

Alpine Meadows Homeowners Association

Policies and Procedures For Handling Conflicts of Interest

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Alpine Meadows Homeowners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy governing the handling of conflicts of interest among members of the Board.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following to govern how conflicts of interest involving members of the Board are handled.

- A. In the event any member of the Board or a committee thereof ("Interested Party"), the Interested Party's child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business ("Related Parties") has/have a Financial Interest, as described below, in a decision or other action for the Board's consideration, the Interested Party must declare at an open meeting of the Board of the conflict and describe in detail all of the particular facts of the conflict of interest. The declaration of conflict must be made prior to any discussion or action being taken by the Board. The member of the Board, after declaring the conflict, may participate in the discussion, but that member may not vote on that issue.
- B. Definitions
 1. Financial Interest shall arise if the Interested Party or Related Parties have:
 - a. An ownership or investment interest in any entity with which the Association has, or contemplates a transaction agreement;
 - b. A compensation arrangement;
 - 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 agreement
 2. Compensation shall include direct and indirect compensation as well as gifts or favors even if insubstantial
 3. Conflicting transaction means; a contract, transaction, or other financial relationship between the Association and a member of the Association's Board ("Director"), or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.
 4. Director, as used in this policy, is a member of the Association's Board of Directors.
 5. Officer, as used in this policy, is any person designated as an officer of the Association and any person to whom the Board delegates responsibilities.
 6. Party related to a Director is a spouse, a descendant, an ancestor, a sibling, the spouse or descendant 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.

- C. 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 such a loan shall be liable to the Association for the amount of the loan until it is repaid
- D. No conflicting interest transaction shall be voidable by an Owner on behalf of the Association if:
1. The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
 2. 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
 3. The conflicting interest transaction is fair to the Association
- E. A contract entered into, or action taken, in violation of this policy or C.R.S. 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 C.R.S. 38-33.3-310.5, including all costs and attorney fees incurred in obtaining said restitution.

CONFLICTS BETWEEN DOCUMENT:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 11th day of December, 2019.

Alpine Meadows Homeowners Association

Brad Luter
President