

Village Nine Filing 3 and 4 Homeowners Association, Inc.
Policy Regarding Conflict of Interest of Board Members

BE IT RESOLVED, the Association, acting by and through its Board of Directors, hereby adopts the following policy and procedures relating to conflicts of interest involving a director.

EFFECTIVE DATE: August 29th, 2025.

1. **Conflict of Interest – Defined.** A conflict of interest occurs when occurs when a decision, a contract between the Association and any party, or other action would financially benefit or adversely affect:

- (a) a director, or
- (b) any person who is a parent, grandparent, spouse, child or sibling of such director, or
- (c) a parent or spouse of any of such persons, or
- (d) any entity, company, trust, or estate in which a director or a party related to a director has a financial or other interest.

A director shall not be deemed to have a personal or financial interest in the outcome if the director will not, as a result of the outcome, receive any greater benefit or detriment than any general member of the Association would receive.

For example, but not by way of limitation, a decision by the Architectural Control Committee that a homeowner, whose brother is a director, cannot build a certain type of house because it does not conform to the Covenants, would "adversely affect" such director.

2. **Conflict of Interest – Avoidance.** Whenever possible, directors should avoid conflicts of interest to allow themselves to exercise their fiduciary duties to the members without any semblance of impropriety.

3. **Gifts.** Directors shall not accept gifts from contractors or vendors who are working transacting business with the Association.

4. **Loans.** Directors shall not accept or seek loans from the Association, and directors shall not loan money or funds to the Association. The Association shall not loan money to or borrow money from any director.

5. **Disclosure.** If a conflict of interest arises, the affected director shall disclose to the other directors that an actual or potential conflict of interest exists or may exist relating to that issue. Such disclosure shall be made by the director as soon as the director has enough facts to reasonably determine that a conflict does or may exist, and before any decision is made, contract entered into, impartial fact-finding process concerning whether alleged violations have occurred, or any other action is taken by the Board of Directors. A directors should disclose where there is any possibility of a potential conflict or where there is or may be an appearance of a conflict of interest, and should give the directors sufficient information to make a determination regarding abstention. If a director asserts that an actual or potential conflict exists for or with another director as to any matter before

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the Board, the director with the alleged conflict of interest shall disclose such facts remaining directors as the remaining directors may deem necessary to make a determination whether to require abstention in accordance with this policy.

- (a) *Full Disclosure.* The facts relating to the conflicting transaction or situation should be fully disclosed to the other directors.
- (b) *Timely Disclosure.* Disclosure should be made prior to any discussion by the directors on the subject matter to which the conflict does or may apply and prior to any decision or action on the issue.

6. **Recusal and Abstention.** Upon such a disclosure, the affected director may recuse him/herself from the discussion, or the remaining directors may require, by majority vote, such member to exclude him/herself from said discussion of such issue or otherwise limit his/her involvement in such discussion. However, the conflicted director shall not vote on the matter. A director who has recused or been recused may participate in the discussion as a member of the Association (not as a director) so long as the director has moved away from the directors and is limited to speaking at the meeting in the same manner as any other member of the Association is limited. If the remaining members are an even number, a tie vote shall suffice to disqualify a director with an actual or perceived conflict of interest, or to otherwise limit the participation of the conflicted director in the discussion of the matter at issue.

7. **Policy Review and Amendment.** The Association's policies, procedures and rules and regulations relating to conflicts of interest shall be reviewed by the Board on a periodic basis in accordance with C.R.S. § 38-33.3- 209.5(4)(a)(III), as determined by the Board, but not less often than once every three years. This policy may be amended by the Board of Directors from time to time.

8. **Committees and Officers.** This policy shall also apply to any committee of the Association charged with making decisions or taking action on behalf of the Association, such as the ACC, and to officers of the association.

9. **Supplementary to Applicable Law.** This policy shall be in addition to and not in lieu of the terms and provisions of the Declaration, the Bylaws, the Articles of Incorporation, and the applicable laws of the State of Colorado. Where these may conflict, the more stringent standard shall be applied.

10. **Deviations.** The Board of Directors may deviate from the procedures set forth in this policy where the Board determines, in its reasonable discretion, that such deviation is reasonable or necessary under the circumstances.

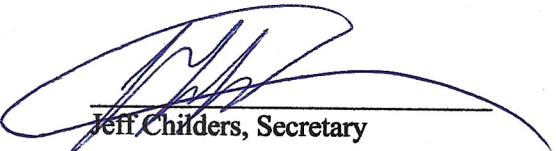
CERTIFICATION: The undersigned certifies that the Board of Directors of the Association adopted the foregoing policy by majority vote.

**VILLAGE NINE FILING 3 AND 4 HOMEOWNERS
ASSOCIATION, INC.**

ATTEST:



Matt Pinnt, President



Jeff Childers, Secretary