

Homestead Farm II Homeowners Association, Inc.  
**BOARD MEMBER CONFLICT OF INTEREST POLICY**

The following policy has been adopted by the Homestead Farm II Homeowners Association, Inc (“Association”) at a meeting of the Board of Directors.

**Purpose:** To establish appropriate governance and comply with Colorado law by adopting procedures to be followed when a Director has conflict of interest to ensure proper disclosure of the conflict and voting procedures.

**Effective Date:** On date Approved by the Board of Directors

**Resolution:** The Association hereby adopts the following procedures regarding Director conflicts of interest:

1. General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. Directors shall comply with all lawful provisions of the Declaration and the Association’s Articles, Bylaws, and Policies.
2. Definition of a Conflict. A conflict of interest exists whenever any contract, decision, or other action taken by or on behalf of the Board would financially benefit:
  - a. The Director
  - b. A parent, grandparent, spouse, child, or sibling of the Director; or the parent or spouse of any of those persons
  - c. A friend of the Director
  - d. An entity in which a Director is a director or officer, or has a financial interest.A conflict does not exist if the financial benefit to the Director is substantially equal to all other Homeowners in the Association.
3. Committee Members. Board members who also hold positions on any committee that makes recommendations to the Board and who have a conflict of interest on a committee matter, must abstain from voting on any such recommendation.
4. Disclosure of a Conflict. Any conflict of interest on the part of any Director shall be verbally disclosed to the other Directors in open session in the first meeting after which the Director became aware of the conflict. The Board member may participate in discussions of the issue as a Board member, but under no circumstances shall he or she vote on that issue.

5. Reconsideration of Issue. Any decision made by the Board in violation of this policy must be reconsidered as quickly as possible should a conflict of interest be subsequently discovered or admitted to after that decision has been made.
  
6. Amendment and Deviation. These procedures may be amended by the Board, and the Board may deviate from them if in its sole discretion, such deviation is reasonable under the circumstances.

Homestead Farm II Homeowners Association, Inc. The undersigned certifies that that this policy was approved and adopted by the Board of Directors of the Association at a duly called and held meeting on this

3/6/06 date.  
By: David Meyer  
President

Attest  
[Signature]  
Title