

THE SANCTUARY COMMUNITY ASSOCIATION, INC.

CODE OF CONDUCT FOR DIRECTORS & COMMITTEE MEMBERS

The Board of Directors has adopted the following code of conduct / ethics policy for its board members 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 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 reasonable inquiry before making decisions, taking into consideration all available information, circumstances and resources; and,
- provide opportunities for Members to comment on decisions facing the association.

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. Directors shall serve the best interests of the association as a whole without regard to their personal interests.

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 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, or from any member or resident, either directly or indirectly.
- seek preferential treatment for themselves or their relatives,
- use association funds, 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 shall 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:

- private personal information of fellow directors and committee members,
- private personnel information of the association's employees,
- 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 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, Vendors, and Management. To ensure efficient management operations and avoid conflicting instructions, committee members and directors shall observe the following guidelines:

- The president of the board shall serve as liaison between the board and management and provide direction on day to day matters. The president may delegate certain liaison or supervisory roles to other directors, with the approval of the board.
- The board will designate one director to act as staff liaison for purposes of supervising the Amenity Center staff and provide oversight of the Amenity Center, to include interaction with the management company, subject to such limitations as specified by the board.
- Except for the president, or at the direction of the president, as specified above, committee members, directors, and/or staff may not give direction to management, employees, or vendors.
- If directors, committee members, and/or staff are contacted by Members, employees, vendors, with complaints, the Members or employees shall be instructed to contact management.
- No director may threaten or retaliate against anyone who brings information to the board regarding improper actions of a director, committee, staff, vendor, or management.
- Directors and committee members are prohibited from harassing or threatening employees, vendors, directors, committee members, and Members, whether verbally, physically, or otherwise.

5. Proper Decorum. Directors, committee members, and employees are obligated to act with proper decorum. 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 decisions, speaking with one voice on any issue once a formal decision has been made. Directors will perform their duties without bias for or against any individual or group of members or renters.

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 shall 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 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, including, but not limited to:

- censure,
- removal from committees,
- removal as an officer of the board,
- 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. DIRECTOR'S PLEDGE

I have read the Ethics Policy and pledge to act in accordance with my obligations as described above.

Signature: _____ Date: _____

Print name: _____

E. AMENDMENT

This policy may be amended from time to time by the Board.