

VALLEY VIEW VILLAGE HOMEOWNERS ASSOCIATION, INC.
Conflict of Interest Policy

RECITALS:

WHEREAS Colorado Revised Statute (“C.R.S.”) 38-33.3-209.5(1)(b)(II) requires the Association to adopt a policy concerning how to handle conflicts of interest involving Board Members;

WHEREAS the executive Board has reviewed subsection 310.5 of the Colorado Common Interest Ownership Act and believes that subsection establishes a good analysis of possible conflicts of interest involving Board Members;

WHEREAS the executive Board believes restitution of actual damages is an adequate remedy for violations of the Association’s conflict of interest policy;

WHEREAS the executive Board wishes to avoid self-dealing, actual or apparent, in its administration of the Association; and

WHEREAS the executive Board wishes to adopt requirements for Managers in order to assure sound management of the Association;

THEREFORE, IT IS RESOLVED:

1. **Definition of Financial Interest.** A financial interest is hereby defined to include the following (“Financial Interest”):
 - a. An ownership interest or investment interest in any entity or activity with which the Association has, or contemplates, a transaction or agreement;
 - b. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or other agreement; and
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or other agreement.

2. **Declaration of Conflict.** In the event any member of the executive board, the board member’s child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business has a Financial Interest in a decision or other action for the Board’s consideration, that member must declare the conflict. The declaration of conflict must be made in a portion of the board meeting open to the members of the Association prior to discussion or action being taken.

3. **Suspension of Voting Rights.** Although the member of the Board declaring the conflict may participate in the discussion at the meeting, that member may not vote on that issue.

4. **Unenforceable Contracts.** A contract entered into, or action taken, in violation of this policy, the bylaws or Colorado Revised Statute 38-33.3-310.5 shall be void and unenforceable. Further, the Association may seek restitution for damages resulting from the member, or members, who failed to comply with this policy or Colorado Revised Statute 38-33.3-310.5 including all costs and attorney fees incurred in obtaining such restitution.

IN WITNESS WHEREOF, the undersigned certify this Policy was adopted by resolution of the Board of Directors of the Association on this 8th day of OCTOBER, 2013.

VALLEY VIEW VILLAGE HOMEOWNERS ASSOCIATION,
INC.,
a Colorado non-profit corporation,

By: RD,
Its: President

ATTEST:
By: [Signature]