

**Resolution
of
Retreat at Rockrimmon Association, Inc.
Board Member Code of Conduct**

The undersigned being all of the Directors of Retreat at Rockrimmon Association, Inc. a Colorado non-profit corporation (the "Association") hereby consent to, vote in favor or, and adopt the following resolution:

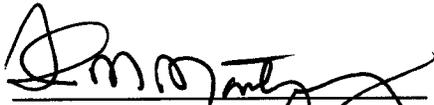
WHEREAS, the Board of directors is empowered to govern the affairs of the Association pursuant to Article VII, Section 7.1(a) of the Bylaws;

WHEREAS, the Board of Directors, in an effort to comply with the statute HB 1359, desires to establish a policy that shall govern the manner in which the Association's Board of Directors conduct themselves; therefore a need to officially adopt and accept the Board Member Code of Conduct;

IT IS THEREFORE RESOLVED that the policy attached hereto as Exhibit A (hereafter referred to as "Code of Conduct") shall be adopted and hereby established as the policy of this Association;

IT IS FURTHER RESOLVED that this policy shall remain in effect until amended or hereby terminated by a majority vote of the Board of Directors, and

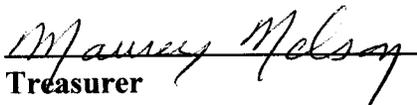
IT IS FURTHER RESOLVED that this policy shall take effect June 24, 2010. EXECUTED this 24th day of June 2010.



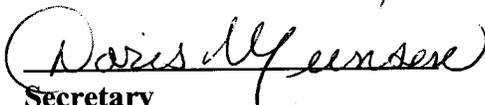
President



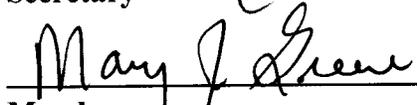
Vice President



Treasurer



Secretary



Member

Board Member Code of Conduct
Exhibit A

The Board of Directors (the "Board") of Retreat at Rockrimmon Homeowners Association (the "Association") has adopted the following Code of Conduct and Ethics (the "Code ") for members of the Board (the "Directors") 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 of Directors of the Association (the "Board"). Nothing in this policy will create any right or cause of action for any Member of the Association, express or implied. Directors are encouraged to bring questions to the attention of the President, who may consult with outside legal counsel as appropriate.

I. Standards of Conduct

1. 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.

2. Directors may be reimbursed for out-of-pocket expenses incurred on behalf of the Association, with appropriate receipts and submitted for reimbursement.

3. President and manager can approve small contracts of \$2000.00 or less. No promise or representation that has not been approved by a majority of the Board can be made to any person, contractor, subcontractor or supplier. No board member will seek to have a contract implemented that has not been duly approved by the Board itself.

II. Communication.

1. Directors may not represent the Board in written or verbal communications 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.

2. 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.

3. 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.

4. 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 and its management professionals. Personal attacks or use of profanity is prohibited.

5. 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.

6. 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.

III. Duty to use good business judgment

1. Directors will endeavor to have a basic working knowledge of the Association's governing documents, including the Declaration (Covenants), the By-Laws, and the Rules and Regulations.

2. 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 from liability.

3. Directors 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 comport with these requirements:

(a) Would the Director make this same decision if he/she were not personally affected by the outcome?

(b) Has the Director done all necessary research to make an informed decision for the Association's benefit?

(c) Is the Director able to make an unbiased decision, without any conflicts of interest, personally or professionally?

4. 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 independent judgment.

IV. Duty of Undivided Loyalty

1. 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.

2. 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, entertainment, loan of any other thing of monetary value 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.

3. 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.

4. Directors shall participate by voting on issues before the Board, abstaining only when a declared conflict of interest exists.

5. 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.

V. Confidentiality

1. 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 (i.e., reported in the minutes) or common knowledge.

2. 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, employees and management professionals at all times, **including after the Director's term is expired or terminated** regarding any such knowledge learned during their term of office.

VI. Duty to enforce governing documents

1. Directors will enforce the Covenants as written. All actions of the Board will comply with the governing documents and the law, and 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.

2. Directors will enforce all rules (including architectural guidelines) uniformly, but only after seeking compliance on a voluntary basis. Proposals for new rules and guidelines will be furnished to all homeowners and nonowner residents in accordance with the Rulemaking policy of the Association. Once adopted, new rules and effective dates should be distributed to every owner and resident.

3. Directors will allow residents to bring grievances before the Board, and will follow the Covenant Enforcement Procedures that give residents the opportunity to correct violations before imposing fines or other sanctions.

VII. Participation

1. Directors will endeavor to regularly attend scheduled meetings and to come prepared to meetings by reviewing the agenda and related materials before the meeting. At such meetings Directors will follow the manner of parliamentary procedure adopted by the Association in the Conduct of Meeting policy.

2. Any board member who has missed three (3) board meetings, in a 12 month period, without an excuse for such absences (as accepted by the Board) shall automatically have their position on the Board terminated.

VIII. Actions for violations by board members

1. Complaints against any Director which allege conduct inconsistent with the foregoing provisions must be made in writing to the President of the Board. If the complaint is against the President, complaints will be submitted to the Vice-President.

2. The President (or Vice President) shall convene an executive meeting within thirty (30) days of receipt of a complaint to discuss the alleged activity with the complainant and the accused member. If any two Directors agree that sufficient information has been presented to identify another Director as having violated this code of conduct, the dispute will be submitted to due process.

3. As part of due process the Board shall attempt to gather all facts relevant to the alleged misconduct. Once the Board is satisfied that the information presented is sufficient to make a determination in the matter, the Board will excuse the complainant and the accused Director and decide (in executive session) what action, if any, may be appropriate to resolve the matter.

4. The Board shall issue its written finding with respect to the alleged misconduct within seven (7) days after the executive session is held. If it is determined that the Director is not in compliance with this policy, that Director will be given a reasonable period of time to become fully compliant (30 days). During the 30 day term to meet compliance, the Director's voting rights will be suspended and restored once compliance is verified by the Board.

5. If the Board finds that a breach of the code of conduct was committed by a Director, the Board may impose appropriate sanctions, which can include the following:

- (a) censure or removal from a position as an officer of the Association;
- (b) fines for violations in accordance with the Schedule of Fines (usually in the Covenant Enforcement Policy);
- (c) for all expenses incurred by the Association in connection with the violation;
- (d) restricting access to sensitive information in the manner described in ¶ 6 below;
- (e) prohibiting the Association from hiring an attorney to defend the Director in any action, unless there is some other legal requirement to defend that action; and/or
- (f) removal from the Board (in cases where the Board has appointed the Director).

6. In any case where the violation is a breach of confidentiality requirements, the Board can thereafter bar that Director from executive sessions, provided that voting on any issues (except meetings with the attorney for the Association) shall still be in open session; or the Board can appoint a subcommittee of the Board to deal with the issues in executive sessions, and that subcommittee can then report to the full Board without giving full details of the subcommittee meeting.

7. As in the case of conflicts of interest discussed in the Conflict of Interest Policy, any Board decisions that are later determined to have been made as a result of improper action by a Director can be declared null and void.

8. The Association may require that all Directors sign a copy of this Code of Conduct to acknowledge that they have read and understand it and will comply fully with it.