

**STONE RIDGE ASSOCIATION, INC.**

**ADMINISTRATIVE RESOLUTION NO. 15**  
**Regarding Elections Procedures**

**WHEREAS**, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Stone Ridge Association, Inc. (the “Declaration”), the Articles of Amendment and Restatement of Articles of Incorporation for Stone Ridge Association, Inc. (the “Articles”) and the Amended and Restated Bylaws for Stone Ridge Association, Inc. (the “Bylaws”), as amended, collectively known as the Governing Documents, provide that the Lots are subject to the Governing Documents and the Rules and Regulations of Stone Ridge Association, Inc. (the “Association”); and

**WHEREAS**, Article IV, Section 4.1 of the Bylaws of the Association states that the business and affairs of the Association shall be managed by the Board of Directors (“Board”) elected in accordance with the Articles of Incorporation and the Bylaws, and that the 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 Act or the Association Documents to be exercised and done by the members; and

**WHEREAS**, Article IV, Section 4.1 (4) and (6) of the Bylaws permit the Board to adopt and amend any reasonable rules and regulations not inconsistent with the Governing Documents, and to enforce the provisions of the Governing Documents, respectively;

**WHEREAS**, Article III of the Bylaws provides for certain procedures and rules regarding voting by the membership and the conduct of election, with Section 3.5 thereof setting forth certain election procedures;

**WHEREAS**, the Virginia Property Owners’ Association Act provides that “any signature, vote, consent, or approval required to be obtained under any declaration or bylaw provision...may be accomplished using the most advanced technology available at that time if such use is a generally accepted business practice;” and that the Association and lot owners “may perform any obligation or exercise any right under any declaration or bylaw provision or any provision of this chapter by use of any technological means providing sufficient security, reliability, identification, and verifiability...[including] electronic transmission over the Internet, or the community or other network, whether by direct connection, intranet, telecopier, or electronic mail; and that “voting, consent to and approval of any matter under any declaration or bylaw provision...may be accomplished by electronic transmission or other equivalent technological means provided that a record is created as evidence thereof and maintained as long as such record would be required to be maintained in nonelectronic form;” and

**WHEREAS**, the Board of Directors wishes to adopt appropriate rules and procedures regarding elections to ensure that Association elections are carried out in accordance with the Governing Documents and in a fair and efficient manner.

**NOW, THEREFORE, IT IS HEREBY RESOLVED THAT** the Board duly adopts the following rules and procedures pertaining to elections, appointment of an elections committee, nominations and other matters pertaining to elections:

**I. Elections Committee**

- A. Appointment. Per Section 3.5 of the Bylaws,<sup>1</sup> at least 120 days prior to the Association's Annual Meeting (or any meeting at which directors are to be elected by the Members), the Board shall appoint an Elections Committee consisting of a member of the Board whose term is not then expiring and at least two other Members who are not members of the Board nor candidates for the upcoming election. If a Committee member seeks to become a candidate at any point, he or she shall be deemed to have resigned from the Committee upon doing so.
- B. General Duties of Committee. The Committee shall, with the assistance of the Board and management staff, review the procedures set forth in this Resolution and the Bylaws and ensure that they are administered in a fair, timely and appropriate manner. In addition, the Committee shall:
- a. Coordinate with Management to alert the Association Membership via appropriate means that Declarations of Candidacy for election to the Board may be submitted by filing an application with the Committee;
  - b. Review Declarations of Candidacy to ensure they comply with the requirements of Section 3.5 and this Resolution;
  - c. Assist Management in verifying that the on-line balloting processes and procedures related to the director elections and any other matter voted upon by the members are fair and appropriate.
  - d. Assist Management (and inspectors of election) in tabulating voting results at the Annual Meeting (or any meeting where directors are elected);
  - e. Undertake such further duties and powers as are necessary to implement and carry out the procedure set forth hereinbelow.

**II. Call for Candidates**

- A. Drafting. At least 90 days prior the Annual Meeting, Management shall prepare a Call for Candidates to be distributed to the Membership via an appropriate means of communication (including but not limited to the Association's *website*, newsletter, mailings and other means) indicating that Declarations of Candidacy may be filed with the Elections Committee. The Call for Candidates shall include a Declaration of Candidacy form (sample attached hereto as **Exhibit A**) to be completed by

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<sup>1</sup> While the Bylaws only require appointment of the Committee at least 30 days in advance of the Annual Meeting, this Resolution requires 120 days to provide ample time for the Committee to complete its work.

prospective nominees. The Declaration of Candidacy form, which may be amended from time to time, shall contain:

1. A certification by the nominee that he or she is a Lot Owner of record, the spouse of a Lot Owner, or an officer, trustee, general partner or agent of an Owner; or the Declarant (or designee of Declarant) or a Mortgagee in possession, as provided in Section 7.2 of the Articles of Incorporation;
  2. A certification by the nominee that he or she is not more than 60 days delinquent in financial obligations to the Association;
  3. Signatures of at least three other Members in support of nominee's Declaration; and
  4. A statement by the nominee that he or she is willing to serve as a director and that if the nominee fails to qualify for election pursuant to the Bylaws or these procedures (including but not limited to failure to complete the form in its entirety), that he or she shall be deemed to have withdrawn from nomination.
- B. Committee Review. The Committee shall review the draft Call for Candidates prior to dissemination.
- C. Dissemination. The Call for Candidates shall be disseminated to the Association membership via appropriate means as agreed upon by Management and the Committee, with Declarations of Candidacy to be due no later than **30 days** prior to the Annual Meeting.

### **III. Declarations of Candidacy; Nominations from Floor**

- A. Initial Review. Management staff shall receive and undertake an initial review of completed Declarations of Candidacy and seek to ensure that nominees are qualified for membership on the Board of Directors and have complied with the procedures set forth herein. Management staff may seek and obtain such information as it deems appropriate to confirm the qualifications and eligibility of any nominee and any representations made by the nominee on his or her Petition.
- B. Committee Review. If the Committee, in consultation with Management, determines that a nominee has not complied with the procedures set forth in this Resolution or is otherwise not qualified or eligible for election to or membership on the Board of Directors, the Committee shall report its finding to the Board and to the nominee and shall not place said nominee's name on the ballot for election to the Board.
- C. Nominee Refused. If the Committee refuses to place a nominee on the ballot, the nominee shall be advised and may submit a written appeal of such decision to the Board within three days of receiving notice of the Committee's decision, stating in writing the reasons why his or her nomination should be accepted. The Board shall promptly review any appeal and may in its discretion call a special meeting of the Board or act via unanimous consent to reverse the determination of the Committee.
- D. Nomination from Floor. In addition to nominating by petition, nominations may be made from the floor at the Annual Meeting at which the election is held for each

vacancy on the Board of Directors for which no more than one (1) candidate has submitted an application. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve.

#### **IV. Annual Meeting Elections**

- A. Annual Meeting Materials. Management shall prepare the Annual Meeting Notice and other materials for the Annual Meeting, including but not limited to voting instructions, candidate biographies, a proxy form and draft agenda and other pertinent materials. The Committee shall review Management’s draft material for the Annual Meeting prior to dissemination to the Membership.
- B. Proxy Form. The Association’s proxy form shall require that the Member sign and date the Proxy Form and allow the Member to designate a proxy to attend in Member’s place at the Annual Meeting. The form shall further provide that:
1. Form must be signed and dated by the Member (or person authorized by the Member).
  2. Member may grant an instructed or uninstructed proxy.
  3. Managing Agent may only serve as proxy for Members who instruct their proxy.
  4. Proxy may be granted to any person, provided however that no person other than Declarant, a Mortgagee, Managing Agent or an Officer may cast votes a proxy for more than five Lots not owned by such person.
  5. The form shall further state that if a Member fails to provide a voting instruction, but designates Managing Agent as proxy, the proxy shall be counted for quorum purposes only.
  6. Proxy shall be deemed revoked by actual receipt by the person presiding over the Meeting of notice of revocation.
- C. Candidate Biographies & Ballot Format.
1. Alphabetical Order. Candidates’ biographies will be placed in the election materials in alphabetical order by last name. Candidate names will be placed on the ballot or proxy, as appropriate, in alphabetical order.
  2. Signature. Each ballot will include name, signature and address. A space will be provided for the voter’s signature.
  3. Class Members. All Class Members are entitled to vote for all candidates, even if a candidate is not in the voter’s particular Class.
  4. Distribution. Written ballots will be distributed to Members attending the Meeting, unless the Member has already voted by “E-Voting” or electronic referendum (see below).

D. Referendum Voting by Electronic Polling Place.

1. Electronic Polling Place (E-Voting). Per the Bylaws at Section 3.3(b), election of directors may be conducted by referendum by ballot at polling places. Per the Property Owners Association Act, the Association has elected to utilize electronic voting as a means of casting ballots for election of directors and other matters subject to voting at Membership meetings.
2. Retention of E-Voting Vendor. If electronic voting is to be utilized by the Association for a Membership Meeting, the Association shall retain the services of a qualified electronic voting vendor to carry out the voting and balloting. The E-Voting vendor shall be required to ensure the integrity of the election process by accepting secure online ballots (where the identity, eligibility and electronic signature of the Member is confirmed), with one ballot cast per Lot.
3. Ballot Compliance & Result Reports. The on-line ballots shall comply with the standards noted hereinabove, and the vendor shall track information to confirm which Lots have cast ballots for a given Lot, with a clear and concise results report to be timely delivered by Management prior to the Annual Meeting.
4. E-Voting Polls. Electronic polls for the election of directors (and any other matters set for voting at the Annual Meeting) shall open at least 10 days prior to the Annual Meeting and shall close at 5:00pm EST the day before the Annual Meeting, so that a report can be generated on the morning of the Annual Meeting indicating the Lots that have cast votes.
5. E-Voting Proxy Statement. Members casting electronic ballots shall be deemed to be voting by proxy. As such, the E-Voting poll interface shall contain a statement to be agreed to by the voting Member that the on-line ballot shall serve as the Member's instruction, with the Member automatically appointing the Managing Agent as their proxy for purposes of the Meeting. The electronic ballot shall contain the date and electronic signature of the Member.

E. Ballots & Proxies Provided At Meeting.

1. Submission of Written Ballots & Proxies. In addition to E-Voting, eligible Members may cast ballots or submit written proxies to the polling place at the Annual Meeting. To facilitate an orderly and efficient voting process and to assist in establishing quorum, the Board will open the polls for voting and registration by Members at least one-half hour prior to the convening of the meeting. All proxies must be received by the Secretary or the persons operating the polls prior to the convening of the meeting. Members in their discretion may cast votes at any time after the polls open and before the polls close, which time will be announced during the Meeting.

2. Counting and Certification of Results. After in-person voting polls have closed, ballots cast in person and instructed proxies received at the Annual Meeting shall be tabulated by the Committee (along with appointed inspectors of election), with the assistance of Management, with said votes to be added to those votes cast by E-Voting. During the counting process, the Committee and Management shall ensure that no duplicate voting has occurred. When the results of the election are tabulated, the Committee and any inspectors of election shall certify the results, with a statement that they have faithfully executed their duties with strict impartiality and according to the best of their ability.

## V. Candidate Communications

- A. Meet the Candidates Night. At the discretion of the Committee, the Association may hold a “meet the candidates” night at a convenient location at a time prior to the Annual Meeting, so that Candidates may present their credentials and take questions from Members of the Association. Candidates and Members are encouraged to hold discourse in a civil and polite manner, with the matters to be limited to topics relevant to Association matters and the fitness of the candidates to serve as volunteer directors for the Association.
- B. Statements at Annual Meeting. Prior to the closing of the polls, there shall be a time set aside during the Annual Meeting for properly nominated candidates to make a brief statement regarding their qualifications and candidacy.
- C. Campaigning. Candidates are free and encouraged to apprise the Membership of their credentials and viewpoints in a reasonable, fair and appropriate way. Flyers, mailings or electronic communications are permissible, but should be civil and not disseminated in a way that causes a negative impact on the Association property.

## VI. Multi-Family Rental and Non-Residential Lot Owner Candidates

- A. Policy Requiring Representation of Various Lot Types. The Association's Bylaws at Section 4.1 provide that because the Association is a mixed-use Community (with Residential, Non-Residential and Multi-Family Rental Lots), the Board must be composed of members representing the different interests in the Community. This section provides that “at least one (1) member of the... Board...shall be a Non-Residential Lot Owner, at least one (1) member of the... Board...shall be a Multi-Family Rental Lot Owner and at least one (1) member of the...Board... shall be a Residential Lot Owner.”
- B. Election Results to Comport With Lot Type Requirements. Due to the requirement of Section 4.1, the Board of Director election results shall be tabulated and certified to comply with this Section.

## **VII. Miscellaneous**

Notwithstanding any provision of this Resolution to the contrary:

1. To the extent that an election of directors occurs outside an Annual Meeting (such as a Special Meeting), the same procedures described herein should be followed as much as practicable under the circumstances.
2. Under no circumstances shall this Resolution be construed to waive the qualifications for election to and continued service on the Board of Directors set forth in the Association's Governing Documents for any nominee or director or any other applicable law or provision.
3. This Resolution shall not be construed to apply to or affect any election occurring prior to the date hereof.
4. The procedures set forth in this Resolution are intended to create a fair and orderly process for the nomination and election process. However, if the Association fails to follow any certain procedure set forth herein, said failure shall not operate to invalidate an election unless the failure resulted in material prejudice to a qualified candidate or in an unfair and inequitable election.

EXHIBIT A  
*Stone Ridge Association, Inc.*

**DECLARATION OF CANDIDACY**

Stone Ridge Association, Inc.  
2019 Elections  
Declaration of Candidacy Form  
Due Wednesday, October -----, 2019

*Instructions:* Thank you for your interest in serving as a director of the Stone Ridge Association. All candidates are required to complete and submit this Candidacy Form to serve as a Director. This form requires the candidate to provide certain personal information (only your name will be published) and to acknowledge his or her agreement to various matters related to the candidacy. Please make sure your candidacy form is legible, complete, signed, and delivered to the Association office on or before the due date. Candidacy forms that do not comply with these requirements will be rejected. Please contact the Association office should you have any questions on how to complete this form. This form must be completed and returned no later than close-of-business Wednesday, October -----, 2019.

I hereby place my name in nomination as a candidate for Director of the Stone Ridge Association, Inc. Board of Directors:

NAME:

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ADDRESS:

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HOME PHONE:

CELL PHONE:

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E-MAIL ADDRESS:

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*Candidate Biography:* In the space provided below, please provide a short narrative that can be used to introduce yourself to the Members of the Association. Please include: (i) how long you have been a resident of Stone Ridge; (ii) a description of any personal or professional experience(s) that you believe will assist you in serving as a director; and (iii) why you want to become a director of Stone Ridge. If the space below is inadequate, please feel free to provide this narrative on a separate page and staple to this form.

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**STONE RIDGE ASSOCIATION, INC.**  
Resolution Action Record

Resolution Type: Administrative No. 15

Duly adopted at a meeting of the Board of Directors held May 21, 2019.

Motion by: Ms. Lewis

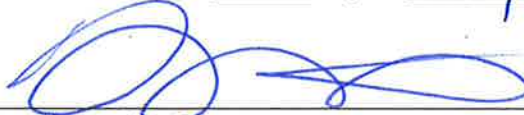
Seconded by: Mr. Sparkes

VOTE

	YES	NO	ABSTAIN	ABSENT
<u>Mr. Rhodes, President</u>	<u>X</u>	_____	_____	_____
<u>Mr. Deal, Vice President</u>	<u>X</u>	_____	_____	_____
<u>Ms. Lewis, Secretary</u>	<u>X</u>	_____	_____	_____
<u>Ms. Harrover, Treasurer</u>	_____	_____	_____	<u>X</u>
<u>Mr. Day, Director</u>	<u>X</u>	_____	_____	_____
<u>Ms. Nader, Director</u>	<u>X</u>	_____	_____	_____
<u>Mr. Sparkes, Director</u>	<u>X</u>	_____	_____	_____

Resolution Effective Date: May 21, 2019

ATTEST: I hereby certify that a vote was duly taken, and the Board of Directors adopted the above Resolution on the 21<sup>st</sup> day of May, 2019.

  
\_\_\_\_\_  
Leslie Lewis, Secretary

5/21/19  
\_\_\_\_\_  
Date

Book of Minutes No. 3

Meeting No. 157