

Proposal for Governance Policy

Governance guidelines, policies and practices are proposed in lieu of revision or amendment to the Declaration of Trust (DoT). This is proposed to save legal costs and to establish a consensus-based approach to governance rather than restrictive amendments or revisions to the DoT.

Purpose: To establish a policy that elaborates the manner in which the Trustees will serve the Trust and the owners of CHCCA.

Objectives: The objectives of this policy include:

- Establishing a commitment from each owner to participate in CHCCA governance in some manner;
- Establishing practices that broadens the sharing of governance amongst owners;
- Clarifies the practices the Trustees will implement beyond those identified in the DoT.
- Establishes three year term limits and a mechanism for staggering these so there is never a year in which all trustees are new
- Establishes a mechanism for having a board of trustees going forward that is a mix of new trustees and trustees who have been on the board between 1-2 years beginning in January 2023.

Given:

Article 3.1 states:

There shall be at all times Trustees as shall be determined from time to time by vote of the Unit Owners entitled to not less than fifty-one percent (51%) of the beneficial interest hereunder.

If and whenever the number of such Trustees shall become less than the number of Trustees last determined as aforesaid, a vacancy or vacancies in said office shall be deemed to exist. Each such vacancy shall be filled by instrument in writing setting forth: (a) the appointment of a natural person to act as such Trustee, signed (i) by Unit Owners entitled to not less than fifty-one percent (51%) of the beneficial interest hereunder, or (ii) if Unit Owners entitled to such percentage have not within thirty (30) days after the occurrence of any such vacancy made such appointment by majority vote of the then remaining trustees, or by the sole remaining trustee if only one, and (b) the acceptance of such appointment signed and acknowledged by the person so appointed.

Proposed Draft Policy No. 1

Each owner commits to identify someone to serve as a Trustee on behalf of their ownership interest from time to time when there is a Trustee vacancy. It is consistent with Article 3 of the DoT that the individual nominated by each owner need not be the owner/mortgage holder of the unit but can be a designee with or without ownership or familial ties to the owner/mortgage holder.

- The purpose of this policy condition is to a) broaden and share owner participation in CHCCA governance and b) to ensure there are ample candidates from which to appoint Trustees to vacancies.

The process by which owners will be tapped to fill a Trustee vacancy shall be developed by the trustees after the annual meeting and shared with the owners for a written vote. The proposed ideal number of trustees is five.

The purpose of this policy condition will be to provide a systematic method for determining when a unit owner is committed to providing a Trustee nomination.

- The objective of this policy condition is to ensure broad owner sharing in governance of CHCCA.

Proposed Draft Policy No. 1

Trustees shall serve three-year terms and no more than two consecutive terms when first nominated and appointed. A trustee must not serve for at least one full 12-month period after two consecutive terms before serving again, if so nominated.

Trustees will recuse themselves for any votes that directly affect any remuneration that they may receive from CHCCA.

- This policy condition allows for a Trustee to receive remuneration for services approved by The Trustees but does not allow that person to vote on issues regarding that remuneration.

Proposed Draft Policy No. 3

Trustees will agree to abide by a Trustee Code of Conduct.

It is the goal of the Board to have at least one owner-nominee for Trustee from the Second Landing Way ownership pool at all times.

- The purpose of this policy condition is to ensure that the unique interests of second Landing Way owners are represented in Trustee decision making.

Proposed implementation: TBD and shared with owners before the holidays in 2022.

Proposed Code of Conduct for Trustees of CHCCA

This document provides ethical standards for Trustees as community leaders. This is a model and is not meant to address every potential ethical dilemma that could arise. It is offered as a basic framework that can be modified at any time when necessary.

Board members should:

1. Strive at all times to serve the best interests of the association as a whole regardless of their personal interests.
2. Use sound judgment to make the best possible business decisions for the association, taking into consideration all available information, circumstances and resources.
3. Act within the boundaries of their authority as defined by law and the governing documents of the association.
4. Provide opportunities for owners to comment on decisions facing the association.
5. Perform their duties without bias for or against any individual or group of owners.

6. Disclose personal or professional relationships with any company or individual who has or is seeking to have a business relationship with the association.
7. Always speak with one voice, supporting all duly adopted board decisions---even if the board member was in the minority regarding actions that may not have obtained unanimous consent.

Board members should not:

1. Reveal confidential information provided by contractors or share information with those bidding for association contracts unless specifically authorized by the board.
2. Make unauthorized promises to a contractor or bidder.
3. Advocate or support any action or activity that violates a law or regulatory requirement.
4. Use their positions or decision-making authority for personal gain or to seek advantage over another owner.
5. Spend unauthorized association funds for their own personal use or benefit.
6. Misrepresent known facts in any issue involving association business.
7. Divulge personal information about any association owner, owner or employee that was obtained in the performance of board duties.
8. Make personal attacks on colleagues, staff or owners.
9. Harass, threaten or attempt through any means to control or instill fear in any board member, owner, employee or contractor.