

## **Dalton Woods Homeowners Association**

### **Board of Directors Code of Ethics**

The Dalton Woods Board of Directors has adopted the following ethics policy for its Board Members. This policy is intended to provide guidance with ethical issues, a mechanism for addressing unethical conduct and establish expectations for those homeowners who are elected to serve on the Board. Board members shall review and sign the policy every year at the first full Board of Directors meeting.

#### **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, maintain the common areas in a state that promotes the highest level of use and enjoyment by all Dalton Woods residents. To fulfill that responsibility, directors must:

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

The Dalton Woods Homeowners Association and Board of Directors will leverage these items to preserve the character of the Community, protect property values and work to meet the expectations of all our Residents in the community. The Board of Directors will work to continuously improve the Dalton Woods experience for all residents, promote active homeowner involvement and foster a culture of transparent informed consensus within the Community.

#### **B. PROFESSIONAL CONDUCT**

In general, directors must conduct all dealings with vendors and residents with honesty and fairness, and safeguard information that belongs to the Association.

##### **1. Self-Dealing.**

Self-dealing occurs when directors make decisions that materially benefit themselves or their relatives at the expense of the Association. "Relatives" is defined to 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, no director 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,
- 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.** Directors 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 may disclose confidential information. Confidential information includes, without limitation:

- private personal information of fellow directors or committee members,
- private personnel information of the association's management company employees,
- private personnel information of the Association's members,
- 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 or documents identified as attorney-client privilege. 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 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 Residents, Vendors & Employees.** To ensure efficient management operations, avoid conflicting instructions from the Board to the management company and avoid potential liability, directors shall observe the following guidelines:

- The President of the Board shall serve as liaison between the board and the management company to provide direction on day to day matters.
- Except for the President, directors may not give direction to the management company employees or vendors.
- If directors are contacted by residents with complaints, the residents shall be instructed to contact the management company or the Board of Directors as a whole.
- No director may threaten or retaliate against an resident who brings information to the Board regarding improper actions of a director.
- Directors are prohibited from harassing or threatening management company employees, vendors, directors, committee members, and residents, whether verbally, physically or otherwise.

5. **Proper Decorum.** Directors are obligated to act with proper decorum. Although they may disagree with the opinions of others on the Board, they must act with respect and dignity and not make personal attacks on others. Accordingly, Directors must focus on issues, not personalities, and conduct themselves with courtesy toward each other and toward management company employees, 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.

### **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 should immediately raise such situations with the Board. If appropriate, the Board will seek guidance from the Association’s legal counsel of record.

1. **Disclosure & Recusal.** Directors must immediately disclose the existence of any conflict of interest, whether their own or others. Directors must withdraw from participation in decisions in which they have a material interest.

2. **Violations of Policy.** Directors 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, • 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 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 prior to imposing disciplinary action against that person.

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Dalton Woods HOA Board of Directors

Name:

Position: