

THE MOUNTAIN OAKS HOMEOWNERS ASSOCIATION
CONFLICT OF INTEREST POLICY Effective Date: 10/03/2016

The following Conflict of Interest Policy applies to the Mountain Oaks Subdivision Filing Nos. 1, 2, 3, & 4 and is hereby adopted by the Board of Directors of Mountain Oaks Homeowners Association ("MOHA"):

1. **Review of Policy.** The MOHA Board of Directors shall review this policy and the related procedures at least once every two years to determine whether any revisions or amendments to this policy are necessary or prudent.
2. **General Duty.** The MOHA Board of Directors shall comply with lawful provisions in the Declaration and the Association's Covenants, Articles, Bylaws and duly adopted policies, rules or regulations.
3. **Definitions.** Terms used in this Policy shall have the same meaning as defined in the Covenants if defined in the Covenants.
 - a. "Covenants" means the Declaration of Covenants, Conditions and Restrictions affecting the Real Property known as Mountain Oaks Subdivision.
 - b. "Director" means a member of Board of Directors of the Mountain Oaks Homeowners Association, a Colorado non-profit corporation.
 - c. "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a party related to a Director, or between the Association and an entity in which a MOHA Director has a financial interest.
 - d. "Party related to a Director" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest.
4. **Loans.** No loans shall be made by MOHA to its directors or officers. Any Director who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.
5. **Disclosure of Conflict.** Any conflicting interest transaction on the part of any Director or party related to a Director shall be verbally disclosed to the other Directors at the first available meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure is made, the interested Director shall leave the room during the discussion and vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.
6. **Enforceability of Conflicting Interest Transaction.** No conflicting interest transaction shall be voidable by a homeowner on behalf of MOHA if:
 - a. The facts about the conflicting interest transaction are disclosed to the Board and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction.

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- b. The facts about the conflicting interest transaction are disclosed and the conflicting interest transaction is authorized by a vote of the homeowners entitled to vote on the matter.
 - c. The conflicting interest transaction is beneficial to the Association as determined in the discretion of the Board of Directors by unanimous vote.
- 7. Investment of reserve funds.** With regard to investment of reserve funds of the association, the officers and members of the Board of Directors shall be subject to the standards set forth in C.R.S. § 7-128-401, as amended, and as more specifically described in the *Policy on Investment of Reserves*.
- 8. Prohibited transactions.** In addition to the above, each MOHA Director and the Board as a whole shall comply with the following regarding prohibited transactions:
- a. No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.
 - b. No contributions shall be made to any political parties or political candidates by the Association.
 - c. No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person seeking to obtain contractual or other business or financial relations with the Association.
 - d. No Director shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.
 - e. No Director shall receive any compensation from the Association for acting as a volunteer.
 - f. No Director shall willingly misrepresent facts to the members of the MOHA community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.
 - g. No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with contractors shall go through the designated Director and be in accordance with MOHA policy.
 - h. No Director shall harass, threaten, or attempt through any means to control or instill fear in any owner, Director, or agent of the Association.
 - i. No promise of anything not approved by the MOHA Board as a whole can be made by any Director to a subcontractor, supplier, or contractor during negotiations.
 - j. Any Director convicted of a felony shall voluntarily resign from his/her position.
 - k. No Director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.
 - l. Language and decorum at Board meetings will be kept professional. Personal attacks against owners, renters, service providers, and Directors are prohibited and are not consistent with the best interests of MOHA.

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IN WITNESS WHEREOF, the undersigned certify that this Conflict of Interest Policy was adopted by resolution of the Board of Directors of Mountain View Homeowners Association on this 3rd day of October, 2016.

MOUNTAIN OAKS HOMEOWNERS ASSOCIATION
A Colorado nonprofit corporation,

By: Steve Carmichall
President

By: Beverly Collins
Secretary