION RECORD

Resolution No. 05-2015

Pertaining to: Standards of Conduct

Duly adopted at a meeting of the Board of Directors held 4-28-15

Motion by: Mark Seconded by: Holly

VOTE:

	YES	NO	ABSTAIN	ABSENT
<u>Jeffrey Gonzalez</u> President	<u>[Signature]</u>			
<u>MARK E CAMPORINI</u> Vice-President	<u>MEC</u>			
<u>[Signature]</u> Secretary	<u>[Signature]</u>			
<u>[Signature]</u> Treasurer	<u>HRS</u>			
<u>[Signature]</u> Director	<u>[Signature]</u>			

ATTEST:

[Signature]
Secretary

4/28/15
Date

Resolution effective: 5-1-2015, 2015.

