

IV. BOARD CODE OF CONDUCT - CONFLICT OF INTEREST POLICY

A. **Purpose.** The Board of Directors of North Star Owners Association has the authority and responsibility to make decisions for the benefit of the entire community. The Board wishes to ensure that it and its individual Members maintain a high standard of ethical conduct in the performance of the Association's business, and to ensure that the Association's Members maintain confidence in and respect for the entire Board.

B. **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:

1. 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 a contractual or other business or financial relationship with the Association.
2. No Board Member shall seek preferential treatment by the Board, any of its committees, or any contractors or suppliers.
3. No Board Member shall accept employment compensation, gifts or favors made with the intent of influencing a decision or action on any official matter.
4. No Board Member shall receive any compensation from the Association for serving on the Board.
5. No Board Member shall willingly misrepresent facts to advance a personal cause or influence the community to advance a personal cause.
6. No Board Member shall use his/her position to enhance his/her, or the Member's employer's 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.

C. Board Members Shall Comply with Governing Documents and Relevant Law. 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.

D. 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.

E. 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.

F. 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.

G. 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.

H. 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 authority as a Board Member.

I. 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, or resident. The Association shall deem any Board Member who harasses, threatens, or otherwise attempts to intimidate other Association Members or residents to be acting outside the scope of his authority as a Board Member.

J. 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.

K. Board Members Shall Refrain From Using Members' Keys, Except as Authorized by Association's Governing Documents. No Board member shall use Members' keys in any manner other than as outlined in the Association's official key policy.

L. Violations of Code. Violations of the Code of Conduct shall be brought to the Hearing Board, which shall be comprised of designated Board Members. In addition, the Board may elect, at its sole discretion, to appoint as Advisory Hearing Board Members, other Board Members, as well as the Association attorney, manager, and/or accountant. Any Board Member who violates this Code of Conduct agrees that the Board may seek injunctive relief against him/her, following a hearing before the Hearing Board, unless circumstances necessitate the issuance of injunctive relief prior to such hearing. The Board Member also agrees that the Association shall be relieved of posting bond as a condition to its injunctive remedy. Such Board Member must pay the attorney's fees incurred by the Board in any enforcement effort.

M. Conflicting Interest Transactions.

1. Disclosure. Board Members shall immediately disclose to the Board any perceived or potential conflicting interest transaction regarding any aspect of the business operations of the Association. The Board Member shall declare all material facts of the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on that issue.
2. Definition. A conflicting interest transactions means a contract, transaction, or other financial relationship between the Association and a Board Member or between the Association and a party related to a Board Member, or between the Association and an entity in which a Board Member is a director or officer or has a financial interest. The provisions of the Act and the Colorado Revised Nonprofit Act will apply to all situations where a conflicting interest transaction is present. See Addendum, C.R.S. §7-128-501.

3. No loans. No loans shall be made by the Association to any Board Member Director or Officer.