

BOARD RESOLUTION OF
LAKES OF PINE FOREST HOMEOWNERS ASSOCIATION, INC.

Regarding Ratification of
Code of Conduct for Directors
for the Purpose of Filing
in the County Real Property Records

DATED:, 16th, February, 2023.

STATE OF TEXAS

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COUNTY OF HARRIS

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I, Valery Krupin, Secretary of Lakes of Pine Forest Homeowners Association, Inc. (the "Association"), do hereby certify that at a meeting of the Board of Directors of the Association, which was held on the 16 day of February, 2023, with a quorum present and remaining throughout, and being duly authorized to transact business, the following resolution for the ratification of the Code of Conduct for Directors, for the purposes of filing in this County's Real Property Records, was duly made and approved.

WHEREAS, the Association is a Texas non-profit corporation governed by the Texas Property Code;

WHEREAS, the Code of Conduct for Directors, attached hereto as Exhibit "A", is hereby ratified for the purpose of filing in this County's Real Property Records;

IT IS, HEREBY, RESOLVED that the Board of Directors of the Association adopts this formal resolution for the purpose of filing the aforementioned documents in this County's Real Property Records.

Dated: 2-16-2023

[Signature]
Secretary

STATE OF TEXAS

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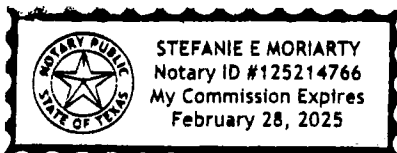
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COUNTY OF HARRIS

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ACKNOWLEDGMENT

This instrument was acknowledged before me on the 16th day of February, 2023, by Valery Krupin, as Board Member of Lakes of Pine Forest Homeowners Association, Inc., on behalf of said corporation.



[Signature]
Notary Public in and for the State of Texas

CODE OF CONDUCT
FOR DIRECTORS OF
LAKES OF PINE FOREST HOMEOWNERS ASSOCIATION, INC.

Adopted: 3-16, 2023

The Board of Directors of Lakes of Pine Forest Homeowners Association, Inc. has adopted the following mandatory policy for its Board Members to provide guidance for ethical issues and to create a mechanism for addressing unethical conduct.

A. BOARD RESPONSIBILITIES

The general duties for Directors are to enforce the Association's governing documents, collect and preserve the Association's financial resources, insure the Association's assets against loss, and keep the common areas in a state of good repair. To fulfill that responsibility, Directors must:

- Regularly attend Board meetings;
- Review material provided in preparation for Board meetings;
- Review the Association's financial reports; and
- Make reasonable inquiry before making decisions.

Regular Meetings

1. Pursuant to Article IV, Section 4.6 of the Bylaws of the Association, regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors.
2. Regular meetings shall be held at least bi-monthly on a standing meeting date, for a total of at least six (6) Regular meetings held during each calendar year. If a need arises for an additional meeting to decide extraordinary or time-sensitive matters, the Board of Directors may call a Special meeting or an Emergency meeting as provided for herein below.
3. To the extent that any item of business initiated and addressed at a Regular meeting requires additional information prior to final decision or vote by the Board, the Board may finalize its decision or vote via telephonic or electronic means (e.g. telephone, e-mail, video conference, text message) prior to the next Regular meeting. Any such decisions shall be summarized and included in the minutes of the next open Board meeting.

Special Meetings

4. Pursuant to Article IV, Section 4.7 of the Bylaws of the Association, Special meetings of the Directors may be called by the President or by any two (2) Directors, with proper notice to all Directors. No more than one (1) Special meeting may be held during any sixty (60) day period,

except upon unanimous approval of the Directors, or in the event that a Regular meeting was not able to be held as normally scheduled.

5. A Special meeting may not be called to decide ordinary or customary matters or business which would typically be determined by vote of the Directors at a Regular meeting of the Directors, unless the Regular meeting did not occur, or the matter is time-sensitive.
6. To the extent any item of business initiated and addressed at a Special meeting requires additional information prior to final decision or vote by the Board, the Board may finalize its decision or vote via telephonic or electronic means (e.g. telephone, e-mail, video conference, text message) prior to the next Regular meeting. Any such decisions shall be summarized and included in the minutes of the next open Board meeting.

Notice of Meetings

7. Pursuant to Tex. Prop. Code § 209.0051, meetings of the Board of Directors must be open to Owners, subject to the right of the Board to adjourn a meeting of the Board and reconvene in closed executive session to consider actions involving personnel, pending or anticipated litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. The general nature of any business to be considered in executive session must first be announced at the open meeting. Any decisions made in executive session must be generally summarized at the next Board meeting and read into the minutes.
8. Notice of Regular or Special meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or e-mail, at least three (3) days prior to the day named for such meeting. In the event of emergency, reasonable notice must be provided, given the circumstances involved. For Special or Emergency Meetings, it shall be the duty of the President or Secretary to provide such notice, compliance with which may be delegated to professional Association management providers. All meeting notices shall state the time, place and purpose of the meeting, and the identity of the person or persons who have requested the meeting.
9. Any Director may waive notice of a meeting before or after the meeting, and such waiver, if in writing and signed by such Director, shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice as to that Director of the time and place thereof.
10. The Association, on the written request of an Owner, shall inform the Owner of the time and place of the next Regular or Special meeting of the Board. If the Association representative to whom the request is made does not know the time and place of the meeting, the Association promptly shall obtain the information and disclose it to the Owner or inform the Owner where the information may be obtained. Any two of the following methods shall be deemed to provide

sufficient notice to the Owners of the date, time and location of the next Board Meeting: (1) announcement in an open meeting; (2) posting in a conspicuous place on the common elements; and/or (3) posting on the community website.

Cancellation of Meetings

11. A Regular meeting may be cancelled (and subsequently rescheduled by the non-cancelling Directors) upon signed written request by of a majority of the Directors, which must be provided to all Directors no later than forty-eight (48) hours prior to the scheduled meeting, except in the case of unanticipated weather or emergency. No cancellation will be considered valid unless it contains at least three (3) alternative future rescheduling dates within the next fourteen (14) days on which the meeting may be rescheduled. The cancelling Director(s) shall commit to appear for the re-scheduled meeting on whichever of dates is chosen by the non-cancelling Directors. Failure by any cancelling Director to appear at such a re-scheduled meeting shall be considered an unexcused absence. In the event a Regular meeting must be re-scheduled pursuant to this paragraph, the President and the Secretary of the Board of Directors shall re-schedule such meetings at such a time as may be attended by all Directors.

Board Attendance Policy

12. All Directors shall endeavor to attend all meetings of the Board of Directors. If an Director has an irreconcilable conflict with a scheduled meeting, that Director shall provide a written request for excused absence to all Directors no less than twenty-four hours prior to the meeting. The absent Director may still appear by any audible method of communication, including telephonic or electronic means (e.g. telephone, video conference), provided the absent Director can hear and be heard by all other Directors present. Any Director who accrues three (3) unexcused absences at scheduled meetings during a calendar year is automatically removed from the Board of Directors, pursuant to Section 4.4 of the Bylaws.

Routine Matters

13. Routine day-to-day management decisions may be decided by a simple majority vote of the Board, which may occur via telephonic or electronic means (e.g. telephone, e-mail, video conference, text message). Routine day-to-day matters shall include communication with the Association's management company or Attorney, and clarification of decisions already made by the Board, but shall expressly exclude actions or decisions on new matters.

Action Taken Without a Meeting

14. Any action taken by the Board without a meeting must comply with Tex. Prop. Code § 209.0051.

Emergency Meetings

15. An Emergency meeting may be called by the President of the Association, or by any two (2) Directors other than the President, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to wait for the Regular meetings and provide notice as required by § 209.0051 of the Property Code. Pursuant to § 3.251 of the Tex. Bus. Org. Code the occurrence of a catastrophic event is an example of an Emergency. An Emergency meeting may be held via telephonic or electronic means (e.g. telephone, e-mail, video conference, text message).
16. Any action taken by the Board at an Emergency meeting shall be summarized and included in the minutes of the next open Board meeting.

B. PROFESSIONAL CONDUCT

Directors must conduct all dealings with contactors, vendors and employees with honesty and fairness, and safeguard information that belongs to the Association.

17. Self-Dealing. Self-dealing occurs when Directors make decisions that materially benefit themselves or their relatives at the expense of the Association. "Relatives" include a person's spouse, parents, siblings, children, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who shares the person's residence. Benefits include money, privileges, special benefits, gifts or other item of value. Accordingly, no Director may:
 - a. Solicit or receive any compensation from the Association for serving on the Board or any committee;
 - b. Make promises to contractors or vendors without prior approval from the Board;
 - c. Solicit or receive any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves or their relatives from a person or company who is seeking a business or financial relationship with the Association;
 - d. Seek preferential treatment for themselves or their relatives; or
 - e. Use Association property, services, equipment or business for the gain or benefit of themselves or their relatives, except as is provided for all Members of the Association.
18. Confidential Information. Directors are responsible for protecting the Association's confidential information. As such they may not use confidential information for the benefit of themselves or their relatives. Except when disclosure is duly authorized, (part of public record) or legally mandated, no Director may disclose confidential information. Confidential information includes, without limitation:

- a. Private personal information of fellow Directors, private personal information of the Association's employees, learned in any official capacity as a private Board Communication;
- b. Board Communications;
- c. Disciplinary actions against Members of the Association;
- d. Assessment collection information against Members of the Association; and
- e. Legal disputes in which the Association is or may be involved. Directors may not discuss such matters with persons not on the Board without the prior approval of the Association's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information.

19. Misrepresentation. Directors may not knowingly misrepresent facts. All Association data, records and reports must be accurate and truthful and prepared in a proper manner and made available and accessible as a required by the Tex. Prop. Code.

20. Interaction with Employees. To ensure efficient management operations, avoid conflicting instructions from the Board to management and avoid potential liability, Directors shall observe the following guidelines:

- a. The Board shall appoint a liaison between the Board and management to provide direction on day to day matters, but the Liaison has no power to usurp Board decisions or decision making authority on non day-to-day items already approved in aggregate in the Board;
- b. Except for the Liaison, Directors may not give direction to management, employees or vendors, except as a whole after duly authorized voting on the issues;
- c. Directors may not contact management after hours unless there is an emergency representing a threat of harm to persons or property;
- d. If Directors are contacted by employees with complaints, the employees shall be instructed to contact management or to address the Board as a whole;
- e. No Director may threaten or retaliate against an employee, manager, or other Board Member who brings information to the Board regarding improper actions of a Director;
- f. Directors are prohibited from harassing or threatening employees, vendors, Directors, committee members, and Owners, whether verbally, physically or otherwise, that is objectively unreasonable or in violation of any civil or criminal statutes, codes, or laws.

21. Proper Decorum. Directors are obligated to act with proper decorum. Although they may disagree with the opinions of others on the Board or committee, they must act with respect and dignity and refrain from making personal attacks or accusations. Accordingly, Directors must focus on issues, not personalities, and conduct themselves with courtesy toward each other and toward employees, managing agents, vendors and Members of the Association. Directors shall act in accordance with Board's decisions and shall not act unilaterally or contrary to the Board's decisions. This shall not be used for *de minimus* crass behavior to actively or subjectively target informal, accidental/unintentional conduct.

C. WHEN CONFLICTS OF INTEREST ARISE

Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Directors should immediately bring any such situation to the attention of management and the Board. If appropriate, the Board will seek guidance from the Association's legal counsel.

22. Disclosure & Recusal. Directors must immediately disclose the existence of any conflict of interest, whether their own or others. Directors must withdraw from participation in decisions in which they have a material interest or a conflict of interest. In this context, it is expressly considered to be a conflict of interest for a Director who is themselves delinquent in the payment of maintenance assessments to vote on any matter materially involving the finances of the Association (e.g. budget approval, changing assessment rates, capital expenditures, special assessments, collection matters, foreclosure, suspension of common area rights, etc.).
23. Violations of Policy. Directors who violate this Code of Conduct are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to immediate disciplinary action, including, but not limited to:
- a. Censure;
 - b. Removal from committees;
 - c. Removal as an officer of the Board, request for resignation from the Board, recall by the Membership;
 - d. Legal proceedings; and
 - e. In the event of repeated violations, removal from the Board.

Prior to taking any of the actions described above, the Board shall appoint an executive committee to investigate the violation. The committee shall review the evidence of violation, endeavor to meet with the Director/committee member believed to be in violation, confer with the Association's legal counsel, and present its findings and recommendations to the Board for

appropriate action. The Board shall endeavor to meet with the Director/committee member in executive session prior to imposing disciplinary action against that person. Any Director found to be in violation of this code more than once in any calendar year shall, as a condition of acceptance of their position on the Board, resign upon written request of a quorum of Directors.

Any Director required to resign pursuant to the provisions of this policy shall not seek or accept a position on the Board of Directors or any committee for a span not less than ten (10) years from the date of their resignation.

D. ASSOCIATION CONTRACTS

24. The Association may only enter into a contract with a current Association Board Member, or a person related to a current Association Board Member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, or a company in which a current Association Board Member has a financial interest, or a company in which a person related to a current Association Board Member within the third degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a financial interest only if the following conditions are satisfied:

- a. The Association Member, relative, or company bids on the proposed contract and the Association has received at least two other bids for the contract from persons not associated with the Board Member, relative, or company, if reasonably available in the community;
- b. The Board Member:
 - i. Is not given access to the other bids;
 - ii. Does not participate in any Association discussion regarding the contract; and
 - iii. Does not vote on the award of the contract;
- c. The material facts regarding the relationship or interest with respect to the proposed contract are disclosed to or known by the Association Board Member and the Board, in good faith and with ordinary care, authorizes the contract by an affirmative vote of the majority of the Board Members who do not have an interest governed by this subsection; and
- d. The Board certifies that the other requirements of this subsection have been satisfied by a resolution approved by an affirmative vote of the majority of the Board Members who do not have an interest governed by this subsection.

E. CONFIDENTIALITY

25. Without limitation, all information obtained, examined, learned or discussed by any Director concomitant with their position, or learned or discussed at an Executive Session of the Board of Directors shall be treated as privileged and confidential, and all Board Members have a duty to ensure that such matters are not publicly discussed until such information becomes part of the Association's or other public record. As a condition of acceptance of their position on the Board, any Director who knowingly and intentionally violates Board confidentiality must resign upon written request of the majority of Directors. However, prior to voting upon removal, the same procedures as to those required under Section 23 shall be invoked. The Directors further acknowledge that the defense of any possible claims or lawsuits caused by said breach may not be covered by the Association's Directors & Officers insurance, and that any Director in breach of confidentiality may not be entitled to indemnification/reimbursement by the Association for any damages incurred as a result of their actions.

F. SAVINGS CLAUSE

26. If any provision(s) of this policy shall be determined to be illegal or unenforceable by a court of competent jurisdiction, such determination shall in no manner affect the legality or enforceability of any other provision hereof, all of which shall remain in full force and effect.

RP-2023-85541
Pages 10
03/13/2023 08:38 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
TENESHIA HUDSPETH
COUNTY CLERK
Fees \$50.00

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.



Teneshia Hudspeth
COUNTY CLERK
HARRIS COUNTY, TEXAS

RP-2023-85541