

May 4, 2015

Dear Members of Huguenot Hundred Community Association:

RE: Update of Corporate Documents

One of the goals of your Board of Directors for the current year has been to update the corporate documents of the Association, i.e. the Articles of Incorporation and By-Laws for the following reasons:

- to take into account changes in the law that have occurred since 1978, the year the Association was incorporated;
- to conform provisions of the Articles of Incorporation and By-Laws with each other;
- to eliminate those provisions which are no longer relevant;
- to strengthen the indemnification and limitation of liability provisions of the documents.

One of the substantive changes resulting from this review by the Board is a proposal to eliminate the Architectural Review Committee of the Association. Previous members of this Committee have noted the lack of guidelines for the Committee other than the specific provisions of the recorded restrictive covenants which are applicable to each lot in the subdivision and the zoning and other building requirements adopted by the county. Each lot owner has the right to enforce these provisions if he or she believes they are being violated. Therefore there really is no need for a Committee of the Association to have that function. In addition, any attempt by an Architectural Review Committee to go beyond these specific requirements without guidelines properly adopted by the subdivision could be problematic. For these and other reasons, including the possible lack of consistent enforcement of the covenants by the Association in the past, the Board recommends that the Association no longer take on this responsibility.

Two law changes which have occurred since 1978 are statutes limiting the liability of members, directors and officers of organizations that are exempt from taxation under § 501c or § 528 of the Internal Revenue Code, and which permit greater indemnification for officers and directors of non-stock corporations such as the Association. Specifically, Va. Code § 8.01-220.1:1, which was adopted in 1987, provides that directors, members and officers of organizations exempt from income taxation under § 501c or § 528 of the Internal Revenue Code who serve without compensation shall be immune from civil liability for acts taken in their capacities as officers, members or directors of such organizations, unless such persons were engaged in willful misconduct or a knowing violation of the criminal law, or if liability derives from the operation of a motor vehicle. In addition, amendments to the Virginia Non-Stock Corporation Act have permitted a non-stock corporation like the Association to strengthen indemnification provisions for its officers and directors under certain circumstances.

You will see provisions in the Amended and Restated Articles of Incorporation for the Association which attempt to take advantage of these beneficial statutes which have been adopted since the incorporation of the Association in 1978.

At the HHCA website, you will find a copy of the original Articles of Incorporation of the Association, a copy of the proposed Amended and Restated Articles of Incorporation and a copy of the By-Laws showing the proposed changes.

Your Board of Directors unanimously recommends that the Association amend and restate its Articles of Incorporation and that it adopt the Amended By-Laws. If you have any questions concerning these proposals, please contact any member of the Board of Directors.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Barbara K. Zedler', with a long, sweeping horizontal line extending to the right.

Barbara K. Zedler
President