McCullough Homeowner's Association, Inc.
(hereinafter referred to as the "Association")
Board of Directors Code of Conduct

The Board of Directors ("Board") of the McCullough Homeowners Association ("Association") has adopted the following Code of Conduct ("Policy") for the members of the Association's Board of Directors, effective as of March 15, 2022. This Policy is intended to set forth certain expectations relating to Board members' fiduciary duties to the Association and is intended to help ensure that each Board member will act in a trustworthy, diligent, honest, and ethical manner while serving on the Board of Directors. Upon becoming elected or appointed to the Board, each Board member shall be subject to this Policy. Each current Director of the Association will be provided a copy of this Policy and asked to sign indicating their acknowledgement.

Statement of Commitment

As a Board member of the Association, I acknowledge and commit that I will observe a high standard of ethics and conduct as I devote my best efforts, skills, and resources in the interest of the McCullough Neighborhood Association and its members. I will perform my duties as a Board member in such a manner that members' confidence and trust in the integrity, objectivity and impartiality of the Association are conserved and enhanced.

In establishing this policy for and on behalf of Association's Board, I acknowledge that I am a custodian in trust of the assets of the Association. The Association members, recognizing the need for competent and committed elected Board members to serve their organization, have put their trust in my sincerity and abilities. In return, the members deserve my utmost effort, dedication, and support.

The following principles and guidelines constitute a code of conduct regarding ethics and conflicts of interest that shall apply to each Board member serving this Association:

As a Board member, I promise to:

- Always hold the betterment of the Association membership as my priority throughout my tenure, endeavor to serve the Association's best interests and put my own personal interests aside.
- Become familiar with the Association's Covenants, Conditions, and Restrictions (CC&Rs), bylaws, and other pertinent governing documents.
- Act within the scope of my authority as determined by the law and the Association's governing documents.
- Know and understand the fiduciary responsibility of the Board as it relates to the Association's monthly financial statements, Reserve Account Study, reserve funding, and current year's planned expenses and cash flows to meet its obligations and the current budget.
- Unless authority has specifically been delegated, make Board decisions and conduct business only at meetings with quorum of members present to ensure all Board members have an opportunity to share their opinions and input.
- Honor my commitment of serving the Board by attending regularly scheduled Board meetings, responding to Board emails, and performing other tasks as assigned for my role on the Board.

- Fulfill all my duties and responsibilities with impartiality.
- Make decisions for the Association using sound judgment and due diligence.
- Always keep Board matters discussed in Executive Session confidential both during my tenure as a Director and after.
- Disclose any potential conflicts of interest and recuse myself from the discussion and vote in case one exists. Conflicts of interest which must be disclosed include, but are not limited to, the following:
    - Where a Board member has a personal or professional relationship with any company or individual being considered for a partnership or supplier or vendor relationship with the HOA; or,
    - Where a Board member personally contracts with an organization where he/she is a Director of other organizations which are contracting or receives a benefit with this Association; or,
    - Where a Board member learns of an opportunity for profit with the HOA which may be valuable to him/her personally or to another organization of which he/she is a member, or to other persons known to the Board member; or,
    - Where a Board member uses community resources, like debit cards, for personal expenses.
- Allow community members the chance to voice their opinions on Association matters.
- Remain unbiased and open-minded regarding all owners and residents, regardless of my personal feelings and experiences with them.
- Provide a united front for all decisions made by the Board. Even if I was not in agreement with the decision, I will uphold the judgment and enforce the decision.
- Ensure that all elections are well disclosed to residents and are conducted as open, honest and fair while meeting all guidelines and laws.
- Strive to be an impartial representative of all McCullough residents and avoid social media activities that are inflammatory or divisive of the neighborhood.

As a Board member, I promise <u>not</u> to:

- Support or promote any activity, action, or behavior that breaches the law or other duly enacted governmental regulations.
- Allow personal biases of employees, Board members, or residents to affect my judgment. I do my best to leave personal feelings at home and will make personal attacks on my fellow Board members or McCullough residents.
- Knowingly take advantage of, or benefit from, information that is obtained in the course of my official duties and responsibilities as a Board member that is not generally available to the HOA membership.
- Disclose confidential information (including, but not limited to personal information about homeowners, residents or executives learned in the course of my duties as a Board member or in an executive session of the Board) to any party outside of the Board unless authorized to do so by the President of the Board of Directors of the Association.
- Share to any third party any discussions or decisions made in the executive session of Board meetings.
- Use Association funds or resources for personal use without prior, written authorization by the President of the Board of Directors of the Association.
- Exploit my position as a Board member for personal gain including, but not limited to, accepting gifts (defined as anything with a value of more than $25) from Association members/residents, contractors, suppliers, or potential owners,

contractors, or suppliers either directly or indirectly.

- Misreport or conceal facts concerning the Association which are relevant to Association business.
- Threaten, intimidate, shame, or harass any Board member, homeowner, resident, contractor, or employee.
- Make any promises to a bidder or contractor that could legally bind the Association without proper Board approval.

Enforcement

The president is ultimately responsible for immediate interpretation, application and enforcement of the Board of Directors' Code of Conduct. All complaints concerning a possible code of conduct violation shall be made in writing to or by the president with a copy provided to the complainant.

Penalties imposed for breach of the code of conduct may include, but are not limited to, the following:

- Excluding the Director from portions of all future meetings and discussions which relate to the stated conflict of interest; and/or,
- Censure of the Director, in private, in public, or both; and/or,
- Removal of the Director from their seat (President/Vice President/etc.) as outlined in the Association By-Laws.

I have read and I accept the McCullough Neighborhood Association's Board of Directors' Code of Conduct.

_____ _____

Signature Date

_____ _____

Signature Date

_____ _____

Signature Date

_____ _____

Signature Date

_____ _____

Signature Date

CONSENT TO ACTION WITHOUT MEETING
BY THE BOARD OF DIRECTORS OF THE
McCullough Neighborhood Association. Inc.
("Association")

The undersigned, being all of the members of the Board of Directors of the Association, do adopt the following resolution by their written consent thereto:

RESOLVED: the Association and its Board of Directors are authorized to conduct transactions and other Association business by electronic means as authorized in N.C.G.S. § 55A-1-70, including, without limitation, electronic action by the Board of Directors without a meeting as allowed by N.C.G.S. § 55A-8-21(a) and electronic transmission of ballots submitted without a meeting in lieu of or in conjunction with the use of written ballots as allowed by N.C.G.S. § 55A-7-08(a). The enumeration and specification of specific statutory references shall not limit the authority of the Board to conduct transactions and engage in business by electronic means to the extent the same is permitted by law and deemed appropriate by the officers and directors of the Association.

This action is effective as of the date in the signature below.

_____ _____
Signature Date

_____ _____
Signature Date

_____ _____
Signature Date

_____ _____
Signature Date

_____ _____
Signature Date