

## **AMENDED AND RESTATED CONFLICT POLICY**

The following policy was adopted by the Board of Directors of Villa Marbella Townhouse Association (the Association") pursuant to Colorado law at a regular meeting of the Board.

### **RECITALS:**

- A. Pursuant to Colorado Revised Statute 38-33.3-209.5(1)(b)(II), the Association is required to adopt a policy concerning how to handle conflicts of interest involving Board Members.
- B. 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.
- C. The executive Board believes restitution of actual damages is an adequate remedy for violations of the Association's conflict of interest policy.

### **THEREFORE, IT IS RESOLVED:**

In the event any member of the executive board or a committee thereof ("Interested Person"), the Interested Person's child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business ("Related Parties") has/have a Financial Interest, as defined below, in a decision or other action for the Board's consideration, the Interested Person must declare the conflict and describe with reasonable particularity the nature of 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 any discussion or action being taken.

Financial Interest shall arise if the Interested Person or Related Parties have: a) an ownership or investment interest in any entity 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 arrangement; or, 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 agreement.

Compensation shall include direct and indirect remuneration as well as gifts or favors even if insubstantial.

Although the Member of the Board, after declaring the conflict, may participate in the discussion at the meeting, that member may not vote on that issue.

A conflict of interest transaction shall be not be void, voidable, enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the nonprofit corporation, solely because the transaction involves a

