



DC Ranch Association Board Report 11-6-17 #1

Subject Matter: Proposed Board Ethics Policy (Policy 103)

Background: The Policy Committee proposes the adoption of a Board Ethics Policy.

The matter was first reviewed by the Board at its September 11, 2017 regularly scheduled meeting. The Board asked that legal counsel review the policy and provide its input relative to the policy's language.

Legal counsel (Carpenter Hazelwood) reviewed the policy as written and provided comments intended to improve the policy's intent. The Board reviewed those proposed revisions at its October 2, 2017 regularly scheduled meeting and by consensus approved them pending any further edits suggested by the Policy Committee. The Policy Committee met later that week on October 6; three words were changed as a result.

The proposed policy was published on the DC Ranch website October 6, and members were informed via the weekly *This Week on the Ranch* e-mail, which complies with the following excerpt from Policy 102.4 (Policy for the Management and Development of Policies): *When the Policy Committee recommends a new policy or a change to a policy and prior to the Board's formal vote, community members shall be provided with a 30-day comment period, where they are afforded an opportunity to provide input and comment on the proposed policy. The proposed policy or policies will be posted on the community's website and notice regarding the posting will reflect in the weekly This Week on the Ranch e-mail to DC Ranch residents.*

The proposed revised policy accompanies this report.

Recommendation: Approve the policy and post to the DC Ranch website and update the Policy Book.

A handwritten signature in black ink, appearing to read 'Darren Shaw', is written over a horizontal line.

Darren Shaw, Executive Director



**DC Ranch Association
Board of Directors Ethics Policy**

Policy 103

Date of Adoption:

Effective Date:

Last Revised: October 6, 2017

Board of Directors Ethics Policy

103.1 Purpose: The purpose of this policy is to define requirements for ethical behavior from Board Members.

103.2 Scope: This policy applies to each member of DC Ranch Association's Board of Directors regardless of whether such Director signs this policy's acknowledgement form.

103.3 Responsibility/Authority: The Ranch Association Board of Directors.

103.4 Introduction: DC Ranch Association is committed to facilitating a connected, welcoming community and instilling a sense of pride and belonging in every DC Ranch resident. As a governing body, the DC Ranch Association Board of Directors supports and protects that mission. The Board of Directors pledges to conduct its business in accordance with the highest standards of business ethics and in compliance with all applicable laws, governance documents and regulations. In furtherance of this commitment, the Board of Directors has adopted and holds itself accountable to this Ethics Policy.

103.4a Overview: Each Director will:

- At all times represent the best interests of DC Ranch and its members; and,
- Act with the highest standards of integrity, commitment and independence of thought and judgment; and comply with all provisions of this policy.

103.5 Conflict of Interest: A conflict of interest occurs when an individual's private or business interests impact or interfere with the interests of the Association, its operations, programs, events or activities. Directors shall disclose to the Board actual and potential conflicts of interest and avoid participating in decisions when actual or potential conflicts of interest exist.

A conflict of interest may also arise when a Director or a member of his or her immediate family, or a Director's employer or a Director's business receives personal benefits resulting from his or her position on the Board. Immediate family includes the Director's spouse, fiancé, parents, children, siblings, mothers-and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone else sharing the Director's home.

Directors shall avoid any activity that results in a conflict between their personal or business interests and their Director status. Directors should also be mindful of, and seek to avoid, conduct which could reasonably be construed as creating an appearance of a conflict of interest.

103.5a Examples of conflicts of interest include but are not limited to the following:

- Receiving loans or guarantees of obligations;
- Engaging in conduct or activity that improperly interferes with DC Ranch Association's existing or prospective business relations with a third party;
- Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of DC Ranch Association; and,
- Accepting a gift from persons or entities that deal with the DC Ranch Association, in cases where the gift is being made to influence a Director's actions as a member of the Board, or where acceptance of the gift could otherwise reasonably create the appearance of a conflict of interest.

103.5b Examples of appearances of a conflict of interest include but are not limited to:

- Any occurrence where the person benefitted is not the Director or the immediate family of the Director, but is a person who has a close personal relationship with the Director.

103.5c When a conflict of interest exists, may exist or reasonably may appear to exist, the Director concerned must promptly disclose to the Board President the existence and circumstances of any transaction or relationship that the Director reasonably believes could give rise to an actual or apparent conflict of interest. The Board President will review the matter and determine an appropriate course of action, including whether consideration or action by the full board is necessary.

103.5d If the Board President determines a conflict of interest exists, the Director having the apparent conflict can request that the full Board review the matter. Otherwise, the Board President's decision is final.

103.5e When it has been determined by the Board President or by the full Board, if so requested, that a conflict of interest exists, the Director having the conflict must:

- Refrain from using personal influence to encourage Board or staff to take an action or decline to take an action involving such transaction or relationship; and,
- Recuse himself/herself from participation in any discussions or decisions regarding such transaction or relationship. This includes recusal during those portions of board meetings where matters pertaining to such a transaction or relationship are being discussed, except to respond to requests for information about the transaction or relationship.

103.6 Confidentiality: As part of their work as a member of the Board of Directors, Board members will be privy to Confidential Information. At no time will Board members communicate or cause to communicate in any form or format any confidential information to any person including a Director's spouse, partner or other family member or friend or organization not already in possession of that confidential information except:

- as required by law;
- with the express permission of the Board of Directors to disclose such information; or
- after the information has come into the public domain through no action of the Director.

Further, no Director shall use confidential information for his or her own personal or business benefit or to benefit persons or businesses (whether for profit or not for profit) outside the DC Ranch Association.

103.6a "Confidential Information" is all non-public information entrusted to or obtained by a Director by reason of his or her position as a Director of DC Ranch Association. It includes, but is not limited to:

- Non-public information about DC Ranch Association's financial condition prospects or plans;
- Non-public information about the DC Ranch Association employees;
- Non-public information concerning DC Ranch residents, property owners or stakeholders;
- Non-public information and communications about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors;
- All discussion and information put forth in executive session; and,
- Directors are required to protect and hold confidential all confidential information obtained during their tenure as a Director and beyond.

103.7 Harassment: DC Ranch Association wants to maintain an environment that is based on mutual respect and encourages productive and cooperative work. Harassment by a Director of fellow Directors, staff or members of the DC Ranch Community will not be tolerated.

Sexual harassment is conduct of a sexual nature that is unwelcomed and offensive to the person to whom it is directed. It includes unwelcomed sexual advances, request for sexual favors, and conduct or remarks of a sexual nature.

103.7a Examples of the type of conduct that can constitute sexual harassment include but are not limited to:

- Sexually explicit language, jokes or gestures;
- Degrading sexual language or conduct;
- Graphic or suggestive comments about one's clothing or body;
- Inappropriate touching;
- Sexual advances;
- Display of sexually explicit or suggestive materials, and,
- Other similar conduct.

103.7b If a Director believes that he/she or that another Director or Employee has been harassed, the Director must inform the Board President or the Board as a group promptly. The Board will promptly investigate all reports of harassment and take remedial action where appropriate. DC Ranch Association does not permit any retaliation against a Director who makes such reports or furnishes information to the Board President or other member of the Board in good faith.

103.8 Drugs and Alcohol: DC Ranch Association is committed to maintaining a safe and productive work environment, which includes a workplace free of the influences of drugs. The consumption, possession, manufacture, purchase, sale or transfer of illegal drugs within DC Ranch is prohibited. The consumption of alcoholic beverages by a Director is prohibited while the Director is representing DC Ranch Association whether on or off community property except at a reception, lunch or dinner or other social gathering.

103.8a The Board requires that Directors come to meetings unimpaired by alcohol or drugs. The Board reserves the right to ask a Director to leave a meeting or activity when drugs or alcohol are suspected.

103.9 Reporting Illegal or Unauthorized Behavior: Directors are obligated to promote ethical behavior among Directors, employees, contractors and agents, and must report actual or suspected illegal or unethical behavior to the Executive Director or Board President, as appropriate. Illegal behavior will not be tolerated and as such is grounds for immediate dismissal from the Board. Directors must notify the Board President of any known or suspected illegal behavior. It is the responsibility of each Director to become familiar with this policy. Any waiver of or amendment to the requirements of this policy must be authorized by the Board of Directors or a duly authorized committee of the Board. The Board shall periodically review the policy to ensure that it is effectively implemented, and that its provisions are updated in keeping with current governance practices.

103.10 Compliance with Laws and Governing Documents: Directors must comply with and ensure DC Ranch Association's compliance with all applicable federal, state and local laws and regulations, as well as DC Ranch Association's governing documents.

In addition, each Director must bring to the attention of the Board President any information that the Director believes constitutes evidence of a violation of law, regulation or DC Ranch Association's governing documents or policies. If the suspected violation(s) directly involve the Board President, said violations should be reported to the Board Vice President or other members of the Board for action.

The Board President, or other Director(s), will promptly review suspected or reported violations and recommend appropriate action to the Board.

103.11 Compliance with this Policy: "This policy requires complete compliance without exception. Any Director whom the Board believes has violated this policy is subject to removal from the Board.

Each Director, by becoming a Director, whether the Director has signed the Acknowledgement Form (attached) or not, agrees and acknowledges that the Board has the authority to remove any Director who violates this policy and that this power to remove a Director for noncompliance with this policy is also vested in the Neighborhood Voting Members.

At or before the first meeting of the Board attended by a new Director, the new Director is required to complete and sign the Acknowledgement Form representing his or her agreement to comply with this policy throughout his or her term as a Director. In addition, at or before the first meeting attended each calendar year by a returning Director, the returning Director is required to complete sign the Acknowledgement Form."

DC Ranch Association

Ethics Policy – Annual Acknowledgement Form

I have read the Ethics Policy of the Board of Directors (the "Ethics Policy") and acknowledge and agree as follows:

1. I agree to comply fully with the terms and conditions of the Ethics Policy, including without limitation, with the Conflict of Interest section of the Ethics Policy.

2. I will comply fully with the Ethics Policy at all times during my service as a member of the DC Ranch Association Board of Directors, and following my service with regard to the Confidentiality Section of the Ethics Policy.

3. I confirm that I have no known actual or potential conflicts of interest, except as listed below.

4. If at any time following the submission of this form I become aware of any actual or potential breach of the Ethics Policy by me or any other person, I will promptly notify the Board President or other members of the Board.

5. If at any time following the submission of this form I become aware of any actual or potential additional or new conflicts of interest that I might have I will promptly notify the Board President.

Disclosure of Actual or Potential Conflicts of Interest:

Signed and acknowledged:

Printed Name

Signature

Dated: _____, 2017