



Watergate  
at Landmark

## CONDOMINIUM UNIT OWNERS ASSOCIATION

### CODE OF CONDUCT FOR BOARD MEMBERS

WHEREAS, the Board of Directors (“Board”) of The Watergate Condominium Unit Owners Association (“Association”) has the authority and responsibility to make decisions for the benefit of the entire community, and

WHEREAS, the Board has the fiduciary duty and responsibility to set a standard and level of behavior that is in the best interests of the entire community, and

WHEREAS, the Board has determined that it is in the best interest of the Association to develop and specify standards of conduct, to specify a process where an apparent conflict of interest exists, and to specify appropriate sanctions for breach of the terms of this Resolution, and

WHEREAS, the Board wishes to ensure that it and its individual members (“Board Member”) 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, appropriate sanctions, and enforcement procedures that are applicable to all members of the Board:

**1. Board Members shall act in the best interest 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:

- a. No Board Member shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other item of monetary value from a person who is seeking a contractual or other business or financial relationship with the Association.
- b. No Board Member shall seek preferential treatment by the Board, any of its committees, or any contractors or suppliers.
- c. No Board Member shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.

- d. No Board Member shall receive any compensation from the Association for service on the Board.
- e. No Board Member shall willfully misrepresent facts to advance a personal cause or influence the community to advance a personal cause or to continue or advance a minority position after the Board has made a decision otherwise.
- f. 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.

**2. Board Members shall comply with governing documents and relevant law.**

Board Members shall use their best efforts and exercise good business judgment at all times to make reasonable decisions that are consistent with the Declaration, Bylaws, Rules & Regulations, and other governing documents of the Association and to be knowledgeable of all such documents. Board Members shall likewise comply with and make decisions that are consistent with **all** applicable laws, including, but not limited to, refraining from discrimination against any person on the basis of race, gender, color, religion, national origin, family status, or mental or physical disability.

**3. 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. Directors will obey Association rules to set a positive example for others.

**4. 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; 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.

**5. Board Members shall behave professionally at meetings.**

Board Members shall conduct themselves at all meetings, including Board Meetings, Annual Meetings of the Association, and Committee Meetings, in a professional and businesslike manner. Personal attacks against other Board Members, Association Members, Residents, Management, 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. More specifically, Board Members shall adhere to the following:

**a. Mutual Respect.** Directors will address other directors and residents with respect, even when in disagreement.

**b. Meeting Attendance.** Directors will strive to attend all Board meetings.

**c. Be Prepared.** Directors will come prepared to meetings by reviewing the agenda and related materials before the meeting and listen attentively and courteously.

**d. Support and Loyalty.** Directors, at all times, will respect the authority of the Board by not undermining majority decision.

**6. Board Members shall maintain confidentiality when appropriate.**

Board Members shall at all times maintain the confidentiality of privileged communications and all matters considered in Executive Session, including 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.

**7. Board Members and conflicts of interests.**

**a. Disqualification.**

1. Board Members shall not participate in any Board discussion or vote on any matter or issue before the Board if they have a conflicting financial interest with their fiduciary duty to the Association, which requires them to consider only the best interests of the Association when they vote on any matter and to exclude any competing interest from their consideration.
2. Board Members shall not vote to approve the expenditure of funds for the acquisition of services or goods from themselves, their relatives, or any entity which is affiliated with them or their relatives.
3. Board Members shall not cast a vote in any resolution that directly and specifically affects the property of the board member, his/her agent or employee, or family member, but may vote when a resolution affects the property of all Board Members in a similar manner.
4. The concerned Board Member must recuse himself or herself from the discussion and voting on a matter whenever the Board reviews a case involving the compliance of a member of the Board with the Association's legal requirements.
5. Should a member participate and vote in such a matter or issue at a time when he or she had a conflicting financial interest and is the deciding vote, the matter or issue is void. If the member was not the deciding vote, and a member of the Board on the losing side raises the issue of improper influence by the conflicted Board member, the Board may determine that the original matter or issue is voidable.

**b. Notice.**

If Board Members believe that a potentially conflicting interest or concern does not rise to the level of a conflict of interest and does not impede their ability to exercise their fiduciary duty, they must disclose such interest, concern, or conflict on the record and must state their reasons for their belief on the record. Under such circumstances, the President shall have the authority to call for a vote of the other members of the Board to approve the right of the member to participate in the discussion and vote. Under such circumstances, the other Board members shall presume good faith on the part of their fellow member of the Board and shall not vote to disapprove their fellow Board member's

right to participate in the discussion and vote unless there is clear and convincing evidence that the member's participation in the discussion and vote would damage the integrity of the Board and be injurious to the interests of the Association.

c. For the purposes of this resolution, the term "conflict of interest" shall include, but not be limited to, the following situations:

A conflicting financial interest is one in which a Board Member has a financial interest, such as stock, a current or future potential employment interest (including as an officer, director, employee, consultant or sub-contractor) in a current or competing Association contractor or any entity engaged in a transaction with the Association, or other interest that may be affected (whether to the advancement or detriment of the interest) by the outcome of Board decision or action. The financial interests of spouses, dependent children, general partners, parents, and other close family members are imputed to the Board member.

**8. 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 Members, Resident or Management. No board member will engage in any writing, publishing or speech making that defames any other member of the board, unit owner, or resident of the community. 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

**9. 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.

**10. Board Members shall refrain from interfering with Management and Contractors.**

a. No Board Member shall interfere with the duties of Management or any contractor executing a contract in progress. All communications with contractors shall be limited to the Board President and Association Manager, unless otherwise agreed upon by the Board.

b. No Board Member may access, remove, replace, or alter Management or Association files or records unless such actions are authorized in writing by Management or the Board.

**11. Information and Disclosure Ethics.**

The board will disclose all information about its actions by making readily accessible association business and financial records and board meeting agendas and minutes. No board member will willfully misrepresent facts to the unit owners and residents, either by withholding, distorting or fabricating information for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause or to continue or advance a minority position after the Board makes a decision otherwise.

## **12. Ethical Resolution of Differences.**

- a. Difference of opinion about policy or procedures, among board members or between board members and unit owners, will be discussed rationally on their merits in a timely and courteous manner, and with emphasis on resolving differences.
- b. The board will treat all members of the community evenhandedly and without favoritism or preferential treatment.
- c. When any dispute arises between the board, or a board member and unit owner, the board will comply with due process procedures.

## **13. Board Members shall Promote Harmony.**

Board Members will promote community harmony in act, word and deed.

## **14. ENFORCEMENT OF CODE**

- a. The President shall have the unilateral authority to enforce the Code of Conduct or may do so in response to the un-seconded request of any other member of the Board if the President agrees with the request. The first step of enforcement shall consist of the President issuing a call to order under Robert's Rules of Order, to the particular member of the Board, who then must obey the directive immediately; however, the member called to order shall have the right to appeal the President's ruling, which appeal shall be open to debate and vote of the Board.
- b. In any instance of a flagrant or repeated violation of this code of conduct, under Robert's Rules of Order the President may unilaterally issue a ruling to that effect against the offending member and may require the offending member of the Board to leave the premises of the meeting. Any such ruling shall not be appealable by the offending member and must be immediately obeyed, unless another member of the Board wishes to appeal the President's ruling, in which case the appeal shall be open to debate and vote of the Board.
- c. Except for those matters set forth in paragraph b., above, the Board may enforce this resolution in open meeting by the following means: private reprimand, with or without terms; public reprimand, with or without terms; request the unit owners for a removal vote, or initiation of court action.
- d. The Board shall not take any such enforcement action in open meeting against any Board member until it has convened in executive session for the purpose of discussing a possible violation of this Policy Resolution. The Board must provide the Board member in question with written notice of the alleged violation and an opportunity to be heard on the matter at a duly convened meeting of the Board in executive session. Board members who believe that there has been a violation(s) of the Code shall present all facts and circumstances surrounding the allegation(s) without interruption. The subject Board member shall then be heard in response. To find a violation of the Code of Conduct and enforce the Resolution, the Board must vote in open meeting and approve a specific enforcement action by majority vote.
- e. The Board may seek injunctive relief against any Board Member who violates this Code of Conduct following an opportunity to be heard, unless circumstances necessitate the issuance of

injunctive relief prior to such hearing. The Board Member agrees that the Board shall be relieved of posting bond as a condition to its injunctive remedy. Such Board Member must pay the Association's attorney's fees in any enforcement effort if he or she is not the prevailing party.

## STATEMENT

Existing and future Board Members, including persons running for election to the Board of Directors will be given a copy of this Code of Conduct and will be asked to sign that they have received it, have read it and agree to abide by it.

- All validated candidates must abide by the Watergate at Landmark Code of Conduct throughout the entire election process.
- Candidates have the responsibility to advise individuals acting on their behalf to also abide by the Code of Conduct.

I have received, read, and agree to abide by the Code of Conduct detailed above

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

As the Code of Conduct has been passed as a Resolution of the Board, failure to sign the Code of Conduct has no impact on its enforceability against any Board Member.