



CONDOMINIUM

STATEMENT OF PERSONAL AND PROFESSIONAL STANDARDS OF CONDUCT

It is the intent of the Regency House Condominium Association, LTD, ("RHC") to strive for the highest ethical conduct from all board and staff. The leadership is particularly sensitive to individuals who hold management and governance positions of trust and confidence in fulfilling the mission and goals of the organization. These sensitive positions include officers, directors, employees, and members of the board.

In an effort to achieve the highest standards of conduct, each officer, director, employees, and board member is required to acknowledge (by signing) the following adopted Code of Ethics by January 31 each year.

All officers, directors, employees, and members of the board of RHC are required and expected to exercise the highest ethical standards of conduct and practice fundamental honesty at all times. In support of RHC's standards of high ethical conduct, each officer, director, employee, and board member WILL NOT

- Deceive, defraud, or mislead board members, officers, directors, employees, managers, supervisors, or other associates, or those with whom RHC has business or other relationships.
- Misrepresent RHC in any negotiations, dealings, contracts, or agreements.
- Divulge or release any information of a proprietary nature relating to RHC without appropriate approval.
- Obtain a personal advantage or benefit due to relationships established by any officer, director, employee, or board member by use of the organization's name.
- Accept individual gifts of monetary value in excess of \$100, in connection with the officer's, director's, employee's, or board member's relationship with RHC. All such gifts are to be reported to the Board Chair.
- Withhold their best efforts to perform their duties to acceptable standards.
- Engage in unethical business practices of any type.
- Use RHC property, financial resources, or services of RHC personnel for personal benefit.
- Violate any applicable laws or ordinances.

Infractions of this Statement of Personal and Professional Standards of Conduct are to be reported directly to any member of the finance committee who shall, in his or her determination, bring the infraction to the full Board.

Signature _____ Date _____

Name (please print) _____

CONFLICTS OF INTEREST POLICY

PURPOSE: The purpose of this Conflicts of Interest Policy ("Policy") is to protect the interests of Regency House Condominium Association, LTD, ("RHC") when it is contemplating entering into a transaction or arrangement that might benefit the outside interest of any Covered Person (defined below).

The primary benefit of the Policy is that the RHC Board and employees can make decisions in an objective manner without undue influence by Covered Persons. This Policy can help to assure that RHC fulfills its purposes and properly oversees the activities of its officers, directors and employees. RHC encourages individuals to avoid conflicts of interest in appearance and in fact. This Policy is intended to supplement, but not replace, state laws governing conflicts of interest.

DEFINITIONS:

1. Conflict of Interest. A conflict exists when a Covered Person proposes to act on any issue, matter, or transaction in which RHC has an interest and the Covered Person may have a financial interest separate from RHC.
2. Covered Person. Any member of the Board and any RHC officer or employee or Close Relative of any such person.
3. Close Relatives. Close relative is defined as domestic partners, spouses, parents, children, siblings, and family members who reside in a Covered Person's household.
4. Financial Interest. A Covered Person has a financial interest if the Covered Person has, directly or indirectly, through business, investment or family, the following:
 - a. An ownership or investment interest in any entity with which RHC has a transaction or arrangement;
 - b. A compensation arrangement with RHC or with any entity or individual with which RHC has a transaction or arrangement; or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which RHC is negotiating a transaction or arrangement.
 - d. Financial interest includes direct and indirect remuneration as well as gifts or favors that are substantial in nature (i.e., in excess of \$1,000 in any calendar year). An "ownership or investment" interest shall not include interests of less than 1% in entities whose securities are publicly listed and have \$75 million or more of stockholder equity.
 - e. A financial interest is not necessarily a conflict of interest. A Covered Person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists as outlined by this Policy.

PROCESS:

1. Duty to Disclose. The first step in addressing conflicts of interest is disclosure. A Covered Person who believes that he/she may be perceived as having a conflict of interest in a discussion or decision must disclose that conflict to the group considering the proposed transaction. Most concerns about potential conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure.

In furtherance of this objective, RHC has adopted the following requirements:

- a. On an annual basis, all Covered Persons shall provide a written disclosure statement to the Board Chair.
 - b. Prior to the preparation of the disclosure statements, the Board Chair shall distribute to the Covered Persons a list of all vendors with whom RHC has transacted business at any time during the preceding year, along with copies of the disclosure statement;
 - c. The Board Chair shall review and compile all disclosure statements and forward those statements to the Board in order to determine the appropriate resolution of conflicts of interest in accordance with this Policy.
2. Determining Whether a Conflict of Interest Exists. After disclosure of the Financial Interest and all material facts, and after any discussion with the Covered Person to clarify or obtain additional information relevant to the Financial Interest, he or she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.
3. Procedures for Addressing the Conflict of Interest. Once the Board determines a conflict of interest exists with respect to a particular transaction or arrangement, the Board will prepare a listing of Covered Persons and disclosed conflicts of interest. To allow the Board and employees to make decisions in an objective manner without undue influence by Covered Persons, Covered Persons will not participate in the discussion of or vote on the conflict of interest.
 - a. The chair of the Board shall, if appropriate, appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement.
 - b. After exercising due diligence, the disinterested members of the Board shall determine whether RHC can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
 - c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in RHC's best interest and for its own benefit and whether the transaction is fair and reasonable to RHC and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination. In determining whether

a more advantageous arrangement is attainable, the Board shall consider multiple factors including price, terms and conditions, qualification and the overall business relationship.

- d. The Covered Person shall leave the room while the matter giving rise to the conflict is voted on and only disinterested directors may vote to determine whether to approve the transaction or arrangement. The disinterested members of the Board may, in their discretion, require the Covered Person to leave the room while the proposed transaction or arrangement is discussed. In determining whether and when to require the Covered Person to leave the room during discussion of the proposed transaction or arrangement, the disinterested directors shall balance the need to preserve the independence of the determination process with the need to facilitate the discussion by having such person on hand to answer questions or otherwise provide additional information or knowledge that may be of great assistance to the Board. To the extent permitted by applicable state law and RHC's governing documents, Covered Persons may be counted in determining the presence of a quorum at a meeting of the Board where a potential conflict of interest has been disclosed.
- e. If during the course of the year a Covered Person discovers a conflict of interest or potential conflict not previously disclosed, the Covered Person will immediately disclose the conflict to the Board chair for the above procedure to take place.

4. Violations of the Conflict of Interest Policy.

- a. If the Board has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take such action as it considers appropriate, including disciplinary and corrective action if warranted.

5. Records of Proceedings. The minutes of the Board of Directors meetings shall contain the following:

- a. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, a general statement as to the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' decision as how the conflict of interest was resolved.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, a summary of the content of the discussion that contains the type of information regularly reported in Board minutes and

identifies whether any alternatives to the proposed transaction or arrangement were considered, and a record of any votes taken in connection therewith.

6. Annual Statement. Each Covered Person shall annually sign a statement that affirms that such person has complied with the following:
 - a. Received a copy of this Policy;
 - b. Disclosed activities and Financial Interests which may result in a conflict of interest.
7. Conflicts of Interest Disclosure Statement. Each Covered Person shall sign the Conflicts of Interest Disclosure Statement then used by the Board for purposes of providing the Board with the information needed to implement this Policy.

Conflict of Interest Information Form

Name: _____ Date: _____

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in the Regency House Condominium Association, LTD, Conflicts of Interest Policy) arising. If none, please state.

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest of Regency House Condominium Association, LTD, that is currently in effect.

Signature: _____ Date: _____