

**AMENDMENT TO THE RESOLUTION
OF THE
VENTANA OF PUEBLO HOMEOWNERS ASSOCIATION, INC.
REGARDING BOARD MEMBER CONFLICTS OF INTEREST**

The following procedures have been adopted by VENTANA OF PUEBLO HOMEOWNERS ASSOCIATION, INC. ("Association") pursuant to C.R.S. 38-33.3-209.5 by the Board of Directors.

Purpose: To adopt a policy and procedure to be followed when a Board member has a conflict of interest to ensure proper disclosure of the conflict and voting procedures.

NOW, THEREFORE, IT IS RESOLVED that the Association hereby adopts the following policy regarding Board member conflicts of interest:

1. General Duty. The Board of Directors shall endeavor to use its best efforts at all times to make decisions that are in the best interests of the Community. All members of the Board shall try to avoid conflicts of interest and conflicting interest transactions in their dealings with and representation of the Association, and shall try to avoid the appearance of impropriety in those dealings.
2. Definitions.
 - a. "Conflict of interest" means the totality of the circumstances under which a Board member is likely to be unduly influenced in his or her decision making process in favor of or against any particular Association action.
 - b. "Conflicting interest transaction" means any contract, transaction, or other financial relationship between the Association and a Board member or between the Association and a party related to a Board member, or between the Association and an entity in which a Board member of the Association is a director or officer or has a financial interest.
 - c. "Party related to a Board member" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board member or a party related to a Board member has a beneficial interest, or an entity in which a party related to a Board member is a director, officer, or has a financial interest.

Unless otherwise defined in this Policy, capitalized terms herein shall have the same meaning as in the recorded Declaration of Covenants, Conditions and Restrictions of Ventana of Pueblo, as amended and supplemented ("Declaration").

3. No Loans to Board Members or Officers. No loans shall be made by the Association to any of its Board members or officers. Any Board member or officer who assents to or participates in the making of such a loan shall be personally liable to the Association for the amount of the loan until repayment thereof.

4. Disclosure of Conflict of Interest or Conflicting Interest Transaction. In advance of entering into a conflicting interest transaction, the “interested Board member” shall declare at an open meeting of the Board, that a contract, transaction, or other financial relationship being contemplated or discussed by the Board may constitute a conflicting interest transaction with such Board member, and the interested Board member shall cite the facts of the conflicting interest transaction and the possible conflict of interest. If a Board member, other than the interested Board member, reasonably believes, in good faith, that the interested Board member has a conflict of interest, or that the contract, transaction or other financial relationship being contemplated or discussed might reasonably constitute a conflicting interest transaction, then such other Board member may disclose the facts upon which such belief is formed, and the remainder of the Board, not including the interested Board member, shall make a reasonable good faith determination as to whether a conflict of interest or conflicting interest transaction exists.

5. Action Upon Disclosure. After the interested Board member makes such a declaration, or the remainder of the Board reasonably and in good faith determines that a conflict of interest or a conflicting interest transaction exists, the interested Board member may be counted as present for purposes of establishing a quorum of the Board, but the interested Board member shall not vote on the issue giving rise to the conflict of interest or the conflicting interest transaction.

6. Validity of Action. No conflicting interest transaction shall be void or voidable or be 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 Association, solely because (a) the conflicting interest transaction involves a Board member or a party related to a Board member or an entity in which the Board member is a director or officer or has a financial interest, or (b) the Board member is present at or participates in the meeting of the Association’s Board or of a committee of the Board that authorizes, approves, or ratifies the conflicting interest transaction, or (c) the board member’s vote is counted for such purpose if:

- a. the material facts as to the Board member’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

b. the material facts as to the Board member's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board members entitled to vote thereon; or

c. the conflicting interest transaction is fair as to the Association.


7. Supplemental to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

8. Update to Policy. The Association shall periodically update its Board Member Conflict Policy.

VENTANA OF PUEBLO HOMEOWNERS
ASSOCIATION, INC.

By: 
President

This Amendment to the Conflict of Interest Policy was adopted by the Board of Directors on the 3rd day of April, 2014, effective the 3rd day of April, 2014 and is attested to by the Secretary of the VENTANA OF PUEBLO HOMEOWNERS ASSOCIATION, Inc.

By: 
Secretary