



Board Resolution
Power Ranch Community Association
Code of Conduct, Ethics, and Rules for the Board of Directors and Committee Members
Adopted December 9, 2024

WHEREAS, Power Ranch Community Association ("Association") is governed by the Declaration of Covenants, Conditions, Restrictions of Power Ranch, recorded in Maricopa County, Arizona ("Declaration");

WHEREAS, Article 5 **ORGANIZATION OF THE ASSOCIATION**, Section 5.3 **The Power Ranch Rules** states that, "By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations to be known as the Power Ranch Rules pertaining to: (i) the management, operation and use of the Common Areas including, but not limited to, any recreational facilities situated upon the Common Areas; (ii) minimum standards for any maintenance of Lots and Parcels; or (iii) the health, safety or welfare of the Owners and Residents; provided, however, that the Power Ranch Rules shall not be inconsistent with this Declaration, the Articles, the Bylaws or any applicable Tract Declaration. Upon adoption, the Power Ranch Rules shall have the same force and effect, and shall be enforceable in the same manner and to the same extent, as if they were set forth in and were a part of this Declaration";

NOW THEREFORE, The Board of Directors of Power Ranch Community Association, in compliance with the Declaration of Covenants, Conditions, Restrictions of Power Ranch, and in compliance with the most recent language Planned Community Statutes and the Nonprofit Corporation Act, establishes the following rules governing the code of conduct, ethics, and rules for all Board and Committee Members to follow in executing their rolls and duties for the Association (the "**Code of Conduct, Ethics, and Rules for the Board of Directors and Committee Members**"):

SUMMARY

The elected members of the Power Ranch Community Association (PRCA) Board of Directors, and appointed members of the Committees, are committed to upholding the Declaration, Bylaws, and rules of the Association through the highest standards of ethical behavior, fiduciary duties of care, and professionalism in order to maintain, protect, and enhance the value of the Association's assets and quality of life.

The Board of Directors has approved the following code of conduct, ethics, and rules to outline our commitment to these standards and provide a guideline for all members of the Board of Directors and committees to follow in performing their duties for the Association.



FIDUCIARY DUTIES AND ETHICS

Board and Committee Members shall act competently and reasonably in all matters pertaining to the leadership, management, and the administration of all affairs entrusted to them under the Planned Community Statutes and the Nonprofit Corporation Act, and in the Declaration, By-laws, and by the Association and its membership through the use of reasonable care and skill while demonstrating objective common sense, cautious judgment, and prudent decision making for the benefit of the Association and all members. This includes, but is not limited to;

- a. **The duty of good faith:** to act honestly, fairly, with sincere intent, and with a conscious regard to fulfill the obligations of the Board or Committee for the Association and its Members;
- b. **The duty of loyalty:** to act with integrity, fairness, and honesty while avoiding self-dealing transactions, conflicts of interest, the absence of fraudulent activity or intent, or exploiting the Association or its membership for personal gain, and to make decisions only in the best interests of the Association and its Members;
- c. **The duty of reasonable skill and diligence:** to manage the Association's property, finances, investments, resources, assets, and membership interests with an appropriate level of competence and care leading to minimal risk and avoiding negligence;
- d. **The duty of prudence:** to administer matters and make decisions concerning the interest of the Association and Members with the highest degree of professional skill, caution, and critical awareness of risk;
- e. **The duty to give personal attention:** ensuring the entrusted duties and responsibilities of the Board or Committees are being carried out in a timely and effective manner and that each Board or Committee Member dedicates the necessary time and effort to fulfill their obligations effectively using careful consideration for those duties and responsibilities entrusted to them;
- f. **The duty of respect:** to treat each Board and Committee Members, all community Members or residents, Managing Agent staff, vendors, and others involved in community affairs with respect, fostering a civil and constructive atmosphere.
- g. **The duty of confidentiality:** to maintain all information relating to the Association and its Members in confidence and not use any of such information in any form for personal, professional, or other gain;
- h. **The duty of transparency:** to ensure decision making processes are transparent, with clear communication to all Members about decisions made that affect the Association (ex: finances, legal matters, policies, pending actions, etc.)
- i. **The duty of communication:** to create effective two-way processes of communication with Members and residents through official Association resources (ex: website, social media,



letters, meetings, etc.) while remaining accessible to hear concerns and provide updates as a unified group through unified communication.

- j. **The duty of reporting:** to report as required to state, federal, county or municipal agencies, regulators, or other governing bodies and to Association Members, Managing Agents, or other parties when and where reporting is required.
- k. **The duty of disclosure:** to act in a forthright manner and disclose all information, real or perceived conflicts of interest, material financial information, and any other relevant data that could have an impact on a Board or Committee Member's ability to carry out their duties as a fiduciary or caretaker for the Association or membership's best interests.
- l. **The duty to keep and render accounts:** through true and complete records that are time-bound, chronological, clear, accurate, traceable, and saved or stored per applicable laws, regulations, or governing rules.
- m. **The duty of professionalism:** to conduct themselves professionally during all Board or Committee activities and interactions, maintaining a high standard of ethics and behavior.

DOCTRINE OF A REASONABLY PRUDENT PERSON

Board and Committee Members shall acknowledge, understand, and agree to follow the Doctrine of a Reasonably Prudent Person. This is a legal principle used to determine whether the behavior of an individual, or a group of people, can be considered negligent under the law. The Doctrine of a Reasonably Prudent Person may be used to assess whether Board and Committee Members are fulfilling their duties properly. It provides a benchmark for evaluating actions against the expectations of society and the Association for caution and common sense. It ensures that individuals and entities are held accountable for preventable harms that result from failure to adhere to a standard of reasonable care.

ADDITIONAL RULES OF ETHICS AND BEHAVIOR

Board and Committee Members shall understand, acknowledge, and comply with these additional rules of self-governance:

1. No individual shall use their position as a Board and Committee Member for private gain.
2. No Board and Committee Members shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association, unless full disclosure is made to, and approved by, the Board of Directors.
3. No Board and Committee Members shall receive any compensation from the Association for acting as a Board and Committee Member, other than reimbursement of approved expenses on behalf of the Association.
4. No contributions will be made to any political parties or political candidates by the Association or on behalf of the Association by Board and Committee Members.



5. No Board and Committee Members shall engage in any writing, publishing, or speech making that defames any Member of the Association, the Board or other Board Member, Committee Members, Managing Agent, vendors, agents, or residents of the community.
6. No Board and Committee Members shall willingly misrepresent facts to residents of the community for any reason, including but not limited to advancing a personal cause or influencing the community to place pressure on the Board or Committees to advance a Board Member's or Committee Member's personal cause.
7. No Board and Committee Members, except for the President of the Board, or other individual as designated by majority vote of the Board, will assume or is vested with any authority to direct a Member, contractor, vendor, agent or employee of the Association or the Managing Agent.
8. No Board and Committee Members shall interfere with the established system of governance or management as set by the governing documents of the Association or the Board of Directors of the Association.
9. No Board and Committee Members shall act independently, or on behalf of the Board, any assigned or unassigned Committee, or the Managing Agent without prior approval of the Board.
10. No Board or Committee Members shall interfere with duties of any staff member of the Association or Managing Agent.
11. Confidentiality of the personal lives of Board Members, Committee Members, Association Members, residents and employees of the Association or Managing Agent will be protected by the Board.
12. Board and Committee Members shall not distribute copies of or otherwise disclose privileged attorney/client discussions or communications beyond the Board, or any closed-session or confidential Board or Committee discussions or communications unless expressly authorized by the Board. This duty extends to all Board and Committee Members even after their term has expired or they vacate or are removed from their position.
13. Board and Committee Members will conduct themselves in a respectful manner toward other Board or Committee Members and they will not publicly or privately ridicule anyone.
14. Board and Committee Members shall at all times, subsequent to a Board or Committee vote, accept and abide by the decisions of the majority regardless of the position that Board or Committee Member may have taken at the time of the vote.
15. Board and Committee Members will be loyal to the Association and conform to the Association's approved policies.
16. Any Board Member who violates this code of conduct, ethics, and rules shall be subject to a written reprimand for each violation to be recorded in the meeting minutes of the Board, and may also be removed from any committee appointments, committee chair positions, and/or removed from any position as an officer position on the Board, by majority vote of the Board. After **two (2) such written reprimands**, the remaining Board Members may



request that the offending Board Member resign or may initiate removal proceedings as called for in the Association's Bylaws or **A.R.S. § 33-1813** or any other successor statute. Any Committee Member who violates this code of conduct may be removed at any time by a majority vote of the Board.

17. No provision of this code of conduct, ethics, and rules can be rescinded, altered, and/or amended without a majority vote of the Members of the Board of Directors.

Board and Committee Members at Power Ranch are expected to act with reasonable care and common sense in line with this policy of fiduciary duties, ethics, rules, and the Doctrine of a Reasonably Prudent Person at all times.

Each Board and Committee Member, upon election or appointment to their role, shall be required to sign and acknowledge their receipt, understanding, and agreement with this "Code of Conduct, Ethics, and Rules for the Board of Directors and Committee Members" by executing "Attachment - A" below.

Any Board or Committee member who fails or is unwilling to sign, acknowledge, and agree to abide by these duties, ethics, rules, and doctrine shall not be permitted to serve as a committee chair or committee member until execution of the "Attachment - A" document.

If you have any questions or need further clarification, please contact the Board through the **Managing Agent at 480-988-0960.**

A solid black rectangular box used to redact a handwritten signature.

(Signature of President, Board of Directors)

A solid black rectangular box used to redact a printed name.

(Printed Name of President)

A handwritten date in black ink, reading "1/14/2025".

Date



"ATTACHMENT - A"

Power Ranch Community Association Code of Conduct, Ethics, and Rules for the Board of Directors and Committee Members Board and Committee Members Signed Form

SUMMARY

The elected members of the Power Ranch Community Association (PRCA) Board of Directors, and appointed members of committees, are committed to upholding Planned Community Statutes, the Nonprofit Corporation Act, the Declaration, Bylaws, and rules of the Association through the highest standards of ethical behavior, fiduciary duties of care, and professionalism in order to maintain, protect, and enhance the value of the Association's assets and quality of life.

The Board of Directors has approved the following Code of Conduct and Ethics to outline our commitment to these standards and provide a guideline for all members of the Board of Directors and committees to follow in performing their duties for the Association.

FIDUCIARY DUTIES AND ETHICS

Board and committee members shall act competently and reasonably in all matters pertaining to the leadership, management, and the administration of all affairs entrusted to them under the Planned Community Statutes and the Nonprofit Corporation Act; and in the Declaration and by the Association and its membership through the use of reasonable care and skill while demonstrating objective common sense, cautious judgment, and prudent decision making for the benefit of the Association and all members. This includes, but is not limited to;

- a. The **duty of good faith**: to act honestly, fairly, with sincere intent, and with a conscious regard to fulfill the obligations of the Board or Committee for the Association and its Members;
- b. The **duty of loyalty**: to act with integrity, fairness, and honesty while avoiding self-dealing transactions, conflicts of interest, the absence of fraudulent activity or intent, or exploiting the Association or its membership for personal gain, and to make decisions only in the best interests of the Association and its Members;
- c. The **duty of reasonable skill and diligence**: to manage the Association's property, finances, investments, resources, assets, and membership interests with an appropriate level of competence and care leading to minimal risk and avoiding negligence;



- d. The **duty of prudence**: to administer matters and make decisions concerning the interest of the Association and Members with the highest degree of professional skill, caution, and critical awareness of risk;
- e. The **duty to give personal attention**: ensuring the entrusted duties and responsibilities of the Board or Committees are being carried out in a timely and effective manner and that each Board or Committee Member dedicates the necessary time and effort to fulfill their obligations effectively using careful consideration for those duties and responsibilities entrusted to them;
- f. The **duty of respect**: to treat each Board and Committee Members, all community Members or residents, Managing Agent staff, vendors, and others involved in community affairs with respect, fostering a civil and constructive atmosphere.
- g. The **duty of confidentiality**: to maintain all information relating to the Association and its Members in confidence and not use any of such information in any form for personal, professional, or other gain;
- h. The **duty of transparency**: to ensure decision making processes are transparent, with clear communication to all Members about decisions made that affect the Association (ex: finances, legal matters, policies, pending actions, etc).
- i. The **duty of communication**: to create effective two-way processes of communication with Members and residents through official Association resources (ex: website, social media, letters, meetings, etc.) while remaining accessible to hear concerns and provide updates as a unified group through unified communication.
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group of people, can be considered negligent and thus liable under the law. The Doctrine of a Reasonably Prudent Person may be used to assess whether Board or committee members are fulfilling their duties properly. It provides a benchmark for evaluating actions against the expectations of society and the Association for caution and common sense. It ensures that individuals and entities are held accountable for preventable harms that result from failure to adhere to a standard of reasonable care.

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3. No Board and Committee Members shall receive any compensation from the Association for acting as a Board and Committee Member, other than reimbursement of approved expenses on behalf of the Association.
4. No contributions will be made to any political parties or political candidates by the Association or on behalf of the Association by Board and Committee Members.
5. No Board and Committee Members shall engage in any writing, publishing, or speech making that defames any Member of the Association, the Board or other Board Member, Committee Members, Managing Agent, vendors, agents, or residents of the community.
6. No Board and Committee Members shall willingly misrepresent facts to residents of the community for any reason, including but not limited to advancing a personal cause or influencing the community to place pressure on the Board or Committees to advance a Board Member's or Committee Member's personal cause.
7. No Board and Committee Members, except for the President of the Board, or other individual as designated by majority vote of the Board, will assume or is vested with any authority to direct a Member, contractor, vendor, agent or employee of the Association or the Managing Agent.
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15. Board and Committee Members will be loyal to the Association and conform to the Association's approved policies.
16. Any Board Member who violates this code of conduct, ethics, and rules shall be subject to a written reprimand for each violation to be recorded in the meeting minutes of the Board, and may also be removed from any committee appointments, committee chair positions, and/or removed from any position as an officer position on the Board, by majority vote of the Board. After two (2) such written reprimands, the remaining Board Members may request that the offending Board Member resign or may initiate removal proceedings as called for in the Association's Bylaws or A.R.S. § 33-1813 or any other successor statute. Any Committee Member who violates this code of conduct may be removed at any time by a majority vote of the Board.
17. No provision of this code of conduct, ethics, and rules can be rescinded, altered, and/or amended without a majority vote of the Members of the Board of Directors.

I _____, have received a copy of the **Power Ranch Community Association Code of Conduct, Ethics, and Rules for the Board of Directors and Committee Members**. I acknowledge, understand, and agree to abide by the conditions set forth in this document at all times, during and after, the performance and execution of my duties as a Board or committee member at the Power Ranch Community Association.

Signature Board/Committee Member

Date

Printed Name