



# Spyglass Ridge Homeowners Association, Inc.

## Conflict of Interest Policy and Procedure

**BE IT RESOLVED**, the Association hereby adopts the following procedures to be followed for conflict of interest by a Director.

### **SCOPE:**

To adopt a procedure and policy outlining procedures to be followed for conflict of interest by a Director.

### **SPECIFICS:**

Whenever possible, conflicts of interest should be avoided. This will allow the directors to provide fiduciary duty without the semblance of impropriety.

### **Conflict of Interest Policy Definitions:**

- *Conflicting Interest Transaction* means a contract, transaction, or other financial relationship between the Association and a Director, 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.
- *Director* means a member of the Board of Directors
- *Party related to a Director* means 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 the Director has a beneficial interest, or an entity in which a party related to a Director is a director or has a financial interest.

### **Disclosure**

A Director who has a potential or actual conflict of interest must disclose such potential conflict or actual conflict in full to disinterested Board members. The disclosure must occur, if possible, before discussion of the subject invoking the potential or actual conflict commences. The facts about the conflicting interest transaction should be fully disclosed to the disinterested Board members.

### **Quorum, Participation, and Voting**

- A director who has recused him or herself is counted for the purposes of a quorum notwithstanding non-participation as a board member
- A recused director may participate as a member of the Association if the director has moved to the audience or gallery and is providing additional information as other members of the Association have the right to provide.
- A director must recuse himself or herself from the discussion in its entirety as a director and may not vote on the subject.

### **General Policies**

- The Association should make no loans to its Directors or officers.

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**Definitions:** Unless otherwise defined in this Resolution, terms defined in the Declaration shall have the same meaning herein.

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**Supplement to Law:** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

**Deviations:** This Resolution is not intended and shall not deprive the Board of discretion in exercise and discharge of any of its duties and authority as the Board, in its sole discretion, determines is reasonable under the circumstances.

**Amendment:** The Board of Directors may amend this procedure from time to time.

**Secretary's Certification:** The undersigned, being the Secretary of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

Spyglass Ridge Homeowners Association, Inc.

**SIGNED COPY ON FILE IN COMMUNITY CENTER**

Kody Zubrod, Secretary

Effective Date: 13 July 2009