

MERIDIAN LAKE PARK CORPORATION

AMENDED POLICY FOR CONFLICTS OF INTEREST INVOLVING DIRECTORS ON THE EXECUTIVE BOARD, OFFICERS AND MEMBERS OF BOARD DELEGATED COMMITTEES

The Executive Board (Board) of Meridian Lake Park Corporation, a Colorado nonprofit corporation (Association) hereby adopts the following Amended Policy for Conflicts of Interest Involving Directors on the Executive Board, Officers and Members of Board Delegated Committees, effective as of _____, 2019. Any previous policy on conflicts of interest is hereby superseded and replaced in entirety with the following policy.

DEFINITIONS:

“Interested Person” means any director, officer or member of the Board, a Board-delegated committee serving on behalf of the Association, the spouse, sibling, ancestor, descendant, or an entity in which the director, officer or member of a Board-delegated committee or any of the foregoing relations is a director, officer or has a financial interest therein.

“Financial Interest” means when an Interested Person has an ownership, investment or beneficial interest in any entity with which the Association is considering or has a contract or transaction.

“Conflicting Interest Transaction” or “Conflict of Interest” means a contract or transaction between the Association and an entity or another person in which an Interested Person has a Financial Interest, or a contract, transaction or other financial relationship between the Association and an entity in which an Interested Person is also a director or officer.

Definitions of “corporation,” “director,” and “officer” shall be defined pursuant to C.R.S. Section 38-33.3-310.5.

PROCEDURE:

Duty to Disclose:

In connection with any actual or potential Conflict of Interest or Conflicting Interest Transaction, at the earliest possible time it comes to the attention of an Interested Person that a potential Conflict of Interest or Conflicting Interest Transaction is present, an Interested Person shall disclose to the Board the nature of the conflict or potential conflict of the proposed contract or transaction and the material facts concerning the contract or transaction.

Procedure for Addressing the Disclosed Conflict:

An Interested Person shall present to the Board in writing the nature of the potential Conflict of Interest or Conflicting Interest Transaction. An Interested Person need not wait until a meeting of the Board to disclose the conflict, but rather shall disclose such potential Conflict of Interest or Conflicting Interest Transaction in writing immediately to the Board upon knowledge thereof.

The chairperson of the Board shall, if needed in the discretion of the Board, appoint a disinterested person to investigate alternatives to the proposed contract or transaction. After exercising due diligence and reasonable investigation, the Board shall determine

whether the Association can obtain within reasonable efforts a more advantageous contract or transaction from a person or entity that would not give rise to a Conflict of Interest under the circumstances. Such determinations shall be made by the Board in good faith with knowledge of material facts concerning the transaction and the Interested Person's interest in such transaction.

If a more advantageous contract or transaction is not reasonably possible under the circumstances notwithstanding the creation of a potential Conflict of Interest, the Board shall determine by majority vote of disinterested directors whether the contract or transaction is in the Association's best interests, for its own benefit, and whether it is fair and reasonable. The Board shall not approve the contract or transaction unless it is in the Association's best interest in the business judgment of the Board.

Violations of Failure to Disclose:

If the Board has reasonable cause to believe that a director, officer or member of the Board or a Board-delegated committee has failed to disclose an actual or possible Conflict of Interest, it shall inform the subject director, officer or member of the Board or Board-delegated committee and afford such person the opportunity to explain the alleged failure to disclose. If, after hearing the subject person's response and after making further investigation as may be warranted by the circumstances, the Board determines that the subject person has failed to disclose an actual or potential Conflict of Interest, it shall take the appropriate disciplinary or corrective action up to and including, without limitation, the immediate removal of such person from the Board or Board-delegated committee.

RECORD KEEPING:

The Board shall keep minutes of the relevant proceedings of the Board and the Interested Person with respect to the disclosure made herein and the vote of the Board. Such minutes shall include the name of the Interested Person, the nature of the Financial Interest and the nature of the Conflict of Interest in the contract or transaction, the names of those directors present for discussion and the content of the discussion, any action taken as a result of the discussion, any proposed alternatives to the proposed contract of transaction, the names of those directors who voted upon the matter, and the votes taken thereon, including the result of the vote.

ANNUAL STATEMENTS:

Annually, each director, officer, and member of a Board-delegated committee shall sign a statement which affirms such person has received a copy of this policy, has read and understands the policy, and agrees to abide by such policy.

PERIODIC REVIEW:

The Board shall conduct a periodic review of the Association's policies, procedures and rules and regulations governing conflicts of interest.

AMENDMENTS:

Any amendments to this policy shall be set forth in writing, and adopted by the Executive Board.

APPROVED AND ADOPTED THIS ____ DAY OF _____, 2019

MERIDIAN LAKE PARK CORPORATON, a Colorado nonprofit corporation

By: _____
DJ Brown, President