

## **Elk Falls Property Owners Association**

### **BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY**

The following procedures have been adopted by the Elk Falls Property Owners Association. ("Association") pursuant to C.R.S. 38-33.3-209.5, by of the Board of Directors.

**WHEREAS**, the Board of Directors believes it to be in the best interest of the Association to adopt a policy governing the handling of conflicts of interest among Board Members.

**NOW, THEREFORE, BE IT RESOLVED** that the Association does hereby adopt the following Policy to govern the handling of conflicts of interest among Board Members:

1. If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a Board member, or a parent or spouse of any of those persons, then that interested Board member shall verbally declare at the first open meeting of the Board at which the interested Director is present, prior to any discussion or vote on the matter, that a conflict of interest exists and shall describe in detail all of the particular facts of the conflict of interest.
2. The interested Board member may deliver to the Board a letter setting forth a detailed summary of the conflict of interest, which letter shall be read out loud by a non-interested Board member at an open meeting of the Board.
3. After the interested Board member makes such a declaration, the interested Board member may participate in a discussion of the matter giving rise to the conflict of interest and may vote on the issue relating to the award of any contract, decision or other action which relates to the conflict of interest. The Minutes of the meeting shall reflect the disclosure made, the composition of the quorum and record who voted for and against.
4. The interested Board member may be counted as present when determining whether a quorum of the Board exists.
5. No loans shall be made by the Association to its Board Members or Officers. Any Board Member or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.
6. No conflicting interest transaction shall be voidable by an Owner or on behalf of the Association if:
  - a. The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;

- b. The facts about the conflicting interest transaction are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or
- c. The conflicting interest transaction is fair to the Association.

The undersigned hereby certifies that the foregoing resolution was adopted on the \_\_\_ day of \_\_\_\_\_, 2008.

Elk Falls Property Owners Association.

By: \_\_\_\_\_  
David Crespo, President

Attest:

This Board of Directors Conflict of Interest Policy was adopted by the Board of Directors on the \_\_\_ day of \_\_\_\_\_, 2008, effective the \_\_\_ day of \_\_\_\_\_, 2008, and is attested to by the Secretary of Elk Falls Property Owners Association.

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Suzy Neslon , Secretary