

**RESOLUTION OF
BASELINE COMMUNITY ASSOCIATION, INC.
REGARDING CONFLICTS OF INTEREST**

Effective 7/7/2021, 20____, Baseline Community Association, Inc. (the “Association”) hereby adopts the following policy regarding Board member conflicts of interest, which shall replace and supersede in its entirety the policy regarding conflicts of interest set forth in the Rules and Regulations of the Association dated April 30, 2019:

1. **Conflicting Interest Transaction Defined.** “Conflicting Interest Transaction” means a contract, transaction or other financial relationship between:
 - (a) The Association and a director;
 - (b) The Association and an entity in which a director is a director, officer or has a financial interest; or
 - (c) The Association and one of the following (hereinafter referred to as a “Party Related to a Director”):
 - (i) The spouse of a director;
 - (ii) A descendant of a director;
 - (iii) An ancestor of a director;
 - (iv) A sibling of a director;
 - (v) The spouse or descendant of a sibling of a director;
 - (vi) An estate or trust in which the director or one of the parties described in Sections 1(c)(i)-(v) above has a beneficial interest, or
 - (vii) An entity in which one of the parties described in Sections 1(c)(i)-(v) above is a director, officer or has a financial interest.
2. **Disclosure of Conflict.** Any Conflicting Interest Transaction on the part of any director or any Party Related to a Director shall be verbally disclosed to all of the other directors at an open meeting of the Board of Directors prior to any discussion or vote on the matter. After the disclosure of the Conflicting Interest Transaction, the interested director may participate in the discussion on the matter, but shall not vote on the matter. The minutes of the meeting shall reflect the disclosure of the Conflicting Interest Transaction, the composition of the quorum of the Board of Directors, and a record of the vote taken.
3. **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 of the Association or by or in the right of the Association solely because (a) the Conflicting Interest Transaction involves a director, an entity in which a director is a

director, officer or has a financial interest, or a Party Related to a Director, or (b) solely because the interested director is present and participates in the meeting at which the Conflicting Interest Transaction is approved or ratified, or (c) the interested director's vote is counted for such purpose, if:

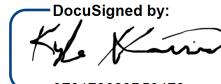
- (a) The material facts as to the interested director's relationship or interest and as to the Conflicting Interest Transaction are disclosed and are known to the Board of Directors, and the Board of Directors in good faith authorizes, approves, or ratifies the Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors may constitute less than a quorum;
- (b) The material facts as to the interested director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the members of the Association entitled to vote thereon, and the Conflicting Interest Transaction is specifically authorized, approved or ratified in good faith by a vote of the members of the Association entitled to vote thereon; or
- (c) The Conflicting Interest Transaction is fair to the Association.

4. No Loans. No loans shall be made by the Association to its directors or officers. Any director 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.
5. Review of Policy. Every other year, the Board of Directors shall review this policy to determine if any revisions or amendments are needed or desired.
6. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
7. Supplement to Law. The provisions of this Resolution 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. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
9. Amendment. This Resolution may be amended from time to time by the Board of Directors.

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The undersigned, being the President of the Association, certifies that this Resolution was adopted by the Board of Directors of the Association on 7/7/2021, 2021.

**BASELINE COMMUNITY
ASSOCIATION, INC.,**
a Colorado nonprofit corporation,

By: 

President