

Code of Ethics and Conduct for The Association Board of Directors

The members of the Board of Directors 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 Association 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 Association and its members.

The principles set forth in this document describe how Directors should conduct themselves.

This Code of Ethics and Conduct 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, Association 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 Association;
- Make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of the Association its Board of Directors

Conflict of Interest

Directors must avoid any conflicts of interest with the Association. (See Civil Code Section 5350 and Corporations Code Section, 7233 regarding conflicts of interest.) In addition to the statutory standards, at the Association, “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 or 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 Association objectively and effectively.
- A conflict of interest can also arise when a director, a member of his or her family, or close personal friend receives any special benefits as a result of the Director's position.
- Further, a director must at all times comply with the qualifications specified in the Association's election rules and applicable law.

If a Director believes he or she has an actual or potential conflict of interest with the Association, the Director shall notify the President 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 Association'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 Association and any other confidential information about the Association that comes to him or her, from whatever source, in his or her capacity as a director.

For purposes of this Code, "confidential information" includes all non-public the Association information.

Media Questions

Other than Board-authorized association spoke persons, Directors are not to respond to inquiries from the news media, including newspapers, television, radio, magazines, or other online publications. Such inquiries should always be referred to the management office.

Board Operational Responsibilities

- 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.

- 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 prior to the meeting.
- All such Director communications shall be respectful and businesslike.
- Directors shall not engage in or initiate any Board meeting per Civil Code Sections 4090 4900, et seq., unless conducted in compliance with Civil Code.

Individual Conduct:

- No individual shall use his/her position as a Board member for private gain.
- No Board member shall engage in any writing, publishing or speech making that defames any other member of the Association Board or member of the Association.
- No Board member will willingly misrepresent facts to the residents of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a Board member's personal cause.
- No Board member nor his/her agent or employee or family member shall enter into a personal service contract with the Association without previous disclosure of such interest to the Board.
- No Board member will seek to have a contract implemented that has not been duly approved by the Board.
- No Board member will interfere with a contract that has been implemented and approved by the Board.
- No Board member will interfere with the assignments or duties of any other Board member or any staff member of the Association.
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- No Board member will harass, threaten, or attempt through any means to control or intimidate another Board member or any member of the staff.

- Language at Board meetings will be considerate and professional. Personal attacks against residents, officers, directors, and staff are not consistent with the best interests of the community and are prohibited.
- Board members will maintain the confidentiality of Executive Sessions and legal proceedings.
- It is understood that differences of opinion will exist. They should be expressed in a clear and business-like fashion.

Any Board member who violates this code of ethics agrees that the Board of Directors may seek injunctive relief against him/her and agrees to pay the attorney's fees incurred by the Board in that enforcement effort. No provisions of this Agreement can be rescinded, altered and/or amended without unanimous vote of the members of the Board of Directors.

I, _____, have read, hereby agree to and acknowledge receipt of a copy of this Code of Ethics and Conduct as of: _____ 20____.

Signature: _____

Print Name Clearly: _____