

RESOLUTION

EAGLERIDGE ESTATES HOMEOWNERS ASSOCIATION OF PUEBLO, INC. POLICY & PROCEDURES - BOARD MEMBER CONFLICTS OF INTEREST

The following policy & procedures have been adopted by Eagleridge Homeowners Association of Pueblo, Inc. (hereinafter "Association") pursuant to the provisions of C.R.S. 38-33.3-209.5 (Responsible Governance Policies).

Purpose: The purpose of this policy and these procedures is to protect the interests of the Association whenever it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director or other person in a position of authority within the Association or that might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to the Association.

NOW, THEREFORE, IT IS RESOLVED that the Association hereby adopts the following policy & procedures (hereinafter "Policy") governing Board Member conflicts of interest.

1. Definitions:

- a. Interested Person Any director, principal officer, or member of a committee with powers delegated by the Board of Directors, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest A person has a financial interest if the person has, directly, or indirectly, through business, investment, or family:
 - i. An ownership or investment interest in any entity with which the Association has a transaction or arrangement.
 - ii. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement.
 - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.
- c. Compensation Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

2. Procedures:

- a. Duty to Disclose In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. Determining Whether a Conflict of Interest Exists After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest:
 - i. An interested person shall make an appropriate disclosure of all material facts, including the existence of any financial interest, at any time that any actual or potential conflict of interest arises. The interested person may make a presentation at a Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - ii. The President or Vice President of the Association or the chairperson of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - iii. After exercising due diligence, the Board of Directors or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

d. Violations of the Conflicts of Interest Policy:

- i. If the Board of Directors or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- ii. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

3. Record of Proceedings The minutes of the Board of Directors and all committees with Board-designated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

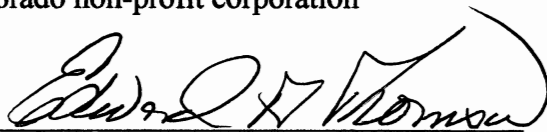
4. Compensation

- a. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation from the Association, either directly or indirectly, individually or collectively, is prohibited from providing information to any committee regarding compensation.

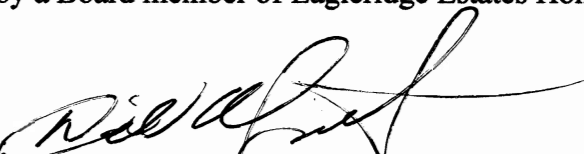
5. Board Member Statement

- a. Each Board member, principal officer and member of a committee with Board of Directors delegated powers shall, upon election to his/her position, sign an attestation which affirms such person:
 - i. Has received a copy of this conflicts of interest policy.
 - ii. Has read and understands the policy.
 - iii. Has agreed to comply with the policy.

Eagleridge Estates Homeowners Association of Colorado, Inc.,
a Colorado non-profit corporation

By: 
President

This Board Member Conflicts of Interest Policy & Procedures was adopted by the Board of Directors on the 28th day of October, 2021, effective the 29th day of October, 2021, and is attested to by a Board member of Eagleridge Estates Homeowners Association of Pueblo, Inc.

By: 
Vice President

ATTESTATION: The undersigned does hereby attest he/she has read, understood, and will comply with this Policy and all of its provisions.

Signature

Date

Name (Printed)