

THE RESERVE ON THE EAGLE RIVER CONDOMINIUM ASSOCIATION, INC.
POLICY REGARDING BOARD OF DIRECTORS CONFLICTS OF INTEREST

SUBJECT: Adoption of a policy regarding Board of Directors Conflicts of Interests

PURPOSE: To adopt a standard procedure to be followed . . .

AUTHORITY: The Declaration, Articles and Bylaws of the Association, and Colorado law.

EFFECTIVE

DATE: 5/16, 2016

RESOLUTION: The Association hereby adopts the following Policy:

I. CONFLICTING INTERESTS TRANSACTIONS POLICY

A. Policy Regarding Board of Directors Conflicts of Interest

1. As used in this Policy, "conflicting interest transaction" means: A contract, transaction, or other financial relationship between the Association and a member of the Association's Board ("Director"), or between the Association and party related to a Director, or between the Association and an entity in which the a Director is a director or officer or has a financial interest.
2. As used in this Policy, "Officer" shall mean any person designated as an officer of the Association or any person to whom the Board delegates responsibilities under Article 38-33.3 of the Colorado Revised Statutes, including, without limitation, a managing agent, attorney or accountant employed by the Board.
3. As used in this Policy, "party related to a Director" shall mean a spouse, a descendent, an ancestor, a sibling, tile 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.
4. 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
5. 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 an owner or by or in the right of the Association, solely because the conflicting interest transaction involves a Director of the Association or a party related to a Director or Officer or an entity in which a Director 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 or of the committee of the Board 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 as to the conflicting interest transaction are disclosed or are known to the Board or the committee, and Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Directors; or
- (b) the material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or known to the owners entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the owners entitled to vote thereon; or
- (c) the conflicting interest transaction is fair as to the nonprofit corporation.

6. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

II. PROCEDURE REGARDING CONFLICTING INTERESTS TRANSACTIONS

RECITALS

- (a) The Board wishes to avoid self-dealing, actual or apparent, in its administration of the Association.
- (b) The Board wishes to adopt requirements for Director in order to assure sound management of the Association.

NOW, THEREFORE, BE IT RESOLVED THAT THE FOLLOWING SHALL APPLY:
Requirements Upon All Directors.

- A. All Directors shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to the Association and owners. All Directors shall comply with all lawful provisions of the Association's Declaration, bylaws, Articles of Incorporation, Rules and Regulations.
- B. Any duality of interest or possible conflict of interest on the part of any Director shall be disclosed to the other Directors at the first meeting of the Board at which the interested Director is present after the conflict of interest is or should be discovered. Such disclosure shall be made a matter of record in the minutes of the Board meeting at which the disclosure of the conflict or possible conflict of interest is made.
- C. The interested Director shall leave the meeting during any time when discussion of any topic related to the conflict or possible conflict of interest is conducted. The minutes of the meeting shall reflect that the interested Director did not participate in the discussion and left the meeting during the discussion.

- D. Any Director having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter. The minutes of the meeting shall reflect the abstention from voting and the reason for the abstention.
- E. The foregoing requirements shall not be construed as preventing the interested Director from briefly stating his or her position in the matter nor from answering pertinent questions of other Board members since his or her knowledge may be of great assistance.
- F. Any breach or suspected breach of this resolution by a Director shall be brought to the attention of the remaining Board members for appropriate action.
- G. If the remaining Board members by a majority vote determine that a breach of this resolution has occurred, it may impose sanctions upon the interested Director as appropriate and reasonable. If the breach is determined by a majority vote of the remaining Directors to be knowingly and willfully committed, the Board may accept the breach as the interested Director's resignation from the Board of Directors.
- H. From the date of adoption of this resolution set forth above, all Directors shall serve subject to the requirements of this resolution.

**PRESIDENT'S
CERTIFICATION:**

The undersigned, being the President of The Reserve on the Eagle River Condominium Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on May 16, 2016 and in witness thereof, the undersigned has subscribed his/her name.

The Reserve on the Eagle River Condominium Association, Inc.
a Colorado nonprofit corporation,

By: Rebecca K. Forsline
President

REVIEWED AND ACCEPTED BY:

Deborah K. Forsline, DIRECTOR

PRINT NAME HERE:

Deborah K. Forsline

DATE:

5-16-2016

REVIEWED AND ACCEPTED BY:

, DIRECTOR

PRINT NAME HERE:

Brian Woodell

DATE:

5-16-16.

REVIEWED AND ACCEPTED BY:

, DIRECTOR

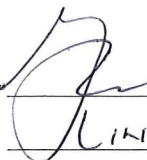
PRINT NAME HERE:

Jess Frieze

DATE:

5-16-16

REVIEWED AND ACCEPTED BY:

, DIRECTOR

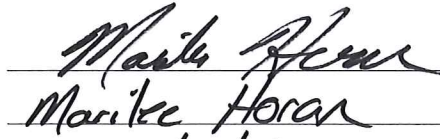
PRINT NAME HERE:

Linda Guerrette

DATE:

5/16/16

REVIEWED AND ACCEPTED BY:

, DIRECTOR

PRINT NAME HERE:

Marilee Horan

DATE:

5/16/16

REVIEWED AND ACCEPTED BY:

, DIRECTOR

PRINT NAME HERE:

ANDREW JAMES ABRAHAM

DATE:

5.16.2016

REVIEWED AND ACCEPTED BY:

_____, DIRECTOR

PRINT NAME HERE:

DATE:

REVIEWED AND ACCEPTED BY:

_____, DIRECTOR

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DATE:
