

RESOLUTION OF
THE BAL HARBOUR ASSOCIATION, INC.
REGARDING CODE OF CONDUCT OF THE BOARD OF DIRECTORS
AND
POLICY ON CONFLICTS OF INTEREST, CONFIDENTIALITY AND ETHICS

WHEREAS, the Board of Directors (the "Board Members"), of The Bal Harbour Association, Inc. (hereinafter "the Association") deems it advisable and in the best interests of the Association to adopt formal Policies governing the administration of the Association, to prevent potential conflicts of interest and to promote confidentiality and ethical conduct amongst members of the Association's Board Members and Committee Members.

WHEREAS, the Board of Directors have considered and discussed a Code of Conduct and Policy on Conflicts of Interest, Confidentiality and Ethics, as same relates to the administration of the Association, and the properties governed thereby; and

WHEREAS, the Board of Directors have determined that the adoption of the Code of Conduct and Policy on Conflicts of Interest, Confidentiality and Ethics, attached hereto as "Exhibit A", would be in the best interest of all persons residing within the Bal Harbour community, as well as all persons elected or appointed to serve as a Director on the Association's Board of Directors, and Committees serving the Association.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Code of Conduct and Policy on Conflicts of Interest, Confidentiality and Ethics, for The Bal Harbour Association, Inc., attached hereto as "Exhibit A", is hereby adopted by the Board of Directors of The Bal Harbour Association, Inc., on the date indicated hereon, to become effective on the date so adopted.

Adopted on this 1st day of April, 2024.

THE BAL HARBOUR ASSOCIATION, INC.

CERTIFICATION

"The undersigned, being a Director of The Bal Harbour Association, Inc., hereby certify that the foregoing Resolution Regarding Code of Conduct and Policy on Conflicts of Interest, Confidentiality and Ethics, of the Board of Directors was adopted by the Board of Directors of The Bal Harbour Association, Inc., at a meeting of such Directors at which a quorum was present, or as otherwise authorized by law."

By: 
Director, The Bal Harbour
Association, Inc.

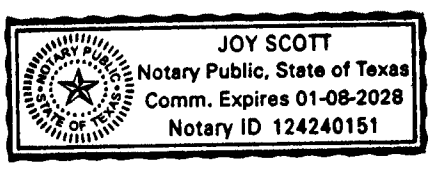
RP-2024-117185

Print Name: Harris
STATE OF TEXAS §

COUNTY OF HARRIS §

Before me, the undersigned authority, on this day personally appeared Lori Vaughn, a Director of The Bal Harbour Association, Inc., a Texas non-profit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of said entity for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 1st day of April, 2024.



[Signature]
Notary Public, State of Texas

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Exhibit “A”
Code of Conduct and
Policy on Conflicts of Interest, Confidentiality and Ethics

Article I
Purpose

The purpose of this Code of Conduct and Policy on Conflict of Interest, Confidentiality and Ethics is to protect The Bal Harbour Association, Inc.’s interest when the Board of Directors is contemplating entering into a transaction or arrangement wherein the private interest of a director or interested person of the Association might result in a financial gain or inappropriate advantage or complications during negotiations with third parties. This policy is also intended to promote and/or require civility, courtesy and respect amongst members of the Board of Directors, and amongst Committee members. This policy is intended to supplement but not replace any state and federal laws governing conflicts of interest applicable to non-profit organization.

Article II
Definitions

1. Interested Person

Any director and/or committee member with delegated or assumed powers, and/or his/her relatives, who has a direct or indirect financial interest, as defined below, is an interested person. For clarification, “relatives” shall be defined as a spouse, significant other, life partner, former-spouse, child, step child, grandchild, step grandchild, parent, step parent, aunt, uncle, sibling and/or in-laws (mother, father, sister and brother).

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or relatives:

- a. A present or potential ownership or investment interest or compensation arrangement or influence in any entity with which the Association has a former, existing or potential transaction or arrangement.
- b. Compensation includes direct and indirect remuneration, influence and/or gifts or favors that are not insubstantial.

A financial interest is a conflict of interest.

Article III
General Policies

1. Members of the Association's Board of Directors (the Board) and his/her/their relatives must be fully independent of all entities and/or institutions wherein and/or with whom the Board may decide to spend or invest the Association's funds, or place such funds on deposit. This provision shall apply to Committee members, as well.
2. Confidential Information shall not be disclosed by a Board member or Committee member to any other person nor entity, unless specifically mandated by law. "Confidential Information" means all pending decisions with third parties, data and information relating to the business and management of the Association, including but not limited to proprietary and accounting records to which access is obtained by the Board and/or any committee, including any proprietary Data, certain portions of the Association's books and records, deed restriction violation issues pertaining to individual Lots and properties, and individual / private Owners' information deemed privileged.
3. Each Board member and Committee member shall:
 - a. Act within the boundaries of their authority as defined by law and the governing documents of the Association.
 - b. Strive at all times to serve the best interests of the Association and the neighborhood as a whole, regardless of their personal interests.
 - c. Use sound business judgment when recommending how and with whom the Association's funds are to be spent, invested or placed on deposit, and make the best possible business decisions for the Association, taking into consideration all available information, circumstances and resources.
 - d. Perform their duties without bias from or against any individual or group of owners or non-owner residents.
 - e. Disclose personal or professional relationships with any company or individual who has or is seeking to have a business relationship with the Association.
 - f. Conduct open, fair and well-publicized elections, in accordance with applicable laws.
 - g. Always speak with one voice, supporting all duly-adopted Board decisions even if the Board member was in the minority regarding actions that may not have obtained unanimous consent.
 - h. Always speak and interact with other members other members of the Board and/or Committee in a civil, courteous, and unthreatening manner.
4. Board members and Committee members are expressly prohibited from certain actions. No Board / Committee member shall ever:
 - a. Reveal confidential information provided by contractors or share information with those bidding for Association contracts unless specifically authorized by the Board.
 - b. Make unauthorized indications or promises to any contractor or bidder.
 - c. Make any direct contact and/or communication with any of the Association's vendors, unless expressly authorized by the Board.

- d. Advocate or support any action or activity that violates any law or regulatory requirement.
 - e. Use their position or decision-making authority for personal gain or to seek advantage over another owner or non-owner resident.
 - f. Spend unauthorized Association funds for their own personal use or benefit.
 - g. Accept any gifts, whether directly or indirectly, from owner, residents, contractors or suppliers.
 - h. Misrepresent known facts in any issue involving Association business.
 - i. Divulge confidential or personal information about any Association owner, resident or employee that was obtained in the performance of Board or Committee duties.
 - j. Make personal attacks and/or disparaging statements on or against colleagues, staff or residents.
 - k. Harass, threaten or attempt through any means which might be interpreted as intent to control or instill fear in any Board member, or committee member, owner, resident, employee or contractor.
 - l. Reveal to any owner, resident or other third party or publication the discussions, decisions and/or comments made at any meeting of the Board, or any committee which may be an input to decision making or which were intended to remain private or confidential and/or which were held in executive session.
5. No member of the Board and/or any Committee member, and/or his/her relatives may own, be employed by, receive commissions or any other form of compensation from, or be directly or indirectly affiliated with any entity and/or institution with which the Board may decide to spend or invest the Association's funds.
 6. No member of the Board nor any Committee shall have a conflict of interest or personal reason which might be a consideration and/or factor in any decision pertaining to where or with whom the Board may spend, invest or deposit the Association's funds.
 7. In the event of any potential conflict of interest, such Board and/or Committee member shall fully abstain from all discussions and/or voting with regard to the matter(s) presented and/or considered by the Board.
 8. When considering spending, investment and/or placement of Association funds with a financial institution, the Board shall make reasonable efforts to choose businesses, contractors and financial institutions which have no relationship to any Board member and/or any member of the Association, which relationship would result in any employment, benefit, wage, commission and/or compensation to such member.

Article IV **Procedures**

1. Duty to Disclose

In connection with any actual or possible conflict of interest, or sharing of confidential information, the Interested Person must disclose the circumstance and be given the opportunity to disclose all material facts to the Board.

2. Determining Whether a Policy Violation Exists

After disclosure of the circumstance of financial interest or sharing of confidential information, and all material facts, and after any discussion with the interested person, he/she shall not be present while the determination of conflict of interest or sharing of confidential information is discussed and voted upon by the Board. The remaining Board shall decide if a policy violation exists.

3. Procedures for Addressing the Policy Violation

An interested person may make a presentation to the Board, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the circumstance involving the possible policy violation.

4. Remedies

If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest or has improperly shared confidential information, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose and correct the policy violation, it shall take appropriate disciplinary and/or corrective action. **Board members agree that a violation of this Policy shall be grounds for removal from the Board and any Committees.** Any person found by Board vote to have violated these provisions shall immediately resign his/her position on the Association's Board, and shall also resign from all Committees, and at such time return all paper records and delete all electronic records, documents and other property of the Association to the Association and/or its managing agent, without the necessity of any notification or request to do so.

Article V
Records of Proceedings

The minutes of the Board shall contain:

1. The names of the persons who disclosed confidential information 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's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of all votes taken in connection with the proceedings.

Article VI
Annual Statements

Each Board member shall sign a statement following the Annual Meeting which affirms such person:

1. Has received a copy of the conflict of interest and confidentiality policy;
2. Has read and understands the policy; and,
3. Has agreed to comply with the policy.

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Pages 8
04/03/2024 09:30 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
TENESHIA HUDSPETH
COUNTY CLERK
Fees \$49.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.




COUNTY CLERK
HARRIS COUNTY, TEXAS

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