

## HICKORY CLUSTER ASSOCIATION

**TYPE: General**

**ADOPTED: April 16, 2025**

**RESOLUTION NUMBER: 19**

(Code of Conduct for Members of the Board and Committees)

**WHEREAS**, Article IV, Section 3(d) of the Bylaws states that the Board shall have the authority to promulgate and enforce rules and regulations; and

**WHEREAS**, the Board of Directors has established the goal of conducting the business of the Board with high levels of dignity, civility, and respect for the Board as an entity and for the individual members of the Board; and

**WHEREAS**, the Board of Directors has decided to establish a code of conduct for itself and its committees in order to further its efforts to accomplish its goal.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors adopts the following code of conduct as its formal policy:

### **I. DUTIES**

- A. Members of the Board owe a duty of loyalty to seek and protect the best interests of the Board and shall strive to avoid personal conflicts of interest, nepotism, or personal benefits through their position on the Board. Board Members shall not misuse their position on the Board inappropriately against other members or service providers. All provisions also apply to members of Committees.
- B. Members of the Board must make decisions on the merits of the matter at hand, rather than considerations of personal interest.
- C. If a member of the Board has any duality of interest, concerns which compete with his or her fiduciary duty, or any conflict of any sort, then he or she must disclose such interest, concern, or conflict on the record at a duly called and convened meeting of the Board. If he or she believes, or the majority of the other Board members believe, that such interest, concern or conflict prohibits him or her from the exercise of his or her fiduciary duty, then he or she must recuse himself/herself from voting and announce his or her intent to do so.
- E. Board Members may not seek or take any personal gain related to their service that is not available to all members of the Board. They shall refrain from accepting any gifts, payments, benefits, etc. from contractors or vendors of the Board which might compromise or give the appearance of compromising their independence of judgment or action.

- F. Board Members shall respect the confidentiality of all information and documents exchanged or reviewed in executive sessions, nor shall they disclose other types of confidential information. “Confidential information”, includes, but is not limited to, legal advice or communications from counsel, passwords, resident access data and security camera footage of Board’s common elements, investigations, information pertaining to payments and processing of unit owner assessments and delinquency status (including financial information, creditworthiness, etc.), vehicle information for residents, architectural review applications unit file data, covenants enforcement, contracts under negotiation, pending or probable litigation, personnel records, and medical records, without prior approval from the Board, nor use such information to advance personal, financial or other private interests. All confidential information is the property of the Board. Upon the expiration of terms, Board members shall return all confidential information in his or her possession to the Board and keep all non-tangible information from executive sessions private. In any instance when a Board member might be confused about the confidentiality requirements and in order to minimize the possibility of inadvertent disclosure, Board members shall consult with the President, who, in turn, shall consult with legal counsel, before making any disclosure to any third party which might arguably release any confidential information covered by this Resolution.

## **II. MEETING PARTICIPATION**

- A. Members of the Board shall be diligent in reviewing the materials for the Board meeting in advance of the meeting to be prepared to discuss the matters on the agenda. To the extent that Board members have questions regarding the upcoming meeting, including anything provided by management for the same, they should be directed to the President. The President shall provide answers to the questions in advance of the meeting, if feasible, and subject to Section IV below.
- B. The President shall set the agenda for the Board meeting. If Board members have items to include on the agenda, those requests must be submitted to the President at least 7 days in advance of the meeting, together with all supporting materials/documentation. The President shall have the discretion to add items to the agenda as he/she deems appropriate. To the extent that a requested item is not added to the agenda, Board members shall have the right to introduce the same during new business.
- C. Board members shall exercise their best efforts to fully attend all meetings of the Board and functions of the Board. Whenever a Board member knows in advance that he or she cannot attend a meeting, will be late for a meeting, or will have to leave a meeting early, he or she shall exercise best efforts to inform the President, at least 24 hours in advance of the meeting. When a Board member does not attend a meeting, the minutes shall record the absence. A Board member who

does not regularly attend meetings and does not participate in the deliberative process is in breach of his/her fiduciary duties and the standard of care required by law, and should tender his/her written resignation to the Board.

- D. Board members not in good standing will not be eligible to participate as a Director or as an Officer until standing is recovered, and his/her term may be terminated by resolution of the remaining Directors. For the purposes of this Resolution, “not in good standing” means that a Board member is more than sixty (60) days delinquent in the payment of assessments or charges to the Board, or otherwise ceases to have the qualifications that are required by the Bylaws to be a Director or Officer. If the Board decides to terminate the Director/Officer’s term, the Board shall provide to the member not in good standing written notice of the Board’s decision and an opportunity to request the Board to reconsider its decision. If the member fails to make such a written request, the Board at its next meeting will declare the seat vacant and shall act to fill the vacancy as soon as is practical. If the member makes such a timely request, then the Board shall consider the matter in executive session at its next regularly scheduled meeting and the member may be present to discuss the matter with the Board. At such hearing, the Board may reaffirm or reverse its prior decision.

### **III. CONDUCT**

- A. All members of the Board owe a duty of respect to the Board as an entity, particularly with respect to its formal votes and formally approved policies. If conducted civilly, robust disagreement between Board members is perfectly acceptable behavior and even strongly encouraged, as it is often necessary and appropriate for the development of the best decision-making process; however, once the Board formally votes on a matter, no Board member shall engage in any unauthorized activity which undermines the ability of the Board to successfully effectuate the results of the vote. The duty of respect owed to the Board requires dissenting members to work within the formal procedures of the Board to modify or rescind the previously adopted votes or approved policies with which they disagree.
- B. At all times, Board members shall address each other, personnel, and members of the Board with respect and civility and shall refrain from engaging in any verbal and/or physical altercations. Board members shall not use inappropriate language or verbal tone when addressing other Board Members, personnel, and/or individual members of the Board. Board members shall not harass or demean other Board members, Committee members, personnel or unit owners and residents. Harassment, includes, but is not limited to unwelcome verbal or physical conduct based on race, color, religion, sex (whether or not of a sexual nature and including same-gender harassment and gender identity harassment), national origin, disability (mental or physical), sexual orientation, gender identity, veteran’s status, familial status, marital status, source of income, citizenship, or

immigration status, or retaliation thereof, or to repeatedly annoy or attack a person or group in such a way as to cause anxiety or fear for safety regardless of whether such person or group is part of a protected class. All Board members shall recognize that their individual behavior is a reflection upon the Board as an entity, and, therefore, shall refrain from any conduct within the community that would bring the Board into disrepute.

- C. Board members shall not send communication on Board letterhead or on any documents or letterhead that are “official” documents which indicate that the communication is coming from the Board without the Board’s prior approval.
- D. Board members shall not interfere with the duties being performed by management or any contractors hired by the Board and shall not direct management or contractors to perform any work unless so directed by the Board, e.g. a director cannot sign contracts without board approval. If a Board member has concerns about the performance of a contractor, that concern should be raised at a Board meeting and not with the contractor directly, unless directed to do so by the Board.

#### **IV. COMMUNICATIONS BETWEEN MEETINGS**

- A. Board members shall not discuss Board business decisions via email communications, except to solicit consensus voting in between board meetings, which should primarily be exercised for unusual, urgent decisions. Board members can contact one another individually to review issues as needed.
- B. Board members may meet with management, staff, committee chairs and other entities pursuant to his/her duties of office, but, if so, shall report any pertinent information or updates to the Board members.

#### **V. LIAISON**

The Board strives to have a good working relationship with the management team and as an effort to streamline communications with management, the President shall be the liaison to the Board’s management agent and legal counsel unless otherwise determined by the Board. In this capacity, the President shall have the discretion to regularly meet with management and legal counsel outside of regular meetings and shall be the point person for operational complaints/concerns and legal inquiries raised by Board members.

#### **VI. ENFORCEMENT**

- A. Any cluster member who wishes to allege a violation or perceived violation of the above-referenced Code of Conduct shall present those allegations to the President. The President shall have the discretion to decide whether and how to investigate such allegations.

- B. Any such allegation may be kept confidential by the President, as such allegations are a personnel issue. The President may also close hearings that deal with the allegations.
- C. If the allegation is against the President or the President is unable to accept the responsibility of presiding over the proceedings, then the allegation shall be presented to the Vice President. If both the President and Vice President are unable to perform such duty, then the allegations shall be presented to another Board Member appointed by the Board of Directors.
- D. Resolution of the allegations shall be made by a majority of the Board Members.
- E. After hearing from the member of the Board alleged to be in violation, the Board shall deliberate in closed session.
- F. The Board shall have the following options to remedy a confirmed violation, upon advance written notice and affording the member an opportunity to discuss the matter in executive session with the Board:
  - 1. The Board of Directors may demand that the Board Member immediately cease such violation(s); and/or
  - 2. The Board of Directors may request that the Board Member resign from the Board of Directors; and/or
  - 3. The Board of Directors may suspend the Board Member's privileges and rights as a member of the Board (such as receiving confidential information); and/or
  - 4. If the Board in its discretion deems appropriate to publicly correct or retract a statement or a perception, the Board of Directors may initiate a public censure of the offending Board Member, to include, but not be limited to, notification of the name of the Board member and cited behavior in the Board's newsletter; and/or
  - 5. The Board of Directors may vote to initiate removal proceedings in accordance with the Bylaws.

The remedies described in this Section do not preclude, limit or otherwise restrict the Board from declaring a Board Member's seat vacant under Article II D.

Adopted on April 16, 2025. The effective date of this Resolution shall be April 16, 2025.

Yes	No	Abstain	Absent	Name/Role	Signature
X				Silvia Merrill President	
			X	Lori Swift Vice President	
X				Jennifer Rekas Secretary	
X				Kathryn Fay Member-At-Large	
X				Fred Swartzendruber Member-At-Large	
			X	Daniel Cassidy Member-At-Large	