

SIGNAL BUTTE RANCH COMMUNITY ASSOCIATION

Code of Conduct and Ethics for Board Members, Officers, and Committee Members

RECITALS

WHEREAS, the Bylaws of the Signal Butte Ranch Community Association ("Association") has delegated the authority and responsibility to govern the operations of the community to its Board of Directors, and

WHEREAS, the Board of Directors is responsible to appoint officers and committee members, and to solicit and involve other volunteers as necessary, and

WHEREAS, the Board of Directors has the fiduciary duty and responsibility to set a standard and level of behavior that is in the best interest of the Association and the entire community.

NOW THEREFORE, IT IS RESOLVED THAT the Association's Board of Directors hereby adopts the following Code of Conduct containing standards of behavior, ethical rules, and procedures that are applicable to all members of the Association's board of directors, Association officers, and Committee members:

1. Members of the Board and Committees will use their best effort at all times to make decisions that are in the best interest of the Association and will adhere to and enforce the Association's CC&Rs, Bylaws, Rules & Regulations, Architectural Guidelines, and all other corporate and governing documents.

2. No members of the Board or Committees shall engage in any writing, publishing, or speech making that defames any other member of the Board, owner or resident of the Association. Personal attacks against other Board or Committee members, owners or residents, and the Association's designated management company are prohibited and are not consistent with the best interests of the community.

3. Language at any Board or Committee meeting is to be professional and respectful. It is understood that differences may exist. However, they should be expressed in a clear and business-like fashion, and will be noted in the minutes of the meetings.

4. No member of the Board or Committees will willingly or knowingly misrepresent facts to the residents in the community for the purpose of advancing a personal cause or influencing the community to place pressure on the Board or Committee to advance a Board or Committee member's personal cause. No member of the Board or Committees shall actively support or take positions that are contrary to the best interest of the Association.

5. No member of the Board or Committees will seek to enter into a contract on behalf of the Association that has not been duly reviewed and approved by the Association's Board of Directors.

6. It is the responsibility of all members of the Board and Committees to avoid even the appearance of impropriety, to disclose any potential conflict of interest in an open meeting, and to recuse themselves from Board, Committee, or other decisions when required by law.

7. All members of the Board and Committees agree to comply with their fiduciary duties to the Association including their duty of care and duty of loyalty.

8. All members of the Board and Committees recognize and agree that matters pertaining to the Association's business conducted in executive session or closed meetings of the Board or Committee shall be kept confidential and not disclosed to the owners and residents in the Association or to members of the public at large. The same applies to written communications from legal counsel. Members of the Board and Committees shall not disclose confidential information under any circumstances without the expressed consent of a majority of the Association's Board of Directors voting at a duly convened meeting of the Board.

9. No member of the Board or Committees will interfere with a contractor implementing a contract in progress. All communications with contractors will go through management or be in accordance with this policy.

10. No member of the Board or Committees will harass, threaten, or attempt through any means to control, influence, or instill fear in an Association contractor. No member of the Board or Committees shall solicit or accept any gifts, gratuity, favor, loan, or any other thing of monetary value made with the intent of influencing a decision or action on any official matter.

11. Existing and future members of the Board and Committees will be given a copy of this Code of Conduct and will be required to sign acknowledging their receipt of the same, that they have reviewed it, and that they agree to abide by it. Failure to sign this Code of Conduct will be noted in the records of the Association.

12. Any member of the Board or Committees who violates this code of conduct agrees that the Association may seek injunctive relief against him/her and said member agrees to pay the attorney's fees and costs incurred by the Association in said enforcement effort.

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