

**AINALOA COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
CODE OF ETHICS STATEMENT/AGREEMENT**

As a Director, Board Member for Ainaloa Community Association, I understand and agree to the following Code of Ethics:

Fiduciary Duty - A fiduciary is bound to protect the interests of the parties relying on it. In exercising their fiduciary duties, board members must act in good faith in the best interests of the Association and its members, exercising the same degree of care and skill in making decisions or taking actions that would be expected of an ordinarily prudent person in a similar situation (HRS § 414D-149 (a)). As fiduciaries, directors must place the interests of the Association above their own interests at all times.

Personal Gain - No individual shall use their position as a Board member for private or personal gain inclusive of, and not limited to, the following actions:

No Board member shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or anything of monetary value from, a person who is seeking to obtain contractual or other business or financial relations with the Association, unless full disclosure is made to the Board of Directors and the membership of the Association.

No Board Member may provide any bid specifications including but not limited to costs, labor, materials and or components to any contractor or vendor prior to said contractor or vendor receiving a Request For Proposal [RFP] from the Association.

No Board member shall accept any gift or favor made with intent of influencing decisions or action on any official matter.

No Board member shall enter into a quid pro quo agreement with any vendor, contractor, or sub-contractor currently under contract with the Association.

No Board member shall receive any compensation from the Association for acting as a Board member, other than normal reimbursement of expenses on behalf of the Association.

Defamation - No Board member shall engage in any writing, publishing, or speech making that defames any other member of the Association Board or resident of Ainaloa Community Association.

Honesty and Respect - No Board member shall willingly misrepresent facts to the residents of the community for any reason, including but not limited to advancing a personal cause or influencing the community to place pressure on the Board to advance a Board member's personal cause.

Members of the Board will conduct themselves in a respectful manner to other members of the Board, Management Company personnel and homeowners. Board Members will

not publicly, or privately, ridicule anyone. The President or his/her appointed designee is the only individual authorized to speak on behalf of the Association.

Interference - No Board member shall interfere with the system of management established by the Board of Directors of the Association. No Board member shall interfere with the duties of any staff member of Ainaloa Community Association and its Management Company. No Board member shall retain originals (or “only copy”) of Ainaloa records outside of Ainaloa offices.

Confidentiality - Confidentiality of other Board member’s personal lives, all resident’s personal lives as well as employee’s personal lives will be protected by the Board officers.

Felony Arrest/Conviction - Any Board member under investigation for a felony will be given a leave of absence from the Board of Directors during the investigation and trial period. Being convicted of a felony will be deemed immediate resignation as a member of the Board of Directors or as an officer of the Association.

Majority Votes - A Board member will at all times, subsequent to a vote, support the decisions of the majority of the Board regardless of the position that Board member had taken at the time of the vote.

Attendance - A Board member who misses three (3) regular Association meetings beginning from the Annual meeting to the subsequent Annual meeting shall be subject to removal by the majority vote of the other members of the Board of Directors.

Conflict of Interest - Conflict of interest means an issue in which a director has a direct personal or financial interest not common to other members of the association.

A director who has a conflict of interest on any issue before the board shall disclose the nature of the conflict of interest prior to a vote on that issue at the board meeting, and the minutes of the meeting shall record the fact that a disclosure was made (HRS 421J-5(e)). Failure to disclose a conflict of issue is a violation of Board Ethics and a majority vote may remove the Director who failed to disclose the conflict.

I agree to uphold and be subject to the above Code of Ethics for Ainaloa Community Association Board of Directors.

Written Name

Date Signed

Signature

Date Elected to Board