

The Peaks at Aspen Glen Homeowners' Association, Inc.

Conflict of Interest Policy and Disclosure Form for Board of Directors

In compliance with the Colorado Common Interest Ownership Act, The Peaks at Aspen Glen Homeowners' Association, Inc. (the "Association"), through its Board of Directors (the "Board"), desires to adopt a uniform and systematic policy and procedures for conflict of interest for members of the Board of Directors. This policy is intended to comply with C.R.S. § 38-33.3-209.5(1)(b)(II).

As a supplement to C.R.S. § 7-128-501, the Association hereby adopts the following policy and procedures for members of the Board. The purpose of this policy is to protect the Association's interests when it is entering into a transaction or arrangement that might benefit the private interests of a Board member of the Association or might result in a possible excess benefit transaction. The Board wishes to avoid self-dealing, actual or apparent, in its administration of the Association. The policy adopted herein applies to any member of the Board.

A. Definitions:

1. Conflicts involving financial interest: A Conflict of Interest shall be deemed to exist when any Board member knowingly has, directly or indirectly, through business, investment, or family:
 - a. An ownership, investment, income or other interest in any entity with which the Association has a transaction or arrangement; or
 - b. A compensation arrangement with the Association or any entity or individual with which the Association has or is contemplating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial. Anything with a value of \$500 or more shall be considered substantial.
2. Conflicts involving significant relationships: A Conflict of Interest shall be deemed to exist when any Board member has a significant relationship with a non-profit or for-profit entity that has or is negotiating a transaction with the Association. This definition shall include, but not be limited to, sitting on the board of a non-profit, or having a leadership role or other significant role in the operations of a for-profit or non-profit, even if there is no compensation.
3. Conflicts involving benefit to property: A Conflict of Interest shall also be deemed to exist when a Board member's property will disproportionately benefit from a Board decision relative to other Owners of the Association. A Conflict of Interest shall be deemed *nonexistent* when any Board member or their property value will benefit from a Board decision in a manner that is consistent relative to other Owners of the Association.

B. Procedures:

1. Duty to Disclose: In connection with any conflict of interest, the interested Board member must disclose the existence of the conflict to the Board prior to or at the beginning of any discussion involving the conflict of interest.
2. Recusal of Self: Any Board member with a conflict or potential conflict of interest shall abstain from voting on any matter that involves their interest. Any Board member with a conflict or potential conflict of interest may participate in discussion of the matter at issue.
3. Documentation: Board minutes will reflect the disclosure of conflicts of interest and potential conflicts of interest as well as any action outlined under Section 4 of these procedures.
4. Violations of this policy:
 - a. If any Board member or other Owner of the Association has reasonable cause to believe that a Board member has failed to disclose a conflict of interest, that individual shall notify the Board either verbally at a meeting of the Board or in writing, outlining the basis for such belief.
 - b. The Board shall give the Board member in question an opportunity to explain the alleged failure to disclose.
 - c. The Board may then take any of the following actions as reasonable steps to correct the violation, which shall be determined by majority vote:
 - i. Suspend the Board member's voting privileges for specific related matters;
 - ii. Require the Board member to leave the room for the duration of consideration of and action on related matters;
 - iii. Reprimand the Board member and in egregious cases remove the Board member from the Board; or
 - iv. Determine that no conflict of interest exists

C. Incorporation. C.R.S. § 7-128-501 is incorporated by reference as if fully set forth herein.

D. Review. The President shall periodically review this policy.

- E. Deviations. The Board may deviate from the procedures set forth in this policy if, in its sole discretion, such deviation is reasonable under the circumstances.
- F. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law and the State of Colorado governing the Association.
- G. Replacement. This policy supersedes and replaces prior policies adopted by the Board dealing with the subject matter herein.
- H. Definitions. Unless otherwise defined in this Policy, capitalized terms shall have the same meaning ascribed by the Declaration.
- I. Amendment. This policy and procedure may be amended at any time by the Board, pursuant to its policies and procedures.

This policy is effective immediately.

The undersigned, being the President of the Association certifies that the foregoing resolution was adopted by the Board at a duly called and noticed meeting of the Board of Directors held on this 18th day of November, in the year 2022 and in witness thereof, the undersigned has subscribed his/her name.



President
The Peaks at Aspen Glen Homeowners' Association, Inc.