

# Red Fox Hills Homeowners Association

## Conflict of Interest Policy

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(Adopted pursuant to C.R.S. § 38-33.3-209.5 and § 38-33.3-310.5)

### 1. Purpose

This Conflict of Interest Policy ("Policy") is adopted by the Red Fox Hills Homeowners Association ("Association") to ensure the integrity of decisions made by the Board of Directors and to promote transparency, fairness, and trust in Association governance.

This Policy is adopted pursuant to C.R.S. § 38-33.3-209.5(1)(b)(VII) and § 38-33.3-310.5, which require common interest communities in Colorado to have a written policy governing conflicts of interest.

### 2. Definitions

- Board means the duly elected Board of Directors of the Association.
- Director means a member of the Board of Directors.
- Conflict of Interest means any situation in which a Director's duty to the Association may be influenced—or appear to be influenced—by personal, financial, or other interests.

A "Conflict of Interest" exists when a Director:

1. Will receive, directly or indirectly, a financial or other material benefit from a transaction or decision involving the Association;
2. Is related to, or has a business relationship with, a person or entity that the Association is conducting business with; or
3. Has a personal or professional interest that could compromise the Director's objectivity in acting for the Association.

### 3. Duty to Disclose

1. Disclosure Required: Each Director must immediately and fully disclose any actual or potential conflict of interest to the Board before participating in related discussions or decisions.
2. Annual Disclosure: Directors shall complete an annual written disclosure of any known relationships or interests that may create conflicts.
3. Ongoing Duty: Directors have a continuing duty to disclose any new or changed circumstances that could create a conflict.

### 4. Procedure for Handling Conflicts

1. Disclosure in Writing or at a Meeting: The Director shall disclose the nature of the conflict either in writing or verbally at a duly called Board meeting.
2. Recording of Disclosure: The disclosure must be reflected in the minutes of the meeting.
3. Abstention from Voting: The Director with a conflict shall abstain from voting on the matter and shall not participate in any discussions to influence the decision.
4. Quorum and Approval: A transaction or decision involving a conflict of interest may be approved only if:

# Red Fox Hills Homeowners Association

## Conflict of Interest Policy

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- a. The material facts of the conflict have been fully disclosed to the Board; and
  - b. A majority of the disinterested Directors, in good faith, approve the transaction as fair and reasonable to the Association.
5. Independent Review (Optional): The Board may seek advice or review from independent counsel or professionals to ensure objectivity.

### 5. Prohibited Conduct

1. No Director may use their position, Association information, or Association property for personal gain or to benefit any third party.
2. No Director shall accept gifts, favors, or compensation from any vendor, contractor, or person seeking to do business with the Association, except for nominal items of token value.
3. Directors shall not use confidential information obtained through their position for personal advantage or to the detriment of the Association.

### 6. Documentation

All disclosures, abstentions, and related discussions shall be recorded in the official minutes of the Board meeting where the matter was considered.

### 7. Violations of Policy

If the Board determines that a Director has failed to disclose an actual or potential conflict, or has otherwise violated this Policy, the Board may:

1. Issue a written reprimand;
2. Request the Director's resignation; or
3. Take any other action permitted under the Governing Documents or Colorado law.

### 8. Annual Review

This Policy shall be reviewed annually by the Board and reaffirmed or amended as necessary to ensure compliance with Colorado law and best governance practices.

### 9. Certification

Each Director shall sign a statement acknowledging:

1. Receipt of this Policy;
2. Understanding of the requirements; and
3. Agreement to comply with its terms.

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## Conflict of Interest Policy

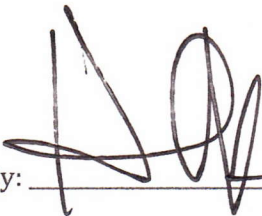
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### 10. Effective Date

This Policy is effective upon adoption by the Board and supersedes any prior conflict of interest policies.

Adopted by the Board of Directors on: JAN 5, 2026

Effective Date: JAN 5, 2026

By: 

Helmuth Naumer, President, Board of Directors

Red Fox Hills Homeowners Association

Attest: 

Jeff Kagan, Secretary