



91-927 La'aulu Street, Ewa Beach, Hawaii 96706 / Phone & Fax 808-683-5261

Board of Directors Professional Code of Conduct

WHEREAS, the Board of Directors deems it necessary and appropriate to establish a *Professional Code of Conduct* which sets forth certain rules of conduct for use by the Board of Directors in carrying out their assigned duties and responsibilities consistent with the governing documents and committee charters; and

WHEREAS, it is the intent that this policy resolution shall be applicable to the Board of Directors until such time as it is amended by a majority vote by the Board of Directors;

NOW, THEREFORE BE IT RESOLVED THAT the Association of Apartment Owners of **The Arbors** will establish and adopt the *Professional Code of Conduct* as follows:

General Standards

A. Representation

1. Directors shall represent the interests of the entire community in exercising his/her duties. All decisions made on behalf of the Association must be made with the best interest of the Association in mind.
2. Directors may not misrepresent facts in order to achieve any measure of personal gain, or gain for any other person or special interest group.
3. Directors may not represent the Board they serve in written or verbal communications with members or other entities unless authorized by an affirmative vote of the majority of the Board of Directors.
4. Directors may make no promise or representation to any person, contractor, subcontractor or supplies of any future actions by the Association that is not approved by a majority of the Board of Directors.
5. Directors may never exercise authority as a Board member except when acting in a Board meeting or as delegated by the Board President.

B. Due Professional Care

1. Directors must exercise due professional care in the performance of their duties.
2. Directors members must observe the business judgment rule by exercising the same degree of care and skill as normally used by others in a similar position and business.
3. Directors shall undertake only those responsibilities and assignments that they can reasonably expect to perform with competence.
4. Directors must endeavor to familiarize themselves with Association business, have a working knowledge of the governing documents and rules and regulations, and regularly attend

scheduled meetings. Members shall participate by voting on issues before the Board of Directors.

5. Directors agree to abide by all published rules and regulations of the Association and are responsible for setting a standard and a tone for behavior that is in the best interest of the Association.
6. Directors and committee members will not divulge matters discussed in executive sessions or relating to attorney/client privilege.
7. Directors will not interfere with a contractor implementing a contract in progress. All communications with contractors will go through management or be in accordance with policy.
8. Directors will not interfere with the system of management established by the Board of Directors; for example, the day-to-day supervision of the Site Manager is performed by the Property Manager, and the Site Manager supervises all employees.
9. Directors will respect and maintain the confidentiality of a property owner's file and the personnel records of any employee.

C. Professional Courtesy

1. Directors will exhibit professional courtesy to all Association members and community association management professionals, and shall not engage in any writing, publishing, or speech making that defames any other member of the Board of Directors, committee, staff or resident of the community.
2. Directors shall not interfere or supervise association or management company employees, unless a contract exists with a management company that authorizes such actions.
3. Directors may not interfere with contractual relationships between community management professionals and contractors.
4. Directors will protect the confidentiality of the personal information of other Board members, committee members, residents, employees and management professionals.

D. Use of Association Funds

1. No Director may use or encumber Association funds or property for their personal use or benefit.
2. Directors may be reimbursed for expenses incurred on behalf of the Association provided, the expenses are approved by the Board of Directors in advance, and receipts are submitted by the party seeking reimbursements.

Conduct at Meetings

A. Communication

1. The language used at Association and committee meetings will be considerate and professional at all times. Personal attacks or use of profanity is prohibited.
2. Directors will respect and support the majority decisions of the Board of Directors.
3. Approach all Board issues with an open mind, prepared to make the best decisions for the community.
4. Directors shall do nothing to violate the trust of those who elected or appointed them to the Board or of those they serve.

B. Rules of Order

1. Directors will follow parliamentary procedure as appropriate for a small body or organization.

C. Attendance

1. Any member of the Board of Directors who has three consecutive unexcused meeting absences shall automatically resign their position on the Board.

Conflicts of Interest

A. General

1. Directors must not allow any outside influence to interfere with exercising their duties in the best interest of the Association.
2. Any Director that may have a potential conflict of interest with regard to a business transaction must disclose, in writing, the potential conflict to the other Board members.
3. Any Director that has an actual conflict of interest with regard to a business transaction must disclose, in writing, the conflict to the other board members and abstain from voting on the issue or exerting any influence on the other voting members of the Board of Directors.

B. Related Ethics

1. Any engagement of a company or individual that is related to any board member, or any relative of a board member, must be properly disclosed prior to any such engagement. The disclosure shall be in writing and the related member shall abstain from voting on issues affecting the company or individual.
2. A Director who is also engaged in the practice of another profession shall not provide these other professional services to the Association while serving as a board member if the performance of such services is likely to result in a potential or actual conflict of interest.

Gifts and Contributions

A. Gifts

1. It shall be the policy of the Association to discourage the acceptance by Directors of gifts, entertainment, or other favors from existing or prospective clients, vendors or suppliers.
2. Gifts of nominal value (worth less than \$25) given as a token of friendship or upon special occasions such as Holiday are acceptable.
3. Cash gifts of any amount are not acceptable.
4. Any gift intended to influence a decision by a board member, or to create an atmosphere of indebtedness toward the bearer is not acceptable.

B. Contributions

1. The Association will not make any contributions to any political parties or political candidates.

Unlawful Activity

A. **General**

1. Any Director under investigation for a felony offense shall request a leave of absence from their association duties during the investigation or trial period.
2. Any Director convicted of a felony offense will voluntarily resign from his or her position.
3. Drug, alcohol, or substance use or abuse will not be tolerated prior to, or during meetings or anytime on the common areas of the Association.

Enforcement

A. **Complaints**

1. Complaints against any board member, which allege conduct inconsistent with the foregoing resolution, must be made in writing to the President of the Board of Directors. If the complaint is against the Board President, complaints will be submitted to the Vice President of the Board of Directors or to the Property Manager.

B. **Review Period**

1. The Board President, Vice President or Property Manager, after ascertaining the validity of the complaint, shall convene an executive meeting with thirty days of receipt of a complaint to discuss the alleged activity with the accused member.
2. The Board of Directors shall attempt to gather all facts relevant to the alleged misconduct. Once satisfied that the information presented is sufficient to make a determination in the matter, the Board will excuse the accused member and decide what action, if any, may be appropriate to resolve the matter.

C. **Findings**

1. The Board of Directors shall issue in written finding with respect to the alleged misconduct with seven days after the executive session held pursuant to Section B, Number 2, above.

D. **Sanctions**

1. Should the Board of Directors find that a breach of the Association's Professional Code of Conduct was committed by a board member the Board of Directors may impose appropriate sanctions, consistent with the By-laws of the Association. Such sanctions could include censure or a request of the member to resign from the Board or committee.

This resolution is adopted this 25th day of **February, 2021** at an open Board meeting where a quorum of the Board of Directors were present and is effective immediately.