

**ETHICS POLICY FOR  
BOARD OF DIRECTORS MEMBERS**

adopted on January 23, 2019

The Board of Directors has adopted the following ethics policy for its board members and committees. This policy is intended to provide guidance with ethical issues and a mechanism for addressing unethical conduct.

**A. BOARD RESPONSIBILITIES**

The general duties for directors are to enforce the association's governing documents, collect and preserve the association's financial resources, insure the association's assets against loss, and keep the common areas in a state of good repair. To fulfill that responsibility, directors must:

- regularly attend board meetings,
- review material provided in preparation for board meetings,
- review the association's financial reports, and
- make reasonable inquiries before making decisions

**B. PROFESSIONAL CONDUCT**

In general, Board of Directors members must conduct all dealings with vendors and employees with honesty and fairness, and safeguard information that belongs to the association.

1. Self-Dealing. Self-dealing occurs when directors or committee members make decisions that materially benefit themselves or their relatives at the expense of the association. "Relatives" include a person's spouse, parents, siblings, children, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who shares the person's residence. Benefits include money, privileges, special benefits, gifts or other items of value. Accordingly, no director or committee member may:

- solicit or receive any compensation from the association for serving on the board or any committee,
- make promises to vendors unless with prior approval from the board,
- solicit or receive, any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves or their relatives from a

person or company who is seeking a business or financial relationship with the association,

- seek preferential treatment for themselves or their relatives, and
- use association property, services, equipment or business for the gain or benefit of themselves or their relatives, except as is provided for all members of the association.

2. Confidential Information. Members of the Board of Directors, are responsible for protecting the association's confidential information. As such they may not use confidential information for the benefit of themselves, relatives or friends. Except when disclosure is duly authorized or legally mandated, no director may disclose confidential information. Confidential information includes, without limitation:

- private personal information of fellow directors,
- private personal information of the association's employees,
- disciplinary actions against members of the association,
- assessment collection information against members of the association,
- legal disputes in which the association is or may be involved-- directors may not discuss such matters with persons not on the board without the prior approval of the association's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information, and
- All Board Members should not share any information from Executive Sessions with homeowners on social platforms or other means of communications.

3. Misrepresentation. Members of the Board of Directors may not knowingly misrepresent facts. All association data, records, and reports must be accurate and truthful and prepared properly.

4. Interaction with Employees. To ensure efficient management operations and avoid conflicting instructions members of the Board of Directors shall observe the following guidelines:

- The President of the board shall serve as a liaison between the board and management and provide direction on day to day matters,
- Except for the President, or their designate Board members may not give direction to vendors,

- Directors may not contact management after hours unless there is an emergency representing a threat of harm to persons or property,
  - If a Board member is contacted by an employee with a complaint, the employee shall be instructed to contact management or the Board President,
  - No director may threaten or retaliate against an employee who brings information to the board regarding improper actions of a director, and
  - Members of the Board of Directors are prohibited from harassing or threatening employees, vendors, other directors, committee members, and owners, whether verbally, physically or otherwise.
5. Proper Decorum. Members of the Board of Directors are obligated to act with proper decorum. Although they may disagree with the opinions of others on the board or committee, they must act with respect and dignity and not make personal attacks on others. Accordingly, Board of Directors must focus on issues, not personalities and conduct themselves with courtesy toward each other, employees, managing agents, vendors, and members of the association. Directors shall act in accordance with board decisions and shall not act unilaterally or contrary to the board's decisions.

### **C. WHEN CONFLICTS OF INTEREST ARISE**

Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Individual members of the Board of Directors should immediately raise such situations with a quorum of the board. If appropriate, the board will seek guidance from the association's legal counsel.

1. Disclosure & Recusal. Members of the Board of Directors must immediately disclose the existence of any conflict of interest, whether their own or others. They must recuse themselves from any discussion and decision in which they have a material interest.
2. Violations of Policy. Members of the Board of Directors who violate the association's Ethic's Policy are deemed to be acting outside the scope of their authority. Anyone in violation of this

policy may be subject to disciplinary action, including, but not limited to:

- censure,
- removal as an officer of the board,
- requested to resign from the board,
- recall by the membership, and
- legal proceedings.

Before taking any of the actions described above, the board shall appoint an executive committee to investigate the violation. The executive committee shall review the evidence of a violation, endeavor to meet with the director believed to be in violation, confer with the association's legal counsel, and present its findings and recommendations to the board for appropriate action.

The board shall endeavor to meet with the director in executive session before imposing disciplinary action against that person.

#### **D. ACKNOWLEDGMENT**

I have read and understood the Ethics Policy.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print name: \_\_\_\_\_