SUN COUNTRY MEADOWS IMPROVEMENT ASSOCIATION
CONFLICT OF INTEREST POLICY

Effective Date: May 1, 2024

1. Disclosure. The director is to disclose any conflicting interest in a proposed transaction in an open meeting prior to the discussion and vote. The disclosure will be reflected in the meeting minutes or other written form.

2. Participation. The director will not take part in the discussion and will leave the room during the discussion and the vote on the matter. However, a majority of the disinterested Board members may ask the interested Board member to remain during any portion of the discussion and/or vote, provided that the director does not vote.

3. Quorum. The interested director will count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.

4. Approval. The contract, Board decision, or other Board action must be approved by a majority of the disinterested directors. No contract, Board decision, or other Board action in which a director has a conflict of interest will be approved unless it is commercially reasonable to and/or in the Association's best interests.

5. Standard of Review. No conflicting interest transaction will be set aside solely because an interested director is present at, participates in, or votes at a Board meeting that authorizes, approves, or ratifies the conflicting interest transaction if:

A. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board, and the Board, 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 may be less than a quorum; or

B. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote; or

C. the conflicting interest transaction is fair to the Association.

6. Loans. The Association will not make loans to its directors or officers. Any director or officer who assents to or participates in making a loan to a director or officer will be liable to the Association for the amount of the loan until the loan is repaid.

7. Association Lien Foreclosure. Colorado law prohibits a director or officer of the Association, and their immediate family members, from purchasing a Lot during any foreclosure action filed by the Association to enforce its lien.

8. Definitions:

A. "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and: (i) a director, or (ii) a party related to a director, or (iii) an entity in which an Association director is also a director or officer or has a financial interest.

B. "Immediate family member" means a person related by blood, marriage, civil union, or adoption.

C. "Party related to a director" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or party related to a director has

a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.

D. "Officer," for purposes of this policy only, means any person designated as an officer of the Association and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.

9. Review. Directors will periodically review this policy.

This Conflict-of-Interest Policy was adopted by the Board of Directors on this 1st day of May, 2024.

SUN COUNTRY MEADOWS IMPROVEMENT ASSOCIATION,
a Colorado nonprofit corporation,

By: Dennis Brewster
Its: President