

**EAGLE RIVER COMMERCIAL CENTER ASSOCIATION, INC.  
POLICY REGARDING CONFLICTS OF INTEREST**

**PURPOSE:** To adopt a standard procedure to address conflicts of interest.

**AUTHORITY:** The Governing Documents and Colorado Law.

The Governing Documents are comprised of:

- a. Condominium Declaration for Eagle River Commercial Center Association, as amended and supplemented ("**Declaration**");
- b. Plat maps for Eagle River Commercial Center Association, as amended ("**Map**");
- c. Bylaws of Eagle River Commercial Center Association, as amended ("**Bylaws**");
- d. Articles of Incorporation for Eagle River Commercial Center Association ("**Articles**");
- e. Rules and Regulations of Eagle River Commercial Center Association ("**Rules**");
- f. Responsible Governance Policies of Eagle River Commercial Center Association, as required by C.R.S. 38-33.3-209.5 ("**RGP**s").

Colorado Law is comprised of:

- a. Colorado Common Interest Ownership Act ("**CCIOA**") codified at C.R.S. 38-33.3-101 et seq.; and
- b. Colorado Revised Not for Profit Corporation Act ("**CRNPCA**") codified at C.R.S. 7-121-102 et. seq.

**EFFECTIVE DATE:** DECEMBER 13, 2023.

**RESOLUTION:** Eagle River Commercial Center Association, Inc. ("**Association**") hereby adopts the following hereby adopts the following Policy Regarding Conflicts of Interest ("**Policy**") which replaces all prior policies regarding conflicts of interest. Capitalized terms not expressly defined herein shall have the meaning subscribed to them in the Governing Documents and Colorado Law.

1. Conflicting Interest Transactions. As used in this Policy, "Conflicting Interest Transaction" means:

- 1.1 A contract, transaction, or other financial relationship between the Association and a Board of Directors Member; or
- 1.2 A contract, transaction, or other financial relationship between the Association and a party related to a Board of Directors Member; or
- 1.3 A contract, transaction, or other financial relationship between the Association and an entity in which a Board of Directors Member is a Director or Officer or has a financial interest.

2. Loans. No loans shall be made by a Board of Directors Members or officers in their official capacity on behalf of the Association. Any Board of Directors Member or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

3. Occurrence Upon Conflicting Interest Transaction. No transaction which qualifies as a Conflicting Interest Transaction hereunder 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 an Owner or in the right of the Association, solely because it so qualifies as a Conflicting Interest Transaction or solely because the Board of Directors Member involved is present at or participates as an Owner in the meeting of the Board of Directors that authorizes, approves, or ratifies the Conflicting Interest Transaction or solely because the Board of Directors Member's vote is counted for such purpose if:

3.1 The material facts as to the Board of Directors Member's relationship or interest as to the Conflicting Interest Transaction are disclosed or are known to the Board of Directors or committee thereof and the Board of Directors or committee thereof in good faith authorizes, approves, or ratifies the Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested Board of Directors Members, even though the disinterested Board of Directors Members are less than a quorum; or

3.2 The material facts as to the Board of Directors Member's relationship or interest as to the Conflicting Interest Transaction are disclosed or are known to the Board of Directors 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 of Directors Members entitled to vote thereon; or

3.3 The Conflicting Interest Transaction is fair to the Association.

4. Quorum. Interested Board of Directors Members may be counted in determining the presence of a quorum at a meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies the Conflicting Interest Transaction.

5. Related Party. For purposes of this Policy, a "party related to an Board of Directors Member" shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board of Directors Member or a party related to an Board of Directors Member has a beneficial interest, or an entity in which a party related to an Board of Directors Member is a director, officer, or has a financial interest.

6. No Invalidation Of Governing Documents. This Policy shall not be construed to invalidate any provision of the Governing Documents that more strictly define conflicts of interest or contains further limits on the participation of Board of Directors Members who may have conflicts of interest.

7. Direct Conflicts of Interest. The following constitute a Direct Conflict of Interest:

- 7.1 A dispute between the Association and a Board of Directors Member regarding the rights and interests of the Board of Directors Member under the Governing Documents including any proceedings under the Association's Policy Regarding Enforcement of Covenants and Rules with Related Notice and Hearing Procedures and Schedule of Fines, the Policy Regarding Alternative Dispute Resolution ("**ADR**"), or legal proceedings of any nature or kind; or
- 7.2 Any application or request for action by the Association on behalf of a Board of Directors Member related to the Board of Directors Member's Unit, including any requests for design approval.

8. Disclosure. Board of Directors Members shall disclose to all other Board of Directors Members in writing via electronic mail or if no electronic mail address is on file to the mailing address on file with the Association via United States certified mail or overnight delivery any Direct Conflict of Interest. An Board of Directors Member or Owner(s) may raise a concern about an Board of Directors Member's Direct Conflict of Interest by providing a written notice thereof to all Board of Directors Members, including the Board of Directors Member who has the alleged Direct Conflict of Interest, in writing via electronic mail or if no electronic mail address is on file to the mailing address on file with the Association via United States certified mail or overnight delivery. If a Board of Directors Member discloses a Direct Conflict of Interest it shall be accepted as such. If a concern about a Direct Conflict of Interest is raised by another Board of Directors Member or Owner, the Board of Directors, without the participation or vote of the Board of Directors Member who is asserted to have a Direct Conflict of Interest, shall determine if in fact a Direct Conflict of Interest exists.

9. Recusal. Any Board of Directors Member with a Direct Conflict of Interest shall recuse himself or herself from any participation as a Board of Directors Member in the discussion or vote by the Board of Directors regarding the Direct Conflict of Interest matter. The Board of Directors Member with a Direct Conflict of Interest shall not be privy to, receive or participate in any Executive Session Board meetings or confidential and/or protected communications with Association legal counsel related to the Direct Conflict of Interest matter. The Board of Directors Member with a Direct Conflict of Interest may still participate in Board of Directors meetings and Owner meetings related to the Direct Conflict of Interest matter in the capacity as an Owner.

10. Periodic Review. The Association shall periodically review this Policy as well as any other policies, procedures and regulations within the Governing Documents related to conflicts of interest.

11. Code of Ethics. In addition to the above, each Director and the Board of Directors as a whole shall adhere to the following Code of Ethics:

- 11.1 No Director shall use his or her position for private gain, including for the purpose of enhancement of his or her financial status through the use of certain contractors or suppliers.

- 11.2 No contributions will be made to any political parties or political candidates by the Association.
- 11.3 No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business of financial relations with the Association.
- 11.4 No Director shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.
- 11.5 No Director shall receive any compensation from the Association for acting in his or her official capacity as a Director.
- 11.6 No Director shall willingly misrepresent facts to the Members of the Association for the sole purpose of advancing a personal cause or influencing the Association to place pressure on the Board of Directors to advance a personal cause.
- 11.7 No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with the Association's contractors shall go through Management or be in accordance with policy.
- 11.8 No Director shall harass, threaten, or attempt through any means to control or instill fear in any Member, Director or agent of the Association.
- 11.9 No promise of anything not approved by the Board of Directors as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.
- 11.10 Any Director convicted of a felony shall voluntarily resign from his or her position as Director.
- 11.11 Language and decorum at Board of Directors meetings will be kept professional. Personal attacks against Owners, residents, managers, service providers, Board of Directors Members and Directors are prohibited and are not consistent with the best interest of the Owners.

**PRESIDENT'S CERTIFICATION:** The undersigned President of Eagle River Commercial Center Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association in compliance with the Governing Documents and Colorado Law.

EAGLE RIVER COMMERCIAL CENTER  
ASSOCIATION, INC., a Colorado nonprofit corporation

By: Den Lambert *D. Pres.*  
President of the Board of Directors