

CARRIAGE PARK HOMEOWNERS ASSOCIATION, INC.
RESOLUTION REGARDING BOARD MEMBER CONFLICT OF INTEREST

WHEREAS, The Board of Directors of Carriage Park Homeowner Association, Inc. is empowered to govern the affairs of the Association pursuant to Article VII of the Bylaws;

WHEREAS, There is a need to adopt a specific policy on Conflict of Interest;

WHEREAS, It is the intent that this rule shall be applicable to all members of the Board of Directors and any committees of the Association and this resolution shall remain in effect until otherwise rescinded, modified, or amended by a majority of the Board of Directors;

NOW, THEREFORE, Be it resolved that the following rules on conflict of interest are hereby adopted by the Board of Directors:

Conflict of Interest is defined in the Colorado Revised Nonprofit Corporation Act as:

" A contract, transaction, or other financial relationship between a nonprofit corporation and a director of the nonprofit corporation, or between the nonprofit corporation and a party related to the director, or between the nonprofit corporation and an entity in which a director of the corporation is a director or officer has a financial interest. "

Determining if a Conflict Exists:

1. If any action, decision, or transaction made by an Association would financially benefit a Director, committee member, or an ancestor, descendant, parent, grandparent, child, or sibling of a Director, or a spouse of any of these persons, 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 or officer or has a financial interest, it is considered a conflict of interest.

In the Event of a Conflict of Interest:

1. The board member with the conflict of interest must make full disclosure of the conflict of interest in an open meeting BEFORE any action is taken on the matter.
2. That member's presence in the meeting may be counted for purposes of quorum.
3. The board member may participate in discussion and MAY vote on that issue unless the governing documents state otherwise.
4. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum and record who voted for and against.
5. The board should perform an objective review of the matter.
6. Make a good faith judgement with the Association's best interests in mind.

Policy Requirements:

1. This policy must be signed by any member of the Board of Directors and by any member of a committee under service of the Association.
2. No conflicting interest transaction shall be voidable by an Owner or on behalf of the Association if:

- I. The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
 - II. The facts about the conflicting interest transaction are disclosed or the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or
 - III. The conflicting interest transaction is fair to the Association.
3. 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 the loan until it is repaid.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Carriage Park Homeowner Association, Inc., a Colorado non-profit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association on, Sept. 29, 2006 and in witness thereof, the undersigned has subscribed his/her name.

CARRIAGE PARK HOMEOWNER ASSOCIATION, INC.,
a Colorado non-profit corporation

By: Carmen Richard
President

By signing below, I am acknowledging that I have read and agree to abide by the Conflict of Interest Policy for Carriage Park Homeowners Association.

<u>Carmen Richard</u>	<u>President</u>
(NAME- PLEASE PRINT)	(TITLE)
<u>Carmen Richard</u>	<u>9/29/2006</u>
(SIGNATURE)	(DATE)