



175 Countv Road 248 P.O. Box 456 Durango. CO 81302

## Conflict of Interest Policy

For Members of the Florida River Estates, Inc. (FRE) Board of Directors

Reviewed: 8/07/19

### Article I -- Purpose

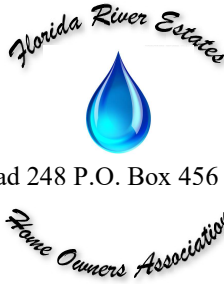
The purpose of this Board conflict of interest policy is to protect FRE's interests when considering entering into a transaction or arrangement that might benefit the private interests of a board member. The policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

### Article II -- Definitions

1. **Interested person** -- Any member of the board of directors who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial interest** -- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which FRE has a transaction or arrangement,
  - b. A compensation arrangement with FRE or with any entity or individual with which FRE has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which FRE is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as substantial gifts or favors. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists, in accordance with this policy.

3. **Nonfinancial interest**—A person has a nonfinancial interest if the person has a political view, religious view, personal view or personal relationship that would be dishonored or impacted, directly or indirectly, by an action taken or not taken by the Board.



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## Article III – Procedures

1. **Duty to Disclose** -- In connection with any actual or possible conflict of interest, an interested person must disclose the existence of any financial interest and be given the opportunity to disclose all material facts to the Board.

2. **Disclosure of nonfinancial interests** – Interested persons shall disclose nonfinancial interests specifically as individual interests arise. Nonfinancial interests are expected and shall not be reviewed unless a Board member requests that the interest be reviewed under the Conflict of Interest Policy.

3. **Recusal of Self** -- Any interested person may recuse himself or herself at any time from involvement in any decision or discussion in which he or she believes there may be a conflict of interest, without going through the process for determining whether a conflict of interest exists.

4. **Determining Whether a Conflict of Interest Exists** -- After disclosure of the financial interest all material facts will be disclosed and reviewed, including discussion with the interested person. Upon request by a Board member the material facts of a nonfinancial interest will be reviewed, including discussion with the interested party. Then the potentially conflicted interested person shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

### 5. Procedures for Addressing the Conflict of Interest

a. An interested person who has an identified conflict of interest may continue to be part of related discussions, but any Board member with such conflict shall not be allowed to vote on the transaction, arrangement, or other matter involving the conflict of interest.

b. The Board President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the Board shall determine whether FRE can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a financial conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a financial conflict of interest, the Board shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in FRE's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

### 6. Violations of the Conflicts of Interest Policy

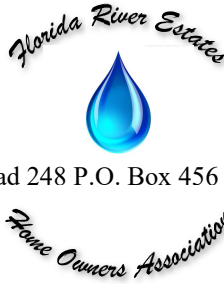
a. If the Board member has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the person and Board of the



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basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

b. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.



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### Board Member Conflict of Interest Statement

1. Name: \_\_\_\_\_ Date: \_\_\_\_\_

2. What potentially conflicting organization or other membership affiliation do you represent?

\_\_\_\_\_  
\_\_\_\_\_

4. Position:

Are you a voting Board member? Yes/No

5. I affirm the following:

I have received a copy of the FRE Conflict of Interest Policy. \_\_\_\_\_ (initial)

I have read and understand the policy. \_\_\_\_\_ (initial)

I agree to comply with the policy. \_\_\_\_\_ (initial)

6. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with FRE? Yes/No

- If yes, please describe it: \_\_\_\_\_
- If yes, has the financial interest been disclosed, as prescribed in the Conflict of Interest policy? Yes/No

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with FRE? Yes/No

i. If yes, please describe it, including when (approximately): \_\_\_\_\_

ii. If yes, has the financial interest been disclosed, as prescribed in the Conflict of Interest policy? Yes/No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Date of Review by Board of Directors: \_\_\_\_\_