

CCEHOA, Inc.
DIRECTOR & COMMITTEE MEMBER ETHICS POLICY

The Board of Directors has adopted the following ethics policy for its Directors and committees. This policy is intended to provide guidance with ethical issues and a mechanism for addressing unethical conduct.

A. BOARD RESPONSIBILITIES

The general duties of the Board are to collect assessments, conserve the Association's financial resources, insure the Association's assets against loss, maintain the common area in a state of good repair, while making the common area available for owner use and enjoyment, in accordance with the Association's governing documents, while remaining in compliance with Federal, State and local laws.

To fulfill that responsibility, all Directors must:

- ✦ regularly attend Board meetings,
- ✦ review material provided in preparation for Board meetings, ✦ review the Association's financial reports, and
- ✦ make reasonable inquiry before making decisions.

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.

1. Self-Dealing. Self-dealing occurs when Directors or committee members make decisions that materially benefit themselves or their relatives at the expense of the Association. "Relatives" 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 or committee member may:
 - a. solicit or receive any compensation from the association for serving on the board or any committee,
 - b. make promises to vendors unless with prior approval from the Board,
 - c. 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,
 - d. seek preferential treatment for themselves or their relatives,
 - e. 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 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:
 - a. private personal information of fellow Directors and committee members,
 - b. private personnel information of the Association's employees,

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- c. disciplinary actions against members of the Association, and
 - d. 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 legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information.
3. Misrepresentation. 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.
4. Interaction with Employees or Vendors. To ensure efficient operations, Directors and committee members shall observe the following guidelines:
- a. The Officers shall serve as liaison between the Board and all employees or vendors, and in all financial matters, and provide daily direction on all matters of the Association.
 - b. Except for the Officers, Directors and committee members may not give direction to employees or vendors, enter contracts, or handle Association funds.
 - c. If Directors or committee members are contacted by employees or vendors with complaints, the complainant shall be instructed to contact the Officers, or the Board as a whole.
 - d. No Director or committee member may threaten or retaliate against an employee, vendor, Director or member who brings information to the Board regarding improper actions of a Director or committee member.
 - e. Directors and committee members are prohibited from harassing or threatening employees, vendors, Directors, committee members, Association members and their legal tenants or guests -- verbally, physically or otherwise.
5. Proper Decorum. Directors and committee members are obligated to act with proper decorum. Accordingly, Directors and committee members must focus on issues, and conduct themselves with courtesy toward each other and toward 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. 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 and committee members should immediately raise such situations with the Board. If appropriate, the Board will seek guidance from the Association's legal counsel.

1. Disclosure & Recusal. Directors and committee members must immediately disclose the existence of any conflict of interest, whether their own or others. Directors and committee members must withdraw from participation in matters where they have a material interest.

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2. Violations of Policy. Directors and committee members who violate the Association's ethic's policy are deemed to be acting outside the course and scope of their authority.

D. VIOLATIONS

Any committee member determined to be in violation of this policy will be removed from all committees.

Any Director determined to be in violation of this policy will be subject to disciplinary action, including, but not limited to any of the following:

- ✦ censure,
- ✦ removal from committee,
- ✦ removal from Officer position,
- ✦ resignation request.

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 all Directors or committee members believed to be in violation, confer with the Association's legal counsel (if appropriate), and present its findings and recommendations to the Officers for appropriate action, potentially including a motion for vote by the Board in executive session.

The Board shall endeavor to meet with the Director or committee member in executive session prior to imposing disciplinary action against that person.