

**Fox Creek Farm Master Association, Inc.  
Board Policy and Procedures Statement**

**Conflicts of Interest Involving Board Members**

This statement of board policy is established pursuant to  
§38-33.3-209.5(1)(b)(II), Colorado Revised Statutes.

1. **Conflicts of Interest.** Upon any issue or action coming before the executive board upon which a formal vote of the executive board may occur, an executive board member may have a conflict of interest as herein determined.

1.1 Financial Conflict. If any contract, decision, or other action taken by or on behalf of the executive board would financially benefit a member of the executive board or his/her parent, grandparent, spouse, child, or sibling, or a parent of spouse of any of those persons, as an individual, or as a shareholder, director, officer, member, manager, partner, or principal of a legal entity, that person shall have a financial conflict of interest for that issue.

1.2 Non-financial Conflict. If any decision or other action taken by or on behalf of the executive board would cause a member of the executive board to be unable to independently, and free of undue influence, determine his/her vote upon such decision or other action because of non-financial circumstances, that person may have a non-financial conflict of interest for that issue. Circumstances that might lead to a non-financial conflict, by way of example and not limitation, are:

- A relationship between the executive board member, or any person identified in §1.1 above, and any person involved in the decision or other action by the executive board.
- The geographic proximity of property owned by the executive board member (including property outside the common interest community) to property involved in the decision or other action by the executive board.
- An interest or involvement of the executive board member or any person identified in §1.1 above in the subject matter of the decision or other action by the executive board.
- Any other set of circumstances that would cause an executive board member to be unable to independently and without undue influence exercise his/her responsibility to act and vote as an executive board member.

2. **Obligation to Reveal Conflict.** It is the affirmative obligation of an executive board member to inform the executive board, at the first opportunity during a regular or special meeting of the executive board, and before any discussion, of any possible conflict of interest.

3. **Determination of Conflict.** A conflict of interest is determined in one of the following two manners.

3.1 Recusal. An executive board member, upon revealing a possible conflict of interest under §1 above, in his/her sole decision and discretion, recuses himself/herself from voting upon the contract, decision or other action before the executive board. The conflicted board member may act as provided by §4 below.

3.2 Board Decision. Upon an executive board member revealing a possible conflict of interest under §1 above, if the executive board member does not recuse himself/herself from voting upon the contract, decision or other action before the executive board, the executive board shall determine, before any discussion or action upon such contract, decision or other action before it, whether the factual circumstances constitute a conflict of interest. Such determination shall be made by vote of the other executive board members present at the meeting, with input from the possibly conflicted executive board member, as the rest of the executive board may desire. If a conflict of interest is determined to exist, the conflicted executive board member shall act as provided by §4 below.

4. **Action by Conflicted Member.** In the event of a conflict of interest, whether financial or non-financial, as determined hereinabove, the conflicted executive board member may participate in the discussion of the contract, decision or other action before the executive board, but he/she shall not vote upon the contract, decision, or other action before the executive board, provided however, that the remaining executive board members, by formal vote, may direct as follows:

- That the conflicted executive board member may not participate in the discussion of the contract, decision, or other action before the executive board.
- That the conflicted executive board member shall be seated in the audience of the meeting during the discussion and the vote upon the contract, decision, or other action before the executive board.

5. **Communication with Association Members.** While executive board members are encouraged to communicate in a general manner with the members of the association, for the purposes of avoiding miscommunication with members of the association, avoiding misrepresentation of board positions and actions, and avoiding circumstances that might lead to a conflict of interest for an executive board member, executive board members should, other than in formal meetings of the executive board or the association membership, avoid making statements that are representations of possible or anticipated executive board action.

Adopted by the Board of Directors on \_\_\_\_\_

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Secretary