

**OCEANSIDE COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
CODE OF CONDUCT**

Adopted on 4/27/22

WHEREAS, the Board of Directors (“Board”) of Oceanside Community Association (“Association”) has the authority and responsibility to make decisions for the benefit of the entire community, and

WHEREAS, the Board wishes to ensure that it and its individual members (“Director”) maintain a high standard of ethical conduct in the performance of the Association’s business, and to ensure that the Association’s members maintain confidence in and respect for the entire Board,

NOW, THEREFORE, BE IT RESOLVED THAT the Board of the Association hereby adopts the following rules of conduct, standards of behavior, ethical rules and enforcement procedures that are applicable to all members of the Board:

1. GOVERNING DOCUMENTS AND THE LAW: Directors shall set high standards for themselves as Association members and comply with governing documents and relevant law. Directors shall use their best efforts at all times to make reasonable decisions that are consistent with the Bylaws, CC&Rs and other governing documents of the Association and to be familiar with all such documents. Directors shall:

- a) refrain from discriminating against any person on the basis of race, color, religion, national origin, gender identity, sexual orientation, family status or mental or physical disability.
- b) act in accordance with Board decisions and shall not act unilaterally or contrary to the Board’s decisions. Toward that end, no Director shall seek to have a contract implemented that has not been duly approved by the Board, nor promise anything not approved by the Board to any contractor, supplier, or otherwise.

2. PRIVATE GAIN: Directors shall serve for the benefit of the entire community, and shall, at all times, strive to do what is best for the Association as a whole. Directors shall not use their positions as such for private gain. The following list of examples is offered for illustration purposes only and is not intended to be exclusive. No Director shall:

- a) solicit or accept, directly or individually, any gift, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking a contractual or other business or financial relationship with the Association.
- b) seek preferential treatment by the board, any of its committees, or any contractors or suppliers.
- c) accept a gift or favor made with the intent of influencing a decision or action on any official matter.
- d) receive any compensation from the Association for serving on the Board.
- e) willingly misrepresent facts to advance a personal cause or influence the community to advance a personal cause.
- f) use his/her position to enhance his/her financial status through the use of certain contractors or suppliers.

3. OPEN MEETING ACT: The Board shall not take action on any item of business outside of a board meeting as defined as a gathering of a quorum of Directors at the same time and place to "hear, discuss, or deliberate upon any item of business that is within the authority of the board." Directors must confine their discussion of board business to noticed meetings of the board.

- a) **Allowed Meetings:** Directors can meet and participate in person at a physical location, by telephone or video conference.
- b) **Disallowed meetings:** Directors cannot use unanimous written consents without a meeting, email meetings except for conducting emergency meetings or attempt to avoid open meetings by using chain or wheel hub meetings.
- c) **Exceptions:** A majority of Directors can gather for the following purposes provided they do not discuss board business among themselves including:
 - i. A conference or similar gathering open to the public.
 - ii. An open and publicized meeting organized to address a topic of state concern.
 - iii. A purely social or ceremonial occasion.
 - iv. An open and noticed committee meeting, provided Directors who are not members of the committee attend only as observers.

4. PROPER DECORUM: Directors are obligated to act with proper decorum. Although they may disagree with the opinions of others on the Board, they must act with respect and dignity and not make personal attacks on others. Accordingly, Directors must focus on issues, not personalities and conduct themselves with courtesy toward each other and toward residents, employees, managing agents, vendors and Association members. The Association shall deem any Director who defames, harasses, threatens or otherwise attempts to intimidate, whether verbally, physically or otherwise, to be acting outside the scope of their authority as a Director.

5. CONFIDENTIAL INFORMATION: Directors 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 or legally mandated, no Director may disclose confidential information. Directors may not discuss such matters with persons not on the Board. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information. All communications occurring during an executive meeting are deemed confidential. Confidential information includes, without limitation:

- a) private personal information of fellow Directors,
- b) private personnel information of the Association's employees,
- c) disciplinary actions against members of the Association,
- d) assessment collection information against members of the Association, and
- e) legal disputes in which the Association is or may be involved.

6. CONFLICT OF INTEREST: 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 Director will seek guidance from the Association's legal counsel. Directors must:

- a) immediately disclose any perceived or potential existence of a conflict of interest, whether their own or others.

- b) withdraw from participation in decisions in which they have a direct personal or pecuniary interest not common to other members of the board.

7. COMMUNICATIONS: All Director use of electronic mail, text or telephone to conduct Association business is subject to the following:

- a) **Telephone/Text Messaging:** Association business may be conducted via text messaging and telephone.
- b) **Email:** Electronic mail is preferred as the primary communication tool for conducting Association business because it facilitates the Association's recordkeeping requirements. Directors are encouraged to exclusively use a single email address for OCA board business. Directors are allowed to exchange emails under the following conditions:
 - i. Emergency meeting defined as "circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the board, and which of necessity make it impracticable to provide notice" to the membership.
 - ii. Fewer than a majority of Directors may discuss or comment on an item of business so long as the email exchange does not become a "series" of emails involving a majority of the Board.
 - iii. Administrative issues including setting dates and times for meetings and requesting that items be placed on the agenda, and
 - iv. Informational emails in which Directors can receive information, vendor reports, notice of educational events, status of repairs, interim financial statements, etc. as long as Directors wait to discuss the information at their board meeting.

8. MANAGEMENT: To ensure efficient management operations, avoid conflicting instructions from the Board to management and avoid potential liability, Directors shall observe the following guidelines:

- a) The President shall serve as liaison between the Board and management and provide direction on day-to-day matters.
- b) Except for the President or President's designee, Directors may not give direction to management, employees or vendors.
- c) Directors may not contact management after hours unless there is an emergency representing a threat of harm to persons or property.
- d) If a Director is contacted by an employee with complaints, the employee shall be instructed to contact management or the Board as a whole.
- e) No Director may threaten or retaliate against an employee who brings information to the Board regarding improper actions of a Director.

9. MISREPRESENTATION: Directors may not knowingly misrepresent facts. All Association data, records and reports must be accurate and truthful and prepared in a proper manner.

10. VIOLATIONS: Directors who violate the Association's Code of Conduct policy are deemed to be acting outside the course and scope of their authority.

- a) An investigation of the violation of the Code of Conduct shall be brought to the Hearing Board, which shall be comprised of designated Directors. In addition, the Board may elect, as its sole discretion, to appoint as Advisory Hearing Directors, other Directors, as well as the Association attorney, General Manager and/or accountant. The committee shall review the evidence of violation, endeavor to meet with the Director 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 in executive session prior to imposing disciplinary action against that person.

- b) Any Director who violates this Code of Conduct agrees that the Board may seek injunctive relief against him/her, following a hearing before the Hearing Board, unless circumstances necessitate the issuance of injunctive relief prior to such hearing. The Director also agrees that the Board shall be relieved of posting bond as a condition to its injunctive remedy. Such Directors must pay the attorney's fees incurred by the Board in any enforcement effort.

- c) Anyone in violation of this policy may be subject to disciplinary action, including, but not limited to:
 - i. censure,
 - ii. removal from committees,
 - iii. removal as an officer of the Board,
 - iv. request for resignation from the Board,
 - v. recall by the membership, and
 - vi. legal proceedings.

Signature _____ Date ____/____/____

Director of the Oceanside Community Association