BOARD OF DIRECTORS MEETING MINUTES
Initial Meeting
April 9, 2014

PRESENT: President Ken Knueven; Treasurer John Higgins; Directors Ellen Graves, Eve Thompson, Michael Sanio, Richard Chew, Tim Cohn, Rachel Muir, Jeff Thomas, and Lucinda Shannon; Legal Counsel, Ken Chadwick; Chief Executive Officer Cate Fulkerson.

I. ELECTION OF OFFICERS

A. Call to Order & Officers Election

President Knueven called the meeting to order at 6:06 pm and established that a quorum of the Board of Directors was present, and read the instructions for the Election of Officers (attached).

Office of President

President Knueven called for nominations for the office of President.

Director Chew, seconded by Director Thompson, nominated Director Knueven for the position of President of the Association.

President Knueven asked for other nominations; having none, nominations for the office of President were closed.

General Counsel, Ken Chadwick distributed to the Board secret ballots for the office of President. Once completed by each Director, Mr. Chadwick collected the secret ballots and left the room to tabulate the results.

Mr. Chadwick announced that Director Knueven was elected to the office of President.

Office of Vice President

President Knueven called for nominations for the office of Vice President.

Director Cohn, seconded by Director Sanio, nominated Director Graves for the position of Vice President of the Association.

President Knueven asked for other nominations; having none, nominations for the office of Vice President were closed.
General Counsel, Ken Chadwick distributed to the Board secret ballots for the office of Vice President. Once completed by each Director, Mr. Chadwick collected the secret ballots and left the room to tabulate the results.

*Mr. Chadwick announced that Director Graves was elected to the office of Vice President.*

**Office of Secretary**
President Knueven called for nominations for the office of Secretary.

*Director Thompson, seconded by Director Cohn, nominated Director Sanio for the position of Secretary of the Association.*

President Knueven asked for other nominations; having none, nominations for the office of Secretary were closed.

General Counsel Ken Chadwick distributed to the Board secret ballots for the office of Secretary. Once completed by each Director, Mr. Chadwick collected the secret ballots and left the room to tabulate the results.

*Mr. Chadwick announced that Director Sanio was elected to the office of Secretary.*

**Appointment of the Assistant Secretary**
President Knueven, seconded by Director Chew, moved to appoint Sabrina Tadele as Assistant Secretary of the Reston Association.

The motion passed unanimously.

**Office of Treasurer**
President Knueven called for nominations for the office of Treasurer.

*Director Chew, seconded by Director Thompson, nominated Reston Association Member John Higgins for the position of Treasurer of the Association.*

President Knueven asked for other nominations; having none nominations for the office of Treasurer were closed.

General Counsel Ken Chadwick distributed to the Board secret ballots for the office of Treasurer. Once completed by each Director, Mr. Chadwick collected the secret ballots and left the room to tabulate the results.

*Mr. Chadwick announced that Mr. Higgins was elected to the office of Treasurer.*

II. PROCEDURAL ITEMS

B. **Adoption of Meeting Agenda** (Attached)

*Director Chew, seconded by Vice President Graves, moved to adopt the Initial Board Meeting Agenda of April 9, 2014.*

The motion passed unanimously.
C. **Approval of March 26, 2014 Regular Board Meeting Minutes**

   *President Knueven, seconded by Director Chew, moved to adopt the March 26, 2014 Regular Board Meeting Minutes.*
   
   *The motion unanimously.*

III. **PRESENTATIONS, DISCUSSION & ACTION ITEMS**

D. **Board Duties & Responsibilities (Attached)**

   Legal Counsel Ken Chadwick conducted a question and answer training session with the Board of Directors to inform them of their fiduciary duties to the organization. Topics covered included the following:
   
   − Board/member relations
   − Governing documents
   − Rule enforcement
   − Board Meeting rules and emailing
   − Executive session rules

E. **Comments for Reston Association Members & Board**

   No Members provided comments.

   The following topics were noted by one or more members of the Board: welcomed the new Board Directors Shannon, Graves, Thompson, and Muir; congratulations to the Board officers; consideration of a sustainability chart at a future meeting; importance of open dialogue among Board members.

F. **Receipt of Audited Financial Statements (Attached)**

   Andy Afuang, Senior Manager from the independent audit firm of BDO USA, presented, and the Board of Directors received the consolidated financial statements for the Reston Association & Friends of Reston for Community Projects Inc., Audit Report for the years ended December 31, 2013 and 2012. Mr. Afuang stated that the Association was issued an unqualified, clean statement for the past year, with no adjustments, and no management letter. Mr. Afuang also noted that the Association’s Fiscal Committee had reviewed the statements and that the Draft audited statements will become final as presented.

   *Director Chew, seconded by Vice President Graves, moved to accept the Consolidated Financial Statements and Supplemental Materials for the years ended December 31, 2013 and 2012, as presented by the Association’s independent Auditing Firm BDO USA, LLP.*

   *The motion passed unanimously.*

G. **Board Committee Assignments**

   CEO Fulkerson provided an overview of the process for Board Director assignment to serve as liaisons to or voting members of committees. Specifically, Ms. Fulkerson highlighted the following:

   1. Annually, Board Directors are appointed by Board President to serve as members of or Liaisons to:
      
      − Board Committees - Legal, Fiscal, Board Planning
Advisory Committees – Communications, Reston Neighborhoods, 55 +, Environmental, Parks & Planning, Tennis, Transportation, Pedestrian & Bicycling
− Design Review Board
− Covenants Committee
− Community Councils & Community

2. If appointed to serve on the Legal, Board Planning, Fiscal Committees and/or any Special Committee of the Board you will be:
− A full voting member of the committee
− Counted towards quorum
− Held to the same attendance criteria as any other member of the committee

3. If appointed to serve as a liaison to the Design Review Board, Covenants Committee or an Advisory Committee you role will be to serve as a resource to and line of communication between the Board of Directors and that body. As a liaison you will not:
− Have vote on matters before the committee
− Be counted towards quorum
− Held to the same attendance criteria as any other member of the committee

4. Duties as a liaison to the Design Review Board & Covenants Committee:
− Attend at least one meeting a month of the DRB and/or Covenants Committee.
− In coordination with DRB and Covenants Committee Chairs, present quarterly reports to the RA Board on the activities of the DRB and Covenants Committee.
− Assist in development of methods to obtain Member feedback on DRB/Covenants Committee processes.
− Co-host, with the Chairs of the DRB and Covenants Committee, an annual joint meeting of the DRB, Covenants Committee, and RA Board.
− Facilitate RA Board required public hearings on proposed amendments to Design Guidelines and/or Use and Maintenance Standards.
− Help to educate Members on role of DRB and/or Covenants Committee in Community.

CEO Fulkerson provided the Board directors with forms to select their assignment preferences and asked to return their forms back no later than Monday, April 21.

H. Board Development Training – Board Source
CEO Fulkerson reminded the Board of their upcoming May 3, 2014 Development Training Session with Board Source, a national nonprofit organization with a mission to advance the public good by building exceptional nonprofit boards and inspiring board service.

I. Adjourn

Director Chew, seconded by President Knueven, moved to adjourn the meeting.

The motion passed unanimously.

The meeting adjourned at 7:43 pm.
Respectfully submitted,

[Signature]

Michael Sanio
Board Secretary

**Attachments to Original:**

- April 9, 2014 Initial Board Meeting Agenda
- Process for Election of Board Officers
- Legal Counsel Q&A on Board Duties & Responsibilities
NOTE: Times listed for Agenda Items are *estimates only*. Actual times may vary substantially dependent on circumstances. It is suggested that Members having an interest in a specific Agenda Item be in attendance from the start of the meeting.

### I. Election of Officers

<table>
<thead>
<tr>
<th>Item</th>
<th>Disposition</th>
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<tbody>
<tr>
<td>A. 6:00 pm Call to Order &amp; Election of Officers Ken Knueven, President</td>
<td>Discussion</td>
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<tr>
<td>Election of President Ken Knueven, President</td>
<td>Action</td>
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<tr>
<td>Election of Vice President President</td>
<td>Action</td>
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<tr>
<td>Election of Secretary President</td>
<td>Action</td>
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<tr>
<td>Appointment of Assistant Secretary President</td>
<td>Action</td>
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<tr>
<td>Election of Treasurer President</td>
<td>Action</td>
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### II. Procedural Items

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<th>Item</th>
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<tr>
<td>B. 6:30 pm Adoption of Meeting Agenda President</td>
<td>Action</td>
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<tr>
<td>C. 6:35 pm Approval of Board Minutes – March 26, 2014 Regular Board of Directors Meeting President</td>
<td>Action</td>
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### III. Presentations, Discussion & Action Items

<table>
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<tr>
<th>Item</th>
<th>Disposition</th>
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<tbody>
<tr>
<td>D. 6:40 pm Board Duties &amp; Responsibilities Ken Chadwick, Legal Counsel, Chadwick Washington Moriarty, Elmore &amp; Bunn PC</td>
<td>Discussion</td>
</tr>
<tr>
<td>E. 7:30 pm Member &amp; Board Comments President</td>
<td>Discussion</td>
</tr>
<tr>
<td>F. 7:45 pm Receipt of Audited Financial Statements Andy Afuang, Senior Manager, BDO USA</td>
<td>Informational</td>
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<tr>
<td>G. 8:10 pm Board Committee Assignments Cate L. Fulkerson, Chief Executive Officer</td>
<td>Informational</td>
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<tr>
<td>H. 8:20 pm Board Development Training – Board Source Cate L. Fulkerson, Chief Executive Officer</td>
<td>Informational</td>
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### IV. Close of Meeting

<table>
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<tr>
<th>Item</th>
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<tr>
<td>I. 8:30 pm Adjourn President</td>
<td>Action</td>
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The following is the process for the Reston Association Board of Directors annual election of officers.

If the current President or Vice President is still in office [reelected to the Board by the Membership], he/she will open the Board Meeting, establish a quorum, and conduct the election of the President. If the current President is reelected, he/she will conduct the remaining officer elections. If he/she is not reelected then the election of the remaining officers will fall to the new President.

If neither the President nor Vice President are still in office then the duty of presiding over the opening the Board Meeting, establishing a quorum, and conducting the election of the President will fall to the Association’s current Board Secretary. If the Secretary is not in office then the duty will fall to the Treasurer. That person shall be elected, by a majority vote of the Board, Chair Pro Tem for the sole purpose of conducting the election for the office of President and the position shall immediately terminate upon the election of a President.

Any questions regarding the officer election process during the course of the Board Meeting should be directed to General Counsel.

Steps for Opening the Meeting and Conducting Officer Elections:

1. At 6:00 pm, call meeting to order and establish that a quorum, five of nine Board Members, is present (either by phone or in person) to start the meeting.
   - “The Reston Association Annual Board Meeting will now come to order.”
   - “A quorum is present.”

2. If the current President or Vice President are no longer in office then the Secretary shall be elected, by a majority vote of the Board, Chair Pro Tem for the sole purpose of conducting the election for the office of President and the position shall immediately terminate upon the election of a President. If the President or Vice President is in attendance then this step is unnecessary and can be skipped.
   - “As the current President and/or Vice President are no longer in office, the Secretary shall be elected, by a majority vote of the Board, Chair Pro Tem for the sole purpose of conducting the election for the office of President and the position shall immediately terminate upon the election of a President.”
   - “Is there a motion to elect the Secretary Chair Pro Tem for the sole purpose of conducting the election for the office of President?”
   - “Is there a second to the motion?”
   - “Any discussion?”
   - “All in favor of electing the Secretary Chair Pro Tem for the sole purpose of conducting the election for the office of President please indicate by saying ‘Aye’.”
   - “All those against, please indicate by saying ‘Nay’.”
3. Announce that the first order of business is the election of officers then describe how nominations will be taken, the election will be held, results tabulated, and results announced.

- “The first order of business is the election of officers.”
- “Candidates for the offices of President, Vice President, Secretary and Treasurer will be nominated from the floor with one Board member making the initial nomination and a different Board member seconding the nomination. If no second is made, the nomination fails. Nominations may only be made by members of the Board.”
- “Only one office will be considered at a time.”
- “Once all nominations have been made and seconded, the nomination process for that office will be closed. Each candidate for the office under consideration will then be afforded an opportunity to make a brief statement as to why he/she is qualified/interested in serving in that position.”
- “Once all candidates have concluded their statements, General Counsel will distribute blank/secret ballots for you [Board of Directors] to use in casting your vote for the specific office under consideration.”
- “Secret ballot voting is authorized for use in the election of Board officers under §55-510.1.B of the Virginia Property Owners’ Association Act. Reston Association uses secret ballots in the election of officers, even if only one candidate has been nominated, to afford each Board member the opportunity to cast his/her ballot anonymously, without concern of repercussions of not voting in the same manner as his or her peers.”
- “When ballots for an office have been completed, they will be collected by General Counsel. General Counsel and the Assistant Secretary will leave the room and tabulate the results.”
- “For a candidate to be elected to office he/she must receive a majority of the votes cast by the Board of Directors.”
- “Once tabulated, General Counsel and the Assistant Secretary will come back into the room – General Counsel will announce the winner and the next office will be considered. Please note that General Counsel will provide no information as to the number of votes received by an individual candidate.”
- “The process will repeat in this manner until all of the offices have been filled.”
- “In case of a tie vote for any office, each candidate will be given an opportunity to speak to his/her qualifications again; the Board will be given new ballots and asked to recast their votes. This process will repeat until a majority vote is reached on one candidate.”
- “Are there any questions?”

4. Ask for nominations from the floor for the office of President, following the above-described procedures.

5. Once the office of President has been elected, the new President will then take over the rest of the election process for the remaining three officer positions – Vice President, Secretary, and Treasurer.
Officer Position Descriptions

As per Section VI.2 of the Association’s Bylaws, Except for the CEO, Officers shall be elected annually by the Board of Directors at its Initial Meeting and serve until their successors are duly elected. Below are descriptions of elected Officers as delineated in the Association’s Bylaws.

Section VI.5 President. The President shall be the chairman of the Board of Directors and all meetings of Members and shall be an ex officio member of all Board Committees. The President, as well as the CEO, shall have the authority to execute all deeds, contracts, or other documents on behalf of the Association.

VI.6 Vice President. The Vice President shall exercise the duties of the President in his absence.

VI.8 Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Board of Directors; record all resolutions adopted by Board of Directors; have charge of such books and papers as the Board of Directors may direct and as may be required by Section 13.1-932 of the Nonstock Corporation Act and Section 55-510 of the POAA; give or cause to be given all notices required to be given by the Association; publish a copy of Board resolutions and the Rules and Regulations and notify each Member of any amendment thereto; maintain a register setting forth the place to which all notices to Members hereunder shall be delivered; file or cause to be filed the annual reports required by Section 13.1-936 of the Nonstock Corporation Act and Section 55-516.1 of the POAA, or as otherwise required by law; make it possible for any Member to inspect and copy at reasonable times and by appointment the records of the Association; and, in general, perform all the duties incident to the Office of Secretary. The Secretary shall be assisted by and may delegate ministerial or non-discretionary duties to an Assistant Secretary appointed by the Board of Directors.

VI.9 Treasurer. In coordination with the Association’s staff and the Association’s independent certified public accountants, the Treasurer shall: monitor and report to the Board of Directors, as needed, with respect to Association funds and securities; ensure that full and accurate financial records and books of account showing all receipts and disbursements are kept and that all required financial data, including the Statement of Common Expenses required by Deed Section V.11 are prepared; and, in general, perform all the duties incident to the Office of Treasurer.
TEN QUESTIONS TO WHICH THE BOARD OF DIRECTORS OF THE RESTON ASSOCIATION SHOULD KNOW THE ANSWER.

1) The Association is a democracy controlled by its Members.  True or False?

2) As elected Members to positions on the Board of Directors, a Board Member’s duty of loyalty is owed to the Members who elected him or her.  True or False?

3) Pursuant to a motion from a Member at the membership meeting, the membership, in attendance, votes to approve locating a Green Cemetery within Reston Association proper. Based on the approved membership vote at the meeting, is the Board of Directors bound by the membership’s decision to locate such a site in Reston? True or False?

4) As the executive organ of the Association, the Board sets policy for and makes decisions for and on behalf of the Association from one annual meeting until the next. True or False?

5) Reston Association is solely responsible for the enforcement of the restrictive covenants contained in the Reston Deed. True or False?

6) In the event of any conflict between the Articles of Incorporation, Bylaws, or the Reston Deed (“Governing Documents”), the Articles of Incorporation, filed with the State Corporation Commission control. True or False?

7) A meeting of the Board is taking place anytime there is a quorum of Board members present and such meetings have to be open meeting consistent with the Virginia Property Owners Association Act. True or False?

8) E-mailing my fellow Board members is not a “meeting” and is not prohibited by laws. True or False?

9) A Board Member’s fiduciary duty to the Association means that it should limit its expenditures of association funds in order to minimize the assessments, and any increases thereto, owed by its Members. True or False?

10) The Board of Directors pursuant to the Virginia Property Owners Association Act and the Association’s Governing Documents can delegate authority and responsibility for certain of its duties and responsibilities. True or False?

Extra Credit: What goes on in Executive Session stays in executive session. True or False?