

## Policy 3

### Disclosing and Addressing Conflicts of Interest

The Board of Directors of Fairway Pines Estates Owners Association, Inc., a Colorado Nonprofit Corporation (the "**Association**"), hereby approves and adopts the following Resolution:

**Resolved**, that the following Policy of the Association related to Disclosing and Addressing Conflicts of Interest is hereby adopted and ratified:

#### **Policy**

The Association should not be a vehicle for benefiting one group of people over another simply because they have some special connection with someone on our Board of Directors. Board Members should therefore avoid and disclose any relationship they have to any person or transaction that creates a real, potential, or appearance of conflict of interest between their duties and their interests as an individual. Further, all volunteers, employees, contractors of the Association, and members of its chartered committees are expected to conduct themselves in an honest and businesslike manner and shall avoid and disclose any relationship they have to any person or transaction that creates a real, potential, or appearance of conflict of interest. It is the policy of this association that all board members and committee members will sign a conflict-of-interest form prior to engaging with official business of the board or committees.

#### **Definitions**

As used in this policy the following terms have the following meanings:

"Director" means a member of the Association's Board of Directors.

"Party related to a director" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or a party related to a director has a beneficial interest, or an entity in which a party related to a director is a director or officer or has a financial interest.

"Conflicting Interest Transaction" means a contract, transaction, or other financial relationship between the Association and a director, or between the Association and a party related to a director, or between the Association and an entity in which a director is a director or officer or has a financial interest.

"Conflict-of-Interest," in addition to "Conflicting Interest Transaction," means any situation in which a person covered by this Policy is in a position to exploit his or her Association capacity in some way for his or her personal benefit.

Association volunteer is any person performing services for the Association as a volunteer, including committee members and board advisors.

"Chartered Committee" means any committee of the Association with a written committee charter.

Committee Member is any member of a chartered Committee.

### **Procedure Applying to Members of the Board of Directors**

**Defining Conflict of Interest.** When the Board is considering any contract, decision, or other action that would constitute a Conflicting Interest Transaction, a conflict of interest arises. Also, when a Board member perceives that he or she is in a position to exploit his or her Association capacity in some way for personal benefit, a real, potential, or appearance of conflict arises.

**Disclosing a Conflict.** If a director finds that he or she has some relationship or interest that presents a Conflicting Interest Transaction or a real, potential, or appearance of conflict of interest, the Director must disclose that conflict to the Board in an open meeting prior to any discussion of the issue. If a director refuses to acknowledge a conflict-of interest, either real or the appearance of, as noted by member(s) of the board or by members of the association and refuses to recuse him or herself then; the remaining directors will evaluate the circumstances, if necessary consult with the association's attorney, and determine by vote whether to recuse the board member from voting on matters related to the conflict- or perceived conflict-of-interest. In the event of a tie vote the director in question will be allowed to vote.

**Effect of Conflict.** After a director has disclosed the issue of a conflict or he/she has been determined by a vote of the remaining directors to have a conflict-of-interest, that Director may still participate in deliberations of the Board but may not vote on the matter in the case of a real or potential conflict. In the case of an appearance of a conflict, the other Directors shall determine whether the Director with the appearance of conflict shall be permitted to vote on the matter.

**No Loans.** No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

**Transactions not Voidable.** No Conflicting Interest Transaction shall be voidable by an Owner or on behalf of the Association if:

The facts about the conflicting interest transaction are disclosed to the Board, and the majority of the disinterested Directors, even if less than a quorum, in good faith approved the Conflicting Interest Transaction; or

The facts about the Conflicting Interest Transaction are disclosed to the Owners entitled to vote on the matter, and the Conflicting Interest Transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or

The Conflicting Interest Transaction is fair to the Association.

### **Procedure Applying to Volunteers, Members of Chartered Committees, Employees, or Contractors of the Association**

**Defining a Conflict of Interest Applying to an Association Volunteer, Member of a Chartered Committee, Employee, or Contractor.** A conflict of interest in this context is any situation in which an Association volunteer, member of a chartered committee employee, or contractor is in a position to exploit his or her Association capacity in some way for their personal benefit.

**Disclosure and Effect of a Conflict.** If a volunteer, employee, or contractor finds or believes that he or she has a real, potential, or appearance of conflict of interest, he or she shall immediately disclose that conflict to the Board, or to his or her Committee Chair in the case of a committee member, employee, or contractor working for a Committee. If a committee member, employee, contractor, or volunteer refuses to acknowledge a conflict-of-interest, either real or the appearance of, as noted by member(s) of the committee, members of the association or board member and recuses him or herself then; the committee chair will evaluate the circumstance and make a recommendation to the board. The board will consider the situation and determine by vote whether to recuse the individual from voting on matters related to the conflict- or perceived conflict-of-interest. In the event of a tie vote the individual in question will be allowed to vote. In the case of a committee member, after disclosure and at the discretion of the Committee Chair, the committee member may continue to participate in the discussion but may not vote. In the case of an employee or contractor, the Committee Chair or Board of Directors, as appropriate, shall appoint another individual to perform the conflicted transaction or task. The failure to disclose a conflict of interest shall be cause for termination by the Board of the volunteer, committee member, employee, or contractor. However, in making any termination decision, the Board shall consider all relevant facts and circumstances surrounding the failure to disclose a real, potential, or appearance of a conflict of interest.

Amended December 7, 2023

  
Mike Jones Dec 28, 2023 12:40 PST

---

Mike Jones  
Secretary







# Policy #3 12 21 23

Final Audit Report

2023-12-28

Created:	2023-12-21
By:	Randall Mathis (rmheatshield@gmail.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAT3LrG1F3009bJcgKK5cFPY73OZbattf6

## "Policy #3 12 21 23" History

-  Document created by Randall Mathis (rmheatshield@gmail.com)  
2023-12-21 - 7:49:42 PM GMT- IP address: 172.103.37.86
-  Document emailed to Mike Jones (325.maj@gmail.com) for signature  
2023-12-21 - 7:49:46 PM GMT
-  Email viewed by Mike Jones (325.maj@gmail.com)  
2023-12-21 - 7:49:51 PM GMT- IP address: 74.125.215.74
-  Email viewed by Mike Jones (325.maj@gmail.com)  
2023-12-28 - 8:39:07 PM GMT- IP address: 66.249.88.5
-  Document e-signed by Mike Jones (325.maj@gmail.com)  
Signature Date: 2023-12-28 - 8:40:21 PM GMT - Time Source: server- IP address: 108.209.176.31
-  Agreement completed.  
2023-12-28 - 8:40:21 PM GMT