

Code of Conduct

WHEREAS, the Board of Directors ("Board") of Crossroads Ranch Phase II Property Owners Association, Inc. has the authority and responsibility to make decisions for the benefit of the entire community, and

WHEREAS, the Board wishes to ensure that it and its individual members ("Board Member") maintain a high standard of ethical conduct in the performance of the Association's members business, and to ensure that the Association's members maintain confidence in and respect for the entire Board,

NOW, THEREFORE, BE IT RESOLVED THAT the Board of the Association hereby adopts the following rules of conduct, standards of behavior, ethical rules, and enforcement procedures that are applicable to all members of the Board:

1. **Board Members shall act in the best interests of the Association as a whole.** Board Members serve for the benefit of the entire community, and shall, at all times, strive to do what is best for the association as a whole. Board Members shall not use their positions as such for private gain, for example:
 - No Board Member shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking financial relationship with the Association.
 - No Board Member shall seek preferential treatment by the board, any of its committees, or any contractors or suppliers.
 - No Board Member shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.
 - No Board Member shall receive any compensation from the Association serving on the Board.
 - No Board Member shall willingly misrepresent facts to advance a personal cause.
 - No Board Member shall use his/her position to enhance his/her financial status through the use of certain contractors or suppliers.

The above list of examples is offered for illustration purposes only, and is not intended to be exclusive.

2. **Board Members shall comply with governing documents and relevant laws.** Board Members shall use their best efforts at all times to make reasonable decisions that are consistent with the Declaration, Bylaws, and other governing documents of the Association, and to be familiar with all such documents. Board Members shall likewise comply with and make decisions that are consistent with all applicable laws, including, but not limited to, refraining from discriminating against any person on the basis of race, color, religion, national origin, gender, family status, or mental or physical disability.
3. **Board Members shall set high standards for themselves as Association members.** Board Members shall hold themselves to the highest standards as members of the Association, and shall in all ways comply with the provisions of the Association's governing documents.
4. **Board Members shall work within the Association's framework and refrain from unilateral action.** Board Members shall at all times work within the Association's framework and abide by the system of management established by the Association's governing documents and the board. The Board shall conduct business in accordance with state law and the Association's governing documents, and shall act upon decisions duly made, and no Board Member shall act unilaterally or contrary to such decisions. Toward that end, no Board Member shall seek to have a contract implemented that has not been duly approved by the Board, nor promise anything not approved by the Board to any contractor, supplier, or otherwise.

5. **Board Members shall behave professionally at meetings.** Board Members shall conduct themselves at all meetings, including board meetings, annual meetings of the members, and committee meetings, in a professional and businesslike manner. Personal attacks against other Board Members, Association members, residents, officers, management, or guests are not consistent with the best interests of the community and will not be tolerated. Language at meetings shall be kept professional. Though differences of opinion are inevitable, they must be expressed in a professional and businesslike manner.
6. **Board Members shall maintain confidentiality when appropriate.** Board Members shall at all times maintain the confidentiality of all legal, contractual, personnel, and management matters involving the Association. Board Members shall also maintain the confidentiality of the personal lives of other Board Members, Association members, residents, and management staff.
7. **Board Members shall disclose conflicts of interests.** Board Members shall immediately disclose to the Board any perceived or potential conflict of interest regarding any aspect of the business operations of the Association.
8. **Board Members shall refrain from defaming anyone in community.** Board Members shall not engage in defamation, by any means, of any other Board Member, Association member, resident, or management staff member. The Association shall deem any Board Member who engages in defamation to be acting outside the scope of his/her authority as a Board Member. Expressing one's opinion in a professional manner is allowed but defamation is defined as a concerted effort to spread rumors and/or hearsay in an attempt to create negative sentiment toward other Board Members, Association members, residents, or management staff without all the evidence being presented and evaluated. Defamation may also involve the publication of a statement to a third party (someone other than the person defamed by the statement) that results in damage to the person.
9. **Board Members shall refrain from harassing Association members or residents.** Board Members shall not in any way harass, threaten, or otherwise attempt to intimidate any other Board Member, Association member, resident or management staff member. The Association shall deem any Board Member who harasses, threatens, or otherwise attempts to intimidate to be acting outside the scope of his/her authority as a Board Member.
10. **Board Members shall refrain from interfering with management staff and contractors.** No Board Member shall interfere with the duties of management staff or any contractor executing a contract in progress. All communications with contractors must go through one designated Board Member or management, or must otherwise be in accordance with Board policy.

VIOLATIONS OF CODE

Suspected violations of the Code of Conduct shall be investigated by the Board of Directors. A violation can be against any one or more of the ten points in the Code of Conduct. The issues shall be addressed in the Executive Session of the Board. The charges and evidence will be presented and the Board member in question will be asked to present his/her defense. After the investigation, the Board shall attempt to arrive at an amicable solution. If the accused Board member agrees with the solution and carries out the details of the solution, the matter shall be deemed resolved and no further actions taken.

If the Board member does not agree with the proposed solution, he/she will be asked to offer an alternative solution. The Board will then review the two proposals and determine a final, mandatory solution. If the details of this final solution are carried out, the matter is deemed resolved. If the member fails to comply with the recommendations of the final solution, he/she will be asked to resign from the Board of Directors. By signing this document, all Board members agree to abide by the full code and by this violations remedy procedure.

ADOPTED BY BOARD RESOLUTION AS PART OF THE MEETING AGENDA ON 8/19/2011 .

