

**LAKE CLARKE GARDENS CONDOMINIUM, INC.**

**ETHICS POLICY FOR**

**MEMBERS OF BOARD OF DIRECTORS**

Adopted March 8, 2022

The Board of Directors (the "Board") of Lake Clarke Gardens Condominium, Inc. (the "Association") has adopted the following Ethics Policy for its members (the "Directors"). This Policy is intended to provide guidance with respect to potential ethical issues and a mechanism for addressing unethical conduct.

Should there be any conflicts between the provisions of this Policy and the Association's governing documents, the governing documents shall prevail.

**A. DIRECTORS RESPONSIBILITIES**

The general duties of 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 common areas and buildings in a state of good repair, all in compliance with the Association's governing documents and applicable federal, state and local law.

To fulfill these responsibilities, Directors must:

- regularly attend Board meetings,
- review material provided in preparation for Board meetings,
- review the Association's financial reports,
- conduct due diligence before entering into or approving contracts with Vendors and others, and
- make reasonable inquiries before making decisions on behalf of the Association.

**B. PROFESSIONAL CONDUCT**

In general, Directors must conduct all dealings with Employees, Vendors, and owners, tenants, residents, and Association Members (collectively, the "Residents") with honesty and fairness, and safeguard information that belongs to the Association.

1. Self-Dealing. Self-dealing occurs when a Director makes a decision that materially benefits the Director or his/her relatives at the expense of the Association. "Relatives" include a Director'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 Director's residence. Benefits include money, privileges, special benefits, gifts or other item of value.

2. Prohibited Conduct. A Director shall not:

- solicit or receive any compensation from the Association for serving on the Board or any Committee or as an Officer,
- make financial or contractual promises to Vendors or Employees without the prior approval of the Board,
- solicit or receive, any gift, gratuity, favor, entertainment, discount, loan, or any other thing of value for themselves or their relatives from a person or Vendor who is seeking or has a business or financial relationship with the Association,
- seek preferential treatment for themselves or their relatives, or
- use Association property, services, equipment or business for the gain or benefit of themselves or their relatives, except to the extent the same is available to all Members of the Association.

3. 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 by the Board or legally mandated, no Director may disclose the confidential information.

Confidential information of the Association includes, without limitation:

- private personal information of the Association's Applicants and Residents,
- private personnel information of the Association's current and former Employees, Directors and Committee Members,
- disciplinary actions against Residents, unless such information has been officially disclosed by the Board,
- assessment delinquency and/or collection information or efforts regarding Members, and
- legal disputes in which the Association is or may be involved: Directors may not discuss such matters with persons not on the Board, other than the Property Manager, without the prior approval of the Association's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege.

4. Misrepresentation. Directors may not knowingly misrepresent facts. All Association data, records and reports disclosed, presented, or prepared by a Director must be accurate and truthful and prepared in a proper manner, to the best of the Director's knowledge and belief.
5. Interaction with Employees. To help ensure efficient management of operations, Directors shall observe the following guidelines:
  - The President shall serve as liaison between the Board and management and provide direction on day-to-day matters. Notwithstanding, the President may request for another Board Member(s) to interact directly with a member of management or Employee.
  - If a Director is contacted by an Employee(s) with complaints or concerns, the Employee(s) shall be instructed to first contact the Property Manager to discuss the matter, and to contact the President second if the Employee(s) asserts the issue has not been adequately addressed by the Property Manager or the matter directly involves the Property Manager.
  - No Director may threaten or retaliate against an Employee who brings information to a Director or to the Board regarding improper actions of a Director, Employee, Vendor or Resident.
  - Directors are prohibited from harassing or threatening Employees whether verbally, physically or otherwise.
  - No Director may ask or direct an Employee to perform work during the work day for the personal benefit of the Director. If a Director asks and an Employee agrees to perform such work outside of the work day, the Director shall reasonably compensate the Employee.
6. Proper Decorum. Directors are obligated to act with proper decorum. Although they may disagree with the opinions of others on the Board or a Committee, Directors must act with respect and dignity and not make personal attacks on others. Accordingly, Directors while representing the Association, must focus on issues, not personalities, and conduct themselves with courtesy toward each other and toward all others. Directors are prohibited from harassing or threatening Employees, Vendors or Residents, whether verbally, physically or otherwise. Directors shall act in accordance with the Board' official decisions and shall not act unilaterally or contrary to the Board's official decisions.

### **C. CONFLICTS OF INTEREST DEFINED**

A conflict of interest happens when an individual involved in multiple interests finds themselves in a decision-making situation whereby serving one of those interests would harm another. Interests include many different types of commitments, duties, obligations, and values, such as:

- Contractual or legal obligations,
- Loyalty to family and friends,

- Fiduciary duties,
- Professional duties, and
- Business interests.

**D. ADDRESSING POTENTIAL UNETHICAL BEHAVIOR OR CONFLICTS**

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.

1. Disclosure & Recusal. Directors must immediately disclose the existence of any perceived, potential or known conflict of interest, whether their own or others. Directors must withdraw from participation in voting decisions in which they have a known conflict of interest.
2. Violations of Policy. Directors who violate this Ethics Policy are deemed to be acting outside the course and scope of their authority. Any Director found to be in violation of this Policy may be subject to disciplinary action, including, but not limited to:
  - censure,
  - removal as an officer of the Association,
  - request for resignation from the Board,
  - recall by the Members, and
  - legal proceedings.
3. Investigation. Prior to taking any of the actions described above, the Board shall appoint an executive committee to investigate the alleged violation. This 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 as warranted, and present its findings and recommendations to the full Board for appropriate action. The Board shall endeavor to meet with the Director in executive session prior to imposing disciplinary action against the Director.

**E. DIRECTOR’S SIGNATURE**

I have reviewed and agree to comply with the terms of this Ethics Policy for Directors.

Theresa A Knowles Date 5/19/22  
Signature

Print name: THERESA A KNOWLES