

Lake Hamilton Fire Protective Associations

Board of Directors'

Code of Ethics and Business Conduct

The Board of Directors (the "Board") of the Lake Hamilton Fire Protective Association (LHFPA) aka Lake Hamilton Fire and Resque Department and the Lake Hamilton Fire Department, has adopted the following Code Conduct and Ethics (the "Code ") for members of the board of directors of the LHFPA. This Code is intended to provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report possible unethical conduct, and foster a culture of honesty and accountability. Each director must comply not only with the terms, but also the intent, of this Code.

No code or policy can anticipate every situation that may arise. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the President of the Board of Directors, who may consult with the Attorney for Garland County or outside legal counsel as appropriate.

Directors who serve as volunteer firefighters or officers of the LHFPA must also comply with the Board of Director's Code of Ethics and Business Conduct.

Conflict of Interest

Each director must avoid any conflicts of interest between the director and the LHFPA. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the LHFPA, should be disclosed promptly to the President of the Board of Directors with a followup to the Board at the next monthly meeting.

A "conflict of interest" can occur when a director's personal interest interferes in any way—or even appears to interfere with—the interests of the LHFPA as a whole. A conflict situation can arise when a director takes actions or has interests that may make it difficult to perform his/hers Director's duties or work objectively and effectively.

Conflicts of interest also arise when a director, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position as a director of the LHFPA. "Immediate family" includes a person's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than employees) who shares such person's home.

This Code does not attempt to describe all possible conflicts of interest that could develop. Some of the more common conflicts from which directors must refrain, however, are set out below.

- Relationship of LHFPA with third parties - Directors may not engage in any conduct or activities that are inconsistent with the LHFPA's best interests or that disrupt or impair the LHFPA's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.
- Compensation from non-LHFPA sources - Directors may not accept compensation (in any form) for services performed for the LHFPA from any source other than the LHFPA's Christmas dinner.
- Gifts - Directors and members of their families may not accept a gift from persons or entities who deal with the LHFPA in those cases where the gift:
 - Would be illegal or result in a violation of law.
 - Is part of an agreement to do anything in return for the gift.
 - Has a value beyond what is normal and customary courtesy in the LHFPA's business.
 - Is being made to influence the director's actions as a member of the Board.
 - Could create the appearance of a conflict of interest.
- LHFPA assets - Directors should oversee the protection of LHFPA assets and their efficient use. LHFPA assets should be used only for LHFPA's business purposes, and other incidental personal benefits provided to all directors.

Corporate Opportunities

Directors are prohibited from: (a) taking for themselves personally opportunities related to the LHFPA's mission or operation; (b) using the LHFPA's property, information, or position for personal gain; or (c) competing with the LHFPA for business opportunities,

provided, however, if the LHFPA is disinterested directors determine that the LHFPA will not pursue an opportunity that relates to the Company's business, a director may do so.

Confidentiality

Directors should maintain the confidentiality of information entrusted to them by the LHFPA and any other confidential information about the LHFPA that comes to them, except when disclosure is authorized by the President of the Board or Presiding Officer, the Chief of the firefighters or legally mandated. For purposes of this Code, "confidential information" includes all nonpublic or proprietary information relating to the Company.

Fair Dealing

Directors shall oversee fair dealing by employees, officers and directors with the LHFPA's membership, customers, suppliers, competitors, volunteer firefighters, and employees. "Fair dealing" means the avoidance of unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. This Code provision will have no effect on existing legal rights and obligations of the LHFPA and its Board of Directors, Fire Chief, employees, including "at will" employment arrangements.

Compliance with Laws, Rules and Regulations

Directors shall comply, and oversee compliance by employees, officers and other directors, with laws, rules, regulations, and the By-Laws applicable to the LHFPA Membership in whole.

Encouraging the Reporting of Any Possible Illegal or Unethical Behavior

Directors should take steps to ensure that (a) LHFPA promotes ethical behavior; (b) encourages employees and volunteer firefighters to talk to supervisors, Station Officers, Fire Chief and other appropriate personnel when in doubt about the best course of action in a particular situation; (c) encourages employees and volunteer firefighters to report violations of laws, rules, regulations, By-Laws or the LHFPA's Code of Ethics and

Business Conduct to appropriate personnel; and (d) informs employees and volunteer firefighters that the LHFPA will not allow retaliation for reports made in good faith.

Compliance Procedures

Directors should communicate any suspected violations of this Code promptly to the President of the Board of Directors with a follow up at the next monthly board meeting. Violations will be investigated by the Board or by a person or persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

Certification

We certify that the foregoing Directors' Code of Ethics and Business Conduct were duly adopted by the members of the LHFPA on this 1st day of April, 2012. The Same are in full force and effect.

GIVEN UNDER OUR HANDS AND THE SEAL OF THE CORPORATION THIS 1st day of April, 2012.

SECRETARY / TREASURER

PRESIDENT