

BUCKHORN VILLAGE HOMEOWNER'S ASSOCIATION

POLICY

BOARD MEMBER CONFLICTS OF INTEREST

The purpose of this document is to define what constitutes a conflict of interest for a Board member of BUCKHORN VILLAGE HOMEOWNER'S ASSOCIATION and to define what process is to be used in the event of such conflict.

Conflict of interest defined

Board members must disclose that they have a conflict of interest in any action or contract that would financially benefit any board member or family member (parent, grandparent, spouse, child or sibling). Board members must disclose that they have a conflict of interest in any action before the board in which they have a personal interest or involvement. This disclosure must be made in an open meeting before any action is taken on the matter. Board members with conflicts of interest are prohibited from voting on that matter, however; the board member is still to be counted in determining whether a quorum exists.

Contracts entered into in violation of this policy are void and unenforceable.

Examples of conflict of interest:

- Board member or his/her family member(s) has a personal interest in an issue at hand.
 - If the matter before the board is in regard to the board members' residence, property or assets.
 - Architectural review on the board member request for modifications to a residence owned or rented by the member or his/her family member.
 - Resolution of a matter related to the board member's finances and the association.
 - Resolution of a matter involving the property of the board member.
- Board member or his/her family member(s) will financially benefit in an issue at hand.
 - If the matter before the board will financially benefit the member or family in any manner.
 - Will the board member or family member receive a kickback?
 - Does the board member have a financial interest in a firm to be hired by the association?
 - If a rental property issue, is the board member or family member actively involved in managing the property?
- Board member or his/her family members have a personal involvement in an issue at hand.
 - If the member or his/her family member(s) has a personal involvement with any of the principals or principals' family members in a dispute before the board.
 - Is any member of the board or his/her family personally involved in the matter at hand?
 - Is there a history of any involvement of a member or his family with the principals in a matter before the board?

Disclosure of possible conflicts of interest

- A Board member must disclose that he/she or (a) family member(s) has a personal interest/involvement in an issue at hand.
- A Board member must disclose that he/she has a conflict of interest in any action or contract that would financially or personally benefit him/her or (a) family member(s) of Director.

- A Board member must disclose that he/she or (a) family member(s) owns or would benefit directly from a decision related to a specific property under consideration.
- All disclosures must be made in an open meeting before any action or discussion is taken on an issue or matter in which the Board Director or his/her family member(s) may personally benefit.

Board determination of conflict

The Board shall make a determination whether the disclosure truly is a conflict of interest and warrants the Board member excluding him/her self from voting on the issue at hand or being involved in its resolution.

- Does the Board member have a financial interest in the issue at hand?
- Does a member of the Board member's family have an interest in the issue at hand?
- Is the issue related to the Board member or his/her family member's property?
- Is there a history of conflict or involvement between the Board member or his family member(s) and the person(s) involved in the issue at hand?

Should a conflict exist

Should the Board deem by simple majority vote that a conflict of interest, in fact, exists, then the Board member will be directed to exclude him/her self from the vote or issue resolution. He/she will have no vote on the issue but may address the Board in its resolution should the Board not deem such address improper. The minutes shall reflect that the Board member was excused in the vote and decision making process.

Failure to disclose

Should the Board determine that a Board member has a conflict of interest and did not disclose such conflict of interest:

- The Board member, failing to disclose, shall present to the Board a written explanation as to why he/she failed to disclose the conflict of interest.
- The Board member shall be available to the Board for a review of his/her letter to determine if the Association suffered any financial loss or detriment by the lack of disclosure.
- The Board member shall be required to reimburse the association for any monetary loss to the Association as a result of his/her failure to disclose a conflict of financial interest. It is possible that legal charges could be forthcoming should the legal authorities become involved.
- The Board member may resign or be removed from the Board of Directors pursuant to the Bylaws of Nelson Farm Homeowner's Assn., Inc. should the Board determine that any of the following apply:
 - the failure to disclose was deliberate
 - that there was an actual gain or benefit to the Board member or his/her family
 - that there was a financial loss to the Association
 - the reputation of the Association or Board was damaged

Policy Amendment

This document is written with the knowledge that it may be required, from time to time, to be amended or modified to be congruent with BUCKHORN VILLAGE HOMEOWNER'S ASSOCIATION member concerns or to be congruent with changes in City, County or State law. Refer to the BUCKHORN VILLAGE HOMEOWNER'S ASSOCIATION policy document titled "Adoption and Amendment of Policies, Procedures and Rules".

IN WITNESS WHEREOF, the undersigned certify that this RESOLUTION was adopted by the Board of Directors of this association on this 13th day of December 2005.

BUCKHORN VILLAGE HOMEOWNER'S ASSOCIATION by:

Dale Toal, President
Dale Toal

Witnessed:

Jeannette Murphy, Secretary
Jeannette Murphy

Cassandra Goncalves V.P.
Cassandra Goncalves

ACKNOWLEDGEMENT

OF

CONFLICT OF INTEREST POLICY DOCUMENT

Date:

I acknowledge that I have received a copy of the NELSON FARM HOMEOWNER'S ASSOCIATION policy document titled "Board Member Conflict of Interest". I acknowledge, as well, that I have read and fully understand the implications of my not conforming to this policy document.

Board of Director name (printed) _____

Address _____ Telephone _____

Signature _____

Witnessed by (printed name) _____

Address _____ Telephone _____

Signature _____