

**RESOLUTION OF THE OAKMONT VILLAGE ASSOCIATION
BOARD OF DIRECTORS
RE: DIRECTORS' CODE OF CONDUCT**

WHEREAS, the Board of Directors of the Oakmont Village Association (the "Association") desires to adopt a Code of Conduct for itself and as a model for future directors,

NOW, THEREFORE, BE IT RESOLVED that as of December 21, 1999 the Directors' Code of Conduct shall be as follows:

- All directors of the Association shall act with the utmost good faith.
- All directors shall be obligated to act in a manner they believe to be in the best interests of all Members of the Association. While individual directors are encouraged to bring to the Board's discussions and deliberations their own unique qualifications and experience, and while it is understood that many directors are likely to draw their support from specific groups or constituencies within the general membership, each director recognizes that it is his or her duty and obligation to strive for consensus among the members of the Board in order to reach decisions which will truly benefit the Association and its member collectively.
- In order to properly discharge their duties and responsibilities, each director shall become informed regarding the content of all Association governing documents, such as the Articles of Incorporation and Bylaws of the Association, the development's Declarations of Protective Restrictions (CC&Rs), the Architectural Committee Guidelines and Standards, the Association Rules, and any employment policies including the Employee Handbook.
- The Board of Directors acts and reaches decisions as a group. Although specific duties and responsibilities are delegated to particular Association officers and executive staff members, it is not the role of directors to represent the Association and to act as corporate officials separate and apart from their actions in the Board room. At times, an individual director who is not an officer may be charged with a specific duty, task or responsibility by the Board, but that authority should result from specific action of the Board of Directors.
- With respect to matters coming before the Board, directors are obligated to be reasonably well informed and to conduct the sort of investigation and inquiry regarding Board action items that an ordinarily prudent person would conduct under similar circumstances. In the investigation of facts and issues associated with Board decisions, directors are entitled to rely on the advice of

competent advisors and consultants retained by the Association (as to matters within the advisor's/consultant's area of expertise), such as the Association's accountant, engineers, contractors and legal counsel.

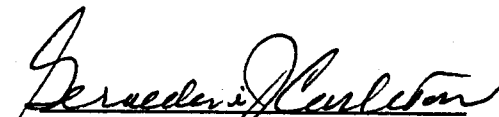
- Because the Board acts and establishes policy on behalf of the Association as a body, directors should ordinarily express any concerns or dissenting opinions regarding proposed Board actions or policies within the context of Board meetings or study sessions, rather than first expressing individual opinions on Association business on public communications. The purpose of this policy is not to restrict unreasonably the right of directors to express their opinions, but rather to reduce the risk that a director will become set in his or her position on matters which are, or may become, Board policy by making public statements in advance of deliberating with his or her colleagues on the Board. The policy also mitigates against creation of a charged community atmosphere with respect to an issue at a time prior to having the matter come before the Board for discussion, deliberation and possible action. The members of the Board can benefit from the opinions and points of view of other Directors.
- When the Board receives opinions or other information from legal counsel which are marked "confidential" or "attorney/client privilege" all directors are under a fiduciary duty to refrain from disclosing the contents of those documents to persons who are not directors or who do not hold senior management positions with the Association. Further, disclosure of attorney communications that are designated as confidential or privileged could harm the best interests of the Association and destroy the privilege, which protects from discovery communications between an attorney and client.
- Similarly, when the Board meets in executive session to discuss litigation, personnel matters or the formation of contracts with third parties, the meeting is being conducted in executive session to protect the confidentiality of discussions and/or disclosures made at the meeting. Accordingly, no disclosures of executive session deliberations should be made without prior authorization of the Board acting as such. All that the law requires is that matters discussed by the Board in executive session be generally noted in the minutes of the Board. For example, if the Board meets in executive session to discuss a complaint received from an employee, the minutes need only note that the Board adjourned to executive session to discuss a matter involving an employee of the Association.
- Although directors have an unlimited right under the Corporations Code to inspect all books, records, documents and property of the Association of every kind, exercise of these inspection rights must be done in the context of the director's overall fiduciary obligation to act in the best interests of the Association and to avoid engaging in conduct or behavior that might jeopardize the Association or embroil it in litigation. For example, Association employees have a constitutional right of privacy with respect to matters in their personnel file. Although it might be appropriate, under certain circumstances, for a director to request the right to review the personnel file of a particular employee, disclosure of information contained in those files to

persons other than the employee, other members of the Board (in the context of a Board meeting in executive session to discuss the employment issue), or the Association's legal counsel is likely to be inappropriate and might even be a violation of law.

- In the conduct of Board meetings, directors shall make reasonable efforts to follow Roberts Rules of Order and shall otherwise treat their colleagues and persons in the audience at the meeting with courtesy.

The Board of Directors of the Oakmont Village Association adopted this resolution at its regular meeting on December 21, 1999.


Robert C. Rodgers, President


Geraldine Carleton, Secretary

Dated: Dec 21, 1999