

Homeowner Management Services Inc.

Directors Code of Ethics

I. General Standards

A. Representation

Directors shall represent the interests of the entire community in exercising his/her duties. All decisions made on behalf of the Association must be made with the best interests of the community as a whole in mind.

Directors may not misrepresent facts in order to achieve any measure of personal gain or gain for any other person or special interest group.

Directors may not represent the Board in written or verbal communications with members or other entities unless authorized by an affirmative vote of the majority of the Board.

No promise or representation of anything not approved by a majority of the Board of Directors can be made to any person, contractor, subcontractor or supplier.

B. Due Professional Care

Directors must exercise due professional care in the performance of their duties, fulfilling their fiduciary responsibilities to the membership and fellow directors.

Directors must observe the business judgment rule by exercising the same degree of care and skill as normally used by others in a similar position and business.

Directors shall undertake only those responsibilities and assignments that they can reasonably expect to perform with competence.

Directors must endeavor to familiarize themselves with Association business, have a working knowledge of the governing documents and Community Standards, and regularly attend scheduled meetings. Members shall participate by voting on issues before the board, abstaining only when a declared conflict of interest exists.

Directors agree to abide by all published standards of the Association and are responsible for setting a standard and a tone for behavior that is in the best interest of the Association.

When alternative candidates are available, a director shall not accept the office of president unless he/she has served on the board for at least one year. All directors, and particularly the President should be appropriately familiar with the history of the association and the policies and procedures of the board.

Directors shall attend at least half of any board member training classes offered by the management company to expand their understanding of their role and responsibilities.

C. Professional Courtesy

Directors will exhibit professional courtesy to all Association members and community association management professionals.

Directors shall not interfere or supervise association or management company employees, unless a contract exists with a management company that authorizes such actions.

Directors may not interfere with contractual relationships between community management professionals and contractors.

Directors will protect the confidentiality of the personal information of other directors, committee members, residents, employees and management professionals at all times, including after the board member's term is expired or terminated regarding knowledge learned during their term of office.

D. Use of Association Funds

No director may use or encumber Association funds or property for their personal use or benefit.

Directors may be reimbursed for expenses incurred on behalf of the Association provided, the Board of Directors approves the expenses in advance, and the party seeking reimbursement submits receipts.

E. Community Fiduciaries

Directors shall be committed to the establishment of committees to offer involvement by other members and to promote input from owner and non-owner residents. Committees shall be defined by a Committee Charter, which is supported by all Directors and Committee members.

Directors acknowledge their responsibility to welcome and educate new residents of the community – member and non-member alike – and support activities that engage residents in the clarification of expectations between the Association and the residents.

Directors shall support the importance of building a sense of community and commit to promoting the association's hosting of periodic activities that enhance the development and sustaining atmosphere of neighborliness.

Directors shall develop processes that provide members with the opportunity for access to community records, input into community decisions, and a reasonable appeal process for decisions.

Directors shall endeavor to make the community's standards as understandable as possible, adding clarifying "lay" language or supplementary materials when drafting or revising documents, as needed to provide clear communication.

II. Conduct at Meetings

A. Communication

The language used at Association meetings will be considerate and professional at all times. Personal attacks or use of profanity is prohibited.

B. Rules of Order

Board members will follow the agreed-upon manner of basic parliamentary procedure as appropriate for a small body or organization.

C. Attendance

Any member of the Board of Directors who has three (3) consecutive meeting absences shall automatically offer to resign their position on the Board.

III. Conflicts of Interest

A conflict of interest is defined as a secondary interest in any action or contract that would financially benefit that person or the parent, grandparent, spouse, child, or sibling of that person.

A. General

1. Directors must not allow any outside influence to interfere with exercising their duties in the best interest of the Association.
2. Any director that may have a potential conflict of interest with regard to a business transaction must disclose, in a public forum, the potential conflict and abstain from voting on that action.
3. Any director that has an actual conflict of interest with regard to a business transaction must disclose, in a public forum, the conflict to others present and abstain from voting on the issue or exerting any influence on the other voting members of the board.

B. Related Entities

1. Any engagement of a company or individual that is related to any board member or any relative of a board must be properly disclosed prior to any such engagement. The disclosure shall be in a public forum and the related member shall abstain from voting on issues affecting the company or individual.
2. A Board member who is also engaged in the practice of another profession shall not provide these other professional services to the Association while serving as a board member, officer, or committee member if the performance of such services is likely to result in a potential or actual conflict of interest.

IV. Gifts and Contributions

A. Gifts

1. It shall be the policy of the Association to discourage the acceptance by directors of gifts, entertainment, or other favors from existing or prospective clients, vendors, or suppliers.
2. Gifts of nominal value (worth less than \$100.00) given as a token of friendship or upon special occasions such as a Holiday are acceptable.
3. Cash gifts of any amount are not acceptable.
4. Any gift intended to influence a decision by a board, officer, or committee member, or to create an atmosphere of indebtedness toward the bearer is not acceptable.

B. Contributions

1. The Association will not make any contributions to any political parties or political candidates.

V. Unlawful Activity

- A. Any board member under investigation for a felony offense shall request a leave of absence from their association duties during the investigation or trial period.
- B. Any board member convicted of a felony offense will voluntarily resign from his or her position.
- C. Drug, alcohol, or substance use or abuse will not be tolerated prior to, or during meetings or anytime on the common areas of the Association.

VI. Enforcement

A. Complaints

1. Complaints against any board member which allege conduct inconsistent with the foregoing resolution must be made in writing to the President of the Board of Directors. If the complaint is against the President, complaints will be submitted to the Vice President.

B. Review Period

1. The Board President, or Vice President, shall convene an executive meeting within thirty (30) days of receipt of a complaint to discuss the alleged activity with the complainant and the accused member.
2. The Board shall attempt to gather all facts relevant to the alleged misconduct. Once satisfied that the information presented is sufficient to make a determination in the matter, the Board will excuse the complainant and the accused member and decide what action, if any, may be appropriate to resolve the matter.

C. Findings

- 1. The Board shall issue its written finding with respect to the alleged misconduct within seven (7) days after the executive session held pursuant to Section B, Number 2, above.

D. Sanctions

- 1. Should the Board find that a breach of the Association’s Board Member Conduct Policy was committed by a board member; the Board may impose appropriate sanctions, consistent with the Bylaws of the Association. Such sanctions could include censure or removal of the member from the Board through action by the membership.

This resolution is adopted this _____ day of _____, _____, at an open Board meeting where a quorum of the Board was present and is effective immediately.

Director Date

Director Date

Director Date

Director Date

Director Date

Director Date

Director Date

Director Date

Director Date