

# The Falls Village Homeowners Association Policies and Procedures as required by C.R. S. 38-33.3-209.5

The following Policies and Procedures were adopted by the Board of Directors of the Falls Village Homeowners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5.

## HANDLING OF CONFLICTS OF INTEREST INVOLVING BOARD MEMBERS

In the event any member of the Board or a committee thereof ("Interest Party"), the Interested Party's child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business ("Related Parties") has/have a Financial Interest, as defined below, in a decision or other action for the Board's consideration, the Interest Party must declare the conflict. The declaration of conflict must be made prior to any Board discussion or action being taken. The Member of the Board, after declaring the conflict, may participate in the discussion, but that member may not vote on that issue.

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 38-33.3-310.3, including all costs and attorney fees incurred in obtaining said restitution.

### **a. Definitions**

- 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 or 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.

Compensation shall include direct and indirect remuneration as well as gifts or favors even if insubstantial.

In the case of any conflict between the Articles of Incorporation, the Bylaws, or the Declaration of Covenants, Conditions, Restriction, and these listed "Policies & Procedures", such provisions of the Articles, Bylaws and the Declaration of Covenants shall take precedence and supersede any provisions of these "Policies & Procedures."

In the event a Court of competent jurisdiction finds a provision of any of these Policies and Procedures void or otherwise unenforceable, the other provisions shall remain in full effect.

Approved by the Board of Directors of Falls Village Homeowners Association after a 30 day review by the membership.

