

Smugglers' Notch Homeowners' Association, Inc Code of Ethics

Adopted by the SNHA, inc. Board of Directors on 9-13-03

I. Introduction

The following policy regarding potential "conflict of interest" situations is adopted by the Smugglers' Notch Homeowners Association for the purpose, of assuring a high level of organizational integrity and avoidance of undisclosed conflicts of interest on the part of members of our Board and staff'. This policy is intended to assure that the Smugglers' Notch Homeowners Association will be fully informed with respect to any financial interests which any member of the Board and staff may have in any person, firm, or entity which does business with the Smugglers' Notch Homeowners Association, and/or who holds a position of influence with another construction-related or homeowner-related organization. The primary principle underlying the Smugglers' Notch Homeowners Association's Code of Ethics is that Board and staff members must never permit their personal interests to conflict, or even appear to conflict, with the interests of the Smugglers' Notch Homeowners Association.

II. Potential Conflict of Interest Statement

Each Board member shall deliver to the President ,of the Board, and each staff member shall, deliver to the Executive Director of the Smugglers' Notch Homeowners Association a written statement in the form attached hereto as Exhibit A in which such covered person shall disclose his or her relationship or affiliation with any person, firm, or entity which proposes to, do business, or who is doing business, with the Smugglers' Notch Homeowners Association, and/or who holds a position of influence with another construction - related or homeowner-related organization. The President of the Board/ Executive Director shall deliver a notice to each Board/staff member setting forth the information delivered to him/her by such covered persons.

Each Board or staff member shall abstain from discussion and voting on any matter which relates to the decision to engage or continue the services of a person, firm or entity with which such Board or staff member has a relationship or is affiliated, including discussions and voting on the creation of such relationship, the termination of such relationship, or the compensation or other terms on which the relationship will exist. This prohibition shall not prevent a Board or staff member, however, from reporting to the Board with respect to any matter for which the person, firm or entity is engaged with Smugglers' Notch Homeowners Association.

Any covered person who has a relationship with or is affiliated with a person, firm or entity doing business with the Smugglers' Notch Homeowners Association, or which desires to do business with the Smugglers' Notch Homeowners Association, and/or who holds a position of influence with another construction-related or homeowner-related organization shall provide to the President of the Board / Executive Director, at his request, full and complete information with respect to his or her relationship or with such person, firm or entity which the President of the Board / Executive Director shall deem necessary or desirable for the Smugglers' Notch Homeowners Association and its Board to have so that the Board can consider such relationship, or potential relationship, on a fully informed basis. In the event that a covered person refuses to provide any such information reasonably requested by the

President of the Board / Executive Director, such person may be removed from his or her position by the Board at a meeting at which, such removal may be lawfully considered. Said covered person shall have the right to be present in opposition to such removal.

III. Violations of the Code of Ethics

Violations of the Code of Ethics or any Smugglers' Notch Homeowners Association's rules of conduct may constitute grounds for dismissal. Staff members are expected to act fairly and honestly in all transactions with the Smugglers' Notch Homeowners Association and with others to maintain the high ethical standards of the Smugglers' Notch Homeowners Association. If a situation arises where a staff member is unsure whether there may be a violation of the Code of Ethics, he/she should contact the President or the Executive Director for guidance.

IV. Discovery of Violations of the Code of Ethics, or Illegal Activities

Discovery of events of a questionable, fraudulent or illegal nature, or which appear to be in violation of the Code of Ethics must be reported promptly to the President of the Board. If such instances are identified with persons at the highest management levels within the Smugglers' Notch Homeowners Association the matter should be reported to the Managing Director of Smugglers' Notch Management Company. Failure, to report such events also constitutes a violation' of the Code of Ethics.

V. Reporting Compliance with the Code of Ethics

On July 1st of each year, or as soon after the Smugglers' Notch Homeowners' Association, Inc Annual Meeting is concluded as is practical, the Board and staff shall be required to sign a written acknowledgment affirming that they have received and reviewed the Code. In addition, the acknowledgment form require the Board or staff member to report any previously reported transactions or events known to the Board or staff member which appear to be in violation of the Code of Ethics.

VI. Compliance with Laws and Regulations

The Smugglers' Notch Homeowners Association strives to comply with all laws and regulations that are applicable to the Association. Although laws and regulations may sometimes be ambiguous and difficult to interpret, as a good citizen, the Smugglers' Notch Homeowners Association emphasizes good faith efforts to follow the spirit and intent of the law. Questions concerning a law or regulation should be directed to the President of the Board or the Executive Director.

VII. Candor Among Board and Staff Members and in Dealing with Auditors and Legal Counsel

The President of the Board / Executive Director, of the Smugglers' Notch Homeowners Association must be informed at all times of matters which might adversely affect the reputation of the Association regardless of the source of such information. Concealment may be considered a signal that the Association's policies and rules can be ignored and such conduct cannot be tolerated. Accordingly, there shall be full disclosure to the President of the Board or the Executive Director. Complete candor is essential in dealing with the Smugglers' Notch Homeowners Association's independent and internal auditors.

Receipt of Gifts, Gratuities and Entertainment

- No Board or staff member may accept a gift directly or indirectly, in any form, from a supplier or prospective supplier.
- For the purpose of this policy, the term “gift” means anything of value including such meals and entertainment which do not facilitate the discussion of the Association’s business or otherwise serve a demonstrable business purpose. The term "staff" shall include a staff member's spouse, children, any dependents, parents, any person or entity acting as an agent or 'fiduciary for any of the foregoing, through which a staff member may receive a direct personal benefit.
- In the event that a Board or staff member has any doubt concerning the propriety of accepting any gift or the applicability of the reporting, and prior approval procedures, the President of the Board or the Executive Director should be consulted for guidance.

Corporate Hospitality to Public Official.

- Acts of hospitality toward public officials should never compromise or give the impression of compromising integrity or the reputation of either the public official or the Association. When appropriate hospitality is extended, it should be with the expectation that it will become a matter of public knowledge.

Dealing with Suppliers

- Board and staff members must award orders, contracts and commitments to suppliers of goods and services without favoritism. Association business of this nature must be conducted strictly on the basis of merit.

Fair Competition

- Under no circumstances should a Board or staff member enter into arrangements with competitors affecting pricing or marketing policies.

Personal Fees and Commissions

- No Board or staff member may accept fees or commissions in connection with any transaction on behalf of the Association. The acceptance of payments for personal consulting or other professional services requires the prior approval of the President of the Board.

Work Relationships

- No Board or staff member shall give any special consideration to the employment of another Board or staff member due to family or personal relationships. Just as external business decisions are based on sound ethical business practices, all personnel decisions must be based on sound management practices, and not be influenced by personal concerns.

Smugglers' Notch Homeowners' Association, Inc.

CODE OF ETHICS

Acknowledgment

I _____, affirm that I have read the Smugglers' Notch Homeowners' Association, Inc. Code of Ethics, and I am not in violation of any of its provisions. I understand that I must maintain the highest standards of professional conduct and integrity, and I am aware that the discovery of any questionable, fraudulent or improper conduct which appears to be a violation of the Smugglers' Notch Homeowners' Association, Inc. Code of Ethics will be reported to the President of the Board of Smugglers' Notch Homeowners Association.

Signature

Date _____