

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF SHOREWOOD FOREST UTILITIES, INC.
CONCERNING A CODE OF ETHICS**

WHEREAS, Shorewood Forest Utilities, Inc. (“Utility”) is an Indiana not-for-profit corporation which owns and operates a wastewater treatment facility and system in Porter County, Indiana under the control of an elected Board of Directors; and,

WHEREAS, the Board of Directors is entrusted by the membership to act as custodians in trust of the assets of their corporation; and,

WHEREAS, the Board recognizes that the membership put their trust in the Board’s sincerity and abilities; and,

WHEREAS, the members deserve the utmost effort, dedication and support of the Board; and,

WHEREAS, Shorewood desires to adopt a Code of Ethics to guide the Directors in the performance of their duties;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SHOREWOOD FOREST UTILITIES, INC., that the following Code of Ethics for Shorewood Forest Utilities, Inc. Board of Directors is hereby adopted:

**CODE OF ETHICS FOR
SHOREWOOD FOREST UTILITIES, INC.
BOARD OF DIRECTORS**

Duty of Care

Directors are subject to a duty of care to be reasonably informed, to participate in decisions in good faith, to exercise independent judgment, and to act with the care exercised by an ordinary prudent person in similar circumstances. Because the Directors act as a group, attendance at board meetings is important. A Director shall not run the risk of not satisfying the duty of care by continuous or repeated absences, which could affect the morale of those who do attend. Further, a Director shall make decisions based on what is in the best interest of all members of the Utility, rather than any one group, individual, or special interest group.

Ethical Guidelines

General

1. A Director shall always hold the betterment of the membership of the Utility as their priority during all participation in discussions and voting matters, recognizing that they are obligated to act in a manner that will bear the closest public scrutiny.
2. A Director shall recognize that all authority is vested in the full Board only when it meets in legal session.
3. It is a Director's responsibility to contribute to the Board of Directors any suggestions of ways to improve the Utility's policies, standards, practices or ethics.

4. A Director shall not abuse his position by suggesting to any Utility employee that he are entitled to or expect any special treatment greater than any other member of the Utility.
5. A Director shall declare any conflict of interest, be it real, potential, or apparent, which is not immediately obvious with regard to any matter being discussed in his presence during a meeting.
6. If the Board decides at any time that a Director has a conflict, that Director shall accept the Board's request that he refrain from participating in the discussion and will leave the meeting at the Board's request. A Director shall understand that the Board's decision will be recorded in the minutes, either with or without the reasons for the decision being also recorded.
7. A Director shall represent all those whom this Utility serves and not a particular geographic area or interest group.
8. A Director shall understand that the following activities are considered by the Utility to be conflicts of interest, and that conflicts of interest are not limited to the following situations:
 - a) A Director makes a decision motivated by considerations other than the "best interests of the Utility".
 - b) A Director, in any circumstance as relates to the Utility, puts his personal interests ahead of the "best interests of the Utility".
 - c) A Director distributes confidential information contained in petitions or other internal documents to special interest groups for their own agenda, contrary to the "best interests of the Utility".
 - d) A Director assists a third party in their dealings with the Utility, where such assistance could result in favorable or preferential treatment being granted the third party, contrary to the "best interests of the Utility".

Information

9. A Director will not knowingly take advantage of, or benefit from, information that is obtained in the course of his official duties and responsibilities as a Director, and that is not generally available to the membership.
10. A Director will be alert to information which the Utility can use to develop improved policies and strategies.
11. A Director will protect the Utility's information closely and will not release or share confidential information without the permission, in writing, of the person who provided it, and a majority vote of the Board of Directors.
12. A Director will not disclose, beyond its intended scope, any information which is marked, designated, or treated as confidential by the Board, officers, or staff and which he receives as a Director of the Utility, unless that information is found not to be in the "best interests of the Utility". This confidentiality shall not apply to subsequent elected Directors.

Resources

13. A Director will be mindful of resources that are in his trust on behalf of the Utility, and will help establish policies that ensure the maximization of secure and protected resources.

Gifts and Hospitality

14. Should business associates or others offer a Director gifts, favors, meals or benefits on a personal basis because of the business the Utility does with them, or potential business which may exist in the future, the Director will recognize that

such offers may be an effort to secure advantage from them, and will reject such offers on the basis that it is against the Utility's policy.

Representing the Utility

15. A part of his duties as a Director is to represent the Utility informally and formally to other associations, government officials, and business representatives. A Director shall recognize that it is important that he represents the Utility in such a way as to leave others with a positive impression of the Utility. In his duties, he will preserve and enhance the good reputation of the Utility and will avoid behavior which might damage its image.

Interpretation

16. The President of the Board of Directors, or his Designee, shall ensure that the practice of this policy will be fair, just, and equitable in all situations of interpretation and application.

Enforcement

17. The President, or his Designee, is ultimately responsible for immediate interpretation, application and enforcement of the Directors' Code of Ethics Policy. The President shall make all complaints concerning a possible code of ethics violation in writing to the Secretary of the Board and the Board member in questionable standing, with a copy provided to the Complainant(s).

The President shall make an initial determination of the issue and shall attempt initial resolution of the problem with the complainer and the complainant.

If this initial attempt at resolution is not successful, the President shall appoint a tribunal composed of three Directors to investigate the complaint. The tribunal is

required to investigate as required and submit a written report to the President and Secretary within 30 days. The written report will be presented at the Board's next regular meeting, where a vote shall be taken for a final determination.

The final decision shall be delivered, in writing, to the complainer and complainant.

Delegation and Penalties

18. Should the President be the subject of a written complaint, the Vice-President shall perform the duties normally assigned to the President in this matter.
19. Penalties imposed for breach of the Code of Ethics may include, but are not limited to, the following:
 - a) Excluding a Director from portions of all future meetings and discussions which relate to the stated conflict of interest; and/or,
 - b) Censure of the Director, in private, in public, or both; and/or,
 - c) Use of the breach as evidence of malfeasance in office, which may subject a Director to removal from office by a majority vote of the members at an annual or special meeting of the Utility following a petition for such action, in accordance with the Bylaws.

The foregoing was passed by the Board of Directors of Shorewood Forest Utilities, Inc. this 20th day of October, 2008.

SHOREWOOD FOREST UTILITIES, INC.

John Bullock, President

Attest:

Terry Atherton, Secretary