

East Quincy Highlands II Homeowners Association, Inc.
RESPONSIBLE GOVERNING POLICY
In Compliance with Senate Bill 100
BOARD MEMBER CONFLICT OF INTEREST

As the Board of Directors for the Community, we recognize that each Board Member serves our Community in a position of trust. In this role for the Community, conflicts of interest may occur under certain circumstances.

We define and agree that a conflict of interest is a conflict between the private interests and the official or professional responsibilities of each of us as Board Members serving our Community.

We also agree that a conflict of interest would occur if our actions as Board Members in any way directly and exclusively benefit (monetarily or otherwise) any of the following persons, groups or organizations:

- A Board Member
- My immediate family
- My other family members such as parents, siblings, aunts, uncles, cousins, nieces and nephews, etc.
- My company or my business partners

It is also agreed that an actual or potential conflict of interest will or may exist when a Board Member or any other member in a voting body for the Community serves as another entity's Board Member, Committee Member, Employee, Agent, Stockholder or Contractor. Any actual, perceived or potential conflict will be avoided by that Board Member or voting body member by announcing the actual, perceived or potential conflict of interest in an open meeting of the Board and abstaining from any vote that involves both entities directly or indirectly.

In the event that a conflict of interest arises, the conflicted Board Member will publicly (in an open Board Meeting) announce the conflict of interest and all circumstances and details involved in the conflict **before** a vote is taken that would create the conflict of interest. The conflicted Board Member may participate in discussions prior to the vote; however the conflicted Board Member will abstain from voting on the issue that would create the conflict of interest. All information will be recorded in the Association's regular meeting minutes.

In the event that a conflict of interest arises without the initial knowledge of the conflicted Board Member, that Board Member will notify the Board President in writing within five days after discovery. The Board President will determine whether or not the issue warrants a special meeting or whether the situation can wait until the next regularly-scheduled Board meeting, if the Board President has a conflict, the Vice President will preside. The same voting requirements as stated in the previous paragraph will be used to vote on the issue.

In the event that a Board Member knowingly hides or misrepresents a conflict of interest (as determined by the remaining Directors), the offending Board Member will assume any and all liability associated with the concealed conflict of interest on a personal basis with no protection as a Board Member and no coverage under the Association's Director's and Officer's insurance coverage. The offending Board Member will be removed as an officer (if currently serving as an officer) and the Board will ask for the offending Board Member's resignation from the Board.

Contracts entered into without prior knowledge of a conflict of interest will be considered voidable per Colorado §38-33.3-310.5(2).