

GOOD HOPE TOWNHOMES

Conflict of Interest Policy and Procedure

BE IT RESOLVED, Good Hope Townhomes (the "Association") hereby adopts the following procedures to be followed for conflict of interest by a Director or Officer.

1. **Scope.** To adopt a procedure and policy outlining procedures to be followed for conflict of interest by a Director or Officer.

2. **Resolution Definitions.**

- **"Conflicting Interest Transaction"** means a contract, transaction, or other financial relationship between the Association and a Director or Officer, or between the Association and a Party Related to a Director or Officer, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.
- **"Director"** means a member of the Association's Board of Directors.
- **"Party Related to a Director or Officer"** 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 the Director or Officer has a beneficial interest, or an entity in which a party related to a Director or Officer is a director or officer or has a financial interest.

A Director or Officer that believes there is or may be a Conflicting Interest Transaction must disclose such conflict if possible prior to any discussion beginning on the subject that a potential conflict does or may exist. The facts about the conflicting interest transaction should be fully disclosed to the disinterested Board members or Officers as appropriate. The Director or Officer must recuse himself or herself from the discussion in its entirety as a Director or Officer and may not vote on the subject or make a decision regarding the subject.

A Director or Officer who has recused himself or herself may participate as a member as other members may.

Whenever possible, conflicts of interest should be avoided.

At times, Directors or Officers may receive gifts from contractors or vendors. Whenever possible, these gifts should be refused or shared with the community to remove any semblance of impropriety. These gifts should always be disclosed to the Board of Directors as soon as practical.

The Association may not make loans to its Directors or Officers.