



**TAHOE DONNER ASSOCIATION
BOARD OF DIRECTORS**

BOARD OF DIRECTOR'S CODE OF CONDUCT & ETHICS

CORPORATE RESOLUTION 2016-7

PURPOSE

The Board of Directors adopts the following Code of Conduct & Ethics policy for its Board members. The Board feels this policy is necessary to assure that the business of the Association is conducted in an efficient manner that reflects the highest ethics and morals. It is intended to provide guidance with ethical issues and serve as a mechanism for addressing unethical conduct. It shall be adhered to by all members at all times during their term of office. It is not the intent of this policy to restrict the ability of a Director to perform the duties required by law or the Association's Governing Documents. The policy shall be enforced pursuant to authority given the Board to govern itself in the Association's Bylaws, California Corporations and Civil Codes, and commonly accepted rules of parliamentary procedures.

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 focus on the development of broad policies for the association (e.g., long-term vision, overall financial philosophy, et cetera). **To fulfill these responsibilities, Directors must:**

- regularly attend Board meetings,
- understand and abide by the Declaration, Bylaws, Policy Procedures and other Association documents,
- review material provided in preparation for Board meetings in a timely manner,
- review the Association's financial reports on a regular basis,
- make reasonable inquiry before making decisions,
- respond to member inquiries through established procedures,
- fulfill Board appointed officer responsibilities,
- respect and support the majority decisions of the Board.

B. PROFESSIONAL CONDUCT

In general, Directors must act within the boundaries of their authority as defined by law and the Governing Documents of the Association, exercising their responsibilities with integrity, fidelity, and care. The “business judgment rule” holds Directors accountable for the duty of care and the duty of undivided loyalty and honesty in all their activities.

- **Private Gain** - Self-dealing occurs when directors make decisions that materially benefit themselves, their relatives, or close personal relationships 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 item of value. **Accordingly, no Director may:**
 - solicit or receive any compensation from the Association for serving on the Board or any committee,
 - 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 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.

- **Confidential Information** - Directors are responsible for protecting the Association’s confidential information. As such, no individual Director may disclose information which has been designated by the Board, or its legal counsel, as confidential without prior approval of the Board. Board members may not use confidential information for the benefit of themselves or their relatives. **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,
 - 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 counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and result in the loss of confidential information,
 - discussions and decisions made at any meeting of the Board held in Executive Session.

- **Accuracy of Information** - Directors may not knowingly misrepresent facts or knowingly distribute/disseminate information to the members which they know is false or materially misleading.
- **Professional Behavior** - Directors are obligated to act with proper decorum. Although they may disagree with the opinions of others on the Board or committees, they must act with respect and dignity and not make personal attacks on others. Accordingly, Directors must focus on issues, not personalities and at all times shall treat management, staff, property owners, committee members, fellow directors and others with tact and respect. Directors shall act in accordance with Board decisions and shall not act unilaterally or contrary to the Board's decisions.

C. DAY-TO-DAY OPERATIONS

The role of the Board is to oversee operations and set policy. The Board shall direct the efforts of the staff and departments through the General Manager by policy directives rather than attempting to manage the details of staff operations.

- **Vendors** - Directors do not have the right to individually contact vendors or give vendors instructions or sign contracts without Board authorization. Allowing multiple directors to interact with vendors will result in higher costs to the Association, conflicting instructions to vendors and potential loss of vendors. It also creates the potential for "*ultra vires*" acts by directors.
- **Personnel** - Directors are similarly restricted in their ability to interact with employees. Individual Directors do not have the right to direct or discipline employees. That function is reserved to the Board as a whole or delegated to the Association's General Manager. To allow individual Directors to take such actions is to invite potential liability via Labor Code violations, harassment issues, and constructive termination actions.

D. CONFLICTS OF INTEREST

Directors, having control and responsibility for the property of others, must act with scrupulous good faith and candor. They must avoid, in fact and perception, conflicts of interest and any favoritism that might embarrass the Board or organization, and disclose to the Board, in a timely manner, any possible 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.

- **Disclosure & Recusal** - Directors must immediately disclose the existence of any conflict of interest, whether their own or others. Directors must withdraw from participation in decisions in which they have a material interest.
- **Director in Good Standing** - In order to continue to vote on matters before the Board, at all times during their term, Directors shall meet all the qualifications required of a candidate for election to the Board and maintain their status as a Director in good standing. For purposes of this provision, a Director shall be automatically determined to not be in good standing as a Director if:
 - Their membership rights are suspended within the Association; or
 - Any amounts are owed to the Association; or
 - That Director is subject to an outstanding compliance order of the Association.

ACCEPTED AND DATED: July 23, 2016




Jeff Bonzon, President




Steve Miller, Treasurer



Darius Brooks, Director



Ron Wulff, Vice President



Jeff Schwerdtfeger, Secretary