

1 **MASTER HOMEOWNERS ASSOCIATION FOR SILVER SPRINGS**
2 **BOARD OF TRUSTEES CONFLICT OF INTEREST POLICY**

3 **Effective February 1, 2005**

4 Every Board and committee member has a fiduciary duty to the Homeowners Association
5 for the Silver Springs Master Association (MHOA). This duty includes the duty of loyalty to the
6 HOA and requires that each Board member, each Board member nominee, and each
7 committee member: (a) act in good faith, b) act in the best common and collective interests of
8 the MHOA, c) avoid actual or perceived conflicts of interests, and d) fully and immediately
9 disclose any real o perceived conflict of interest as herein defined. The MHOA Board adopts
10 the following Conflict of Interest Policy. This policy shall apply to all Board members, all HOA
11 members seeking MHOA Board membership and all Committee members.

12 **DEFINITION OF CONFLICT OF INTEREST**

- 13 1. A real or perceived conflict of interest arises where:
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15 a) Your personal interest; or
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17 b) The interest of a spouse, family member, close friend, business associate,
18 business entity (including trusts, limited liability companies, corporations or
19 partnership), including affiliated entities in which you or any of the preceding
20 holds any ownership interest in, or any of the outstanding debt, or a person
21 to whom you owe an obligation, which could influence your MHOA Board
22 decision and impair your ability to:
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24 i. act in the MHOA's best common and collective interest; and/or
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26 ii. represent the MHOA fairly, impartially and without bias.
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- 28 2. A conflict of interest exists if the decision could be, or could appear to be, so
29 influenced. It is not necessary that the influence take place.
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- 31 3. The appearance of a conflict of interest occurs when a reasonably well
32 informed person could reasonably have the perception that you are making
33 decisions that promote your personal interests or those of a person or entity
34 described in paragraph 1b above.
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- 36 4. Board Members shall use their best efforts at all times to make reasonable
37 decisions that are consistent with the Declaration, Bylaws, and other governing

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documents of the Association, and to be familiar with all such documents.

- 5. In sum, you have a conflict of interest if the conflict is real or perceived, or there is an appearance of a conflict.

GENERAL DUTIES

- 6. When you have a real or perceived conflict of interest you shall:
 - a. Immediately disclose to the entire Board material facts underlying the conflict of interest as soon as you become aware of it.
 - b. Refrain from voting on the matter giving rise to the conflict of interest at any Board meeting.
 - c. Refrain from acting on behalf of the MHOA or dealing with the MHOA on the matter giving rise to the conflict of interest discussion.
 - d. Excuse yourself from that portion of any Board meeting where the matter giving rise to the conflict is discussed.
 - e. Refrain from using your position, office or affiliation with your residential HOA to pursue or advance your personal interests or of those described in paragraph 1b above while acting as a representative on the MHOA.
 - f. Excuse yourself from being or becoming a Board member if your conflict of interest is pre-existing and/or long standing.
 - g. Excuse yourself from being or becoming a member of the MHOA Board if your personal interests include providing a compensated service to your residential Board or the MA Board, thereby directly or indirectly creating a fiduciary conflict of interest.
 - h. Not use your relationship with the MHOA to confer a benefit on a person described in paragraph 1b.
 - i. Not personally benefit from any business activity involving the MHOA or any activity authorized by the Board.

75 j. Not indirectly benefit from any business activity involving the MHOA or any
76 activity authorized by the Board. An indirect benefit is:

77 i. a benefit derived by yourself, a close friend, family member, business
78 associate, or business entity in which you hold any ownership interest or any of
79 the outstanding debt; or

80 iii. a benefit which advances or protects your interests although it may
81 not be measurable in money.
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83 7. The Minutes shall reflect the nature and substance of the actual or perceived
84 conflict of interest.
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86 8. If you are in doubt about whether you are or may be in a conflict of interest you are
87 required to request advice of the Board and:
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89 a) you shall disclose to the entire MHOA Board the material facts underlying
90 the possible conflict of interest issue prior to Board discussion and
91 deliberation on the issue, and you shall not participate in the discussion;
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93 b) a vote of the entire Board, excluding yourself, shall be taken on whether or
94 not there is an actual or perceived conflict of interest. If there is a tie vote
95 on whether or not there is an actual or perceived conflict of interest, the
96 conclusion must be that there does exist a conflict of interest.
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98 **USING MHOA PROPERTY**
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100 9. A BOT member shall use MHOA property only for MHOA property owner purposes.
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103 10. A Master Association BOT member shall not use MHOA property for personal
104 purposes, or for another individual MHOA association's singular benefit.
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