

A Board of Directors is only as effective as the time and effort each individual member contributes to it. An effective Board has a good mixture of organizational skills and a positive attitude. All members should have a willingness to participate: obtain knowledge, take initiative and an analytical outlook. Each member should be able to ask when they don't understand and comment on what they do understand. The underlying goal is to work in partnership to reach a well-considered decision. Not all decisions will be unanimous, but once a decision has been reached the entire Board needs to stand behind it. Should a Board member be unable to stand behind a decision of the Board they may resolve same through compromise or resignation if need be.

### **Board Decisions**

A Board decision is reached after consideration of a topic and when motions are moved, seconded, and voted upon. Each Board member has a single vote and a simple majority applies. However, in the case of a tied vote the Board President/Chairperson will cast the deciding vote. The vote generally proceeds with a show of hands or the words 'approved'. However, secret ballots can be held when requested by a Director.

A Board member who believes that a decision is made without due diligence or in bad faith may request to have his or her objection or dissenting vote recorded in the minutes. This is important in the event of arbitration or a law suit or if owners requisition a meeting to vote directors out based on a Board decision that lacked due diligence.

Once a Board decision is reached, a member who disagrees must rally behind the Board. This may not apply if the other Directors acted in bad faith, such as refused to follow rules or took a decision that benefits some groups over others, or did not do due diligence, such as took a decision without proper documentation or a tendering process, or, when a Board votes to write an offensive letter to an owner who puts forth justifiable complaints. In such cases, a dissenting Board member certainly should have his dissent recorded.

### **Conflict of Interest**

The Board of Directors along with the Management Company ensure the integrity of the Corporation by making sure that all operations are conducted in a professional and objective manner. It is therefore imperative that Board members do not place themselves in situations where personal interests conflict with those of the Corporation. It is expected that all Board members act in the best interest of the Corporation while serving on

the Board. Keystone Grey Property Management also makes this commitment in relation to the Property Manager assigned to manage the Corporation.

A Board member conflict of interest can be described as:

- A party that is involved in a contract with the Corporation;
- A party that has interest in, is employed by or is connected directly or indirectly with a third party that is involved in a contract with the Corporation;
- A party that is directly involved in any substantive issue under discussion by the Corporation.

Where a conflict or potential conflict of interest arises, it is expected that the Board member discloses the said conflict in a timely manner to the other Board members and/or Property Manager. Failure of a Board member to disclose a conflict of interest may result in the Board member's resignation from the Board.

If a conflict of interest arises during a meeting, it should be communicated during the meeting or directly following. Once disclosed, the Chairperson of the meeting shall require that the person reporting the conflict of interest to:

- Withdraw from participating in the meeting or the discussions pertaining to the issue in which the member has a conflict; and
- Refrain from voting on the issue affected by the conflict of interest.

All conflicts of interest shall be resolved in the favor of the Corporation.

### **Information Confidentiality**

Board members are required to protect confidential information related to the Corporation from unauthorized disclosure or use. This applies to both confidential information regarding unit owners and tenants, as well as the Corporation. The Manager will have available to the Board of Directors a sample Confidentiality Agreement the Board may wish to utilize.

Confidential information includes, but is not limited to the following:

- Confidential information regarding unit owners and tenants arising from resident information that is provided along with any other forms of owner correspondence;
- Bidding information from competing vendors;
- Legal matters involving the Corporation; and
- Information regarding or contact information pertaining to any of the other Board members.

It is expected that a Board member will report the information disclosure where it affects the current affairs of the Board or the Corporation.

### **Email Communication**

It is important to keep in mind that Board members have volunteered their personal time to help administrate the Corporation, so effective time management should be kept as a focal point both for the Board and the Property Manager.

Email can be an effective form of communication, particularly when directed to one individual; however, in a group setting where multiple responses are received it can also be counterproductive, when varying opinions or multiple directions are provided to the Property Manager.

Engaging in an open dialogue at a Board meeting with regards to the decisions at hand can result in well informed decisions as opposed to hours spent on email, where the final direction may still prove to be unclear. Therefore, if a decision is not urgent and does not necessitate immediate Board response, it is preferred working practice to table the discussion and decision for Board response and/or approval for the next Board meeting.

The preferred and most effective method of communication between the Board and the Property Manager is a system in which the Property Manager reports to one primary Board member, normally the President/Chairperson, who then distributes the information to the rest of the board, compiles questions or a decision and then reports that back to the Property Manager.

Keystone Grey Property Management provides professional communication with our clients and we ask for the same consideration. It is important to be respectful in all written communication with other Board members, owners and the management company. It is easy to have tension build over differing opinions or the wording used in email and thus it can be better to resolve any disagreement in person.

### **Policy Development**

We strongly encourage and promote policy development. Once policies are in place, they can be changed or adapted as needed with a simple majority vote at Board meetings.

Corporation policies allow the management company to enforce rules without soliciting feedback or approval from the Board for each infraction as they occur. The Board may be required to weigh in on a situation where an appeal has been submitted; however, the course of action taken by the management company to rectify the infraction can be done in-line with what provisions have been outlined in the Owners Guide or documented Policy.

Documents such as an ‘Owners Guide’ support the Use and Occupancy Guidelines of the Bylaws and highlight the Corporation’s procedures, which are adopted in accordance with provisions of the Bylaws. For example, the Bylaws give the Board administrative right over common property, subsequently a visitor parking policy will highlight what is and what is not permitted in relation to use of this common area. The visitor parking policy can be clearly communicated in the Owners Guide, along with other adopted policies.

### **Effective Board Practice**

We encourage Board Directors to employ the following behaviors during their day to day operations while contributing to the Board of directors in order to create an effective Board of Directors:

- Communicate with owners and residents on a regular basis, explains its decisions, by openly discussing problems and victories;
- Utilize a policy of transparency and truthfulness;
- Actively listen and participates in dialogue with the other Board Members;
- Address legitimate complaints, concerns and requests, along with respecting useful suggestions or constructive criticisms;

- Follow and enforces condominium policies consistently and for everyone. Board members must follow rules themselves and should not show favoritism;
- Exercise due diligence regarding contracts for repairs, maintenance, and staffing. When maintenance problems arise, the Board not only seeks advice from non-interested parties (to avoid conflicts of interest), but also asks if there is a better and less expensive solution than the one suggested;
- Respect the Condominium Corporation's finances, assets, and Corporate monies. Don't necessarily be afraid of raising condo fees in the best interest of the corporation and owners; and
- Ensures a safe and well-maintained premise. If the premise is staffed, ensuring that the staff is competent and hard working.

When the Board of Directors operate in cooperation with their owners, it results to a smooth running, well financed community!