

**RESOLUTION OF THE  
BEL-AIRE ESTATES OWNERS ASSOCIATION  
REGARDING  
THE POLICY FOR BOARD MEMBER CODE OF ETHICS  
AND THE POLICY AND PROCEDURES FOR  
BOARD MEMBER CONFLICTS OF INTEREST**

**SUBJECT:** Adoption of a policy regarding Board Member Code of Ethics and a policy and procedures regarding Board Member conflicts of interest.

**PURPOSES:** To adopt a policy for Board Member Code of Ethics and to adopt a policy and procedures to be followed when a Board Member has a conflict of interest to ensure proper disclosure of the conflict and voting procedures.

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

**EFFECTIVE DATE:** July 16, 2013

**RESOLUTION:** The Association hereby adopts the following policy and procedures:

1. Policy. It is the policy of the Association that the members of its Board of Directors shall adhere to a Code of Ethics. It is also the policy of the Association that the members of its Board of Directors shall not enter into circumstances which result in a conflict of interest and properly disclose situations where a conflict of interest may be present.

2. General Duty. 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 the 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 Rules and Regulations.

3. 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 has a financial interest.

(b) "Director" means a member of the Association's Board of Directors.

- (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 has a financial interest.
- (d) Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

4. Code of Ethics. In addition to the other provisions of this policy, each Director individually 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.
- (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 the intent of influencing a 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 community for the sole purpose of advancing a personal cause or influencing the community 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 the Association's contractors shall go through the Board President, the property manager, or be in accordance with policy.
- (h) No Director shall harass, threaten, or attempt through any means to control or instill fear in 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 community which would benefit himself/herself 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 community.

5. Loans. No loans shall be made by the Association to its Directors. Any Director 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.

6. 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 Director may not participate in the discussion and shall not 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.

7. 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 or 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.

8. 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 law of the State of Colorado governing the community.


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.

10. Amendment. This policy may be amended at any time by the Board of Directors.

**PRESIDENT'S CERTIFICATION:**

The undersigned, being the President of the Association, 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 on July 16, 2013 and in witness thereof, the undersigned has subscribed his/her name.

**BEL-AIRE ESTATES OWNERS ASSOCIATION,**  
a Colorado nonprofit corporation,

By:   
Ghassan Timani  
President of the Board of Directors