



Policy 103 – Ethics and Harassment

Date of Adoption: December 2, 2019

Effective Date: December 3, 2019

Last Revised: October 7, 2025

103.1 Purpose. The purpose of this policy is to define requirements for ethical behavior for DC Ranch Association (Association) Board of Director members (Board Members), Neighborhood Voting Members or Alternate Neighborhood Voting Members (NVMs) and Committee Members.

103.2 Scope. This policy applies to each member of the Association's Board of Directors (Board), the NVMs, and Board-appointed Committee Members.

103.3 Responsibility/Authority. The Association's Board of Directors

103.4 Introduction. The 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 Association Board supports and protects that mission.

103.5 Compliance with Laws. Board Members, NVMs and Committee Members must comply with, and ensure the Association's compliance with, all applicable federal, state, and local laws and regulations.

103.6 Compliance with DC Ranch's Governing Documents. Board Members, NVMs and Committee Members must comply with, and ensure the Association's compliance with, all of the Association's governing documents.

103.7 Drugs and Alcohol. The Association is committed to maintaining a safe and productive work environment, which includes a workplace free of the influences of drugs and alcohol. The consumption of alcoholic beverages or the use of drugs by a Board Member, an NVM or a Committee Member is prohibited immediately before or during the time the Board Member, NVM or Committee Member is representing the Association whether on or off community property except for the consumption of alcohol in moderation at an Association or DC Ranch Community Council sponsored reception, lunch or dinner or other social gathering. The Board or committee of the Association reserves the right to ask a Board Member, an NVM or Committee Member to leave a meeting or activity when drugs or alcohol use is suspected.

103.8 Harassment. The Association wants to maintain an environment based on mutual respect and encourages productive, cooperative work. The Association has zero-tolerance for harassment of anyone by or of a Board Member, an NVM, a Committee Member, staff or members of the DC Ranch community. Harassment is conduct that a reasonable person would find offensive.

103.8.a Examples of the type of conduct that can constitute harassment include but not limited to:

- Degrading emails, letters or other communications,
- Degrading language,
- Degrading conduct,
- Degrading jokes or gestures,
- Graphic or suggestive comments about one's clothing or body,
- Inappropriate touching, sexual advances or requests for sexual favors,
- Derogatory graphic depictions, either on paper or on-line,
- Other similar conduct

103.9 Confidential Information. As part of their work as a member of the Board of Directors, NVMs, or Committee member, these individuals will be privy to Confidential Information. At no time shall any of this Confidential Information be released by the elected/appointed individual unless required by law, or with the express written permission of the Board of Directors or CAO/COO. All elected/appointed individuals are required to protect and hold confidential all Confidential Information obtained during their tenure as an elected/appointed individual and in perpetuity.

103.9.a 'Confidential Information' Definition. Confidential Information is all non-public information entrusted to or obtained by a Director, NVM, or Committee member by reason of their elected/appointed position within the 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 of the Association
- All discussion and information put forth in Executive Session of the Board of Directors.

103.10 Enforcement of Harassment. If any Board Member, NVM or Committee Member becomes aware of harassment by or towards any Board Member, NVM, Committee Member, Association employee or member of the community, they must promptly inform the Board President or the Chief Administrative Officer/Chief Operating Officer.

103.11 Conflict of Interest. A Conflict of Interest will be governed by A.R.S. §33-1811.

103.12 Professional Conduct. Board, NVMs and Committees Members have a responsibility to conduct themselves in a manner that does not compromise the ability of the Association, the DC Ranch Community Council or the Covenant Commission to accomplish their mandate or undermine the residents' confidence in the respective Board of Directors.

103.12.a A Board Member or Committee Member may individually disagree with an item under Board or Committee review and discussion. However, once the Board or Committee has come to a vote, the Board Member or Committee Member shall support, publicly and privately, the position of the majority.

103.13 No Retribution or Retaliation. The Association does not permit any retribution or retaliation against anyone who furnishes information to the appropriate person in good faith of violations of this policy. Such retribution or retaliation constitutes harassment and will be dealt with as in Section 103.10 above.

103.14 Enforcement of this Policy. This policy is a zero-tolerance policy. In order to promote professional leadership, every Board Member, Neighborhood Voting Member, and Committee Member is expected to sign this Policy.

The Association reserves the right to impose disciplinary action upon Board Members, Neighborhood Voting Members (NVMs), and Committee Members who are found to be in violation of this policy. Disciplinary measures shall be administered in accordance with a fair and progressive corrective action process (Attachment B).

Notwithstanding the foregoing, the Board retains the discretion to modify or accelerate the disciplinary process—including the omission of intermediate steps—when the nature, severity, or urgency of the violation so warrants. Each matter shall be evaluated on a case-by-case basis to ensure that any action taken is appropriate, proportionate, and aligned with the best interests of the Association and its members.

Approved by the DC Ranch Association Board of Directors on October 7, 2025

Effective Date: October 7, 2025

Attachment A

Acknowledgement Form

I have read Policy 103 - Ethics for the Board of Directors, Neighborhood Voting Members, Assistant Neighborhood Voting Members and Committee Members and I acknowledge and agree as follows:

1. I agree to comply fully with the Ethics Policy without limitation during my service as a Board Member, an NVM or as a Committee Member of the Association.
2. 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, a Board Member, the Executive Director or the Human Resources Administrator, whichever is appropriate.

Signed and acknowledged:

Printed Name

Signature

Dated: _____

Attachment B

Corrective Action Process for Board, NVM, and Committee Members

The Ranch Association Board reserves the right to discipline board members, NVMs, or Committee members for violations of this policy, based on a fair and escalating process. The Board reserves the right to modify or expedite the corrective action process, including skipping steps, based on the severity and urgency of the violation. Each situation will be evaluated individually to ensure that appropriate and proportionate action is taken in the best interest of the community.

Step 1: Informal Warning

- Minor infractions may be addressed informally by the Board President or the Chief Administrative Officer/Chief Operating Officer.
- Purpose: to resolve misunderstandings or remind of obligations.

Step 2: Formal Sanction Letter

- A written letter from the Board President (or designee) outlining:
 - The nature of the violation
 - Evidence (if applicable)
 - Expected corrective actions
 - Deadline to respond or remedy
- Maintained in Board records.

Step 3: Censure by Board Resolution

- A formal board vote to censure the Board member (requires majority vote).
- May result in removal from Board officer position (e.g., President, Treasurer) but not from the Board itself.
- All Board-appointed Committee members serve at the pleasure of the Board. As such, any Committee members may be removed from their committee appointment by a majority vote of the Board at any time.

Step 4: Suspension of Board Privileges

- Temporary suspension from:
 - Representing the Board in external matters
 - Holding officer roles

Step 5: Petition for Removal (A.R.S. § 33-1813 / § 33-1243)

For Board Members:

- Homeowners may initiate a **removal vote** if:
 - 10% of owners (as represented by NVMs) sign a petition for a special meeting.
 - At the meeting, a majority of *all members* (not just those present) must vote to remove the director. Absentee ballots received within the defined election period are acceptable, and will count towards quorum requirements.
- This is the only method under Arizona law to fully remove a board member from the board (not just from office).

For NVMs:

- NVMs and Alternate NVMs can be removed from office, with or without cause, upon the vote or written petition of owners of a majority of the total number of units owned by Members in the Neighborhood which the NVM represents. [per CC&Rs Section 6.4b]

Step 6: Legal Action

- If the violation involves:
 - Criminal behavior (e.g., theft, fraud)
 - Breach of fiduciary duty
 - Harassment
- The Association may refer the matter to legal counsel for:
 - Civil lawsuit
 - Injunctive relief
 - Referral to law enforcement
- Legal costs may be pursued against the offending member if permitted.

Appeals Process

A board member, NVM, or Committee member subject to formal discipline may:

- Submit a written appeal within 10 business days of notice.
- Request a hearing before the board in Executive Session.
- Be accompanied by counsel at their own expense.

Any appeal received by the Board in accordance with this policy will be reviewed, with a written decision letter. Any decision of the Board upon appeal is final.