

OAK RIDGE MEADOWS HOMEOWNERS ASSOCIATION CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND COMMITTEE MEMBERS

Adopted September 4, 2012

The Board of Directors has adopted the following code of conduct for its board members and committees in order to ensure that they maintain a high standard of ethical conduct in the performance of the Association business, and to ensure that the residents maintain confidence in and respect for the entire Board. 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 meetings,
- Review material provided in preparation for meetings,
- Make reasonable inquiry before making decisions, and
- Respond to member inquiries through the Management Company
- Review the association's financial reports as applicable

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.

No individual shall use his/her position as a Board or committee member for private gain for example:

- 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.

No Board or Committee member shall engage in any writing, publishing, or speech making that defames any other member of the Board of Directors, Committee or resident of the Oak Ridge Meadows community.

No Board or Committee 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 apply pressure on the Board to advance a member's personal cause.

No Board or Committee member will enter into an agreement or contract that has not been duly approved by the Board.

No Board or Committee member will interfere with a contractor implementing a contract in progress. All communications with contractors will go through the management company. No Board or Committee member will harass, threaten, or attempt through any means to control or install fear in an Association contractor.

Board 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 general counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and result in the loss of confidential information.

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.

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 management and provide direction on the day to day matters.
- Except for the president, committee members and directors may not give direction to management, 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 residents with complaints, the residents shall be instructed to contact management.
- No director may threaten or retaliate against any resident 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.

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.

C. WHEN CONFLICTS ARISE

Situations may arise that are not expressly covered by this policy or where the proper course of actions 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.

Board and Committee members must immediately disclose 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.

Board 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 immediate disciplinary action, including, but not limited to:

- Censure,
- Removal from committees,
- Removal as an officer of the board,
- Fines
- Recall by the membership, and
- Legal proceedings

Prior to taking any of the actions described above, the Board shall appoint a judicatory panel to investigate the violation. The panel shall review the evidence of violation according to the due process provided in the Planned Community Act, 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 full Board for appropriate action. The Board shall endeavor to meet with the board/committee member in executive session prior to imposing disciplinary action against that person.

D. ACKNOWLEDGMENT

I acknowledge that I have received and read the association's Code of Conduct Policy and have had the opportunity to ask questions about the policy. I understand my obligations as a director and/or committee member under this policy and will act in accordance with my obligations.

Signature: _____ Date: _____