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ETHICS POLICY FOR DIRECTORS & COMMITTEE MEMBERS

Adopted: October 27, 2022

The Board of Directors has adopted the following ethics policy for its board members and committee members. 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 inquiry before making decisions.

B. PROFESSIONAL CONDUCT

In general, directors and committee 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 item of value. Accordingly, directors and committee members may NOT:

- Work as a paid employee of the association,
- 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,
- 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.

Any director who wishes to have their services, or the services of an entity in which they or their relatives hold a controlling and/or significant financial interest, considered by the Association must recuse themselves from all Board consideration of the bid process for the services, including leaving the directors' table during an Open Session and exiting the meeting during an Executive Session. To ensure a fair bid process, such Directors are not allowed to know any more information than what other bidders know, nor the details of competitive bids received from other vendors. If the director learns of any other competitive bids, prior to submitting her/his own bid, the director is not permitted to be hired for the subject services.

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

- Private personal information of fellow directors and committee members,
- Private personnel information of the association's employees,
- Disciplinary actions against members of the association,
- Assessment collection information against members of the association, and
- 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.

3. Misrepresentation. Directors and committee members may not knowingly misrepresent facts. All association data, records and reports must be accurate and truthful and prepared in a proper manner.

4. Interaction with Employees. To ensure efficient management operations, avoid conflicting instructions from the board to management and avoid potential liability, committee members and directors shall observe the following guidelines:

- The president of the board shall serve as liaison between the board and General Manager and provide direction on day-to-day matters.
- Directors and committee members may not give direction to association employees or vendors.
- Directors may not contact management after hours unless there is an emergency representing a threat of harm to persons or property.

- If directors or committee members are contacted by an employee with a complaint, the employee shall be instructed to contact the General Manager or Human Resources.
 - No director or committee member may make a promise to any employee (past, present or perspective) related to employment, job duties, compensation, or resources.
 - No director may threaten or retaliate against an employee who brings information to the board regarding improper actions of a director or committee member.
 - Directors and committee members are prohibited from harassing or threatening employees, vendors, directors, committee members, and owners, whether verbally, physically or otherwise.
5. Proper Decorum. Directors and committee members 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, directors and committee members must focus on issues, not personalities and conduct themselves with courtesy toward each other and toward 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.
- No director shall discuss association business in the presence of a quorum of the board except at a duly noticed meeting.
 - No director shall seek consensus of the Board regarding association business through any method of communication with individual directors.

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. Directors and committee members should immediately raise such situations with the board. If appropriate, the board will seek guidance from the association’s legal counsel.

1. Disclosure & Recusal. Directors and committee members must immediately disclose the existence of any conflict of interest, whether their own or others. Directors and committee members must withdraw from participation in decisions in which they have a material interest.
2. Violations of Policy. Directors and committee members who violate the association’s ethic’s policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to disciplinary action, including, but not limited to:
 - Censure,
 - Removal from committees,
 - Removal as an officer of the board,
 - Request for resignation from the board,

- Recall by the membership, and
- Legal proceedings.

Prior to taking any of the actions described above, the board shall appoint an executive committee to investigate the violation. The committee shall review the evidence of violation, endeavor to meet with the director/committee member 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/committee member in executive session prior to imposing disciplinary action against that person.

C. WHEN CONFLICTS OF INTEREST ARISE

I have read the Ethics Policy and pledge to act in accordance with my obligations as described above.

Print Name

Date

Signature