

Code of Conduct
for Directors of Lakeshore Homes Association
Adopted February 20, 2013

The Board of Directors ("Board") of Lakeshore Homes Association ("LHA," "Association") has adopted the following Code of Conduct ("Ethics Policy," "Policy") for its board members ("Directors"). 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 LHA's governing documents, collect and preserve the Association's financial resources, insure LHA'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 (at least 9 of 12 or 8 of 11 meetings/year),
- Actively lead the standing committee of which they are chairperson,
- Review LHA's financial reports,
- Make reasonable inquiry before making decisions, and
- Respond to member (LHA homeowners and renters) inquiries

B. Professional Conduct

In general, Directors must conduct all dealings with members, vendors, employees, and the City of Oakland with honesty and fairness, and safeguard information that belongs to the Association.

1. Private Gain. Self-dealing occurs when Directors 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 may:

- solicit or receive any compensation from LHA 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 LHA,
- seek preferential treatment for themselves or their relatives,
- use LHA property, services, equipment, or business for the gain or benefit of themselves or their relatives, except as is provided for all members of LHA.

2. Confidential Information. Directors are responsible for protecting LHA'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 or legally

mandated, no Director 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 LHA members,
- assessment collection information against members, and
- legal disputes in which LHA is or may be involved – Directors may not discuss such matters with persons not on the Board without prior approval of Board's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information.

This section remains in effect for perpetuity, even when a Director is no longer a member of the LHA Board.

3. Accuracy of Information. Directors may not knowingly misrepresent facts. All LHA data, records, and reports must be accurate and truthful, and prepared in a proper manner.
4. Interaction with Employees. To ensure efficient management operations, avoid conflicting instructions, and avoid potential liability, Directors shall observe these guidelines:
 - The Board President shall serve as primary liaison between the Board and employees and provide direction on day-to-day matters.
 - The Treasurer of LHA shall provide strategic and tactical guidance to the LHA Finance Manager.
 - Directors who serve as chair of a standing committee shall serve as primary liaison to employees on subjects related to their committee.
 - No Director may threaten or retaliate against an employee who brings information to the Board regarding improper actions of a Director or committee member.
5. Professional Behavior. Directors are obligated to act with proper decorum. Although they may disagree with the opinions of others on the Board or a committee, they must act with respect and dignity and not make personal attacks on others. Accordingly, Directors will focus on issues, not on personalities, and conduct themselves with courtesy toward each other and employees, vendors, and members. Directors shall act in accordance with Board decisions and shall not act unilaterally or contrary to the Board's decisions. Directors are prohibited from verbally, physically, or otherwise harassing or threatening employees, vendors, Directors, committee members, and LHA members.

C. When Conflicts Arise

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 LHA's legal counsel.

1. Disclosure and 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.

2. Violations of Policy. Directors 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 immediate disciplinary action, including but not limited to:
 - censure,
 - removal from committees,
 - removal as an officer from 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 investigate the violation either as a whole or by appointing an executive committee. Either will endeavor to meet with the Director in question in executive session prior to imposing disciplinary action.

D. Acknowledgment

I acknowledge that I have received and read the Association’s Code of Conduct and have had the opportunity to ask questions about this Code. I understand my obligations as a Director under this Code and will act in accordance with my obligations.

Signature _____

Date _____

Print name _____