

**Bear Creek Landowners Association  
Code of Conduct, Conflict of Interest Policy,  
and Confidentiality Policy  
(As Restated and Amended on March 16, 2008)**

The Board of Directors (Board) of the Bear Creek Landowners Association (Association) has adopted the following Code of Conduct, Conflict of Interest Policy, and Confidentiality Policy which shall apply to the conduct of the business and affairs of the Board and the Association.

**Code of Conduct**

Every Director, Officer, and Special Officer of the Association, and, in addition, such committee members and volunteers of the Association who participate in any of the business affairs of the Association or act on behalf of the Association, shall be guided by this Code of Conduct and shall:

1. Act with the highest degree of integrity, honesty, and candor.
2. Act to build and maintain the Association's good name and reputation.
3. Always act to the benefit of and in the best interest of the Association.
4. Provide service in a courteous and professional manner, and treat all individuals fairly without regard to age, race, color, national origin, sex, religion, veteran's status, social and economic status, or any other basis protected by law.
5. Never act unfairly by granting any special favors or privileges to anyone or any member, whether for remuneration or not.
6. Never solicit or accept any gift, service, or benefit of substantial value (over \$50) that might be construed by reasonable persons as tending to impair independence and/or objectivity of judgment in the conduct of Association affairs.
7. Never use one's position with the Association for one's personal advantage or for the advantage of any friends, relatives, or anyone other than the Association and its members.
8. Adhere to the obligations and requirements of the Conflict of Interest Policy and the Confidentiality Policy set forth below.
9. Disclose to the Board all fraudulent activity, dishonesty, or corruption in the conduct of Association business; all violations of the laws, rules, or regulations applicable to the Association; and all violations of this Code of Conduct, Conflict of Interest Policy, and Confidentiality Policy.

**Conflict of Interest Policy**

**1. Duty of Disclosure.** Every Director, Officer, and Special Officer of the Association, and, in addition, such committee members and volunteers of the Association who participate in any of the business affairs of the Association or act on behalf of the Association, shall disclose to the Board all actual and potential conflicts of interest. Actual or potential conflicts of interest include any circumstance that might be construed by reasonable persons as tending to impair independence and/or objectivity of judgment in the conduct of Association affairs, including, without limitation, any situation in which such person, or a party related to such person, has a financial interest or has a business or personal relationship with a board member, officer, committee member, Association member, supplier, business associate, or any other entity with which the Board does business or has a relationship.

**2. Recusal.** In the conduct of the business of the Association, a Director, Officer, Special Officer, or committee member is required to recuse from voting on any matter in which such person has a financial interest or in which such person believes such person's judgment will be affected by a conflict of interest. In addition, upon disclosure of a conflict of interest by a Director, Officer, Special Officer, or committee member relating to a matter under consideration by the Board or a committee, such person may be required to recuse from voting on such matter

by a majority vote of the remaining persons entitled to vote on the issue. A Director, Officer, Special Officer, or committee member who has been recused from voting on a matter may still participate in the discussions and deliberations of the Board or committee prior to the vote.

**3. Conflicting Interest Transactions.** For purposes of this Conflict of Interest Policy, "conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a director of Association, or between the Association and a party related to a director, or between the Association and an entity in which a director of the Association is a director or officer or has a financial interest. No "conflicting interest transaction" shall be entered by the Association into unless the following conditions are met:

(a) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(b) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Association members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; and

(c) The conflicting interest transaction is fair as to the Association.

4. **Loans.** No loans shall be made by the Association to its Directors or Officers.

### **Confidentiality Policy**

**1. Definition.** Confidential information, as used herein, means and includes (a) all information relating to members of the Association, including members' status, transactions, dealings, dues status, liens, and legal proceedings, and (b) all information, both oral and written, relating to the operations and business of the Board and the Association, including without limitation, files, manuals, records, plans, procedures, processes, finances, and other data, hereinafter described as "Confidential Information."

**2. Obligations.** Every Director, Officer, and Special Officer of the Association, and, in addition, such committee members and volunteers of the Association who participate in any of the business affairs of the Association or receive any Confidential Information of the Association or its members shall:

(a) Not disclose any Confidential Information to anyone not having a legitimate need for such information in the normal course of business with the Association.

(b) Not make use of Confidential Information in any fashion or at any time for one's own personal business, benefit, or use, or that of any third party.

(c) Acknowledge and agree that these obligations not to disclose Confidential Information and not to make improper use of Confidential Information are applicable both during and after one's tenure as a Director, Officer, committee member, or volunteer.

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To insure that persons governed by the Code of Conduct, Conflict of Interest Policy, and Confidentiality Policy are aware of its provisions and their obligations thereunder:

1. Every Director, Officer, and Special Officer of the Association, upon first taking office or at any other time required by the Board, shall sign a document acknowledging receipt of this Code of Conduct, Conflict of Interest Policy, and Confidentiality Policy and affirming such person's obligation and agreement to abide by all duties and requirements herein. The Secretary of the Association will maintain the signed originals on file.

2. The Board may also require, in its discretion, and at such times and in such circumstances that the Board may deem appropriate, that certain committee members and volunteers who participate in business affairs of the Association or act on behalf of the Association shall sign a document acknowledging receipt of this Code of Conduct, Conflict of Interest Policy, and Confidentiality Policy and affirming such person's obligation and agreement to abide by all duties and requirements herein. The Secretary of the Association will maintain the signed originals on file.
3. At a meeting of the Board at least once annually, the Board will review with all Directors, Officers, and Special Officers, and such other committee members and volunteers as the Board may deem appropriate, the requirements of this Code of Conduct, Conflict of Interest Policy, and Confidentiality Policy.

The failure of a person to sign the Code of Conduct, Conflict of Interest Policy, and Confidentiality Policy or the failure to maintain copies on file shall not affect or excuse compliance with the obligations defined and imposed herein.