

**KNIGHTS LANDING COMMUNITY SERVICES DISTRICT
CODE OF CONDUCT AND ETHICS POLICY**

A. BOARD RESPONSIBILITIES. Directors have the following duties:

- Act as a legislative and quasi-judicial body,
- establish policy direction for the District,
- exercise prudent financial management of the District's funds and assets,
- regularly attend board meetings,
- review material provided in preparation for board meetings,
- review the District's financial reports, and
- make reasonable inquiry before making decisions.

B. PROFESSIONAL CONDUCT

1. Self-Dealing. Self-dealing occurs when directors make decisions that materially benefit themselves or their relatives at the expense of the District. "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 item of value. Accordingly, no director may:

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

2. Confidential Information. Directors are responsible for protecting the District'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:

- personal information of fellow directors and committee members,
- private information about the District's employees,
- disciplinary actions against members of the District,
- assessment collection information about individual members, and
- legal disputes in which the District is or may be involved--directors may not discuss such matters with persons not on the board without the prior approval of the District's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information.

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3. Misrepresentation. Directors may not knowingly misrepresent facts. All District data, records and reports must be accurate and truthful and prepared in a proper manner.

4. Interaction with Others. To ensure efficient management operations, avoid conflicting instructions from the board to management and avoid potential liability, and directors must observe the following guidelines:

- The president shall serve as liaison between the board and management and provide direction on day-to-day matters.
- Except for the president, directors may not give direction to management, employees or vendors, which is outside their scope of authority.
- Directors may not contact management after hours unless there is an emergency representing a threat of harm to persons or property.
- If directors are contacted by employees with complaints, the employees shall be instructed to contact management or the board as a whole.
- No director may threaten or retaliate against an employee who brings information to the board regarding improper actions of a director or committee member.
- Directors are prohibited from harassing or threatening employees, vendors, other directors, committee members, and owners, whether verbally, physically or otherwise.
- Directors are prohibited from threatening to or attempting through any means to control or instill fear in any Director, owner, resident, employee or contractor.

5. 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.

6. Social Media. While on the board, directors should not be posting information on social media such as Facebook related to the board business, District operations, employees, or vendors without board approval.

7. One Voice. Directors should speak with one voice, supporting all duly adopted board decisions-even if the director was in the minority regarding actions that did not receive unanimous consent.

C. WHEN CONFLICTS OF INTEREST 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 the District's legal counsel.

1. Disclosure & Recusal. Directors must disclose personal or professional relationships with any company or individual who has or is seeking to have a business relationship with the District. In addition, they withdraw from participation in decisions in which they have a material interest.

2. Violations of Policy. Directors who violate this Ethic's Policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this Policy may be subject to the following actions:

- censure,
- removal from committees,
- removal as an officer of 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 appoint an executive committee to investigate the alleged violation. The committee shall review the evidence, endeavor to meet with the director/committee member 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/committee member in executive session prior to deciding what action to take.
