



Conflict of Interest Policy

It is in the best interest of The Crossroads at Mingus Homeowners Association (“Association”) to have its Board of Directors, Committee Members and any staff or volunteers of the Association (“Board Members”), and management company (if one exists) and management company employees, be aware of and properly address possible conflicts of interest.

This Conflict of Interest Policy (“Policy”) is designed to help Board Members and management company employees, who have regulatory duties or are in a position to make decisions affecting the Association, to identify situations that present possible conflicts of interest and to provide the Association with a procedure whereby such potential conflicts may be reviewed by the Board of Directors, Committee Members, or an independent third person(s) or party when necessary. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. Nothing contained in this Policy shall prevent the Board of Directors from contracting with or engaging the services of a person, persons, or a legally recognized organization, with a conflict of interest so long as Full Disclosure of such conflict is obtained prior to such contract or service.

1. DEFINITIONS

Defined terms used in this Policy appear with the initial letter capitalized.

- a. "Conflict of Interest" is any circumstance described in Section 2 of this Policy.
- b. "Interested Person" is any person serving as a Board Member, Board Member's Family Member, management company employee, or anyone else who is in a position of control over the Association who has or may have a Financial Interest in a Contract or Transaction with the Association.
- c. "Family Member" is a spouse, child, spouse's child, daughter-in-law, son-in-law, brother, sister, mother, father, grandparents, grandchild, step-brother, step-sister, step-parent, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, guardian, ward, or domestic partner, of an Interested Person.
- d. "Full Disclosure" is the act of identifying all relevant information that could impact a Contract or Transaction or case with regard to making a decision affecting the Association. Full Disclosure means being completely transparent and not hiding or concealing anything that might be pertinent to the decision, Financial Interest, situation, Contract or Transaction or case being determined by Board Members.

- e. "Financial Interest" is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person's or Family Member's judgment with respect to a Contract or Transaction to which the Interested Person or Family Member is a party.
- f. "Contract or Transaction" is any agreement or relationship involving the sale, purchase, improvement or provision of property (real or personal), goods, services, providing or receipt of a loan or grant, establishment of any other type of financial relationship, execution of a contract, or exercise of control over any person of any organization to or from the Association. The making of a gift to the Association is not a Contract or Transaction.
- g. "Gift, Gratuity, Entertainment, or Favor" from or to individuals or entities occurs when the person receiving or providing the gift/gratuity or entertainment/favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Interested Person in the performance of their duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of the Association.
- h. "Other Situations" is any situation that may create the appearance of a conflict, or present a duality of interests in connection with an Interested Person who has influence over the decisions, activities, or finances of the Association. All such circumstances should be disclosed to the Board of Directors and Committee Members, as appropriate, and a decision made as to what course of action the organization or individual(s) should take so that the best interests of the Association are not compromised by the personal interests of an Interested Person.

2. Conflict of Interest Exists if:

- a. An Interested Person is a party to or is involved in negotiating a Contract or Transaction with the Association.
- b. An Interested Person has a Financial Interest in a Contract or Transaction between the Association and an entity in which a Board Member or Family Member of a Board Member, is a director, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, shareholder, or other legal representative.
- c. A Board Member or Family Member of a Board Member, is engaged in some capacity or has a Financial Interest in a business or enterprise that competes with the Association.

3. Procedures for Disclosure of Conflicts or Potential Conflicts

- a. Prior to Board of Directors or Committee action on a Contract or Transaction involving a Conflict of Interest, an Interested Person having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. If Board members are aware that an Interested Person has a conflict of interest, relevant facts should be disclosed by the Board Member or by the Interested Person him/herself either in writing or orally before the Board for purposes of disclosure.

- b. A Board of Director or Committee Member who plans not to attend a meeting at which he or she has reason to believe that the Board or Committee will act on a matter in which a person has a Conflict of Interest, shall disclose in writing to the President and Board Members prior to the meeting all facts material to the Conflict of Interest. The President shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
 - c. An Interested Person who has a Conflict of Interest shall not participate in or be permitted to hear the Board's or Committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
 - d. An Interested Person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.
 - e. No Interested Person having a Conflict of Interest may vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
 - f. Interested Persons who are not members of the Board of Directors of the Association or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or Committee action, shall disclose to the President or the President's designee any Conflict of Interest that such Interested Person has with respect to a Contract or Transaction. Such disclosure shall be made orally and followed in writing as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect the Association participation in such Contract or Transaction.
 - g. In the event it is not entirely clear that a Conflict of Interest exists, any individual with a potential Conflict of Interest shall disclose the circumstances to the President or the President's designee, who shall determine whether full Board of Director or Committee discussion is warranted or whether there exists a conflict of interest that is subject to this Conflict of Interest Policy.
4. Confidentiality Each Board Member or management company employee shall exercise care not to disclose confidential information acquired in connection with disclosures of Conflicts of Interest or potential conflicts, which might be adverse to the interests of the Association. Furthermore, Board Members or management company employees shall not disclose or use any information relating to the business of the Association to the detriment of the Association for their personal profit or advantage or the personal profit or advantage of their Family Member(s).
5. Administration of Policy. Each Board Member and management company employee shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so. Each Board Member and management employee has had the opportunity to ask any questions they may have about this Policy.

- a. Annually each Board Member or management company employee shall complete a disclosure form identifying any relationship, position, Financial Interest, or circumstance in which he or she is involved that he or she believes could contribute to a Conflict of Interest.
- b. This Policy shall be reviewed annually by the Board of Directors. Any changes to the Policy shall be communicated to all Board Members and the management company employees.
- c. A copy of such written acknowledgment shall be delivered to the President of the Board of Directors and maintained in the Association Records by the Secretary of the Association.

6. Acknowledgement of Conflict of Interest Policy Receipt and Compliance Agreement

I, the undersigned, hereby acknowledge I have read The Crossroads at Mingus Homeowners' Association's Conflict of Interest Policy (this document) and have had an opportunity to ask any questions I may have about the Policy. I further acknowledge I have or will identify in writing any relationships, positions, or circumstances with which I may or will be involved that I believe could contribute to a conflict of interest for or with the Association.

Furthermore, I will refrain from using any information obtained during my tenure as a Board of Director or Committee Member to improve any lot in The Crossroads at Mingus subdivision that I do not own.

I understand and agree to comply with this Conflict of Interest Policy.

Signature: ___SIGNATURES AND DATES ARE ON FILE ___ Date: _____

Print Name: __BOARD MEMBER NAMES ARE ON FILE _____

Position: _BOARD POSITION AND COMMITTEE POSITIONS ARE ON FILE_____

CONFLICT OF INTEREST DISCLOSURE FORM

In accordance with The Crossroads at Mingus Homeowners Association Conflict of Interest Policy, I hereby disclose any relationship, position, interest (financial or otherwise), or circumstances in which I may be involved that I believe could contribute to a conflict of interest to the Association:

Signature: _____

Date: _____

Print Name: _____

Position: _____