

ARTICLE 8 - FIDUCIARY DUTIES

Section 8.1. Signature Requirements

Unless otherwise provided by resolution of the Board of Directors, all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Five Thousand Dollars (\$5,000.00) and all checks drawn upon reserve accounts shall be signed by any two persons designated by the Board of Directors. Notwithstanding the foregoing, instruments creating or paying obligations for less than Five Thousand Dollars (\$5,000.00), except for withdrawals from the reserve funds, may be signed by only one person. The Managing Agent/General Manager, if so designated by the Board of Directors, or any Officer of the Association may sign a Statement of Common Expenses or an Association Disclosure Packet on behalf of the Association.

Section 8.2. Conflicts of Interest

- (1) Rule and Exceptions. Each Director or Officer shall exercise such Director's or Officer's powers and duties in good faith and in the best interests of the Association. No contract or other transaction between the Association and any of its Directors or Officers, or between the Association and any corporation, firm or association in which any of the Directors or Officers of the Association are Directors or Officers or are pecuniarily or otherwise interested, is either void or voidable because of such relationship or because any such Director or Officer is present at the meeting of the Board of Directors which authorizes or approves the contract or transaction if any of the following conditions exist: (1) the material facts of the transaction and the common directorate or interest is disclosed or known to the Board of Directors, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a majority of Directors entitled to vote on the transaction, but in no event may such a transaction be authorized, approved or ratified by a single Director; or (2) the material facts of the transaction and the common directorate or interest is disclosed or known to all of the Eligible Members entitled to vote on the matter, and the Eligible Members who are entitled to be counted in a vote on the transaction approve or ratify the contract or transaction by a majority of the total number of votes entitled to be cast. No Director or Officer having disclosed or made known a conflict of interest shall be liable to the Association or any Owner or creditor thereof or any other Person for any loss incurred by the Association under or by reason of any contract or transaction, nor shall any such Director or Owner be accountable for any gains or profits realized therefrom.
- (2) Vote Not Counted. Any common or interested Director or Officer may be counted in determining the presence of a quorum of any meeting of the Board of Directors or the Members which authorizes, approves or ratifies any contract or transaction, but the vote of such interested Director or Officer shall not be counted. Except as otherwise set forth herein, the voidability of a transaction involving a Director or Officer with a conflict of interest shall be determined in accordance with Section 13.1-871 of the Act.