



## **RESOLUTION OF THE BOARD OF TRUSTEES OF ASHBURN FARM ASSOCIATION**

### *Code of Conduct and Operating Procedures for the Board of Trustees*

WHEREAS, Article III, Section 3(b) of the Declaration for the Association empowers the Board of Trustees with the authority to conduct the affairs of the Association; and

WHEREAS, the Board Trustees has decided to establish a code of conduct and operating procedures for itself and its committees;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees adopts the following operating procedures and code of conduct for Board of Trustees and Committee members as its formal policy:

#### **1. LIAISONS**

##### **A. Committee Liaisons**

The Board of Trustees shall appoint a liaison to each committee. The purpose of committee liaison is to encourage the work of the committee and facilitate communications between the committee and the Board of Trustees. All communications between the Board and committee members that do not take place at a Board meeting should go to the committee liaison. No Board member shall serve as liaison to more than two committees.

##### **B. Staff Liaisons**

The Board of Trustees President shall act as the liaison to communicate with the Association staff. The President's communications with the staff should go through the General Manager. If the General Manager is unavailable and an urgent matter must be handled, the President may communicate directly with other staff personnel. In the President's absence, the Vice-President shall act, and in the Vice President's absence, the Secretary shall act, and in the Secretary's absence, the Treasurer shall act as the liaison to staff. If a member of staff is on a committee in which a board member is the Liaison, direct communication for business relating to that committee does not need to run through the Board of Trustees President.

##### **C. Legal Liaisons**

The legal liaison for the Association's lawyer shall be the General Manager and the President. In the President's absence, the Vice President shall act, and in the Vice President's absence, the Secretary shall act, and in the Secretary's absence, the Treasurer shall act as the Liaison to the General Manager. Any board member can approach the

Ashburn Farm Association lawyer with questions they feel is in the betterment of the community. If the Association lawyer feels the question should be directed through the General Manager or President, he/she should direct that board member to the General Manager. If it is a chargeable question it should be directed to the President or brought to the Board of Trustees for a vote.

## **2. CONFLICT OF INTEREST**

Members of the Board owe a fiduciary duty to the Association, which requires them to consider only the best interests of the Association and the community when they vote or discuss any matter and thus must exclude any self-interest or any competing interest from their consideration.

Board members shall exercise their powers and duties in good faith and in the best interests of the Association. Any Board member who has, or thinks that he/she may have a conflict of interest, either presently or in the future on any issue that is likely to be introduced for discussion at a Board meeting, then prior to any discussion or vote on this issue, shall immediately make known to the Board members this potential conflict of interest and must abstain from voting on that issue. The voidability of a transaction involving a Board member with a conflict of interest shall be determined in accordance with Section 13.1-871 of the Virginia Non-Stock Corporation Act.

A conflict of interest transaction is a transaction of the Board of Trustees in which a Board member has a direct or indirect personal interest. A conflict of interest transaction is not voidable by the Board solely because of the Board member's interest in the transaction if any one of the following is true:

- A. The material facts of the transaction and the Board member's interest were disclosed or known to the Board of Trustees and the Board authorized, approved or ratified the transaction; or
- B. The material facts of the transaction and the Board member's interest were disclosed to the members entitled to vote and they authorized, approved or ratified the transaction; or
- C. The transaction was fair to the Association.

A Board member has an indirect personal interest in a transaction if (i) another entity in which he has a material financial interest or in which he is a general partner is party to the transaction or (ii) another entity of which he is a Director, Officer or Trustee is a party to the transaction and the transaction is, or should be, considered by the Board of Trustees.

A conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of the majority of the Board members who have no direct or indirect personal interest in the transaction, however, a transaction may not be authorized or approved by a single Board member. If a majority of the Board members who have no direct or indirect personal interest in the transaction, vote to approve the transaction, a quorum is present for the purpose of taking action pursuant to this paragraph. The presence of, or a vote cast by, a Board member with a direct or indirect personal interest in the transaction does not affect the validity of any action taken pursuant to the paragraphs of this section, if the transaction is otherwise authorized or approved as provided in these paragraphs.

No Board member shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan, or other item of a monetary value (of significance) from a person who is seeking to obtain contractual or financial relationships with the Association.

No Board member shall accept any gifts or favors made with the intent of influencing any decisions or actions on any official matter.

No Board member shall misrepresent facts to the residents of the community for the purpose of advancing a personal cause or influencing the community to put pressure on the Board to advance a Board member's personal cause.

### **3. MOTIONS AND VOTING**

No actions shall be taken by the Board that would affect the Association monetarily or against an existing policy, unless such action has been considered at the Board meeting by a motion and a vote. The results of any vote taken shall be recorded in the Board meeting minutes. Board meeting minutes will include a listing of the meeting participants, a record of business conducted, motions made, and votes taken.

The Board may choose to take actions outside of a formal Board meeting (e.g. email, teleconferencing, etc.) provided that any actions taken are done by a unanimous vote or approval of the Board. Such actions must be summarized in the minutes of the following Board meeting and duly recorded in that meeting's minutes. Such actions should be reserved for time-sensitive and/or more routine business and not as a means of excluding public comment or deliberation by the Board in a formal Board meeting.

All Board members shall affirmatively stand behind and support any action or vote taken and move forward positively with the Board in any action needed to be taken in order to implement the action.

### **4. INTERACTION WITH THIRD PARTIES**

Board members shall not act on his or her own, in the capacity of a Board member, or under color thereof, with respect to any decisions or actions that is within the purview of the entire Board, unless the Board member is specifically authorized to so act beforehand, by vote of the entire Board.

Each Board member, when dealing with outside entities, third parties, or residents not on the Board, must remember how they are viewed by whomever they are dealing with, and should make it clear to whomever, whether they are speaking as a resident of the community, a Board member, or on behalf of the Board.

If a Board member is contacted directly by a resident concerning Association matters that are currently, or that should properly be, before the entire Board, then the Board member should inform the resident that he is only able to speak on behalf of himself and not for the Board or Association as a whole. In order for the resident to receive a formal decision by the Board either a request needs to be submitted in writing to the Board, or, if appropriate, the resident must address the entire Board at a formal Board meeting to present the matter and any questions or concerns associated with it. Under no circumstances does an individual or sub-group of Board members have the authority to speak on behalf of the Board or Association unless granted specific authority to do so in advance by the Board.

Board members should use strict judgment in the event they are in a position that requires them to interact individually with persons representing any outside entities, such as any member of the Federal, State or local governments, members of the local press or newspaper, police and fire departments, business contractors, or other third parties. First form of response should be an invitation to discuss "on the record" topics at the Ashburn Farm Board of Trustee meetings. If such interaction is unavoidable for any reason, then that Board member is required to disclose to the Board the circumstances and content of any communications as soon as is practical, through the General Manager or Board President.

Any Board member who violates this Resolution agrees that the Board of Trustees may seek injunctive relief against them. Removal from the Board may result. Any unlawful event will be handled by the laws of the Commonwealth of Virginia.

This resolution was duly adopted by the Board of Trustees this 4th day of May, 2010.

Ashburn Farm Association

Signed and Approved By;

Eric Hornberger, President:

Tammi Marcoullier, Vice President:

Marc L. Ripperger, Secretary:

Stephen Lubore, Treasurer:

Peggy Chapman, Trustee:

Tim Hughes, Trustee:

Darrell Miller, Trustee:

