

**HICKORY RIDGE VILLAGE ASSOCIATION, LLC.
SPECIAL ELECTION COMMITTEE**

January 8, 2022

TO: Lisa Dean, Board Chair of Hickory Ridge Village Association
FROM: Rhona Schwartz, Vice Chair of Special Election Committee

INTRODUCTION

Please find enclosed the positions and work of the Special Election Committee that was appointed by the Hickory Ridge Village Board to review 19 Review Questions related to the election and service of members on the Hickory Ridge Village Board.

The Committee began meeting on November 18, 2021, and had six public meetings to discuss all of the 19 Review Questions the Village Board charged us with. In addition, a tremendous amount of research was conducted by the Committee members from a variety of sources including other homeowner associations. On December 3, 2021, six draft Documents prepared by the subcommittee related to Review Questions #6-10, #17, and #19 were forwarded to Laura Parrish, Village Manager, to be published on the Hickory Ridge Village Association Log and website for the members of the Association and Village Board to review and comment on. The subcommittee asked that comments be emailed to Ms. Parrish by noon on December 6, 2021. At that time, Ms. Parrish distributed these comments by Association Members (residents) to the Election Committee for our continued review of the documents based on our Committee discussions and the resident input.

On December 21, 2021, the Election Committee again submitted to Ms. Parrish, for publication to the members of the Association and Village Board, all the modified preliminary documents and preliminary recommendations (based on the previous comments generated to the Committee) on the 19 Review Questions charged to us by the Village Board. The deadline for additional and final member comments on the modified published documents was by noon on December 31, 2021. Thereafter, the Committee again reviewed and considered every comment written and also the comments suggested by Village Board members and residents via the two resident "speak outs" (3 minutes in the beginning of the meeting and 1 minute at the end of each meeting per resident). Those comments and suggestions were used in the Committee's preparation of their final recommendations. The Committee conducted a meeting on January 5, 2022, and then reviewed each of the 19 Review Questions and documents associated with those Questions prepared by the Committee.

Included in this Report are the voting results on January 5, 2022, at that Special Election Committee public meeting on each of the 19 Review Questions. Also, attached are the six documents approved by the Committee related to the 19 Review Questions. These are the final work product of the Committee. For further details, please refer to the online recording of the January 5, 2022, meeting of the Special Election Committee regarding the discussions and roll call voting.

COMMITTEE FINDINGS AND RECOMMENDATIONS

These 19 Review Questions are virtually identical to the original 19 Review Questions provided to the Committee by the Village Board. The following are the 19 Review Questions that were voted on January 5, 2022. However, the Committee voted to change the word "Whether" to "Should" in several Questions for purposes of making the votes on the 19 Review Questions clear. The rewording of the original 19 Review Questions are documented below. The final vote on each of the 19 Review Questions is indicated below as well.

19 REVIEW QUESTIONS PRESENTED BY THE VILLAGE BOARD FOR CONSIDERATION AND RECOMMENDATION

Question #1

Candidates for Village Board who cease to be members of the Association prior to the election should remain eligible for candidacy.

Committee Vote: AGAINST

Question #2

The term of a Village Board member should automatically terminate when they cease to be a member of the Association.

Committee Vote: AGAINST

Question #3

Online voting should be discontinued.

Committee Vote: FOR

Question #4

A verifiable chain of custody of paper ballots should be established and documented.

Committee Vote: FOR

Question #5

Candidates should have the ability to run for office as Director and CA Rep at the same time.

Committee Vote: AGAINST

Question #6

There should be a cap or limit on the amount candidates may spend on their campaign in order to enable all residents the opportunity to serve on the Village Board or as CA Rep, regardless of their income or resources available for campaign expenditures.

Committee Vote: FOR

Question #7

There should be campaign expenditure disclosure requirements notifying residents how much money a candidate has personally spent on their campaign.

Committee Vote: FOR

Question #8

There should be campaign contribution (monetary or in-kind) disclosure requirements notifying residents how much money candidates have accepted from third parties for their campaigns.

Committee Vote: FOR

Question #9

There should be disclosure requirements related to campaign activity by third parties (monetary or in-kind) where the sponsor of the activity is not disclosed and whether beneficiaries of such activity should be required to make a good faith effort to discover and disclose the source of such assistance and be recused from matters involving such donors.

Committee Vote: FOR

Question #10

Contributions from third parties should result in consideration of recusal of the recipient from participation in matters involving such donor before the Village Board if elected.

Committee Vote: FOR

Question #11

Specific criteria and/or rubrics should be established for appointment of Village Board members or CA Rep from pool of multiple applicants if an election is not necessary or if there is a later vacancy.

Committee Vote: FOR

Question #12

Specific election rules and procedures, including, but not limited to clear instructions to candidates regarding placement of signs at the polling location, requirement of renter-candidates supplying a copy of their rental agreement, and other election-related requirements should be memorialized and advertised as part of the election process.

Committee Vote: FOR

Question #13

The Election Committee should be required to report to the Village Board each year within a specific time period, whether there was an election or not.

Committee Vote: FOR

Question #14

Notice of second meeting for quorum purposes should continue to be automatically published with first notice of election.

Committee Vote: FOR

Question #15

Specific protocols should be established for the announcement and advertising of election results.

Committee Vote: FOR

Question #16

A comprehensive Election Handbook addressing all election policies, procedures, rules, guidelines, forms, timelines, maps, etc. should be produced and updated annually. The Handbook should be reviewed by the Village Board each year before the announcement of the election.

Committee Vote: FOR

Question #17

The Conflict and Ethics Policy should be revised to include disclosure of campaign expenditures, disclosure of campaign donors (money and/or in-kind) and amounts; certification of good faith attempt to identify sources and amounts of any third-party contributions (monetary and/or in-kind) from unknown sources; pledge of recusal from matters before the Village Board involving any corporate or substantial donor, and any other matters pertaining to campaign finance; and establish enforcement mechanisms of removal of office under Conflict and Ethics Policy for failure to comply with expenditure/disclosure/certification/recusal provisions of Conflict and Ethics Policy.

Committee Vote: FOR

Question #18

*A timeline for proposed candidates to prove their eligibility for candidacy should be established. **(Deadline established by Columbia Flier publication deadline for candidate statements.)***

Committee Vote: FOR

Question #19

The committee will recommend to the Village Board how the word "recusal" will be defined as part of their recommendations, consistent with the Conflicts of Interest Policy.

Committee Vote: FOR (APPROVED THE DEFINITION OF "RECUSAL" - Disqualification or withdrawal [of oneself or someone else] from any position of judging or decision making to avoid a semblance of personal interest or bias.)

****Related Documents**

The following set of documents are directly or indirectly relevant to Review Questions 6, 7, 8, 9, 10, 17 and 19. The Documents have each been marked with the Questions that most pertain to them.

Document #1	Acknowledgement of Candidacy - (Review Questions 6, 7, 8, 9, 10, 17, 19)
Document #2(a)	In-Kind Contribution Instructions - (Review Questions 6, 7, 8, 9)
Document #2(b)	In-Kind Contribution - Donor Data - (Review Questions 6, 7, 8, 9)
Document #2(c)	In-Kind Contribution - Volunteer Data - (Review Questions 6, 7, 8, 9)
Document #3	Candidate Financial Disclosure Statement - (Review Questions 7, 8, 9, 17)
Document #4	Campaign Money Pledge for Candidates - (Review Questions 6, 7, 8, 9, 10, 17)
Document #5	Conflict of Interest Policy - (Review Questions 10, 17, 19)
Document #6	Board of Director's Conflict of Interest Pledge - (Review Questions 9, 10, 17, 19)

****ALL OF THE ABOVE DOCUMENTS WERE APPROVED BY THE COMMITTEE**

CONCLUSION

The Committee has completed its work after careful review of the issues presented by the Village Board. Clearly, the Committee believes that there are compelling reasons to adopt the positions of the Committee and the documents approved by the Committee in the interest of furthering fair elections.

We thank the many residents who took the time to participate in this process by attending meetings and submitting comments.

Attachments:

- 1. The above 6 APPROVED DOCUMENTS**
- 2. "Record of Topics to Review" and roll call vote prepared by Laura Parrish, Village Manager for the Special Election Committee meeting on January 5, 2022.**

		VOTE		
		For	Against	Abstain
8	There should be campaign contribution (monetary or in-kind) disclosure requirements notifying residents how much money candidates have accepted from third parties for their campaigns.			
MOTION: Greg SECOND: Marc		Doug		
		Greg	X	
		Iris	X	
		Jim	X	
		Marc	X	
		Rhona	X	
		Bill	X	
9	There should be disclosure requirements related to campaign activity by third parties (monetary or in-kind) where the sponsor of the activity is not disclosed and whether beneficiaries of such activity should be required to make a good faith effort to discover and disclose the source of such assistance and be recused from matters involving such donors.			
MOTION: Marc SECOND: Greg		Doug		
		Greg	X	
		Iris		X
		Jim		X
		Marc	X	
		Rhona	X	
		Bill	X	
10	Contributions from third parties should result in consideration of recusal of the recipient from participation in matters involving such donor before the Village Board if elected.			
MOTION: Greg SECOND: Bill		Doug		
		Greg	X	
		Iris	X	
		Jim	X	
		Marc	X	
		Rhona	X	
		Bill	X	

		VOTE			
		For	Against	Abstain	
11	Specific criteria and/or rubrics should be established for appointment of Village Board members or CA Rep from pool of multiple applicants if an election is not necessary or if there is a later vacancy.				
MOTION: Bill					
SECOND: Marc		Doug			
		Greg	X		
If there is a vacancy, the highest vote getting in the previous election will be offered the position first. In the absence of a candidate, there should be a vote of the Village Board. In the absence of		Iris		X	
		Jim	X		
a deciding vote by the Village Board, appointment should be made by the Board Chair.		Marc	X		
		Rhona	X		
		Bill	X		
12	Specific election rules and procedures, including, but not limited to clear instructions to candidates regarding placement of signs at the polling location, requirement of renter-candidates supplying a copy of their rental agreement, and other election-related requirements should be memorialized and advertised as part of the election process.		For	Against	Abstain
MOTION: Jim					
SECOND: Greg		Doug			
		Greg	X		
		Iris	X		
		Jim	X		
		Marc	X		
		Rhona	X		
		Bill	X		
13	The Election Committee should be required to report to the Village Board each year within a specific time period, whether there was an election or not.		For	Against	Abstain
MOTION: Jim					
SECOND: Bill		Doug			
		Greg	X		
		Iris	X		
		Jim	X		
		Marc	X		
		Rhona	X		
		Bill	X		

		VOTE		
		For	Against	Abstain
14	Notice of second meeting for quorum purposes should continue to be automatically published with first notice of election.			
MOTION: Jim SECOND: Bill		Doug		
		Greg	X	
		Iris	X	
		Jim	X	
		Marc	X	
		Rhona	X	
		Bill	X	
15	Specific protocols should be established for the announcement and advertising of election results.			
MOTION: Jim SECOND: Marc		Doug		
		Greg	X	
		Iris	X	
		Jim	X	
		Marc	X	
		Rhona	X	
		Bill	X	
16	A comprehensive Election Handbook addressing all election policies, procedures, rules, guidelines, forms, timelines, maps, etc. should be produced and updated annually. The Handbook should be reviewed by the Village Board each year before the announcement of the election.			
MOTION: Jim SECOND: Marc		Doug		
		Greg	X	
		Iris	X	
		Jim	X	
		Marc	X	
		Rhona	X	
		Bill	X	
		VOTE		

17	The Conflict and Ethics Policy should be revised to include disclosure of campaign expenditures; disclosure of campaign donors (monetary and/or in-kind) and amounts; certification of good faith attempt to identify sources and amounts of any third-party contributions (monetary and/or in-kind) from unknown sources; pledge of recusal from matters before the Village Board involving any corporate or substantial donor, and any other matters pertaining to campaign finance; and establish enforcement mechanisms of removal of office under Conflict and Ethic Policy for failure to comply with expenditure/disclosure/certification/recusal provisions of Conflict and Ethics Policy.		For	Against	Abstain
MOTION: Greg		SECOND: Marc		Doug	
		Greg	X		
		Iris			X
		Jim			X
		Marc	X		
		Rhona	X		
		Bill	X		
18	A timeline for proposed candidates to prove their eligibility for candidacy should be established. (Deadline established by Columbia Flier publication deadline for candidate statements.)		For	Against	Abstain
MOTION: Jim		SECOND: Marc		Doug	X
		Greg	X		
Laura notes from Section 2.03 of the Bylaws: <i>In order to qualify as a candidate for the Board of Directors (or the Representative to the Columbia Council) a candidate must be a member of the association and submit a candidate's statement to the Village Manager by a deadline determined by the Board of Directors. That deadline date must be publicly announced at least six weeks prior to the annual meeting.</i>		Iris	X		
		Jim	X		
		Marc	X		
		Rhona	X		
		Bill	X		
19	The committee should recommend to the Village Board how the word "recusal" will be defined as part of their recommendations, consistent with the Conflicts of Interest policy.		For	Against	Abstain
MOTION: Marc		SECOND: Bill		Doug	
		Greg	X		
Definition: Disqualification or withdrawal (of oneself or someone else) from any position of judging or decision making to avoid a semblance of personal interest or bias.		Iris	X		
		Jim			X
		Marc	X		
		Rhona	X		
		Bill	X		

All six documents proposed by the subcommittee regarding conflict of interest and campaign finance are recommended by the committee.		For	Against	Abstain
MOTION: Rhona SECOND: Marc	Doug			
	Greg	X		
	Iris		X	
	Jim			X
	Marc	X		
	Rhona	X		
	Bill	X		

DOCUMENT #1
HICKORY RIDGE COMMUNITY ASSOCIATION, INC.
BOARD OF DIRECTORS
ACKNOWLEDGEMENT OF CANDIDACY DOCUMENTS

I have received the following documents for candidacy to the Hickory Ridge Community Association's Board of Directors:

1. Conflict of Interest Policy
2. Candidate Financial Disclosure Statement
3. Campaign Money Pledge for Candidates
4. In-Kind Contribution Instructions
5. In-Kind Donor Data Contribution Form
6. In-Kind Volunteer Data Contribution Form

Signature: _____

Date: _____

Candidacy Position: _____

FOR USE BY VILLAGE OFFICE ONLY:

Received Date _____

Village Manager _____

DOCUMENT #2(a)
HICKORY RIDGE COMMUNITY ASSOCIATION, INC.

IN-KIND CONTRIBUTION INSTRUCTIONS

In-kind contributions are third-party donations of goods, facilities, or services used. Do not include property, facilities, or services contributed by you.

Contribution in-kind means the fair market value of a gift or loan of any item of real or personal property, other than United States currency, made to or for any candidate or committee for the purpose of influencing the passage or defeat of any issue or the election or defeat of any candidate.

Contribution in-kind does not include an endorsement of a candidate or a ballot measure by any person, nor does it include the payment of compensation for legal or accounting services rendered to a candidate if the person paying for the services is the regular employer of the individual rendering the services and the services are solely for the purpose of ensuring compliance with the provisions of this title.

On the form, show how the value of each contribution was determined by filling in the appropriate boxes. The total expenditures including In-Kind contributions shall not exceed \$500.

For Donated Services: Provide a description and number of items, date provided, and the total fair market value of the items;

For facilities: The published rental rate and hours or dates the facility was used.

For Volunteer Services: List the number of hours worked, Date(s) of service, Type of service, and Rate of pay. Volunteer canvassing is not an In-Kind contribution.

DOCUMENT #2(b)
HICKORY RIDGE COMMUNITY ASSOCIATION, INC.

IN-KIND CONTRIBUTION - DONOR DATA - CANDIDATE NAME: _____

*To the best of my knowledge the below goods and/or services were donated to my candidacy
for the Hickory Ridge Community Association Village Board or Columbia Association
Representative to the Village Board.*

Donor's Name (Print): _____ Date Provided or Used: _____

Email: _____ Telephone: _____

Description of Donated Goods or
Services: _____

Fair Market Value Total: _____

Donor's Name (Print): _____ Date Provided or Used: _____

Email: _____ Telephone: _____

Description of Donated Goods or
Services: _____

Fair Market Value Total: _____

Donor's Name (Print): _____ Date Provided or Used: _____

Email: _____ Telephone: _____

Description of Donated Goods or
Services: _____

Fair Market Value Total: _____

DOCUMENT #2(c)
HICKORY RIDGE COMMUNITY ASSOCIATION, INC.

IN-KIND CONTRIBUTION - VOLUNTEER DATA - CANDIDATE NAME: _____

Volunteer's Name (Print): _____

Email: _____ Telephone: _____

Date of Service: _____ Total Hours Worked: _____

Location(s) of Service: _____

Service Performed: _____

Fair Market Value of Service: _____

Volunteer's Name (Print): _____

Email: _____ Telephone: _____

Date of Service: _____ Total Hours Worked: _____

Location(s) of Service: _____

Service Performed: _____

Fair Market Value of Service: _____

Volunteer's Name (Print): _____

Email: _____ Telephone: _____

Date of Service: _____ Total Hours Worked: _____

Location(s) of Service: _____

Service Performed: _____

Fair Market Value of Service: _____

DOCUMENT #3

HICKORY RIDGE COMMUNITY ASSOCIATION, INC.

CANDIDATE FINANCIAL DISCLOSURE STATEMENT

This form must be filed by all persons who wish to qualify as candidates for the Hickory Ridge Community Association, Inc. Board of Directors. The completed form along with a completed Certificate of Candidacy must be filed with the Village Manager by _____.

I Would Like To Be Notified If Someone Looks at or Copies My Form (YES ___ NO ___)

Instructions:

1. Fill in the preliminary information requested in the box below. Be sure to correctly identify the reporting period.
2. Upon completion of your financial disclosure statement, sign and date the lower portion of the page and make the required oath or affirmation.

Please Print or Type

FIRST NAME

INITIAL

LAST NAME

CURRENT ADDRESS (WHERE YOU CAN BE SENT CORRESPONDENCE)

OFFICE FOR CANDIDACY_____

EMAIL ADDRESS_____

REPORTING PERIOD_____

This Financial Disclosure Statement describes all interests and related transactions and matters required to be disclosed by the Hickory Village Community Association, Inc. Articles of Incorporation and By-Laws, adopted on _____, and approved by

_____ on _____,

and the Hickory Ridge Community Association, Inc. Conflict of Interest Policy with respect to the period indicated and pertaining to the person filing the statement. The statement consists of this cover sheet, the checklist, and Schedules A through J.

I hereby make oath or affirm under penalty of perjury that the contents of this Financial Disclosure Statement are complete, true and correct to the best of my knowledge, information and belief.

Signature of Person Filing:

_____ Date: _____

FOR USE BY VILLAGE OFFICE ONLY

Received _____ (Date) By Village Manager: _____

Unless the form is signed, dated, the Village Manage will not consider the financial disclosure statement to be filed.

Checklist:

Complete by checking the "yes" or "no" box as to each statement. Do not leave any statement unanswered. Note that each statement corresponds to a Schedule. If you have questions as to the meaning of a statement, review the corresponding Schedule and instructions for a more detailed description of the interests involved.

Caution: Please read all instructions on accompanying instruction sheet including all definitions contained therein, before completing this form.

YES

NO

A. At the time of this Declaration, I am a member of the Association as defined in the By-Laws. _____

(If your answer to the following questions is “Yes”, please explain in the comment section below)

B. I held interests during the reporting period in corporations, partnerships and similar entities as defined in the Association’s Conflict of Interest Policy. _____

C. I held interests in a business entity (including partnerships and non-corporate entities) which did business with the Association during the reporting period. _____

D. I received gifts during the reporting period from persons doing business with the Association, regulated by the Association, or registered or required to register by the Association. _____

E. I or a member of my immediate family was a partner or held an office, directorship, or salaried employment during the reporting period in or with a business entity doing business with the Association. _____

F. I or a member of my immediate family owed debts (excluding retail credit accounts) during the reporting period to persons doing business with the Association. _____

G. A member of my immediate family was employed by the Association during the reporting period. _____

H. I, or my spouse, received a salary or other earned income from a source other than the Association, or my dependent child received earned income from an entity doing business with the Association. _____

I. I was an owner, shareholder, partner, employee, officer, director, or contractor with a business entity involved in a dispute with the Association, or involved in any matter in which the Association is or might be an adverse party. _____

J. I have additional interest or information I would like to report. (Disclose Below). _____

FINANCIAL DISCLOSURE STATEMENT INSTRUCTIONS AND DEFINITIONS

A MESSAGE TO CANDIDATES FOR THE VILLAGE BOARD OR COLUMBIA ASSOCIATION REPRESENTATIVE (“CA” REP) REQUIRED TO FILE DISCLOSURE STATEMENTS

Please read the instructions carefully and be sure to provide all information requested for each interest you disclose on your statement.

Financial disclosure statements are public records that may be examined or copied by the public. At the top of the cover page, we have provided a place for you to check if you want the Hickory Ridge Community Association Village Manager to notify you of the names and addresses of any persons who have examined or copied your statement.

GENERAL INSTRUCTIONS

A. Persons Required to File

Candidates for the Village Board or CA Rep are required to file this financial disclosure statement.

B. When to File

A candidate for election to the Board, must file the statement for the previous calendar year on or before _____.

C. Where to File and Where to Get Forms

Forms are available at the Hickory Ridge Village Office and on the Village’s website at www._____. The completed form is to be filed with the Village Manager.

Signature _____

Date _____

DOCUMENT #4
HICKORY RIDGE COMMUNITY ASSOCIATION, INC.
CAMPAIGN MONEY PLEDGE FOR CANDIDATES

The Campaign Money Pledge for Candidates of Election Cycle _____(hereinafter referred to as the “Pledge”). As a candidate running for office in the Hickory Ridge Community Association, Inc., representing resident members, I pledge to not accept campaign donations from the following “Prohibited Entities”:

- 1 Real estate development companies, partnerships, corporations, LLC. proprietors (or their entities) with projects in, or have had previous projects in, or have pending applications or currently planned future projects in, Howard County, Maryland (individually or collectively “Prohibited Entities”). Planned future projects may be defined as any correspondence between two persons, either written or verbal, of a specific project to be built within Howard County at any future time.
- 2 Principals, shareholders, officers, partners, directors of the aforementioned Prohibited Entities.
- 3 Law firms for the aforementioned Prohibited Entities, including employees, partnerships, proprietorships or the principals of these law firms.
- 4 Public Relations or marketing companies with clients falling into the aforementioned Prohibited Entities category or their principals.
- 5 Any contributions from any group or organization, including a PAC, that accepts direct or indirect funding (including but not limited to intermediary or “pass through” organizations or entities) from the Prohibited Entities lobby and their affiliates as listed herein, or does not disclose its source of funding.
- 6 Donations or transfer amounts greater than \$50 in a single year election cycle from any other individual or group.
- 7 State or local Central Committees, insofar as they serve as conduits for Prohibited Entities funds.
- 8 Contributions from sole proprietors, LLCs or LLPs or similar entities that are or represent the Prohibited Entities lobby.
- 9 Anonymous contributions.
- 10 In-kind donations from entities described in Items 1 through 4 above. Examples include but are not limited to hosting fundraisers for candidates or covering the cost of food, supplies, etc. for candidate events, purchasing mailers or ads, or paying for office space.

By signing on to this Pledge I understand that the contributions to my campaign cannot include contributions from the aforementioned Prohibited Entities for the current election cycle, which began_____. I further pledge that my total receipts and total

expenditures including In-Kind contributions shall not exceed \$500. Therefore, if I have received money during the current election cycle from these Prohibited Entities, I understand that I must return these funds to the contributor. Furthermore, I fully understand that violation of this Pledge shall constitute grounds for disqualification and/or removal from office.

Please review the Pledge before submitting

Name

(Print)

First

Last

Date

Email

Contact Number

Candidate for

DOCUMENT #5
HICKORY RIDGE COMMUNITY ASSOCIATION, INC.
Conflict of Interest Policy

This Conflict of Interest Policy was adopted by the Board of Directors of the Hickory Ridge Community Association, Inc. (hereinafter referred to as "Association"), a Maryland non-stock corporation exempt from income taxation under Section 501(c)(4) of the Internal Revenue Code at a duly called meeting held _____.

Article I Purpose

The purpose of this Conflict of Interest policy is to protect the interests of the Association as a tax exempt entity when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II Policy

It is the policy of the Hickory Ridge Community Association, Inc. (Association) to prohibit members of the Village Board, Resident Architectural Committee (RAC), Architectural Committee (AC) and members of any other Board-sanctioned Committee from voting on or participating in any matter which would create a conflict of interest or give the appearance of a conflict of interest, except when such vote or participation is in the exercise of an administrative duty which does not affect the disposition or decision with respect to that matter.

The purpose of the policy is to guard against improper influence and to set minimum standards for the ethical conduct of the Association's business.

Since it is impossible to describe all of the situations which may constitute or give the appearance of a conflict of interest, the prohibitions included in this policy are not intended to be exhaustive or inclusive.

Article III Definitions

"Board Committee" means any committee with decision making powers delegated by the Board of Directors.

"Board of Directors" means the Board of Directors of the Hickory Ridge Community Association.

"Compensation" includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. Insubstantial is defined as \$50 or less.

"Conflict of Interest" means consideration of or entering into a transaction, contract, or arrangement between the Association and a person having a Financial Interest.

"Family" of an individual means his spouse, his brothers and sisters (whether by the whole or half blood), parents and their spouses, children, and the spouses of children.

"Financial Interest" means an interest held by a person who, directly or indirectly, through business, investment, or family relationship has.

- a. An ownership or investment interest in any person or entity with which the Association has a transaction, contract, or arrangement,
- b. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction, contract, or arrangement, or
- c. A potential ownership or investment interest in or compensation arrangement with any entity or individual with which the Association is negotiating a transaction, contract or arrangement.
- d. A Financial Interest is not necessarily a Conflict of Interest. Under Section 4.2, below, a person who has a Financial Interest does not have a Conflict of Interest if the Board of Directors decides that a Conflict of Interest does not exist.

"Interested Person" means any (i) member of the Board of Directors, (ii) principal officer, or (iii) member of a Board Committee with decision making powers delegated by the Board of Directors, who has a direct or indirect Financial Interest.

Article IV Procedures

a. **Duty to Disclose.** In connection with any actual or possible Conflict of Interest, an Interested Person must disclose the existence of a Financial Interest and be given the opportunity to disclose all material facts to the directors and members of Board Committees considering the proposed transaction or arrangement. The full Board of Directors shall determine if a Conflict of Interest exists and if so whether, none the less, the proposed transaction, contract, or arrangement is otherwise fair to the Association.

b. **Determining whether a Conflict of Interest Exists.** After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the meeting of the Board of Directors while the determination of a Conflict of Interest is discussed and voted upon. The remaining members of the Board of Directors shall decide if a Conflict of Interest exists.

4.1. Procedures for Addressing a Conflict of Interest.

a. An Interested Person may make a presentation at the Board of Directors meeting, but after the presentation the Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible Conflict of Interest.

b. The Chairperson of the Board of Directors (or if the Chairperson is the person at issue, one of the Board Members) shall, if appropriate, appoint a disinterested person or committee of disinterested persons to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, including, but not limited to obtaining appropriate data as to comparability or value of the proposed transaction, contract or arrangement, the Board of Directors shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction, contract, or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board of Directors shall make its decision as to whether to enter into the transaction, contract, or arrangement.

4.2. Violations of the Conflict of Interest Policy.

a. If any member of the Board of Directors or any Board Committee, or a principal officer of the Association, has reasonable cause to believe a member of the Board of Directors or a member of a Board Committee with decision making powers delegated by the Board of Directors, or any principal officer has failed to disclose actual or possible conflicts of interest, he or she shall inform the Board of Directors of the basis for such belief. The Board of Directors or Board Committee shall inform the person with the possible Conflict of Interest of the basis for such belief which has been communicated to it and shall afford such person an opportunity to explain the alleged failure to disclose.

b. If, after hearing such person's response and after making further investigation as warranted by the circumstances, the Board of Directors determines that such person has failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.

c. Violation of this policy by any Village Board or Committee member may constitute grounds for removal from office, consistent with the Charter and By-laws of the Association.

Article V Prohibited Activities

Except in the exercise of an administrative duty which does not affect the disposition or decision on a matter, members of the Village Board or its Committees shall not participate in or vote on any matter on behalf of the Association.

a. In which the Board or Committee member has a personal interest tending to impair the member's independence of judgment.

b. In which a Board or Committee member, his/her spouse, parent, minor child, brother or sister has a personal or business interest.

5.1. Members of the Village Board or its Committees may not

- a. Within one year following termination of their term, assist or represent another party for Compensation in a case contract or other specific matter involving the Association if that matter is one in which the member significantly participated while affiliated with the Association.
- b. Solicit or accept any gift for personal benefit from any person who would be affected by the member's vote on a proposed matter or that has or is negotiating a contract with the Association.
- c. Solicit business from any person who would be affected by the member's vote on a proposed matter or who has or is negotiating a contract with the Association.
- d. Disclose or use confidential information acquired by reason of their position as a Village Board or Committee member for their own gain or that of another.

5.2. Waiver of Prohibition

The provision of Article V may be waived upon a resolution of the Village Board passed by a majority vote upon a finding of extraordinary circumstances.

The Village Board upon a resolution passed by a majority vote may authorize any otherwise prohibited participation and voting on a matter before its body if:

- a. Participation prohibitions leaves the Village Board, RAC or AC with less than a quorum capable of acting; or
- b. If the Village Board, RAC or AC is required by law to act or the Village Board, RAC or AC member is the only one authorized to act.

Article VI Records of Proceedings

The minutes of the Board of Directors shall contain:

- a. The names of persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible Conflict of Interest, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest was present and the Board of Director's decision as to whether a Conflict of Interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction, contract, or arrangement, the content of the discussion, including any alternatives to the proposed transaction, contract, or arrangement, and a record of any votes taken in connection with the proceedings.

Article VII Compensation

- a. A voting member of the Board of Directors who receives Compensation, directly or indirectly from the Association for services is precluded from voting on any matters pertaining to that member's Compensation.
- b. A voting member of any Board Committee whose jurisdiction includes Compensation matters and who receives Compensation, directly or indirectly from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- c. Any voting member of the Board of Directors or any Board Committee whose jurisdiction includes Compensation matters and who receives Compensation, directly or indirectly from the Association, either individually or collectively, may make a presentation to the Board of Directors or such Board Committee regarding job requirements and performance as it relates to his or her Compensation but shall be prohibited from providing comparative information to any the Board of Directors or any Board Committee regarding the appropriateness of such Compensation and shall not participate in a discussion pertaining to nor vote on such Compensation.

Article VIII Annual Statements

Each member of the Board of Directors, principal officer, and member of a Board Committee with decision making powers delegated by the Board of Directors shall annually sign the statement in Appendix A which affirms that such person:

- a. Has received a copy of this Conflicts of Interest Policy,
- b. Has read and understands the Conflicts of Interest Policy,
- c. Has agreed to comply with the Conflicts of Interest Policy, and
- d. Understands that the Association is a social welfare organization and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article IX Periodic Reviews

To ensure the Association operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board of Directors shall conduct periodic reviews. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arms length bargaining.

b. Whether partnerships, joint ventures and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Article X

Use of Outside Experts

In fulfillment of its responsibility with respect to periodic reviews, the Board may, if necessary, engage the services of outside experts.

By signing below, I affirm that:

1. I have received and read a copy of the Conflict of Interest & Ethics Policy
2. I agree to comply with the policy
3. I have no actual or potential conflicts as defined by the policy or if I have, I have previously disclosed them as required by the policy or am disclosing them below.
4. I understand the Association is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Disclose here, to the best of your knowledge:

1. Any entity in which you participate (as a director, officer, employee, owner, or member) with which the Association has a relationship;
2. Any transaction in which the Association is a participant as to which you might have a conflicting interest, and
3. Any other situation which may pose a conflict of interest

I, _____, a duly elected/appointed member of the Board of Directors of the Hickory Ridge Community Association, do hereby affirm, understand, and agree to comply with the above statement of policy.

Name: _____

Position: _____

Signature: _____ Date _____

DOCUMENT #6
HICKORY RIDGE COMMUNITY ASSOCIATION, INC.
BOARD OF DIRECTOR'S CONFLICT OF INTEREST PLEDGE

I, (Print Name)_____

(Address)_____

(Neighborhood)_____

(Email)_____

(Telephone)_____

(1) I DO NOT have any relationships, Conflicts of Interest, or potential Conflicts of Interest to disclose.

(2) I HAVE a relationship as defined in the Hickory Ridge Community Association, Inc.'s Conflict of Interest Policy which I signed and is filed in the Village Office. My Conflict with matters before the Association could represent or be perceived to represent a conflict or duality of interest and are disclosed on the attached page.

It is my understanding that this information will be retained in the files of the Association and will be available for review by members, perspective members, and others who inquire. I further understand that this information may be shared with the Association's legal counsel.

I acknowledge that it is my responsibility to ensure that my disclosure information is current and complete and to update my disclosure records throughout the year of my relationship changes.

Date_____

Signature_____

Title_____