

**Rosewood Hills Property and Homeowner's Association, Inc.**

**POLICY REGARDING  
BOARD MEMBER CONFLICTS OF INTEREST**

Adopted on: January 19<sup>th</sup>, 2017

The following policy has been adopted by **Rosewood Hills Property and Homeowner's Association, Inc.** ("Association") pursuant to C.R.S.38-33.3-209.5 as amended, at a special meeting of the Board of Directors.

Effective date: February 1<sup>st</sup>, 2017

NOW, THEREFORE, it is resolved that the Association does adopt the following policy and procedures which shall apply when members of the Association's Board of Directors have a conflict of interest, as that term is described herein below:

1. As used in this policy, "Conflicting Interest Transaction" means: A contract, transaction, or other financial relationship between the Association and a Director (Board Member) of the Association, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest. As used in this policy, "Officer" means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney or accountant employed by the Association.

2. No loans shall be made by the Association to its Directors or Officers. Any Director or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

3. No Conflicting Interest Transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member or by or in the right of the Association solely because the Conflicting Transaction Involves a Director of the Association or a party related to a Director or an entity in which a Director of the Association is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Association's Board of Directors or of the committee of the Board of Directors that authorizes, approves, or ratifies the Conflicting Interest Transaction or solely because the Director's vote is counted for such purpose if:

a. The material facts as to the Director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes, approves, or ratifies the Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or

b. The material facts as to the Director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Members entitled to vote thereon, and the Conflicting Interest Transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote thereon; or

c. The Conflicting Interest Transaction is fair as to the Association.

4. Conflicted or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves, or ratifies the Conflicting Interest Transaction.

5. For purposes of this section, a "party related to a Director" shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director, officer, or has a financial interest.

6. In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

7. The Board of Directors shall periodically review the conflict of interest policies, procedures and rules and regulations of the Association to determine if any changes are advisable and to insure compliance with applicable law.

**Rosewood Hills Property and Homeowner's Association, Inc.**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

This Policy regarding board member conflicts of interest was adopted by the Board of Directors of the Association on the 19<sup>th</sup> day of January 2017, effective the 1<sup>st</sup> day of February, 2017, and is attested to by the Secretary of the Association.

Damian Cercone, Secretary