



GENERAL LIMITATIONS POLICY

POLICY NUMBER: 01-001

POLICY TYPE: EXECUTIVE LIMITATIONS

The Chief Executive Officer shall ensure that every practice, activity, decision, or organization circumstance is lawful, prudent, and consistent with the highest level of business and professional ethics.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

Limitations: None.



CUSTOMER TREATMENT POLICY

POLICY NUMBER: 01-002

POLICY TYPE: EXECUTIVE LIMITATIONS

With respect to consumers or potential consumers, the Chief Executive Officer shall ensure that all conditions, procedures, or decisions are respectful, build trust, are minimally intrusive, and provide appropriate confidentiality.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

The Chief Executive Officer shall not:

1. Use methods of collecting, reviewing, transmitting, or storing consumer information that fail to protect against improper access to the material elicited.
2. Fail to operate facilities with appropriate accessibility and privacy.
3. Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from the service offered.
4. Fail to provide a way for consumers who believe they have not been accorded a reasonable interpretation of their rights under the policy to be heard.
5. Discriminate in the provisions of services on the basis of race, creed, national origin, gender, age, sexual orientation, disability, or political affiliation.



STAFF TREATMENT POLICY

POLICY NUMBER: 01-003

POLICY TYPE: EXECUTIVE LIMITATIONS

The Chief Executive Officer shall ensure that all paid and volunteer staff are treated fairly and respectfully.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

The Chief Executive Officer shall not:

1. Fail to operate in compliance of Executive Order 11246, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; and the affirmative action provisions (Section 4212) of the Vietnam Era Veterans' Readjustment Assistance Act, as amended to ensure a ban on discrimination and to take affirmative action to ensure that all individuals have an equal opportunity for employment, without regard to race, color, religion, sex, national origin, disability or status as a Vietnam era or special disabled veteran.
2. Discriminate against any staff member for non-disruptive expression of dissent.
3. Prevent staff from grieving to the board when (1) internal grievance procedures have been exhausted and (2) the employee alleges that board policy has been violated to his or her detriment.
4. Operate without an Affirmative Action Plan in compliance with Executive Order 11246.
5. Discriminate in the hiring, promotion and treatment of staff on the basis of race, creed, national origin, gender, age, sexual orientation, disability or political affiliation; or
6. Fail to be proactive in the recruitment and hiring of a diverse staff.
7. Fail to acquaint staff with the Executive Director's interpretation of their protections under this policy.



FINANCIAL PLANNING AND BUDGETING POLICY

POLICY NUMBER: 01-004

POLICY TYPE: EXECUTIVE LIMITATIONS

Financial planning for each fiscal year shall be developed with input from Program Directors, support the board's Ends priorities and the current strategic plan while not risking the fiscal health of the overall organization.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

The Chief Executive Officer shall not allow budgeting that:

1. Fails to include credible projection of revenues and expenses, separation of capital and operational items, cash flow projections, and disclosure of planning assumptions.
2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
3. Fails to allow adequate cash flows to meet current obligations.
4. Provides less for board prerogatives during the year than is set forth in the Cost of Governance policy.
5. Reduce the current assets at any time to less than twice current liabilities.
6. Fails to produce a written detailed organizational-wide budget.
7. Allows budgets to go unreviewed and adjusted on a regular basis.



FINANCIAL CONDITION AND ACTIVITIES POLICY

POLICY NUMBER: 01-005

POLICY TYPE: EXECUTIVE LIMITATIONS

With respect to the actual, ongoing financial condition and activities, the Chief Executive Officer shall safeguard and maintain the fiscal integrity of the organization and ensure that all expenditures support board established Ends Policies.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

The Chief Executive Officer shall not:

1. Operate the organization at a deficit.
2. Indebt the organization without prior board approval.
3. Use any long-term reserves that have been restricted by the board or by third party agreement.
4. Fail to report quarterly to the Board on the temporary allocation of funds from the CRG corporate core to program accounts of amounts greater than can be restored to the core by certain, otherwise unrestricted program revenue within ninety days.
5. Fail to settle payroll and debts in a timely manner.
6. Allow tax and retirement payments or other government-ordered payments or filings to be overdue or inaccurately filed.
7. Fail to aggressively pursue receivables after a reasonable grace period.
8. Allow funder and Investor reports to be overdue or inaccurately reported.
9. Acquire, encumber, or dispose of real property in an amount exceeding \$75,000.



EMERGENCY CHIEF EXECUTIVE OFFICER SUCCESSION POLICY

POLICY NUMBER: 01-006

POLICY TYPE: EXECUTIVE LIMITATIONS

To protect the board from sudden loss of Chief Executive Officer's services, the Chief Executive Officer shall ensure that at least two other senior managers are familiar with board and Chief Executive Officer issues and processes.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

Limitations: None.



ASSET PROTECTION POLICY

POLICY NUMBER: 01-007

POLICY TYPE: EXECUTIVE LIMITATIONS

The Chief Executive Officer shall ensure that the organization's assets are adequately protected, and maintained, and not unnecessarily placed at risk.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

The Chief Executive Officer may not:

1. Fail to insure against theft and casualty losses to at least 80 percent of replacement value and against liability losses to board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations.
2. Allow unbonded personnel access to material amounts of funds.
3. Subject plant and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, its board, or staff to claims of liability.
5. Make any purchase (1) wherein normally prudent protection has not been given against conflict of interest; (2) of over \$5,000 without having obtained comparative prices and evaluating long term quality and costs. Orders shall not be split to avoid these criteria.
6. Fail to protect intellectual property, information, and files from loss or significant damage.
7. Receive, process, or disburse funds under controls that are insufficient to meet the board- appointed auditor's standards.
8. Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
9. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.



COMPENSATION AND BENEFITS POLICY

POLICY NUMBER: 01-008

POLICY TYPE: EXECUTIVE LIMITATIONS

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Chief Executive Officer shall ensure that the organization's fiscal integrity and public image are properly maintained and enhanced as appropriate.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

The Chief Executive Officer may not:

1. Change his or her own compensation and benefits, except, as his or her benefits are consistent with a package for all other employees
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Create compensation obligations over a longer term than revenues can be safely projected, in no event longer than one year, and in all events subject to losses in revenue.
5. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
 - a. Incur unfunded liabilities.
 - b. Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited.
 - c. Allow any employee to lose benefits already accrued from any foregoing plan.
 - d. Treat the Chief Executive Officer differently from other key employees.



COMMUNICATION AND SUPPORT TO BOARD POLICY

POLICY NUMBER: 01-009

POLICY TYPE: EXECUTIVE LIMITATIONS

The Chief Executive Officer shall be responsible for keeping the board informed and supported in its work.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

The Chief Executive Officer shall not:

1. Fail to submit the monitoring data required by the board Monitoring and Review Schedule Policy in a timely, accurate, and understandable fashion, directly addressing provisions of board policies being monitored.
2. Allow the board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established.
3. Fail to advise the board if, in the Chief Executive Officer's opinion, the board is not in compliance with its own policies on Governance Process and Board-Chief Executive Officer Linkage, particularly in the case of board behavior that is detrimental to the work relationship between the board and the Chief Executive Officer.
4. Fail to marshal for the board as many staff and external points of view, issues, and options as needed for fully informed board choices.
5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
6. Fail to provide a mechanism for official board, officer, or committee communications.
7. Fail to deal with the board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
8. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the board.
9. Fail to supply for the consent agenda all items delegated to the Chief Executive Officer yet required by law or contract to be board-approved, along with the monitoring assurance pertaining thereto.



ENDS FOCUS OF GRANTS OR CONTRACTS POLICY

POLICY NUMBER: 01-010

POLICY TYPE: EXECUTIVE LIMITATIONS

The Chief Executive Officer shall only enter into grant agreements, loans, and contract arrangements that emphasize the production of board established Ends, and avoid unacceptable means.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

Limitations: None.

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LENDING POLICY

POLICY NUMBER: 01-011

POLICY TYPE: EXECUTIVE LIMITATIONS

With respect to the management of the loan portfolios and lending activities, the Chief Executive Officer shall ensure that all conditions, procedures, and decisions are ethical, appropriate, fair, and do not unduly risk loan capital.

Except as limited below, the Chief Executive Officer is free to choose any appropriate organizational means for achieving and maintaining compliance with this policy.

The Chief Executive Officer shall not:

1. Engage in lending activities that do not further the organizational goals of addressing the needs of low-income and disadvantaged people or that fail to fill financing gaps that are outside the traditional banking system.
2. Allow the loan portfolio to substantially deviate from typical performance measurements of similar lending organizations or fail to consider “best practices” for Community Development Financial Institutions (CDFIs).
3. Allow the equity-to-total capital percentage to fall below 20%.
4. Create an unfavorable imbalance between loan terms offered by COMMUNITIES UNLIMITED and average terms of borrowed capital.
5. Fail to provide a mechanism for an appropriate loan review and approval process that manages the credit risk associated with new loan commitments.
6. Fail to respond quickly and decisively to problems that arise in the portfolio, taking legal steps to protect the organization’s assets, if warranted.
7. Fail to aggressively pursue loan receivables after a reasonable grace period and to provide adequate reserves for loan losses.
8. Fail to process and post loan payments on a timely basis or disburse funds under controls that are insufficient to meet the board-appointed auditor’s standards.
9. Operate without adequate conflict of interest policies and assurance of staff compliance with them.
10. Fail to build loan capital and increase the financial self-sufficiency of the lending function so it contributes to the organization’s overall financial health.
11. Fail to enhance loan products by providing appropriate technical assistance, as appropriate, that will help build the capacity of borrowers and result in better loan outcomes.
12. Fail to develop and implement comprehensive portfolio management policies to manage portfolio risk and meet financing goals.

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401(k) Retirement Plan Policy

POLICY NUMBER: 01-012

POLICY TYPE: EXECUTIVE LIMITATIONS

The Chief Executive Officer shall ensure that the organization's primary retirement program created for the benefit of its employees, known as the "Communities Unlimited, Inc. Employees Savings Trust or 401(k) Plan" (the Plan) assets are adequately protected, and maintained, and not unnecessarily placed at risk.

The Chief Executive Officer is free to choose any appropriate organizational means for maintaining compliance with this policy, subject to the following limitations.

The Chief Executive Officer shall not:

1. Fail to insure against theft and casualty losses or allow unbonded personnel access to material amounts of funds.
2. Unnecessarily expose the organization, its board, or staff to claims of liability.
3. Fail to process and post Plan payments on a timely basis or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
4. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
 - a. Incur unfunded liabilities.
 - b. Provide less than some basic level of benefits to all employees, though differential benefits to encourage longevity are not prohibited.
 - c. Causes a reduction in an employee's accrued investments (other than those caused by stock and bond market fluctuations)
 - d. Treat the Chief Executive Officer differently from other key employees.
5. Use methods of collecting, reviewing, transmitting, or storing Plan information that fail to protect against improper access to restricted and/or confidential materials.
6. Fail to report annually to the Board on the status of the Plan including disclosure of material changes or significant issues related to its operation.
7. Fail to provide appropriate educational opportunities and access to retirement planning information for Plan participants.
8. Fail to operate without an Investment Policy Statement.
9. Disband the 401K Board of Trustees
10. Fail to inform the board at its next quarterly meeting of a change in third party plan administrator.

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GLOBAL GOVERNANCE COMMITMENT POLICY

POLICY NUMBER: 02-001

POLICY TYPE: GOVERNANCE PROCESS

The purpose of the board is to act on behalf of the “ownership”, to ensure that Community Resource Group, Inc. (1) achieves appropriate results for appropriate persons at an appropriate cost and (2) avoids unacceptable actions and situations.

To this end the organization acts on behalf of everyone that cares about increasing prosperity, entrepreneurship, community infrastructure and quality of life in low-wealth and minority communities in rural America and elsewhere.

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GOVERNING STYLE POLICY

POLICY NUMBER: 02-002

POLICY TYPE: GOVERNANCE PROCESS

The board will govern lawfully with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of board and chief executive roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) proactively rather than reactively.

Accordingly,

1. The board will cultivate a sense of group responsibility. The board, not staff, will be responsible for excellence in governing. The board will be the initiator of policy, not merely a reactor to staff initiatives. The board will use the expertise of individual members to enhance the ability of the board as a body rather than to substitute individual judgments for the board's values. The board will allow no officer, individual, or committee of the board to hinder or be an excuse for not fulfilling board commitments.
2. The board will direct, control, and inspire the organization through the careful establishment of board written policies reflecting the board's values and perspectives about ends to be achieved and means to be avoided. The board's major policy focus will be on the intended long-term effects outside the organization, not on the administrative or programmatic means of attaining those effects.
3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring continuance of governance capability. Although the board can change its governance process policies at any time, it will observe them scrupulously while in force.
4. Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.
5. The board will allow no officer, individual or committee of the board to hinder or be an excuse for not fulfilling its commitments.

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BOARD JOB DESCRIPTION POLICY

POLICY NUMBER: 02-003

POLICY TYPE: GOVERNANCE PROCESS

The job of the board is to represent the “ownership” in determining and demanding appropriate organizational performance.

Accordingly,

1. The board will produce the link between the organization and the ownership.
2. The board will produce written governing policies that, at the broadest levels, address each category of organizational decisions.
 - a. *Ends*: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
 - b. *Executive Limitations*: Constraints on executive authority that establishes the prudence and ethics boundaries within which the executive activity and decisions must take place.
 - c. *Governance Process*: Specifications of how the board conceives, carries out, and monitors its own tasks.
 - d. *Board-Chief Executive Officer Linkage*: How power is delegated and its proper use monitored; the Chief Executive Officer role, authority, and accountability.
3. The board will produce assurance of Chief Executive Officer performance (against policies in 2a and 2b above).

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AGENDA PLANNING POLICY

POLICY NUMBER: 02-004

POLICY TYPE: GOVERNANCE PROCESS

To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (1) completes re- exploration of Ends policies annually and (2) continually improves board performance through board education and enriched input and deliberation.

Accordingly,

1. The cycle will conclude each year at the first quarter meeting so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long-term Ends.
2. The cycle will start with the board's development of its agenda for the next year.
 - a. Consultations with selected groups in the ownership or other methods of gaining ownership input will be determined and arranged in the first quarter, to be held during the balance of the year.
 - b. Governance education and education related to Ends determination (for example, presentations by futurists, demographers, advocacy groups, and staff) will be arranged in the first quarter, to be held during the balance of the year.
3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible.
4. Chief Executive Officer monitoring will be included on the agenda if monitoring reports show policy violations or if policy criteria are to be debated.
5. During the first quarter meeting, the Chief Executive Officer remuneration will be decided after a review of monitoring reports received.

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CHAIRMAN'S ROLE POLICY

POLICY NUMBER: 02-005

POLICY TYPE: GOVERNANCE PROCESS

The chairman assures the integrity of the board's process and, secondarily, occasionally represents the board to outside parties.

Accordingly,

1. The job result of the chairman is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - a. Meeting discussion content will be only those issues, which according to board policy, clearly belong to the board to decide or to monitor.
 - b. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
2. The authority of the chairman consists in making decisions that fall within topics covered by board policies on Governance Process and Board-Chief Executive Officer Linkage, except where the board specifically delegates portions of this authority to others. The chairman is authorized to use any reasonable interpretation of the provisions in these policies.
 - a. The chairman is empowered to chair board meetings, with all the commonly accepted power of that position (for example, ruling, recognizing).
 - b. The chairman has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the chairman has no authority to supervise, direct, hire, or terminate the Chief Executive Officer.
 - c. The chairman may represent the board to outside parties in announcing board stated positions and in stating chair decisions and interpretations within the area delegated to him or her.
 - d. The chairman may delegate this authority, but remains accountable for its use.



BOARD MEMBERS' CODE OF CONDUCT POLICY

POLICY NUMBER: 02-006

POLICY NUMBER: 02-006

The board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.

Accordingly,

1. Members must have loyalty to the ownership unconflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - a. There will be no self-dealing or business by a board member with the organization.
 - b. When the board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote but also from the deliberation.
 - c. Board members will not use their positions to obtain employment for themselves, family members, or close associates. Should a member desire employment, he or she must first resign.
 - d. Members will annually disclose their involvements with other organizations, with vendors, or any other associations that might produce a conflict.
3. Board members may not attempt to exercise individual authority over the organization.
 - a. Members' interaction with the Chief Executive Officer or with staff must recognize the lack of authority vested in individuals except when explicitly board-authorized.
 - b. Members' interaction with public, press or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions.
 - c. Members will not express individual judgments of Chief Executive Officer or staff performance.
4. Members will be properly prepared for board deliberation.
5. Members will respect the confidentiality appropriate to issues of a sensitive nature.
6. Board members will annually sign a copy of this policy indicating their understanding of and agreement to comply with the Board Member's Code of Conduct Policy as set out above.

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| <i>Printed name</i> | <i>Signature</i> | <i>Date</i> |
|---------------------|------------------|-------------|
| Chris Page | | |
| Herman Strickland | | |
| Deborah B. Warren | | |
| Donna Kay Yeargan | | |
| Salomon Torres | | |
| Maximillan Sprinkle | | |
| Wayne Fawbush | | |
| | | |
| | | |

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BOARD COMMITTEE PRINCIPLES POLICY

POLICY NUMBER: 02-007

POLICY TYPE: GOVERNANCE PROCESS

Board committees, when used, will be assigned so as to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to Chief Executive Officer.

Accordingly,

1. Board committees are to help the board do its job, never to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have dealings with current staff operations.
2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Chief Executive Officer.
3. Board committees cannot exercise authority over staff. Because the Chief Executive Officer works for the full board, he or she will not be required to obtain approval of a board committee before an executive action.
4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a board committee that has helped the board create policy on some topic will not be used to monitor organizational performance on that same topic.
5. Committees will be used sparingly and ordinarily in an ad hoc capacity.

This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless whether the group includes board members. It does not apply to committees formed under the authority of the Chief Executive Officer.

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COST OF GOVERNANCE POLICY

POLICY NUMBER: 02-008

POLICY TYPE: GOVERNANCE PROCESS

Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

Accordingly,

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - a. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
 - b. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes but is not limited to fiscal audit.
 - c. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
3. To insure Board service be accessible regardless of an individual's financial situation, board members may obtain reimbursement for board related travel and other expenses related to board service, by submitting appropriate receipts to the Chief Executive Officer's Executive Assistant for processing and payment.
4. The board shall, prior to the start of the annual budgeting process, provide the Chief Executive Officer with a dollar amount to be included in the budget for board expenses for the following twelve (12) month period.

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NEW BOARD MEMBER SELECTION POLICY

POLICY NUMBER: 02-009

POLICY TYPE: GOVERNANCE PROCESS

Because the quality of governance is, in large measure, a reflection of the board membership, the board will invest the time necessary to identify, recruit and select new board members capable of providing the leadership and diversity necessary to continued quality governance.

Accordingly, persons considered for board service must be:

- Committed to attend and fully participate in board activities under the Policy Governance model.
- Connected and committed to the ownership.
- Conceptual thinkers who can grasp the big picture.
- Able to participate assertively in deliberation.
- Able to lead and allow others to lead.
- Ethical and businesslike in their conduct.
- Able and eager to deal with values, vision and the long-term.
- Committed to the mission of COMMUNITIES UNLIMITED.
- Able to add value to the board and governance process, and in some cases bring special skills to the board.

In addition, other considerations regarding balance and fit must be made in the selection process:

- The board as a whole must represent a wide range of opinions and experiences.
- The composition of the board must reflect racial and ethnic diversity, gender and age balance, and the geography of COMMUNITIES UNLIMITED's service area.
- "Qualified" does not refer to academic credentials or high position.
- Rather, it is more likely to relate to capability, competence, connectedness, and commitment.
- Board membership shall not be limited to persons residing in COMMUNITIES UNLIMITED's primary service area.

Finally, the board shall employ the three-step process outlined below for filling board vacancies.

1. The board with assistance from the Chief Executive Officer shall identify a pool of candidates for vacant position(s) on the board. All candidates will be provided information about the organization and the board's policy approach to governance and asked to submit a resume or similar information.
2. The board will select one or more prospective board members from the candidate pool to attend a board meeting. Invited prospective board members must attend, observe,

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and participate in a board meeting and afterwards express interest in being considered for board membership.

3. Invitations to join the board will be sent to prospective board candidates that have been selected for membership by vote of the full board.

New board members will participate in a board approved orientation program.



GLOBAL BOARD-STAFF LINKAGE POLICY

POLICY NUMBER: 03-001

POLICY TYPE: BOARD-STAFF LINKAGE

The board's sole official connection to the operational organization, its achievements, and conduct will be through a Chief Executive Officer.



UNITY OF CONTROL POLICY

POLICY NUMBER: 03-002

POLICY TYPE: BOARD-STAFF LINKAGE

Only officially passed motions, resolutions and policies of the board are binding on the Chief Executive Officer.

Accordingly,

1. Decisions or instructions of individual board members, officers, or committees are not binding on the Chief Executive Officer except in rare instances when the board has specifically authorized such exercise of authority.
2. In the case of board members or committees requesting information or assistance without board authorization, the Chief Executive Officer can refuse such requests that require, in the Chief Executive Officer's opinion, a material amount of staff time or funds, or are disruptive.



ACCOUNTABILITY OF THE CHIEF EXECUTIVE OFFICER

POLICY NUMBER: 03-003

POLICY TYPE: BOARD-STAFF LINKAGE

The Chief Executive Officer is the board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the Chief Executive Officer.

Accordingly,

1. The board will never give instructions to persons who report directly or indirectly to the Chief Executive Officer.
2. The board will not evaluate, either formally or informally, any staff other than the Chief Executive Officer.
3. The board will view Chief Executive Officer's performance as identical to organizational performance, so that organizational accomplishment of board-stated ENDS and operating within board-proscribed limitations will be viewed as successful Chief Executive Officer's performance.



DELEGATION TO THE CHIEF EXECUTIVE OFFICER POLICY

POLICY NUMBER: 03-004

POLICY TYPE: BOARD-STAFF LINKAGE

The board will instruct the Chief Executive Officer through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the Chief Executive Officer to use any reasonable interpretation of these policies.

Accordingly,

1. The board will develop policies instructing the Chief Executive Officer to achieve certain results, for certain recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called *Ends policies*.
2. The board will develop policies that limit the latitude the Chief Executive Officer may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called *Executive Limitations policies*.
3. As long as the Chief Executive Officer uses *any reasonable interpretation* of the board's Ends and Executive Limitations policies, the Chief Executive Officer is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities. Such decisions of the Chief Executive Officer shall have full force and authority as if decided by the board.
4. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and Chief Executive Officer domains. By doing so, the board changes the latitude of choice given to the Chief Executive Officer. But as long as any particular delegation is in place, the board will respect and support the Chief Executive Officer's choices.

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CHIEF EXECUTIVE OFFICER PERFORMANCE MONITORING POLICY

POLICY NUMBER: 03-005

POLICY TYPE: BOARD-STAFF LINKAGE

Systematic and rigorous monitoring of the Chief Executive Officer's job performance will be solely against the only expected Chief Executive Officer job outputs: organizational accomplishment of board policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations.

Accordingly,

1. Monitoring is simply to determine the degree to which board policies are being met. Data that does not do this will not be considered to be monitoring data. The board will acquire monitoring data by one or more of three methods:
 - by internal report, in which the Chief Executive Officer discloses compliance information to the board,
 - by external report, in which an external, disinterested third party selected by the board assesses compliance with board policies, and
 - by direct board inspection, in which a designated member or members of the board assess compliance with the appropriate policy criteria.
2. In every case, the standard for compliance shall be any reasonable Chief Executive Officer interpretation of the board policy being monitored. The board is final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favored by board members or by the board as a whole.
3. All policies that instruct the Chief Executive Officer will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.



CHIEF EXECUTIVE OFFICER JOB DESCRIPTION POLICY

POLICY NUMBER: 03-006

POLICY TYPE: BOARD-STAFF LINKAGE

As the board's single official link to the operating organization, the Chief Executive Officer's performance will be considered to be synonymous with organizational performance as a total.

Consequently, the Chief Executive Officer's job contributions can be stated as performance in only two areas:

1. Organizational accomplishment of the provisions of board policies on Ends.
2. Organization operation within the boundaries of prudence and ethics established in board policies on Executive Limitations.

COMMUNITIES Unlimited

MONITORING AND REVIEW SCHEDULE POLICY

POLICY NUMBER: 03-007

POLICY TYPE: BOARD-STAFF LINKAGE

The Monitoring and Review Schedule Policy will ensure continual monitoring and review of the policies by the board of directors of Community Resource Group, Inc.

| Policy No. | Policy Title | Responsible Party | Method | Frequency | Monitor/Review *Quarter | Board Member Responsible |
|-------------------------------------------|-----------------------------------------------|-------------------|----------------|-----------|-------------------------|--------------------------|
| Policy Type: EXECUTIVE LIMITATIONS | | | | | | |
| 01-001 | Global Executive Constraint | CEO | Report | Annual | 1 | TBD |
| 01-002 | Treatment of Consumers | CEO | Report | Annual | 2 | |
| 01-003 | Treatment of Staff | CEO | Report | Annual | 2 | |
| 01-004 | Financial Planning and Budgeting | CEO | Report | Annual | 2 | |
| 01-005 | Financial Condition and Activities | CEO | Report | Annual | 1 | |
| 01-006 | Emergency CEO Succession | CEO | Report | Annual | 3 | |
| 01-007 | Asset Protection | CEO | Report | Annual | 3 | |
| 01-008 | Compensation and Benefits | CEO | Report | Annual | 4 | |
| 01-009 | Communication and Support to Board | CEO | Report | Annual | 4 | |
| 01-010 | Ends Focus of Grants or Contracts Policy | CEO | Report | Annual | 4 | |
| 01-011 | Lending Policy | CEO | Report | Annual | 1 | |
| Policy No. | Policy Title | Responsible Party | Method | Frequency | Monitor/Review *Quarter | Board Member Responsible |
| Policy Type: GOVERNANCE PROCESS | | | | | | |
| 02-001 | Governance Commitment | Board | Monitor/Review | Annual | 1 | |
| 02-002 | Governing Style | Board | Monitor/Review | Annual | 1 | |
| 02-003 | Board Job Description | Board | Monitor/Review | Annual | 3 | |
| 02-004 | Agenda Planning | Board | Monitor/Review | Annual | 4 | |
| 02-005 | Chairperson's Role | Board | Monitor/Review | Annual | 2 | |
| 02-006 | Board Members Code of Conduct | Board | Monitor/Review | Annual | 2 | |
| 02-007 | Board Committee Principles | Board | Monitor/Review | Annual | 3 | |
| 02-008 | Cost of Governance | Board | Monitor/Review | Annual | 4 | |
| 02-009 | New Board Member Selection | Board | Monitor/Review | Annual | 4 | |
| Policy No. | Policy Title | Responsible Party | Method | Frequency | Monitor/Review *Quarter | Board Member Responsible |
| Policy Type: BOARD-STAFF RELATIONS | | | | | | |
| 03-001 | Global Board-Staff Linkage | Board | Monitor/Review | Annual | 2 | |
| 03-002 | Unity of Control | Board | Monitor/Review | Annual | 2 | |
| 03-003 | Chief Executive Officer Accountability Policy | Board | Monitor/Review | Annual | 1 | |
| 03-004 | Delegation to the Chief Executive Officer | Board | Monitor/Review | Annual | 3 | |
| 03-005 | Executive Dir. Performance Monitoring | Board | Monitor/Review | Annual | 1 | |
| 03-006 | Chief Executive Officer Job Description | Board | Monitor/Review | Annual | 4 | |
| 03-007 | Monitoring and Review Schedule | Board | Monitor/Review | Annual | 2 | |

* 1 – Winter

* 2 – Spring

* 3 – Summer

* 4 – Fall

COMMUNITIES Unlimited

GLOBAL AND SUB-ENDS POLICY

POLICY NUMBER: 04-001

POLICY TYPE: ENDS

The reason the corporation exists and the Global End toward which all Communities Unlimited, Inc. corporate resources, both human and financial shall be directed, is to insure that:

Healthy and sustainable rural and urban communities achieve wealth, provide livelihoods, and create equitable opportunities for all people who live there.

Communities Unlimited is an organization that works and collaborates along the rural-urban continuum to create equitable access to:

- Healthy food and drinking water as well as related sanitary services
- Adequate and appropriate housing
- Skills, knowledge and relationships necessary for entrepreneurs to create and run sustainable businesses
- Access to appropriate capital

How do we work?

- Attracting and delivering resources to communities along the rural-urban continuum
- Creating agency, building capacity and supporting problem solving
- Catalyzing deep collaborations locally and regionally

Accordingly, the Chief Executive Officer shall not allow significant corporate resources to be focused on implied Ends in areas other than those set out above.