

**INDIAN CREEK RANCH IMPROVEMENT ASSOCIATION
A COLORADO NONPROFIT CORPORATION
CONFLICT OF INTEREST POLICY**

- SUBJECT:** The Indian Creek Ranch Improvement Association Conflict of Interest Policy.
- PURPOSE:** To adopt procedures to be followed when a Board member has a conflict of interest.
- AUTHORITY:** The Covenants, Conditions and Restrictions for Indian Creek Ranch Subdivision ("Declaration"), Articles of Incorporation and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** March 26, 2014
- RESOLUTION:** The Indian Creek Ranch Improvement Association, a Colorado non-profit corporation ("Association") hereby adopts the following Conflict of Interest Policy by the Board of Directors of the Indian Creek Ranch Improvement Association ("Board") at a regular meeting of the Board of Directors:

CONFLICT OF INTEREST POLICY

1. A General Duty. The Board of Directors ("the Board") shall use its best efforts at all times to make decisions that protect and enhance the value of the community. All members of the Board shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to, the Association. All members of the Board shall generally avoid conflicting interest transactions in their dealings with and representation of the Association, and shall avoid the appearance of impropriety in those dealings.
2. Definitions.
 - (a) "Conflicting interest transaction" means any contract, transaction, or other financial relationship between the Association and a Board member, or between the Association and a party related to a Board member, or between the Association and an entity in which a Board member of the Association is a director or officer or has a financial interest.
 - (b) "Party related to a Board member" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board member or a party related to a Board member has a beneficial interest, or an entity in which a party related to a Board member is a director, officer, or has a financial interest.

3. Disclosure of Conflicting Interest Transaction. In advance of entering into a conflicting interest transaction, the interested Board member shall declare at an open meeting of the Board, that a contract, transaction, or other financial relationship being contemplated or discussed by the Board may constitute a conflicting interest transaction with such Board member, and the interested Board member shall describe in detail all of the particular facts of the conflicting interest transaction. If a Board member other than the interested Board member, in good faith, believes that the contract, transaction or other financial relationship being contemplated or discussed might constitute a conflicting interest transaction, then such other Board member may disclose the facts upon which such belief is formed, and the remainder of the Board, not including the interested Board member, shall make a good faith determination as to whether a conflicting interest transaction exists.

4. Action Upon Disclosure. After the interested Board member makes such a declaration, or the remainder of the Board determines that a conflicting interest transaction exists, the interested Board member may be counted as present for purposes of establishing a quorum of the Board, but the interested Board member shall not participate in a discussion of the matter giving rise to the conflicting interest transaction, nor shall the interested Board member vote on the issue giving rise to the conflicting interest transaction.

5. Validity of Action. No conflicting interest transaction 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 (i) the conflicting interest transaction involves a Board member or a party related to a Board member or an entity in which the Board member is a director or officer or has a financial interest, or (ii) the Board member is present at or participates in the meeting of the Association's Board or of a committee of the Board that authorizes, approves, or ratifies the conflicting interest transaction, or (iii) the Board member's vote is counted for such purpose if:

(a) The material facts as to the Board member'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 authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Board members, even though the disinterested Board members are less than a quorum; or

(b) The material facts as to the Board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Association's Members 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.

6. Prohibition on Loans. Notwithstanding the above, the Association shall not make any loans to its Board members or officers. Any Board member or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

7. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and Colorado law.

8. Amendment. This Policy may be amended from time to time by the Board of Directors.
9. Definitions. Unless otherwise defined in this Policy, capitalized terms defined in the Declaration shall have the same meaning herein.

PRESIDENT'S CERTIFICATION:

The undersigned, being President of the Indian Creek Ranch Improvement Association, a Colorado non-profit corporation, certifies that the foregoing Conflict of Interest Policy was adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors on March 26, 2014 and in witness thereof the undersigned has subscribed his/her name.

INDIAN CREEK RANCH IMPROVEMENT ASSOCIATION
A Colorado non-profit corporation

By: Betty Purkey - Huck
Betty Purkey-Huck, President