

SOMERSET ESTATES HOMEOWNERS ASSOCIATION, INC.
CONFLICT OF INTEREST POLICY

Adopted 2/27/2019

The following policy has been adopted by Somerset Estates Homeowners Association, Inc. ("Association") pursuant to the Colorado Common Interest Ownership Act ("Act"), including C.R.S. 38-33.3-209.5, as amended, at a regular meeting of the Executive Board ("Board").

Purpose: To establish a uniform and systematic protocol for the handling of conflicts of interest among Board and Committee members.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy to govern the handling of conflicts of interest among Board or Committee members:

1. Definition of Conflict. If any contract, decision, or other action taken by or on behalf of the Board or a Board Committee would financially benefit, to a greater extent than the general membership of the Association, any Board or Committee member or any person who is a parent, grandparent, spouse, child, or sibling of a Board or Committee member; a parent, spouse, or child of any of those persons; an estate or trust in which the Board or Committee member or a party related to the Board or Committee member has a beneficial interest; or an entity in which a party related to a Board or Committee member is a director, officer, or has a financial interest ("party related to the Board or Committee member") then, advance of entering into that contract, making the decision or taking the action, that interested Board or Committee member shall declare at an open meeting of the Board or Committee that a conflict of interest exists and shall describe in detail all of the particular facts of the conflict of interest. Further, if any Board or Committee member or party related to the Board or Committee member has previously benefited financially from his/her relationship with a potential party in any contract, decision or other action, that must likewise be disclosed.

2. Notice of Conflict. The interested Board or Committee member may deliver to the Board or Committee a letter setting forth a detailed summary of the conflict of interest, which letter shall be read out loud by a disinterested Board or Committee member at an open meeting of the Board or Committee.

3. Recusal. After the interested Board or Committee member makes such a declaration, the interested Board or Committee member may not participate in a discussion of the matter or vote on the issue giving rise to the conflict of interest, unless the Board or Committee determines by majority vote of the disinterested members that the possible conflict of interest is insufficient for the Board or Committee member to be recused from the matter. If there is compliance with the terms of this policy, a majority of the disinterested Board or Committee members may in good faith authorize, approve, or ratify the conflicting interest transaction or decision. A Board or Committee member may also choose to abstain from discussion and/or voting on a matter with or without a stated reason, provided however, the minutes of the meeting shall reflect that abstention.

4. Quorum. The interested Board or Committee member may be counted as present when determining whether a quorum of the Board or Committee exists.

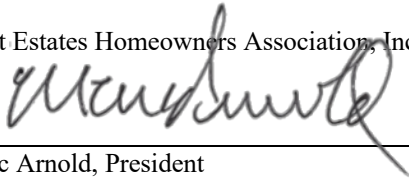
5. Contracts. Any contract entered into in violation of this policy is void and unenforceable, provided the conflict is discovered within one year of the effective date of the contract.

6. Periodic Review. This policy must be reviewed every three years.

7. Miscellaneous. Failure by the Association to enforce any provision of this policy shall in no event be deemed to be a waiver of the right to do so thereafter.

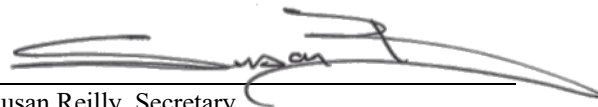
8. Severability. If a provision of this policy is or becomes illegal, invalid or unenforceable, that shall not affect the validity or enforceability of any other provisions of this policy.

Somerset Estates Homeowners Association, Inc.

By: 

Marc Arnold, President

This Conflict of Interest Policy was adopted by the Executive Board on the 27th day of February, 2019, effective the 27th day of February, 2019 and is attested to by the Secretary of the Somerset Estates Homeowners Association, Inc.

By: 

Susan Reilly, Secretary