



The Board of Directors (the “Board”) of Pine Cone Acres Homeowners Association, Inc. (the “Association”) has adopted the following Board of Directors Code of Conduct and Ethics Policy (the “Code”) for members of the Board (the “Directors”) and committees for internal use only within the Association. The goal of this Code is to encourage rather than mandate behavior, and this Code is not intended to deal with every situation that may arise.

The standards set forth herein shall only be enforced by the Board. Nothing in this policy will create any right or cause of action for any Member of the Association, expressed or implied. Directors are encouraged to bring questions to the attention of the President, who may consult with outside legal counsel as appropriate.

1. Standards of Conduct

- (a) Directors are required to maintain full compliance with all governing documents of the Association, and to maintain full payment of Assessments throughout their term on the Board in order to maintain their position on the Board.
- (b) Directors may be reimbursed for out-of-pocket expenses incurred on behalf of the Association, with appropriate receipts and completed expense vouchers completed and submitted for reimbursement.
- (c) The Treasurer may make payments on behalf of the Association up to \$100.00 per transaction; payments exceeding \$100.00 per transaction must be by Board approval. No promise or representation can be made to any person, contractor, subcontractor or supplier without prior approval by the majority of the Board. No Board Member will seek to have a contract implemented that has not been duly approved by the Board itself.

2. Communication

- (a) Directors may not represent the Board in written or verbal communication with Members or other entities unless authorized by an affirmative vote of the majority of the Board. In any communication made outside of board meetings, any individual Director shall always make it clear that the Director is giving his/her individual personal opinions (rather than positions of the Board), unless the Board, by vote, has delegated authority to that Director (usually the President) to speak on behalf of the Association.
- (b) Directors will address each other and Homeowners with respect, and in a spirit of neighborliness, whenever possible, even when in disagreement, using face-to-face conversation for informal matters, and phone calls, emails, and letters for documentation for matters of record.
- (c) Directors will respond to all Board communications in a timely manner.

- (d) Directors will encourage the free expression of opinion by all Board Members and seek systematic communications between the Board and all Members of the Association. Directors will listen attentively and courteously to demonstrate respect and willingness to learn. Board Members will not harass, threaten, or attempt through any means to control or instill fear in another Director.
- (e) The language used at all meetings will be considerate and professional at all times. Directors will exhibit professional courtesy to all Members of the Association. Personal attacks or use of profanity is prohibited.
- (f) Directors will treat all Members of the Association evenhandedly and without favoritism. Differences of opinion about policy or procedures among Board Members, or between Directors and Owners, will be discussed rationally on their merits, in a timely and courteous manner, and with emphasis on resolving differences.
- (g) Nothing in this section will prohibit or limit enforcement of this policy by the Board, nor will it interfere with the duty to hold fair and open elections, where all candidates will have an equal opportunity to express their views about any candidate.

3. Duty To Use Good Business Judgment

- (a) Directors will endeavor to have a basic working knowledge of the Association's governing documents, including the Covenants, Bylaws, Articles of Incorporation and Policies and Procedures.
- (b) Directors will also endeavor to be aware of laws affecting the Association, particularly the Colorado Common Interest Owners Act ("CCIOA") and its amending acts, and will listen to legal counsel to protect the Association.
- (c) PCAHA shall represent the interests of the entire community in exercising their duties. All decisions made on behalf of the Association must be made with the best interests of the Association in mind, and will comply with these requirements:
 - (i) The Director shall consider if he/she would be making the same decision if he/she were not personally affected by the outcome.
 - (ii) The Director has done all necessary research to make an informed decision for the Association's benefit.
 - (iii) The Director is able to make an unbiased decision, without any conflicts of interest; personally or professionally.
- (d) Directors shall endeavor to secure facts before arriving at conclusions, and will endeavor to make policy decisions only after full discussion at a board meeting that is open to all Homeowners; and to make all decisions based on the available facts and pertinent perspectives.

4. Duty Of Undivided Loyalty

- (a) Directors have a duty to act for the Association's benefit only and not for their personal benefit or the benefit of others. By assuming the office, the Directors acknowledge that the best interests of the Association must prevail over the Director's individual interest.
- (b) No Board Member will use their position to enhance their financial or business position or undertakings; nor will any Director use their position to seek personal political advantage, or contribute Association funds or favors to any political party or political candidate; nor will any Director solicit or accept, directly or indirectly, any gifts, gratuity, entertainment, favor or loan from a person who is seeking to obtain contractual or other business or financial relations with the Association, or from any person whose intent it is to influence any decision or action on any official matter.
- (c) Directors will share all relevant information with other Directors and will devote sufficient time and reasonable care to their decisions. No Board Member shall ever willingly misrepresent facts to the owners and residents, either by withholding, distorting or fabricating information.
- (d) Directors shall participate by voting on issues before the Board, abstaining only when a declared conflict of interest exists.
- (e) Directors who disagree with the Board as a whole have the right to voice their opinion, and to have their dissent reflected in the minutes of the meeting. However, once the Board has voted, it is each Director's duty to respect the authority of the Board by not undermining majority decisions or any enacted policy.

5. Confidentiality

- (a) Directors will treat all information as confidential until there has been general public disclosure, or unless the information is part of the Association's records, or unless the information is a matter of public record (e.g., reported in the minutes) or is common knowledge.
- (b) Directors shall maintain the confidentiality of information entrusted to them by the Association, and will not share highly sensitive, privileged or confidential information, and will respect the privacy of all Owners, Directors, Committee members at all times. This includes after the Director's term is expired or terminated, including any such knowledge learned during their term in office.

6. Duty To Enforce Governing Documents

Directors will enforce the Covenants as written. All actions of the Board and Committee Members will comply with the governing documents and CCIOA. Directors will only seek any desired changes to those governing documents through legal and ethical procedures. Directors will conduct reviews of governing documents to ensure legal compliance and to determine whether amendments are necessary.

The Board may review this Board of Directors Code of Conduct and Ethics Policy and update as needed.

PINE CONE ACRES HOMEOWNERS ASSOCIATION, INC.

Adopted this 10th day of January 2018