

# Conflict of Interest Disclosure

## Roosevelt Ridge HOA

March 26, 2019

Dear Roosevelt Ridge Community,

During the last year, Roosevelt Ridge transitioned from a Declarant controlled HOA to a self-managed HOA. The Declarant-run HOA organized a meeting and conducted a vote to elect two new board members, as such, I became one of them. I raised my hand, fully willing to face the trials that presented themselves, and as such, it has been a very challenging year. As the board worked on daily issues such as gate access, repair of facilities, road improvements, culverts, posting properties, setting up game cameras and so on, other issues came to light. This included the legitimacy of the HOA, annexed properties, legitimacy of the board, and fundamental rules that govern how an HOA must operate. In the last few months, the board (with the help of community members) has spent numerous hours reviewing documentation, laws and gaining advice from legal counsel.

At every point in time that I have served on the board, all board members were aware that I am the brother-in-law of Scott Schorer and Scott Schorer is the managing member of Lone Pine Real Estate, LLC. Scott Schorer had disclosed this multiple times prior to my service on the board. This written Conflict of Interest Disclosure is intended to record what has been public information, common knowledge and disclosed multiple times: I am the brother-in-law of Scott Schorer and Scott Schorer is the managing member of Lone Pine Real Estate, LLC. Lone Pine Real Estate is the Declarant and Roosevelt Ridge developer. The Colorado Revised Nonprofit Corporation Act (§7-128-501) and by reference by the Colorado Common Interest Ownership Act (collectively, the "Acts"), governs conflicting interest transactions. I am not aware of any circumstances where I have engaged in a conflicting interest transaction prohibited by the Acts.

COI Disclosures and conduct to date

- I have a relationship with the Declarant (Lone Pine LLC). The managing member is Scott Schorer, who is my brother-in-law.
- I purchased lots 1 and 3 from Lone Pine, this is public record.
- Lone Pine recently sold parcel D, I did not benefit financially (or otherwise) from that transaction.
- The Declarant exercised his rights to annex Parcel D (lot 25). The board provided support drafting Supplemental Declarations using the HOA's lawyer. This was unanimously agreed to and executed under good faith by the Board to ensure it was done correctly. Furthermore, members of the community supported annexation because the alternative would be a new owner within the community with no HOA jurisdiction.
- I have disclosed potential plans on an adjustment of lot 1 boundary lines and merging parts of parcel C to the members of the board and community as well as dissolving a lot. I recuse myself from any vote via the board that would impact this process. Furthermore, this plan has no bearing on my future plans to develop my property. Any benefit, financial or otherwise will be disclosed as the project develops.
- When Parcel C was in jeopardy of being transferred to the property tax lien holder and falling outside of HOA jurisdiction, I paid the delinquent taxes on Parcel C (roughly \$40k). Lone Pine fully repaid these funds.

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- All matters and decisions on the board to date since the election have been unanimous. I will abstain from a vote or recuse myself from any BOD or counsel discussions involving Lone Pine Real Estate LLC, or Scott Schorer as a personal owner of a Roosevelt Ridge lot if the board unilaterally believes a significant COI exists.
- The elected Board has used HOA funds to address legal and annexation issues. This decision was unanimous by the acting board, as the timelines and potential consequences created an urgent need to “make something happen”. This was done in good faith and was fair to the HOA.

I hope that the community understands that any member of the board will have some sort of conflict. I put this out there to ensure that the community knows exactly where I stand as well as ensuring that I am compliant with the requirements. I am committed to Roosevelt Ridge and this community and I hope that this community will continue to allow me to work for them. I am more than happy to address any concerns you may have, please feel free to contact me at the below.

Thank you for your time and consideration,

Theodore Bertele

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