

**POLICY OF STIRLING RANCH PROPERTY OWNERS  
ASSOCIATION, INC. ADOPTING POLICIES AND PROCEDURES  
REGARDING CONFLICTS OF INTEREST**

**SUBJECT:** Policies and procedures regarding conflicts of interest.

**PURPOSE:** To adopt policies and procedures to be followed when there is a conflict of interest to ensure proper disclosure of the conflict and voting procedures.

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** 7/31/24

**RESOLUTION:** The Association hereby adopts the following policies and procedures regarding conflicts of interest and code of ethics. This policy shall supersede and replace any previous Stirling Ranch policy regarding Conflicts of Interest adopted by the Executive Board.

**Purpose**

The purpose of this policy is to protect the interests of Stirling Ranch Property Owners Association by: (a) preventing the personal interest of any Executive Board member or Design Review Committee or other committee member from interfering with his or her duties to the Association and (b) avoiding any unethical financial or other gain on the part of such individuals.

**Persons Concerned**

This statement applies to every Executive Board member and Design Review Committee or other committee member.

**Procedures**

**1. Duty to Disclose.**

Each Executive Board member and Design Review Board or other committee member has an affirmative obligation to disclose the existence of an actual or potential Conflict of Interest to the Executive Board as it arises and in no event later than the first meeting of the Board at which the interested individual is present after the conflict is disclosed or discovered. For purposes of this policy, a Conflict Of Interest is defined as circumstances under which any member of the Board, the Design Review Board or other committee (an "interested person") may be unduly influenced in his or her decision-making process in favor of or against any particular action, including a conflicting financial interest transaction, which shall arise if an interested person or his/her Relative has (i) an ownership or investment interest in any entity with which the Association has, or contemplates a transaction or agreement; (ii) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or

arrangement; or (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 agreement.. For example, absent approval by the Board under this Policy, no member of the Board shall use his or her position for private gain, including but not limited to for the purpose of enhancement of his/her financial situation or business prospects or reputation through the use of certain contractors or suppliers. A "Relative" means a spouse, partner, child (natural, adopted or related by marriage), parent, grandparent, grandchild, sibling (natural, adopted or related by marriage), spouse, partner or descendent of a sibling, and any other family member who resides in the same household as, or is financially dependent upon, such interested person. If an Interested Person fails to disclose the conflicting financial interest transaction in violation of this Policy and/or Colorado law, any related contract entered into by the Association may be declared void and unenforceable by the Board.

## 2. Investigating Conflicts.

When a potential Conflict of Interest is disclosed or discovered, the Executive Board will then provide the individual with an opportunity to disclose all material facts and to state his or her position on the matter at a meeting of the Board during which the Conflict of Interest will be discussed (ideally, the first meeting at which the interested individual is present after the Conflict of Interest is discovered). After the interested individual is given the opportunity to state his/her position about the alleged conflict, he/she shall leave the meeting during any time when discussion of the topic related to the conflict is conducted by the Executive Board. Any member of the Executive Board having a possible conflict of interest shall not vote or use his/her personal influence on the matter, but shall be counted for purposes of establishing a quorum. The minutes of the meeting shall reflect that the interested individual did not participate in the Executive Board's discussion and left the meeting during the discussion. The Executive Board will collect all pertinent information and may question the involved parties. If the Executive Board determines that a Conflict of Interest does not exist, the inquiry will be documented but no further action will be taken. Nothing contained herein shall be construed as preventing the interested individual from briefly stating his or her position regarding the matter nor from answering pertinent questions from Board members regarding the matter.

## 3. Addressing a Conflict of Interest.

If the Executive Board determines that a Conflict of Interest exists, consistent with the requirements and restrictions of the Colorado Common Ownership Interest Act, CRS, 38-33.3-101 et seq. (CCOIA), it will take the appropriate actions to address the conflict. Affected parties both within and outside of the Stirling Ranch Property Owners Association may be notified, as appropriate. No conflicting financial interest transaction shall be voidable by the Association if:

(a) The facts about the conflicting interest transaction are disclosed to the Executive Board, and a majority of the disinterested directors, even if less than a quorum, in good faith approves the transaction;

(b) The facts about the conflicting financial interest transaction are disclosed to the Association's members entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of those members; or

(c) The conflicting interest transaction is fair to the Association.

4. Disciplinary Action.

All Conflicts of Interest will be reviewed on a case-by-case basis. The Executive Board has full discretion to determine what disciplinary action, if any, consistent with the CCOIA, is appropriate and necessary for any undisclosed Conflicts of Interest.

5. Notice of Annual Statements.

Every Executive Board member or Design Review Committee member must sign an Acknowledgment of the Conflict of Interest Policy at the start of his or her term of office and annually during his/her tenure. Failure to sign does not nullify the policy.

8. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association.

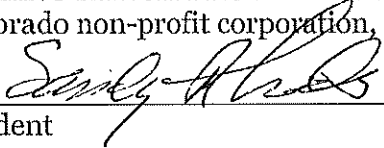
9. Deviations. The Executive Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

10. Amendment. This Policy may be amended from time to time by the Executive Board.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of Stirling Ranch Property Owners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Executive Board of the Association, at a duly called, noticed and held meeting of the Board on

7/31/24 and in witness thereof, the undersigned has subscribed his/her name.

STIRLING RANCH PROPERTY OWNERS ASSOCIATION, INC.  
a Colorado non-profit corporation,

By:   
President  
Name:

