

## Code of Conduct for: The Community Association

The members of the Board of Directors of Community Association acknowledge and accept the scope and extent of our duties as directors. We have a responsibility to carry out our duties in an honest and businesslike manner and within the scope of our authority, as set forth in the Governing Documents and the Laws of the State of California.

We are entrusted with and responsible for the oversight of the assets and business affairs of The Community in an honest, fair, diligent and ethical manner. As Directors we must act within the bounds of the authority conferred upon us and with the duty to make and enact informed decisions and policies in the best interests of The Community and its members.

The principles set forth in this document describe how Directors should conduct themselves. This Code does not address every expectation or condition regarding proper and ethical business conduct. Each Director is expected to comply with the letter and spirit of this Code. Good common sense is the best guide.

**Core Values**, each Board Member will:

- Act in the best interests of, and fulfill their fiduciary obligations to, The Community members;
- Act honestly, fairly, ethically and with integrity;
- Conduct themselves at all times in a professional, courteous and respectful manner;
- Comply with all applicable laws, rules and regulations;
- Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- Act in a manner to enhance and maintain the reputation of The Community;
- Make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of The Community and its Board of Directors

### **Conflict of Interest**

Directors must avoid any conflicts of interest with The Community. A "conflict of interest" occurs when a Director's private interest interferes in any way with the interests of the community as a whole. In addition to avoiding conflicts of interest, Directors should also avoid even the appearance of a conflict. This Code does not attempt to describe all possible conflicts of interest that could develop. Some of the more common conflicts that Directors must resolve or avoid, however, are set out below:

- A conflict situation can arise when a Director, a member of his or her family, or a close personal friend takes actions or has interests that may make it difficult for the Director to make decisions on behalf of The Community objectively and effectively.

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- A conflict of interest can also arise when a Director, a member of his or her family, or close personal friend receives improper personal benefits as a result of the Director's position.

If a Director believes he or she has an actual or potential conflict of interest with The Community, the Director shall notify the Chairman of the Board of Directors as promptly as practicable and shall in any event not participate in any decision by the Board of Directors that in any way relates to the matter that gives rise to the conflict of interest.

### **Confidentiality**

Directors have access to The Community's most sensitive information. Each Director, during his or her term of office, and after leaving the Board, must maintain the confidentiality of information entrusted to him or her by The Community and any other confidential information about The Community that comes to him or her, from whatever source, in his or her capacity as a Director, including family members, except to those people who have an appropriate reason to have access to the information.

For purposes of this Code, "confidential information" includes all non-public information that might be of use to others, or harmful to The Community or its members, if disclosed.

### **Annual Certification**

As part of the Directors Questionnaire sent annually to Directors in connection with the Annual Meeting of Members, each Director shall be asked to certify that he or she is in compliance with this Code.

### **Media Questions**

Other than authorized The Community spokespersons, Directors are not to respond to inquiries from the news media, including newspapers, television, radio, magazines or online publications. Such inquiries should always be referred to the management office.

### **Board Operational Responsibilities**

- Promote recognition of, and pride in The Community.
- Improve existing Board committee relationships, teamwork and communications.
- Attract qualified Board and committee candidates.
- Report any management or vendor performance concerns or issues clearly and concisely in writing to the management company ten days before every Board Meeting.
- Communicate any items to be discussed at the Board Meetings no less than ten days prior to the meeting, to either the management company or Association President.

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- Read the Board packets within three days of receipt, and communicate any questions related to the Board packet or the meeting to the management company no less than 24 hours prior to the meeting.
- The Board will establish and approve General Enforcement Guidelines as to what is considered a violation of the governing documents, and timelines for compliance. By example but not limited to; how tall weeds must be, how large oils stains can be, how long trash cans and basketball hoops may be out, etc.
- The Board will establish and approve Committee Charters for all existing or new Committees. The Charter will include, but is not limited to; the Specific goals, a budget, and a means by which the Committee conveys its findings to the Board.

### **Board Meeting Conduct**

#### **Directors:**

The President will chair the meetings of a committee, and members of the Board will speak only when asked to do so by the chair. Directors will speak from their seats, and do not need to stand. Directors should speak through the Chair at all times.

The Chair may limit the time available for a particular issue, or for a particular Director as part of a meeting. The Chair may also order a Directors to stop speaking if they have exceeded their allotted time, or in the view of the Chair, are departing from the subject or repeating themselves.

A speaker may not be interrupted except by the Chair. However, a speaker may agree to allow another Director to intervene. Directors wishing to intervene may do so by raising their hand. Any Director intervening still requires to be invited to speak by the Chair.

Directors will address each other by name or by title.

Directors must conduct themselves in a courteous, orderly and respectful manner and must respect the authority of the Chair at all times. In particular, they must not behave in a manner which would disrupt the meeting.

In accordance with the expected standards of behavior, during Board Meetings members should not read newspapers, magazines, use laptops, recording equipment or telephones, smoke, eat, or drink (except for water provided).

The Chair has the authority to order any Director whose behavior does not meet the standards specified to leave the room and to exclude him or her until the end of the meeting.

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The Chair does not have the authority to exclude a Director from subsequent meetings.

A Director may not in the non-executive session make reference to any matter in which legal proceedings are active unless special permission has been received from the Chair. If a Director raises an issue which, in the view of the Chair is, or may be a legal issue, they may order the Director to stop. The Director must abide by the Chair's ruling at that meeting. However, the member might wish to consider approaching the Chair for a discussion on the matter prior to the next meeting if he or she has not already done so.

**Members of the Association**

Members of the association who are present at the meeting must comply with the conditions of behavior. Information for the members on the required standards of behavior within the Board Meeting room can be obtained from the management office.

The chair may order that any member who does not observe these conditions may be removed from the room, and may be excluded for a period determined by the Chair.

If any disturbance in the meeting threatens the orderly conduct of business, the chair may close the meeting, or adjourn or suspend it for a specified period to allow order to be restored. If, in these circumstances, the chair leaves the chair after ordering that the disturbance stop, this will have the effect of suspending the meeting. The chair may reconvene the meeting as soon as they consider it appropriate to do so.

I, \_\_\_\_\_, have read and acknowledge receipt of this Code of Conduct for The Community as of \_\_\_\_\_.

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