

THE COURTYARDS AT QUAIL LAKE HOMEOWNERS ASSOCIATION CONFLICT OF INTEREST POLICY

PURPOSE: In compliance with the Colorado Common Interest Ownership Act, the Board of Directors of the Association desires to adopt a uniform and systemic policy to address conflicts of interest.

AUTHORITY: The Declaration of Covenants, Articles of Incorporation and Bylaws of the Association, and Colorado law.

**EFFECTIVE
DATE:** September 3, 2026

RESOLUTION: The Association hereby adopts the following policies and procedures to address Board members' conflicts of interest.

1. A Board member is deemed to have a conflict of interest if any of the following would derive a financial benefit from a work order, contract, Board decision or Board action: the Board member, the Board member's parent, grandparent, spouse, child, or sibling; or the parent or spouse of the Board member's parent, grandparent, spouse, child or sibling. Reimbursement of actual expenses shall not be deemed a financial benefit for the purposes of this policy
2. A Board member shall not be an employee or vendor of the Association, or the Association's property management company, or otherwise perform paid work on the Association's property, or on behalf of the Association, for any reason.
3. A Board member shall not use the Association's property, including storage facilities, to store personal items or any other items not entirely owned by the Association.
4. A Board member shall not use the Association's property to host any event, gathering, or activity in which financial transactions take place before, during or after an event, gathering, or activity.
5. The Board member shall disclose the conflict of interest in the matter in an open meeting prior to the discussion and vote on the matter. Such disclosure shall be reflected in the minutes of the meeting or other written form.
6. The Board member shall not take part in the discussion and shall leave the room during the discussion and vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Board members may ask the interested Board member to remain during any portion of the discussion and/or vote, provided that the interested Board member does not vote.
7. The interested Board member shall count for the purposes of establishing a quorum of the Board for the matter in which there is a conflict.

8. A work order, contract, Board decision or other Board action must be approved by a majority of the disinterested Board members. No work order, contract, Board decision or other Board action in which a Board member has a conflict of interest shall be approved unless it is commercially reasonable and/or in the best interests of the Association.
9. If the interested Board member fails to disclose the financial interest in violation of this resolution and of Colorado law, any contract entered into by the Association will be void and unenforceable. The interested Board member shall be responsible for any damages arising from the failure to disclose.
10. Each Board member shall be required to sign an acknowledgement of this policy within 30 days of becoming a Board member.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Courtyards at Quail Lake Homeowners Association, a Colorado nonprofit corporation, certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on September 3, 2026 and in witness thereof, the undersigned has subscribed their name.

Courtyards at Quail Lake Homeowners Association, a Colorado
nonprofit corporation

By:

Its: President