

CEPOA BOARD/COMMITTEE MEMBER CODE OF CONDUCT AND COMMUNICATIONS POLICY

The Board of Directors of CEPOA Homeowners Association ("Association") has adopted the following Code of Conduct and Communications Policy ("Policy") for the Association's directors and committee members, effective as of 6/19, 2024. This Policy is intended to set forth certain protocols and expectations relating to Board members' fiduciary duties to the Association (as defined as acting in the best interest of the Association's members as a whole), and is intended to help ensure that each Board/Committee member will act in a trustworthy, diligent, honest and ethical manner while serving on the Board and/or as a committee member. Upon becoming elected or appointed to the Board, or appointed to a committee, each Board member and committee member shall be subject to this Policy. Each current director/committee member of the Association will be provided a copy of this Policy.

A. BOARD DUTIES AND STANDARDS OF CARE

The general fiduciary duties of the Association's Board of Directors include, but are not limited to the following:

- Enforcement of the Association's governing documents, including but not limited to the Association's Covenants, Bylaws, Rules, and Policies;
- Collection and preservation of the Association's financial assets;
- Insuring the Association's assets against loss; and
- Maintaining the common area and assets of the Association in a state of good repair.

To fulfill those responsibilities, each director and committee member should:

1. Regularly attend Board or Committee meetings;
2. Participate in text and email communications with fellow members in a timely manner;
3. Review, in advance, materials provided in preparation for Board and/or Committee meetings, as applicable;
4. Review the Association's financial reports. Make reasonable inquiry on agenda items and other items of business before making decisions and/or casting his/her/their vote; and
5. Take initiative and an active role between meetings on Board or Committee projects, and volunteer to ensure all necessary tasks are completed.

B. PROFESSIONAL CONDUCT

In general, directors and committee members must conduct all dealings with third parties in good faith, in the best interests of the Association and in a manner that safeguards information that belongs to the Association.

1. No Private Gains or Self-Dealing.

Directors and committee members shall not make any decisions that materially benefit themselves or their relatives at the expense of the Association. "Relatives" include any persons related by blood, marriage, domestic partnership or adoption, such as, for example only, a director's spouse, domestic partner, parents, siblings, children, grandchildren, mothers and fathers-in-law, brothers and sisters-in-law and sons and daughters-in-law, as well as anyone who co-owns or resides in a director's or committee member's separate interest at the Association's development. A "benefit" includes, without limitation, money, rent proceeds, privileges, special benefits, gifts and other items of value.

Based on the foregoing, no director or committee member shall:

- Solicit or receive any compensation, financial or otherwise, from the Association, or any third party, for serving on the Board or any committee.
- Negotiate, provide instructions to or contract with any vendors, contractors or service providers on behalf of or for the Association without prior written Board approval.
- Solicit or receive any material gift, gratuity, favor, entertainment, loan or any other thing of value for himself/herself/themselves or his/her/their relatives from a person or company who is seeking a business or financial relationship with the Association.
- Seek or obtain preferential treatment for himself/herself/themselves or his/her/their relatives through or as a result of such person's membership on the Board or Committee or as an official representative of the Association.
- Use Association property, services, or business for the gain or benefit of himself/herself/themselves or his/her/their relatives, in any material respect, except as is provided for all members of the Association.

2. Conflicts of Interest.

A director or committee member who has a conflict of interest in any business or matters before the Board/Committee shall be required to declare in an open meeting, prior to any discussion or action on that issue, that the member has a conflict of interest for that issue. After making such declaration, the member may participate in the discussion, but shall not vote on that issue.

3. No Release of Confidential Information.

Directors and committee members are responsible for protecting the Association's confidential information, including both attorney-client privileged information and documents and executive session Board meeting information and documents. As such, no director or committee member may use the Association's confidential information for the benefit of himself/herself/themselves or his/her/their relatives, share any confidential information obtained as a Board/Committee with any non-Board/Committee members or third parties (other than agents, representatives, or attorneys of the Association who also are bound to maintain the confidentiality of the information received) or generally disseminate any confidential information obtained as a

Board/Committee to any non-Board/Committee members or third parties. The expectation of confidentiality extends beyond the director/committee members' term of service.

"Confidential information" includes, without limitation:

- Private or personal information about any Association member or any resident.
- Disciplinary actions against Association members.
- Information about any Association member's delinquent assessment account.
- The negotiation and formation of contracts with vendors, contractors or service providers.
- Legal matters in which the Association is or may be involved.

Directors may not discuss the merits of pending legal matters in which the Association is involved with persons not on the Board*, other than with fellow Board members and Association legal counsel. Failure to follow this restriction may constitute a waiver of the attorney-client privilege and result in the loss of legal protections for confidential information of the Association. No director may waive the Association's attorney-client privilege, except with the advance written approval of the Board.

*Please note: The CEPOA attorney represents the Board, and the Board represents the Membership.

4. Accuracy of Information.

Directors and committee members may not knowingly misrepresent facts and should refrain from disclosing information when not fully informed regarding any matter. All Association data, records and reports must be accurate and truthful in all material respects and be prepared in a proper manner.

5. Interaction with Membership and Other Parties.

To ensure efficient management operations, avoid conflicting messages from the Board/Committee to membership and avoid potential liability of the Association, directors and committee members shall observe the following guidelines:

- Directors/committee members shall not engage with members in conversation about Board/Committee business outside of open meetings unless initiated by the director/committee member and for the stated purpose of Board/Committee business. All private conversations regarding Board/Committee matters will be disclosed to the Board/Committee to avoid triangulation. Members who approach directors/committee members privately shall be referred to attend open meetings or to submit an email with their concern, suggestion, or comment to Board@CEPOA.org or to the chair of the committee.

- The Board President or his/her/their designee shall serve as liaison with the Association's legal counsel. Should the Board President fail to carry out legal directives of the Board, two other Board members may access or communicate with Association legal counsel and provide direction on matters already decided by the Board.

- Directors may not give direction to vendors, contractors or service providers, unless expressly authorized by the Board or in governing documents to do so.
- No director/committee member may interfere with the conduct of the Board/Committee, as applicable, during meetings or at any time a designated Board/Committee is carrying out the decisions of the Board/Committee. Each director/committee member must comply with the decisions of a majority of a quorum of the Board/Committee even if they voted against that decision.
- Directors/committee members are prohibited from harassing, threatening or intimidating other directors, committee members, vendors, contractors, service providers, Association members or residents, whether orally, in writing, physically or otherwise; directors and committee members shall also take reasonable efforts to prevent their family members, guests, tenants and invitees from engaging in such conduct.
- No board/committee member shall act independently in matters related to the Association, its members or interactions with vendors. Board/committee members must always represent themselves as board/committee members when acting on behalf of the Board/Committee or the Association.
- Nothing in this Section shall limit the Board from appointing an officer other than the President to serve any function set forth hereinabove.

6. Professional Behavior.

Directors and Officers are obligated to act with proper decorum during Board/Committee Meetings and at any time they are carrying out the business of the Association. Although directors/committee members may disagree with the opinions of others on the Board/Committee, or with the vote of a majority of the Board/Committee, each director/committee member must treat all other members with respect. Accordingly, directors/committee members must endeavor to conduct themselves with courtesy toward each other, vendors, contractors, service providers, Association members and residents. A decision of the Board/Committee (as defined under the Bylaws) shall be considered the decision of the Board/Committee, and each director/committee member shall carry out and support the decisions of the Board/Committee, shall act in accordance with Board/Committee decisions and shall not act unilaterally or contrary to the Board/Committee's decision(s).

The undersigned hereby certifies that the foregoing resolution was adopted and made a part of the minutes of the meeting of the Board of Directors of the Association conducted on the 19 day of June, 2024.

THE CHATFIELD EAST PROPERTY OWNERS
ASSOCIATION, INC.

By: [Signature]

Teri Hochstetler President
(Print Name) (Print Title)