

**GUNNISON RIVER HOMEOWNERS ASSOCIATION  
POLICY AND PROCEDURE  
REGARDING CONFLICT OF INTEREST  
C.R.S. §38-33.3-209.5(1)(b)(II)**

**SUBJECT:** Conflict of Interest

**PURPOSE:** To adopt a standard procedure for the procedures to be followed when a director has a conflict of interest to ensure proper discourse of the conflict and voting procedures

**AUTHORITY:** The Declaration, Articles and Bylaws of the Association and Colorado Law ("Governing Documents")

**EFFECTIVE DATE:** On the date approved by the Board of Directors

**RESOLUTION:** The Association hereby adopts the following procedures and policies regarding conflicts of interest by Members of the Board of Directors:

1. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms used in this Policy have the meanings set forth in the Governing Documents.

1.1 Conflicting Interest Transaction. A Contract, transaction, or other financial relationship between the Association and (i) a Board Member, (ii) a Related Party to a Board Member, or (iii) an entity in which a Board Member is also a director or officer, or has financial interest.

1.2 Officer. Any person designated as an officer of the Association and any person to whom the Board of Directors delegates responsibilities under CCIOA, including managing agent, attorney, or accountant employed by the Board of Directors.

1.3 Related Party. A spouse, descendent, ancestor, sibling, the spouse and/or descendent of a sibling, an estate or trust in which the Board Member or a party related to the Board Member has a beneficial interest, or an entity in which a party related to the Board Member is a director, officer, or has a financial interest.

2. Dealing with a Conflicting Interest Transaction.

2.1 No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by an owner/member of the Association or by or in the right of the Association as a nonprofit corporation, solely because the conflicting interest transaction involves a Board Member or a party related to a Board Member or an entity in which a Board Member of the Association is a director or officer or has a financial interest or solely because the Board Member is present at or participates in the meeting of the Board of Directors or of a committee of the Board of Directors that authorizes, approves, or ratifies the conflicting interest transaction or solely because the Board Member's vote is counted for such purpose, if:

2.1.1 The material facts as to the Board Member's relationship or interest and, as to the conflicting interest transaction, are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Board Members, even though the disinterested Board Members are less than a quorum; or

2.1.2 The material facts as to the Board Member's relationship or interest and, as to the conflicting interest transaction, are disclosed or are known to the Board Members (or members of a committee) entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Owners/Members; or

2.1.3 The conflicting interest transaction is fair as to the Association.

2.2 Common or interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

3. Loans Prohibited. No loans shall be made by the Association to any Board Member or Officer. Any Board Member or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

4. Deviations. The Board of Directors may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

5. Supplement to Law. The provisions of this Policy are in addition to and in supplement of the terms and provisions of the Governing Documents and the laws of the State of Colorado.


6. Inconsistencies. If and to the extent that any provision of this Policy are inconsistent with the Declaration or Bylaws, the applicable provisions of the Declaration or Bylaws prevail, unless other required by applicable law.

7. Amendment. This Policy may be amended from time to time by the Board of Directors.

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**PRESIDENT'S CERTIFICATION:** The undersigned, being the President of the Gunnison River Homeowners Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of the Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on 9/30/2022 and in witness thereof, the undersigned has subscribed his/her name.

GUNNISON RIVER HOMEOWNERS  
ASSOCIATION, a Colorado nonprofit  
corporation

By:   
\_\_\_\_\_, President