



Name: \_\_\_\_\_  
*please print*

### **Recognizing Conflicts of Interest and Acceptance of Those Responsibilities**

When one accepts the office of a Board of Directors or selected committee member, they agree to act always and only in the best interests of the CFPOA and its members. In that regard, they agree to subordinate their personal interests in favor of that which serves the best interests of the Association and its members.

From time to time, however, situations may arise where a Board or committee member believes that they cannot exercise independent or impartial judgment in performing their official duties because of a potential conflict of interest. It is important for Board and selected committee members to recognize when such situations arise so that they can respond accordingly. The purpose of this form is to enable a Board or committee member to disclose any and all outside interest or concerns that may have any impact – however negligible – on the performance of their duties as a Board or permanent committee member.

A conflict of interest is a situation in which an individual's duty to one entity leads to the disregard of a duty to another. In other words, a conflict of interest exists when an outside influence affects one's ability to make an unimpeded, independent decision or when an individual owes duties to separate entities with conflicting interests. Whether or not a specific situation constitutes a conflict of interest is a factual question that must be answered on a case-by-case basis. Any duality of interest must be viewed as a potential conflict of interest.

In recognizing the existence of a conflict of interest, a director, manager, or selected committee member must be able to distinguish between *potential* and *actual* conflicts of interest. A *potential* conflict of interest occurs when an individual has interests that may conflict at some point.

The duty of Board members, managers, and selected committee members to recognize and deal with conflicts of interest stems from their fiduciary duty to the Connestee Falls Property Owners Association (CFPOA). This duty arises because they are entrusted with the care, protection, and/or use of the property of another.

In order to address conflicts of interest, directors, managers, and selected committee members must anticipate potential conflicts.

- Do I have any outside interests that may influence my decision regarding this transaction?
- Do I have any outside interests that should be disclosed to the Association regarding this transaction?
- Do I have any duty to another entity that may influence my decision?
- Do I have any duty to another entity that conflicts with the duty I owe the Association?

In evaluating the first two questions, directors, managers, and selected committee members should consider their own personal interests and those of a third party with whom they have a relationship – such as a spouse, child, or business associate – that may affect their ability to make an impartial recommendation. Directors, managers and selected members should evaluate their relationships with all other parties as well.

By signing this memo (whether in hard copy or electronically) I attest that I understand the definition of conflicts of interest as described herein and the CFPOA Disclosure of Interest Resolution delineated below.

*WHEREAS, the Board wishes to avoid self-dealing, actual or apparent, in its administration of the Association; and*

*WHEREAS, the Board wishes to adopt requirements for directors, managers and selected committee members in order to assure sound management of the Association;*

*NOW THEREFORE, BE IT RESOLVED THAT the following shall apply:*

**Section 1. Requirements Upon All Directors, Managers, and Selected Committee Members**

- A. All directors, managers and selected committee members shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to, the Association and owners. All directors, managers, and selected committee members shall comply with all lawful provisions of the Association's Protective Covenants, Bylaws, Rules and Regulations.*
- B. Any duality of interest or possible conflict of interest on the part of any director, manager or selected committee member shall be disclosed to the Board at the first meeting of the Board of Directors after the conflict of interest is or should be discovered. Such disclosure shall be made a matter of record in the minutes of the Board meeting at which the disclosure of the conflict of interest is made.*
- C. Any contract or transaction between the Association and a director, manager or selected committee member must be commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.*

**Section 2. Directors Managers, and Selected Committee Members After the Period of Declarant Control**

*- In addition to all the requirements of Section 1 above, directors, managers and selected committee members shall be subject to the following requirements:*

- A. Any director, manager, or selected committee member having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter, and he or she shall not be counted in determining the quorum for the meeting.*
- B. The foregoing requirements shall not be construed as preventing the director, manager or selected committee member from briefly stating his or her position in the matter, nor from answering pertinent questions of Board or committee members, since his or her knowledge may be of great assistance. Should any decision of the Judicial or Architectural and Environment Committees be appealed to the Board, then any Board member whose spouse might have participated in the Committee decision shall recuse him/herself from the Board's appeal process.*
- C. Any new member of the Board, manager or selected committee member will be advised of this policy upon entering on the duties of office.*

**Information Sharing and Confidentiality**

**General** - The CFPOA Board Policies Manual describes the Board's commitment to communicate openly with the community. This policy addresses the sharing of operational and confidential information amongst Permanent and Management Committees, the Board and the GM. It applies to all information obtained as a member of the Board or a committee or from the GM, regardless of how the information was obtained. Inappropriate sharing of confidential information creates problems, especially as rumors spread quickly in small communities such as ours. Accordingly, it is the policy of this Board for all members of the selected committees and the Board to sign the confidentiality statement at the bottom of this page.

**Public Information** - In order to conduct the proper business of the community, operational information is regularly shared among the various Management Committees, Permanent Committees, the Board and GM. This includes items or activities discussed at Board work sessions and/or committee meetings and Management Committees that are general in nature, such as early announcements of community information that is about to be disseminated to the membership. Such "public" information is not considered "privileged."

**Privileged Information** - Privileged information includes any significant matters that are likely to be controversial, how a property owner voted, investigations, evaluations and/or negotiations, proprietary information, information regarding specific property owners and their concerns and/or disputes with A&EC (unless the concerned property owner grants permission in writing), rejections of A&E applications, and information designated as privileged by the presenter or chairperson at the meeting. It is the responsibility of each Board, committee member, and the GM to request clarification if unsure whether topics being discussed are privileged or public information. If uncertain, the default position should be to consider the information to be privileged.

**Confidentiality Policy and Agreement** - Members of the Board, the GM and members of selected committees will maintain strict confidentiality regarding privileged information discussed at their respective meetings/work sessions or obtained by any other means. This means not disclosing privileged information outside of the meetings/work sessions at any time, except as required in an official capacity. This obligation extends beyond the end date of the member's term on the Board or selected committee. The undersigned further agrees to not disclose, use, or exploit confidential information for personal gain or the detriment of the CFPOA.

**Social Media** - While serving, all Board and selected committee members are strongly encouraged to refrain from sharing community related matters on social media sites such as Nextdoor, Facebook, Twitter, etc. Such posts can have a negative impact on our committee volunteers and undermine both their hard work and morale. Such posts can also affect working relationships with fellow volunteers.

**By signing below, I understand and agree to not disseminate verbally, by email or in writing, privileged information that is obtained in a meeting of the Board or Committee, a meeting or conversation with the General Manager or by any other means.**

<b>Date</b>	
<b>Signature</b>	
<b>Printed Name</b>	