

BOARD OF DIRECTORS CONFLICTS OF INTEREST POLICY

BE IT RESOLVED that the Executive Board of the Homestead Owners Association Inc. hereby adopts the following conflict of Interest Policy in order to comply with §38-33.3-310.5 of the Colorado Revised Statutes.

WHEREAS, in order to comply with Senate Bill 05-100 and §38-33.3-310.5 C.R.S. the Executive Board does hereby set forth the following policy:

1. If any contract, decision, or other action taken by or on behalf of the Executive Board would financially benefit any member of the Executive Board or any person who is a parent, grand parent, spouse, child, or sibling of a member of the Executive Board or a parent or spouse of any of those persons, that member of the Executive Board shall declare a conflict of interest for that issue. The member shall declare the conflict in an open meeting prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on the issue.

2. Any contract entered into in violation of this section is void and unenforceable.

3. This section shall not be construed to invalidate any provision of the Declaration, Bylaws, or other Association documents that more strictly defines conflicts of interest or contains further limits on the participation of Executive Board members who may have conflicts of interest.

4. "Financial Benefit" shall mean a benefit, directly or indirectly through business, investment, family, or other relationships where such Executive Board member has an ownership or investment interest in any entity with which the Association has a transaction or arrangement; or a compensation arrangement with the Association, or with any entity or individual with which the Association has a transaction or arrangement; or a potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the Association is negotiating a transaction or arrangement. Compensation may include direct and indirect remuneration, gifts, favors, exchanges of labor, material, and services and the like that are substantial in nature.

5. Each member of the Executive Board shall annually sign a statement which affirms that such person has received a copy of the Conflicts of Interest Policy, has read and understands the Policy, has agreed to comply with the Policy.

SO ADOPTED this _____ day of _____, 2005.

THE HOMESTEAD OWNERS ASSOCIATION INC.

By: _____
Director

By: _____
Director

By: _____
Director

By: _____
Director

By: _____
Director

By: _____
Director

By: _____
Director