

ETHICS POLICY

CODE OF CONDUCT FOR DIRECTORS, COMMITTEE MEMBERS AND WORK GROUP MEMBERS

Monitor:	Board Secretary
Authorization:	Cooke's Hope Homeowners Association Board of Directors
Purpose:	This Ethics Policy is intended to provide guidance with ethical issues and a mechanism for addressing unethical conduct.
Annual Review By:	HOA Board of Directors
Authorization Date:	April 3, 2014
Next Review Date:	April 2018

The Cooke's Hope HOA Board has adopted the following ethics policy for its directors, committee members and work group members.

A. BOARD RESPONSIBILITIES

The general duties for directors are to enforce the association's governing documents, collect and preserve the association's financial resources, administer/supervise the association's assets against loss, and keep the common areas and open space in a state of good repair as appropriate. To fulfill that responsibility, directors must:

- regularly attend board meetings
- review material provided in preparation for board meetings
- review the association's financial reports
- represent collective interests of homeowners

Each director shall perform his or her duties in good faith, in a manner that he/she reasonably believes to be in the best interests of the HOA and with the care that an ordinary person in a like position would use under similar circumstances.

B. PROFESSIONAL CONDUCT

In general, directors and committee members must conduct all dealings 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 benefit themselves or their relatives at the expense of the association. 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, 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 or receive 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.

On the other hand, oftentimes board members vote on matters that result in a benefit to them that is not a conflict of interest because the matter also benefits the association membership as a whole.

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 by a vote of the full board or legally mandated, no director or committee member may disclose confidential information. For the purposes of this Ethics Policy, confidential information shall be defined as information directly related to a topic that is enumerated under § 11B-111 (4) (i) through (viii) of the *Maryland Homeowners Association Act* as qualifying for discussion at a closed meeting of the Board.

3. Misrepresentation

Directors and committee members shall not withhold information, other than confidential information, and/or make statements which are known to be inaccurate or misleading. All association data, records and reports must be accurate and truthful and prepared in a proper manner.

4. Proper Decorum

Directors and committee members are obliged to conduct themselves with respect and dignity toward each other, members of the association, employees and vendors. Directors shall not act in contravention of any Board decision.

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 actual, potential or perceived conflict of interest, whether their own or others. Directors and committee members must withdraw from participation in discussion of (including via email) and voting on matters in which they have a conflict of interest. Notwithstanding, the interested director is not ineligible to vote on such matters in a homeowner's vote. Further, with unanimous consent of disinterested directors, the interested director may be invited to provide factual information on the matter for which he or she has been recused.

2. Violations of Policy

Directors and committee members who violate the association's ethics policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to disciplinary action as prescribed by the association's governing documents.

ETHICS POLICY 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. Furthermore, I understand my obligations as a director and/or committee member under this policy and will act in accordance with my obligations.

Signature: _____

Date: _____

Print Name: _____