

BOWLING GREEN HOMEOWNERS, INC.

Conflict of Interest Policy

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:

1. A financial interest is hereby defined to include the following (Financial Interest):

a. An ownership interest or investment interest in any entity or activity 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 other agreement; and

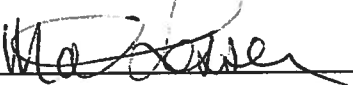
c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or other agreement.

2. In the event any member of the executive Board, the Board member's child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business has a Financial Interest in a decision or other action for the Board's consideration, that member must declare 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 discussion or action being taken.

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

4. A contract entered into, or action taken, in violation of this policy or Colorado Revised Statute 38-33.3-310.5 shall be void and unenforceable. Further, the Association may seek restitution for damages resulting from the member, or members, who failed to comply with this policy or Colorado Revised Statute 38-33.3-310.5 including all costs and attorney fees incurred in obtaining such restitution.

Policy adopted this 22 day of December, 2005 by Resolution of the Board of Directors.



by MORT LESSER

its PRESIDENT