

**RESOLUTION 04-2017  
OF THE BOARD OF DIRECTORS  
ASSOCIATION NAME**

**A RESOLUTION ADOPTING A CONFLICT OF INTEREST POLICY  
AND CODE OF CONDUCT AND ETHICS  
FOR BOARD MEMBERS AND OFFICERS**

**(Upon taking office as a Director, or Officer, each Director or Officer, must agree to and sign a copy of this code.)**

**WHEREAS;** In order to ensure that the Board of Directors, and Officers, of the Charleston National Community Association, Inc. and its individual members, maintain a high standard of ethical conduct in the performance of the Association's business, and to ensure that the property owners maintain confidence in and respect for the entire Board,

**NOW THEREFORE;** The Charleston National Community Association Board of Directors has adopted the following Conflict of Interest Policy and Code of Conduct and Ethics for its members, and Officers;

The following principles and guidelines constitute the codes of Conflict of Interest and Conduct and Ethics:

**Conflict of Interest**

**Definitions:**

(i) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a Director or Officer, or between the Association and a party related to a Director or Officer, or between the Association and an entity in which a Director, or Officer, of the Association is a director or officer or has a financial interest.

(ii) "Director" means a member of the Association's Board of Directors.

(iii) "Officer" means an Officer of the Association.

(iv) "Party related to a Director or Officer" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director, of Officer, or a party related to a Director, or Officer has a beneficial interest, or an entity in which a party related to a Director, or Officer, is a director or officer or has a financial interest.

No individual will use his/her position as a Director, or Officer, for private gain, for example: No Director, or Officer, will solicit or accept, directly or indirectly any gifts, gratuity, favor, entertainment, loan, or any other things of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Charleston National Community Association.

No Director, or Officer, will accept a gift or favor made with intent of influencing decision or action on any official matter.

No Director will receive any compensation from the Association for acting as such.

No Director, or Officer, or employee of a Director, or Officer, may use their position to enhance their own financial status through recommendation of vendors, suppliers, or contractors that may pay a gratuity to a Director, or Officer, or employees.

Any conflicting interest transaction on the part of any Director, or Officer, or party related to a Director, or Officer, shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director, or Officer, is present prior to any discussion or vote on the conflicting interest transaction. After disclosure, the Director *may* participate in the discussion but *may not* vote on the matter. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum and record who voted for and against. As the Association may, from time to time, have Officers who are not Directors, the participation and voting on a matter is not applicable to those Officers who are not Directors.

Any action or transaction in which a Director, or Officer, may have a conflict of interest may not be approved by the Board of Directors.

A Director, or Officer, who is also engaged in the practice of another profession will not perform such other services for the Association while serving as a Director, or Officer, if the performance of such services is likely to result in a perceived or real conflict of interest.

No Director, or Officer, may use his/her position in order to achieve any measure of personal gain for him/herself, or any affiliated company from which he/she may benefit. All decisions and representations must be made with the best interests of the Association in mind.

No loans shall be made by the Association to its Directors or Officers. Any Director or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

No conflicting interest transaction shall be void able by an Owner or on behalf of the Association if:

- (i) The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
- (ii) The facts about the conflicting interest transaction are disclosed or the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or
- (ii) The conflicting interest transaction is fair to the Association.

## Code of Conduct and Ethics

It is recognized that many clients, vendors, and suppliers consider reasonable gifts and entertainment as an accepted business practice without any intent to unduly influence the judgment of the Board of Directors. Nevertheless, it will be the policy of the Board of Directors to discourage the acceptance by its members and officers of gifts, entertainment, or other favors from existing or prospective clients, vendors, or suppliers.

Cash gifts of any amount are unacceptable. Gifts of a nominal value and personal nature given as a token of friendship or special occasions such as Christmas, a job promotion, or length-of-service award are acceptable.

A Director, or Officer, will undertake only those responsibilities and assignments that he/she can reasonably expect to perform adequately.

A Director, or Officer, will adequately plan for the functions for the Association including review of all materials pertinent to the Board meetings and other functions of the Board of Directors.

No Director, or Officer, will defame in any way any other Director, or Officer, or Association member or staff member or property owner in their capacity as a Director, or Officer.

No Director, or Officer, will willingly misrepresent facts to Association members for the sole purpose of advancing a personal cause or to place pressure on the Board to advance a Director's, or Officer's, personal cause.

No Director, or Officer, will use his/her position to make threats of actions against Property Owners in regards to Association Rules and Regulations. All such matters are to be handled in the normal manner through the Association Staff or appropriate Committee.

No Director, or Officer, will seek to have a contract implemented that has not been duly approved by the Board.

No Director, or Officer, will individually impede or obstruct a contractor implementing a contract in progress. All communications with contractors will go through the Community Manager. Professional courtesy will include and should not interfere with, among other things, contractual relationships between Association management professionals and contractors.

No Director, or Officer, will individually impede or obstruct with the system of management established by the Board and Community Manager. A member will comply with all operating standards (internal operating procedures) that are in force or may from time to time be promulgated by the Board of Directors and Community Manager.

No Director, or Officer, may use any funds being held for Association business for personal use.

No Director, or Officer, will interfere with the duties of any staff member of the Association. All Board members will exhibit professional courtesy to all Association staff.

No Director, or Officer, will harass, threaten, or attempt through any means to control or install fear in a member of the staff.

In addition to a Director, or Officer, being prohibited from using his/her position to make threats to Property Owners or to staff, a Director, or Officer, is also prohibited from making unauthorized promises to those parties.

It is expected that all members of the Board of Directors, and Officers, will make every effort to attend all Regular, Special and Executive Board meetings.

A Director, or Officer, should not, in the regular course of business, disclose information about the Association's legitimate activities unless they are already known by the members or are part of the Association's records. In the normal course of business, a Director, or Officer, should treat as confidential all matters involving the Association until there has been general public disclosure or unless the information is a matter of public record (i.e., reported in the minutes) or common knowledge. The individual director is not a spokesperson for the Association and thus disclosure to the public of Association activities should be made only through the Association's designated spokesperson, usually the President or Community Manager. This presumption of confidential treatment should apply to all current information about legitimate board or Association activities. All information learned or discussed at an Executive Session of the Board, is privileged and confidential and is not to be publicly discussed until such information becomes part of the Association's public records.

Further, and in addition to this Resolution 04-2017 of the Board of Directors for Charleston National Community Association, "A Resolution Adopting a Conflict of Interest Policy and Code of Conduct and Ethics for Board Members and Officers", the Board of Directors hereby adopts South Carolina Statute "33-31-831. Director Conflict Of Interest" of the Non Profit Corporation Act, to which the Association is subject, attached to, and made a part of, this Resolution.

No provision of this Agreement can be rescinded, altered, and/or amended without unanimous vote of the members of the Board of Directors.

**THEREFORE; BE IT RESOLVED** Resolution 04-2017 was ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2017 by the Charleston National Community Association Board of Directors.

**President's And Secretary's Certification:** the undersigned, respectively being the President and Secretary of Charleston National Community Association, a South Carolina nonprofit corporation, certify that the foregoing Resolution 04-2017 was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on the 13<sup>th</sup> day of December, 2017, and in witness thereof, the undersigned have subscribed their names.

**Charleston National Community Association, Inc., a South Carolina nonprofit corporation,**

By: Willie Charles  
Willie Charles, President

Attest:  
By: W. Chuck Cross  
Chuck Cross, Secretary

## South Carolina Statute 33-31-831:

### SECTION 33-31-831. Director conflict of interest.

(a) A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair to the corporation at the time it was entered into or is approved as provided in subsections (b) or (c).

(b) A transaction in which a director of a public benefit or religious corporation has a conflict of interest may be:

(1) authorized, approved, or ratified by the vote of the board of directors or a committee of the board if:

(i) the material facts of the transaction and the director's interest are disclosed or known to the board or committee of the board; and

(ii) the directors approving the transaction in good faith reasonably believe that the transaction is fair to the corporation; or

(2) approved before or after it is consummated by obtaining approval of the:

(i) Attorney General; or

(ii) the circuit court for Richland County in an action in which the Attorney General is joined as a party; or

(c) A transaction in which a director of a mutual benefit corporation has a conflict of interest may be approved if:

(1) the material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board and the board or committee of the board authorized, approved, or ratified the transaction; or

(2) the material facts of the transaction and the director's interest were disclosed or known to the members and they authorized, approved, or ratified the transaction.

(d) For purposes of this section, a director of the corporation has an indirect interest in a transaction if:

(1) another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction; or

(2) another entity of which the director is a director, officer, or trustee is a party to the transaction.

(e) For purposes of subsections (b) and (c) a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board or on the committee who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsections (b)(1) or (c)(1) if the transaction is otherwise approved as provided in subsection (b) or (c).

(f) For purposes of subsection (c)(2), a conflict of interest transaction is authorized, approved, or ratified by the members if it receives a majority of the votes entitled to be counted under this subsection. Votes cast by or voted under the control of a director who has a direct or indirect interest in the transaction, and votes cast by or voted under the control of an entity described in subsection (d)(1), may not be counted in a vote of members to determine whether to authorize, approve, or ratify a conflict of interest transaction under subsection (c)(2). The vote of these members, however, is counted in determining whether the transaction is approved under other sections of this chapter. A majority of the voting power, whether or not present, that are entitled to be counted in a vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this section.

(g) The articles, bylaws, or a resolution of the board may impose additional requirements on conflict of interest transactions.

HISTORY: 1994 Act No. 384, Section 1.

Acknowledged and agreed to this 19<sup>th</sup> day of January, 2018 by all remaining Board members for Charleston National Community Association,

Attest:

By:

James A Barr  
Print Name: JAMES A. BARR  
Jim Barr, Vice President

Acknowledged and agreed to this 13 day of DECEMBER, 2017 by all remaining Board members for Charleston National Community Association,

Attest:

By:

Print Name: John Desautels  
John Desautels, Treasurer  
John Desautels



Acknowledged and agreed to this 13th day of Dec, 2017 by all remaining Board members for Charleston National Community Association,

Attest:

By:

Karol Queen

Print Name: Karol Queen

Karol Queen, Member-at-Large

Acknowledged and agreed to this 13 day of December, 2017 by all remaining Board members for Charleston National Community Association,

Attest:  
By: Carina Jansson  
Print Name: CARINA BJANSSON  
Carina Jansson, Member-at-Large

Acknowledged and agreed to this 13<sup>th</sup> day of December, 2017 by all remaining Board members for Charleston National Community Association,


Attest: [Signature]  
By: [Signature]

Print Name: ROBERT E CRAWFORD  
Bob Crawford, Member-at-Large

Acknowledged and agreed to this 13 day of SEPTEMBER, 2017 by all remaining Board members for Charleston National Community Association,

Attest:

By:

  
\_\_\_\_\_

Print Name: Mark Wilson  
Mark Wilson, Member-at-Large

Acknowledged and agreed to this 13<sup>th</sup> day of December, 2017 by all remaining Board members for Charleston National Community Association,

Attest:  
By:



Print Name: Michael Hagedorn  
Michael Hagedorn, Member-at-Large

