

CODE OF CONDUCT FOR BOARD MEMBERS
China Falls Homeowners Association

I. INTRODUCTION

Under R.C.W. 64.38.020(1) and Article 6, Section 6.1 of the First Amended & Restated Declaration and Covenants, Conditions, Restrictions, Easements and Reservations of the China Falls Homeowners Association, the Board of Directors ("Board") of the Association ("Association") has the authority and responsibility to make decisions for the benefit of the entire community, including adopting Rules and Regulations, and it is important that Board Members 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. References in this Rule to the "Board" or "Board Members" include and equally apply to Officers of the Association.

II. RESOLUTIONS

A resolution of the Board of the Association has been adopted that the following rules of conduct, standards of behavior, ethical rules, and enforcement procedures are applicable to all Board Members.

A. Board Members shall act in the best interests of the Association as a whole. Board Members 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. Board Members shall not use their positions as such for private gain, for example:

- No Board Member shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing or monetary value from a person who is seeking a contractual or other business or financial relationship with the Association.
- No Board Member shall seek preferential treatment by the Board, any of its committees, or any contractors or suppliers.
- No Board Member shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.
- No Board Member shall receive any compensation from the Association for serving on the Board.
- No Board Member shall willingly misrepresent facts to advance a personal cause or influence the community to advance a personal cause.

- No Board Member shall use his or her position to enhance his or her financial status through the use of certain contractors or suppliers.

The above list of examples is offered for illustration purposes only, and is not intended to be exclusive.

B. Board Members shall comply with governing documents and relevant law.

Board Members shall use their best efforts at all times to make reasonable decisions that are consistent with the Bylaws, Covenants, and other governing documents of the Association, and to be familiar with all such documents. Board Members shall likewise comply with and make decisions that are consistent with all applicable laws, including, but not limited to, R.C.W. 64.38.025(1). Board members will also refrain from discriminating against any person on the basis of race, color, religion, national origin, gender, family status, or mental or physical disability.

C. Board Members shall set high standards for themselves as Association members.

Board Members shall hold themselves to the highest standards as members of the Association, and shall in all ways comply with the provisions of the Association's governing documents.

D. Board Members shall work within the Association's framework and refrain from unilateral action.

Board Members shall at all times work within the Association's framework and abide by the system of management established by the Association's governing documents and the Board. The Board shall conduct business in accordance with state law and the Association's governing documents, and shall act upon decisions duly made, and no Board Member shall act unilaterally or contrary to such decisions. Toward that end, no Board Member 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.

E. Board Members shall behave professionally at meetings.

Board Members shall conduct themselves at all meetings, including board meetings, annual meetings of the members, and committee meetings, in a professional and businesslike manner. Personal attacks against other Board Members, Association members, residents, officers, management, office staff or guests are not consistent with the best interests of the community and will not be tolerated. Language at meetings shall be kept professional. Though differences of opinion are inevitable, they must be expressed in a professional and businesslike manner.

- F. Board Members shall maintain confidentiality when appropriate.** Board Members shall at all times maintain the confidentiality of all legal, contractual, personnel, and management matters involving the Association. Board Members shall also maintain the confidentiality of the personal lives of other Board Members, Association members, residents, and management staff. Association members may not contact Board members via email, phone, or in person at Board members' homes, unless specifically requested to by that Board member. All correspondence to the Board members must go through the Association office.
- G. Board Members shall disclose conflicts of interests.** Board Members shall immediately disclose to the Board any perceived or potential conflict of interest regarding any aspect of the business operations of the Association.
- H. Board Members shall refrain from defaming anyone in the community.** Board Members shall not engage in defamation, by any means, of any other Board Member, Association member, resident, or management staff member. The Association shall deem any Board Member who engages in defamation to be acting outside the scope of his or her authority as a Board Member.
- I. Board Members shall refrain from harassing Association members or residents.** Board Members shall not in any way harass, threaten, or otherwise attempt to intimidate any other Board Member, Association member, or resident. The Association shall deem any Board Member who harasses, threatens, or otherwise attempts to intimidate other Association members or residents to be acting outside the scope of his or her authority as a Board Member.
- J. Board members shall timely perform their duties.** In cases where a Board member has particular duties, or a task or assignment, for example the Treasurer of the Board is responsible for timely paying bills of the Association so that third party vendors will provide services, the Board member shall timely perform their duties, tasks and assignments so that the Association's integrity with members and third parties is protected and maintained, especially where the finances of the Association are concerned.
- K. Board involvement in complaints.** In cases where a Board member has either registered a complaint against another homeowner, or another homeowner has registered a complaint about a Board member, it is the Board member's responsibility to:
- Recuse him/herself from any investigation

- Recuse him/herself from any involvement in penalties or mitigations.

In addition, a board member must recuse him/herself from participation in any decisions or actions against homeowners living within 300 feet (walking distance) or adjacent to the Board member's residence.

In these cases, another Board member that lives further away should be called upon as required to execute the HOA's responsibilities.

- L. Board members required to sign.** All current and future Board members shall sign this Code of Conduct upon assuming a position on the Board whether by owner election or appointment to fill a vacancy. Failure or refusal to do so shall be viewed as bad faith by the Board and the Board by majority vote and approval may sanction or, after notice and an opportunity to be heard by the Board or by a representative designated by the Board and in accordance with the procedures as provided in the Bylaws or Rules and Regulations, fine such director.

Adopted by the Board this 5th day of August, 2019.

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