ASPEN VILLAGE SUBDIVISION
POLICY REGARDING BOARD MEMBER CONFLICTS OF INTEREST

Adopted September 8, 2026

The following Policy Regarding Board Member Conflicts of Interest has been adopted by Aspen Village Subdivision (the "Association") pursuant to the provisions of C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Governors (the "Board").

Purpose: To adopt a policy and procedure to be followed when a Board member has a conflict of interest to ensure proper disclosure of the conflict and voting procedures.

NOW THEREFORE, IT IS RESOLVED that the Association hereby adopts the following policy regarding Board member conflicts of interest:

1. General Duty. The Board of Governors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of the Condominium Units in the community. All Board members shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to, the Association. All Board Members shall avoid conflicts of interest and conflicting interest transactions in their dealings with and representation of the Association, and shall avoid the appearance of impropriety in those dealings.

2. Definitions.

   a. "Conflict of interest" means circumstances under which a Board member may be unduly influenced in his or her decision making process in favor of or against any particular action.

   b. "Conflicting interest transaction" means any contract, transaction, or other financial relationship between the Association and a Board member, or between the Association and a party related to a Board member, or between the Association and an entity in which a Board member is a director or officer or has a financial interest.

   c. "Party related to a Board member" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board member or a party related to a Board member has a beneficial interest, or an entity in which a party related to a Board member is a director, officer, or has a financial interest.

Unless otherwise defined in this policy, capitalized terms herein shall have the same meaning as in the Association's Declaration, Articles of Incorporation, or Bylaws.

3. No Loans to Board Members. No loans shall be made by the Association to any Board members or officers. Any Board member or officer who assents to or participates in the making of such a loan shall be personally liable to the Association for the amount of the loan until repayment thereof.

4. Disclosure of Conflict of Interest or Conflicting Interest Transaction. At the commencement of any Board meeting, the Board shall afford an opportunity to all Board members to declare whether they have any conflicts of interest in any matter affecting the Association that has not previously been disclosed. In advance of entering into a conflicting interest transaction, the interested Board member shall declare at an open meeting of the Board, that a contract, transaction, or other financial relationship being contemplated or discussed by the Board may constitute a conflicting interest transaction with such Board member, and the interested Board member shall describe in detail all of the particular facts of the conflicting interest

transaction and the conflict of interest giving rise thereto. If a Board member other than the interested Board member, in good faith, believes that the interested Board member has a conflict of interest, or that the contract, transaction or other financial relationship being contemplated or discussed might constitute a conflicting interest transaction, then such other Board member may disclose the facts upon which such belief is formed, and the remainder of the Board, not including the interested Board member, shall make a good faith determination as to whether a conflict of interest or conflicting interest transaction exists.

5. Action Upon Disclosure. After the interested Board member makes such a declaration, or the remainder of the Board determines that a conflict of interest or a conflicting interest transaction exists, the interested Board member may be counted as present for purposes of establishing a quorum of the Board, but the interested Board member shall not participate in a discussion of the matter giving rise to the conflict of interest or conflicting interest transaction, nor shall the interested Board member vote on the issue giving rise to the conflict of interest or the conflicting interest transaction.

6. Validity of Action. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member or by or in the right of the Association, solely because: (a) the conflicting interest transaction involves a Board member or a party related to a Board member or an entity in which the Board member is a director or officer or has a financial interest, or (b) the Board member is present at or participates in the Board meeting or committee meeting that authorizes, approves, or ratifies the conflicting interest transaction, or (c) the Board member's vote is counted for such purpose if:

a. The material facts as to the Board member's relationship to and/or interest in and as to the conflicting interest transaction are disclosed and/or are known to the Board or the committee, and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

b. The material facts as to the Board member's relationship to and/or interest in and as to the conflicting interest transaction are disclosed and/or are known to the Board members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Board members entitled to vote thereon; or,

c. The conflicting interest transaction is fair as to the Association.

7. 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 community.

8. Periodic Review. The Board shall review this policy annually and revise if deemed necessary in its discretion.

Aspen Village Subdivision

By: _____
President

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The foregoing Policy Regarding Board Member Conflicts of Interest was adopted by the Board of Governors on the 8 day of September, 2026, effective the 8 day of September, 2026, and is attested to by the Secretary of Aspen Village Subdivision.

Secretary

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