

Casolar del Norte Homeowners Association
Conflict of Interest Policy

Effective Date: August 20, 2015

Pursuant to Colorado law, the Board of Directors of the Association desires to adopt a policy to address conflicts of interest.

The Association hereby adopts the following policies and procedures for handling director's conflicts of interest.

1. Definitions

A. "Conflicting interest transaction" means a contract, transaction or other financial relationship: (a) between the Association and a director, or (b) between the Association and a party related to the director, or (c) between the Association and an entity in which a director of the Association is a director or officer, or has a financial interest.

B. "Party related to a director" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the director or 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.

2. The director shall disclose the conflicting interest in the proposed transaction in an open meeting prior to the discussion and vote. Such disclosure shall be reflected in the minutes of the meeting.

3. The director shall not take part in the discussion and shall leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of disinterested Board members may ask the interested director to remain during any portion of the discussion and/or vote on the matter, provided that the interested director does not vote. Such abstention shall be reflected in the minutes of the meeting.

4. The interested director shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.

5. The contract, Board decision or other Board action must be approved by a majority of the disinterested directors. No contract, Board decision or other Board action in which a director has a conflicting interest shall be approved unless it is commercially reasonable to and/or in the best interests of the Association.

6. Notwithstanding anything to the contrary herein, no conflicting interest transaction shall be set aside solely because an interested director is present at,


participates in or votes at a Board or committee meeting that authorizes, approves or ratifies the conflicting interest transaction if:

- A. the material facts as to the directors relationship or interest as to the conflicting interest transaction are disclosed or known to the Board of Directors or the committee, and the 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, even though the disinterested directors may be 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 known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved or ratified in good faith by the Members entitled to vote; or
- C. the conflicting interest transaction is fair to the Association.

7. 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 of the loan.

IN WITNESS WHEREOF, the undersigned certify that this Conflict of Interest Policy was adopted by resolution of the Board of Directors of the Association on this 20th day of August, 2015.

Casolar Del Norte Homeowners Association, by



President

Attest



Secretary