

# MILLER RANCH PROPERTY OWNERS' ASSOCIATION

## EXECUTIVE BOARD RESOLUTION

### DIRECTOR CONFLICTS OF INTEREST

The Executive Board ("Board") of Miller Ranch Property Owners' Association, a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

**RESOLVED**, that the following Policy of the Association ("Policy") related to Director Conflicts of Interest is hereby adopted and ratified:

1. General Duty. The Board 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 the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations. As of the date of adoption of this Policy, conflicting interest transactions of directors and officers of the Association are governed by C.R.S. §7-128-501, pursuant to C.R.S. §38-33.3-310.5, and the provisions of this Policy are intended to comply with such statutes.

2. Definition. A "conflicting interest transaction" is defined as a contract, transaction or other financial relationship between the Association and a director of the Association, or between the Association and a party related to a director, or between the Association and an entity in which a director of the Association is a director or officer or has a financial interest.

3. Disclosure of Conflicting Interest Transaction. Any conflicting interest transaction on the part of any Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the interested Director may participate in the discussion of the matter, and may vote on the matter, in compliance with the Director's duties to the Association. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum and record who voted for and against.

4. Failure to Disclose Conflicting Interest Transaction. No conflicting interest transaction entered into in violation of this policy 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 a member or by or in the right of the Association, solely because the conflicting interest transaction involves a Director or a party related to a Director or an entity in which a Director is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Association's Board that authorizes, approves or ratifies the conflicting interest transaction or solely because the Director's vote is counted for such purpose if:

a. The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board and the Board in good faith authorized, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

b. The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members of the Association entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

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

5. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

6. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the laws of the State of Colorado governing Miller Ranch Property Owners' Association.

7. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of The Executive Board ("Board") of Miller Ranch Property Owners' Association, a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Board of the Association at its meeting held \_\_\_\_\_, 2009 at which a quorum was present.

Dated: \_\_\_\_\_, 2009.

\_\_\_\_\_  
Secretary

Printed Name: \_\_\_\_\_