

**CODE OF CONDUCT FOR
DIRECTORS & COMMITTEE MEMBERS
of the Avondale Estates Condominium Association**

adopted Wednesday, April 2, 2014

The Board of Directors of the Avondale Estates Condominium Association has adopted the following Code of Conduct policy for its board members and committees. This policy is intended to provide guidance for dealing with professional and ethical issues and a mechanism for addressing Directors' 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 board meetings,
- review material provided in preparation for board meetings,
- review the association's financial reports,
- make no false statements,
- make reasonable inquiry before making decisions, and
- respond to member inquiries
- make all decisions in good faith and in the best interests of the association

B. PROFESSIONAL CONDUCT

In general, directors and committee members must conduct all dealings with vendors and employees in good faith, with honesty and fairness, and safeguard information that belongs to the association.

1. Private Gain. Self-dealing occurs when directors or committee members make decisions that materially benefit themselves or anyone with whom they have a relationship such that the director or committee member stands to gain any benefit by the decision. Benefits include money, privileges, special privileges, gifts or other items of value. Accordingly, no director or committee member 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 anyone with whom the director has a relationship which would give preferential treatment to the director,
- use association property, services, equipment or business for the gain or benefit of themselves, 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 anyone other than the association. 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 contractors,
- 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 legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information.

3. Accuracy of 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. Directors and committee members should always seek to verify the veracity of the Associations data, records, and reports.

4. Interaction with Contractors. To ensure efficient management operations, avoid conflicting instructions from the board to committees and contractors and avoid potential liability, committee members and directors shall observe the following guidelines:

- One member of the board (or, in some cases, of a committee) shall serve as liaison between the board and each committee or contractor and provide direction on day-to-day matters.
- Except for the designated liaison, committee members and directors may not give direction to contractors or vendors.
- If directors or committee members are contacted by a contractor with complaints, the contractor shall be instructed to contact the appropriate designated liaison or the board as a whole.
- No director may threaten or retaliate against a contractor 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 contractors, vendors, directors, committee members, and owners, whether verbally, physically or otherwise.

5. Professional Behavior. Directors and committee members are obligated to act with proper decorum (this is already stated above). 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 final decisions, which must be made by a vote of the majority of the board.

C. WHEN CONFLICTS 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 decisions in which they have a material interest.

2. Violations of Policy. Directors and committee members who violate this Code of Conduct 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,
- 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/committee member 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/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 ethics 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: _____

Print name: _____

Date: _____