

**TAHOE DONNER ASSOCIATION
BOARD OF DIRECTORS
CODE OF CONDUCT
CORPORATE RESOLUTION 2021 – 4**

To increase member confidence in the governance of the Tahoe Donner Association, and to encourage high standards of behavior collectively and individually, the Board of Directors has adopted the following Code of Conduct for its board members.

A. ACTING AS A FIDUCIARY

Members of the Board of Directors have a fiduciary duty to the Association, requiring them to act in the best interest of the Association. This fiduciary duty includes the duty of care, the duty to act within the scope of the Board’s authority under the law and the Association’s governing documents, and the duty of loyalty. Board members should at all times make decisions that are in the best interests of the Association as a whole, regardless of their personal interests.

B. BOARD AND DIRECTOR RESPONSIBILITIES

A Board of Directors is most efficient when it acts as a policy making body. Therefore, the primary role and obligation of Directors is to understand and support the Association’s mission and priorities by developing the broad policies (e.g., long term vision, overall financial philosophy, etc.) that will guide the implementation of Tahoe Donner plans and purposes, and not to direct or control the implementation of those policies by staff and/or committees.

To that end, Directors must review and abide by the established protocols governing interactions with staff, committees, and vendors. See: “Resolution Regarding Board of Directors Authority, Meetings of the Board, And Governance Guidelines,” Corporate Resolution 2020-3, and any subsequently adopted modifications thereto.

Each Director is also required to:

- Regularly attend Board meetings;
- Diligently prepare for Board meetings and review material provided in advance, including all financial reports and minutes.
- Support efforts to enforce the Association’s governing documents, collect and preserve the Association’s financial resources, insure the Association’s assets against loss, and keep the common areas and facilities in a state of good repair.
- Make reasonable inquiry before making decisions, employing the support of staff and

professionals where necessary.

- Correct or question any inaccurate or improperly prepared association data, records and/or reports that the Director becomes aware of while serving on the Board.

C. PROFESSIONALISM, CIVILITY, AND DECORUM

Because they are expected to set an example and promote the shared goal of maintaining and enhancing the reputation of Tahoe Donner as a valuable, vibrant, and thriving community, Board members are obligated to maintain a high standard of professionalism, civility, and decorum. Directors are expected to understand that they are accountable for their actions and words.

To fulfill this end, directors are obliged to:

- Work in a cooperative and productive manner to ensure that decisions are made in a respectful and collaborative process.
- Encourage all members to become involved in the community and to educate themselves on important matters and understand the importance of civility and decorum in all interactions.
- Interact with fellow Directors, members, staff, vendors, and the community with civility and courtesy at all times.
- Be respectful of all points of view and provide a reasonable opportunity for all to express their views. Seek common ground where possible.
- Refrain from knowingly misrepresenting facts or otherwise disseminating misinformation about Association matters.
- Focus on issues not personalities, and conduct themselves with courtesy toward their fellow Directors, staff, vendors, and members and residents of the Association.
- Act with respect and dignity without making derogatory comments or personal attacks, including when disagreements arise.

It is vital to the function of the Board of Directors, as well as member confidence in the Board, that decisions are based on complete and accurate information and that Directors remain open to all points of view while deliberating. Directors should therefore endeavor not to promote or advocate for a particular decision or outcome before the matter has been fully vetted and addressed at a duly noticed Board meeting.

No Director shall undermine the Board, impugn Board decisions or deliberations, or take other actions that will negatively impact member confidence in the Board. Once a decision is made by the Board, each Director shall act in accordance with that decision, even if they voted against it.

Directors are prohibited from harassing or threatening employees, vendors, Directors, committee members, or Association members, whether verbally, physically, or otherwise.

D. EMPLOYEE INTERACTION

To ensure efficient management operations, avoid conflicting instructions from the board to management and avoid potential liability, directors shall follow Corporate Resolution 2020-3 (referenced above) and observe the following guidelines in interactions with staff:

- Directors shall not attempt to direct Tahoe Donner staff; that is the responsibility of the General Manager.
- 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.

E. CONFIDENTIAL INFORMATION

Directors must be diligent in protecting the Association's confidential information and may not use confidential information for the benefit of themselves or others. Except when disclosure is duly authorized or legally mandated, no director may disclose confidential information.

Confidential information includes, without limitation:

- Private and personal information about fellow Directors.
- Confidential information about the Association's employees.
- Disciplinary actions involving members of the Association.
- Assessment collection and delinquency matters.
- Confidential and privileged information (including attorney client communications) and such information received as part of a dispute resolution process or litigation in which the association is or may be involved.
- Information which is the subject of an executive session.

Additionally, Directors must refrain from using non-public information or documents obtained as a result of his or her position as a Director to advance personal interest or gain.

F. SELF-DEALING AND CONFLICTS OF INTEREST

As a fiduciary each Director has a duty of loyalty. This duty requires them to act in good faith and in the best interests of the Association, rather than for their personal interest or gain.

Directors must be alert to and at all times avoid conflicts between their personal interests and the best interests of the Association.

Directors are obliged to read, understand, and abide by Article IX, Section 3 of Tahoe Donner's Bylaws, which among other things, preclude a Director from participating in any discussions or Board action concerning, or in any way attempt to use his or her Board position to influence, a Board decision in which the Director knows or has reason to know that he or she has a material financial interest. A Board member shall be deemed to have a material financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect on the Board member distinguishable from its effect on the members generally. On or before July 1 of each year, Directors are required to endeavor in good faith to disclose to the Board of Directors any pending transactions involving the Association in which they have a material financial interest, and investments, businesses or relationships which may reasonably lead to or become a material financial interest during their term of office.

Directors must also avoid "self-dealing" or the perception of self-dealing. In general, self-dealing occurs when Directors make decisions that materially benefit themselves or their relatives at the expense of the Association. "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 items of value.

To avoid self-dealing or the perception of self-dealing, no Director may, for themselves, their co-owners, relatives, or affiliated businesses:

- Solicit or receive any compensation from the Association for serving on the Board.
- Make promises to vendors without Board approval.
- Solicit or receive any gift, gratuity, favor, entertainment, loan, or any other thing of value from a person or company who is seeking or who has a business or financial relationship with the Association.
- Seek preferential treatment from the Association, or vendors doing business with the Association.
- Use the Association property, services, equipment or business for their personal gain or benefit, except as may be provided for all members of the association.

Potential conflicts of interest may arise that are not expressly covered by this code 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 Association's legal counsel.

G. MEMBERSHIP VOTES AND RELATED OBLIGATIONS

A Director is obligated to act and speak in all matters pertaining to Tahoe Donner in accordance with his or her fiduciary duties and this Code of Conduct, including during elections and other membership votes.

A Director may not use his or her position as a Director to benefit or harm the campaign of any candidate that is on an Association election ballot. Directors may not interfere with the fairness and impartiality of Association elections.

Unless advocating for his or her own reelection, to ensure member confidence in a fair and impartial election process, and to promote an amicable and productive working relationship within the Board, it is the best practice and strongly recommended for Directors to refrain from advocating for the election or defeat of any candidate on an Association ballot.

If a Director chooses to advocate for the election or defeat of any candidate on an Association ballot, or is a candidate for reelection, that Director might not be considered impartial regarding election related matters that may reach the Board, and may be obligated to recuse him or herself from participating in any Board discussions or decisions related to such matters.

H. VIOLATIONS OF THIS CODE OF CONDUCT

Directors who violate the Association's code of conduct are deemed to be acting improperly outside the course and scope of their authority. Any Director in violation of this policy may be subject to, among other things:

- Censure by the Board,
- limitations on involvement with committees,
- exclusion from discussions or deliberations on issues which the Board has determined create or involve a conflict of interest;
- removal as an officer of the Board,
- request for resignation from the Board,
- a Board or member initiated recall process,
- loss of the qualified immunity Directors normally enjoy,
- legal proceedings.

Prior to taking any action against the Director for violation of this Code of Conduct, the Board shall, in executive session, review the evidence of violation, meet with the involved Director to

provide an opportunity for the Director to respond, and confer with the Association's legal counsel.

In its sole discretion, the Board may retain a third-party investigator, and/or appoint an ad-hoc advisory committee, to investigate and review the purported violation and to present its findings and recommendations to the Board for appropriate action.

ACCEPTED AND DATED: March 26, 2021

Don Koenes, President

Jim Roth, Vice President

Stephen Mahoney, Treasurer

Courtney Murrell, Secretary

Charles C. Wu, Director