

RESOLUTION OF THE RASPBERRY MOUNTAIN RANCH PROPERTY OWNERS' ASSOCIATION, INC.**CONFLICTS OF INTEREST AMONG BOARD MEMBERS**

The Board of Directors of the Raspberry Mountain Ranch Property Owners' Association, Inc. (herein after known as the "Association") adopted the following Policies and Procedures pursuant to Colorado Revised Statute (C.R.S.) 38-33.3-209.5 and 310.5

AUTHORITY: In case of any conflict between the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions and the Bylaws, and these listed "Policies and Procedures"; such provisions of the Articles, Declaration and Bylaws shall take precedence and supersede any provisions of these "Policies and Procedures".

In the event a Court of competent jurisdiction finds a provision of any of these Policies and Procedures void or otherwise unenforceable, the other provisions shall remain in full effect.

EFFECTIVE DATE: _____

1/1/2012

RESOLUTION: Adoption of a policy and procedure to be followed regarding conflicts of interest among Board Members:

1. **General Duties:** The Board of Directors 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, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Policies and Procedures.
2. **Definitions:**
 - (a) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a Director, 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.
 - (b) "Director" means a Member of the Association's Board.
 - (c) "Party related to a Director" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a 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.
3. **Loans:** 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.
4. **Disclosure of Conflict:** Any conflicting interest transaction on the part of any Director or party related to a Director shall be verbally disclosed to the other Directors in open session at

the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the interested Director shall not participate in the discussion or vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.

5. **Enforceability of Conflicting Interest Transaction:** No conflicting interest transaction shall be voidable by an Owner or on behalf of the Association if:

- (a) 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;
- (b) The facts about the conflicting interest transaction are disclosed to 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
- (c) The conflicting interest transaction is fair to the Association.

6. **Code of Ethics:** In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

- (a) No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.
- (b) No contributions will be made to any political parties or political candidates by the Association.
- (c) No Director shall solicit or accept, directly or indirectly any gifts, gratuity, favor, entertainment, loan, or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
- (d) No Director shall accept a gift or favor made with intent of influencing decision or action on any official matter.
- (e) No Director shall receive any compensation from the Association for acting as a volunteer.
- (f) No Director shall willingly misrepresent facts to the Members of the Association for the sole purpose of advancing a personal cause or influencing the Association to place pressure on the Board to advance a personal cause.
- (g) No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President or be in accordance with policy.
- (h) No Director shall harass, threaten, or attempt through any means to control or intimidate any Member, Director, or agent of the Association.
- (i) No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.
- (j) Any Director convicted of a felony shall voluntarily resign from his/her position.
- (k) No Director shall knowingly misrepresent any facts to anyone involved in anything with the Association which would benefit him/her in any way.

(l) Language and decorum at Board meetings will be kept professional. Personal attacks against Owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the Association.

7. Definition: Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration and Bylaws shall have the same meaning herein.

8. Supplement to Law: The provisions of this document shall be in addition to and in supplement of the terms and provisions of the Declaration and Bylaws and the law of the State of Colorado governing the Association.

9. 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.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of Raspberry Mountain Ranch Property Owners' Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors, and after a 30 day review by the authorized voting Membership.

In witness thereof, the undersigned has subscribed his/her name.

RASPBERRY MOUNTAIN RANCH PROPERTY OWNERS' ASSOCIATION, INC.
A Colorado nonprofit corporation

By: J. Hanker
President

On the 23RD day of July in the year 2011.