

Rule and Regulation No. 2006 - 003

**Board of Directors Conflict of
Interest Issues**

of the

Ridgeview Valley Master Homeowners Association, Inc.

RVMHA, Inc
912 Gravelly Run Road
McHenry, MD 21541

November 2006

(RV10)

The following procedure is in accordance with Article V Section 2 of the Articles of Incorporation of Ridgeview Valley Master Homeowners Association, Inc. which grant the Association the power to adopt and enforce rules and regulations applicable within the Ridgeview Valley Development.

Ridgeview Valley Master Homeowners Association, Inc.

Rule and Regulation No. 2006 - 003

Board of Directors Conflict of Interest Issues

Let it be resolved that the Board establishes the following rule and regulation regarding conflicts of interest as they apply to the members of the Board:

1. Definitions

See Article I of the Declaration of Covenants, Conditions and Restrictions for Ridgeview Valley Planned Residential Development for the definitions of the following terms: Board, Declaration, Member, and RVMHA.

2. Declaration of Conflict of Interest

If any contract, decision or other action taken by the Board on behalf of the RVHA would financially benefit any member of the Board, or any person who is a relative or spouse of that Board member, the Board member shall declare a conflict of interest for that issue. The Board member shall declare the conflict in an open meeting prior to any discussion or action on that issue.

3. Prohibition Against Voting

After making a declaration of a conflict of interest, the Board member may participate in the discussion of the issue as any Member of the RVMHA could, but shall not vote on that issue.

4. Violation of this Rule

Any contract entered into by the Board on behalf of the RVMHA in violation of this rule and regulation will be deemed void and unenforceable. If any Board member willfully violates this conflict of interest rule, that member may be removed from office and replaced by another member; and the remaining Board shall reconsider the issue without the vote of the conflicted Board member, unless the Board is contractually bound to honor the prior decision of the Board or it is otherwise not in the best interest of RVMHA members to reconsider the issue, as determined by the Board in its discretion.

The above Regulation was read and approved as amended by the Board of Directors of Ridgeview Valley Masters Homeowners Association, Inc.

Date of Adoption: _____

Date Signed: _____

Signature: _____
(President, Ridgeview Valley Master Homeowners Association, Inc)

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