

Riverwalk Master Association

Policy and Procedures for Handling Member Conflicts of Interest

Pursuant to C.R.S. §§38-33.3-209.5 (2005) and 310.5 the following procedures for handling Board of Directors conflicts of interest are hereby adopted.

"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 the Director of the Association is a director or an officer or has a financial interest.

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

"Party related to a Director" means a spouse, a descendant, an ancestor, sibling, the spouse or descendant of a sibling, and 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 is a Director or officer or has a financial interest.

If any transaction or other action taken by the Board of Directors would be a conflicting interest transaction the Director involved shall declare a conflict of interest for that issue.

The Director shall declare the existence of a conflict at an open meeting, prior to any discussion or action of that issue. After making such a declaration, the Director may participate in the discussion but shall not vote on the issue.

No conflicting interest transaction shall be voidable by an Owner or on behalf of the Association if the conflicting interest transaction is fair to the Association and:

- (i) 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 confliction interest transaction, or
- (ii) 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.

No loans shall be made by the Association to its Director 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.

This policy was adopted by the Board of Directors to be effective as of the first day of January, 2006 and was amended to be effective as of September, 2006.


President


Secretary