

**RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS OF
SPRING CREEK RANCH HOMEOWNERS ASSOCIATION
ADOPTING
CONFLICT OF INTEREST POLICY**

The Directors of the Spring Creek Homeowners Association, a Wyoming non-profit corporation (the “Association”), adopted the following Resolution at a duly noticed meeting of the Board of Directors of the Association held on November 17, 2021. Directors George Kallop, Marc Segal, Stephen Price, Stuart Lang, and Leslie Schilling all appeared at said meeting, which was held by Zoom teleconferencing.

WHEREAS Wyo. Stat. § 17-19-831 addresses conflicts of interest for directors of corporations;

WHEREAS neither the Spring Creek Bylaws nor the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Spring Creek Ranch, recorded in the Office of the Teton County, Wyoming Clerk on April 14, 2017 as Document Number 0925371, contain a conflict of interest policy to further address or provide guidance regarding conflicts of interest for the Board of Directors beyond what is set forth in Wyoming statute;

WHEREAS at a regularly scheduled meeting of the Board held on October 13, 2021, the Board of Directors discussed the benefits of formalizing such policy and distributed a draft policy for consideration and discussion;

WHEREAS the Board desires to adopt the attached Conflict of Interest policy to provide a uniform, standardized, procedure by which conflicts, potential conflicts, and the appearance of conflicts of Directors can be evaluated and addressed.

NOW THEREFORE BE IT RESOLVED that the attached Conflict of Interest Standards for Spring Creek Board of Directors are hereby ratified, confirmed, and approved.

Leslie Schilling, Secretary

CONFLICT OF INTEREST STANDARDS FOR SPRING CREEK BOARD OF DIRECTORS

GENERAL PRINCIPLES: Members of the Board of Directors of the Spring Creek Homeowner's Association (HOA) may have interests that conflict with those of the Architectural Committee (AC) and the HOA. The duty of loyalty requires that a Board member be conscious of the potential for, and act with candor and care in dealing with, such conflicts.

CONFLICT PRESENT: A conflict of interest is present whenever a Board member has a material personal interest in a proposed contract or transaction to which the AC or HOA may be a party; or whenever a Board member has a material personal interest in a pending approval, decision, or other matter that requires or will require action by the HOA (collectively hereinafter referred to as "conflict" or "conflict of interest"). The interest can occur directly or indirectly and may constitute a personal or financial interest or detriment to a Board member.

CONFLICT EXAMPLES: The following situations are examples of conflicts which may occur from time to time. The list is not meant to be exhaustive, but rather merely illustrative.

- 1) Board member who is a party to a contract with the HOA or AC;
- 2) Board member who owns an interest in a corporation, limited liability company, limited partnership, or other entity which is a party to a contract with the HOA or AC;
- 3) Another entity of which the Board member has a material interest or is a director, officer, or trustee (entity) is the party to the transaction;
- 4) Board member whose immediate family is a party to a contract with the HOA or AC or whose immediate family member owns an interest in an entity which is a party to a contract with the HOA or AC; or
- 5) Board member who will otherwise be adversely affected if a particular contract is entered into between the HOA or AC and a third party or will otherwise be adversely affected by a pending, approval, decision, or other matter before the HOA or AC.

DEALING WITH CONFLICTS

- 1) Any Board member who has, or perceives that he/she or another Board member may have, a conflict regarding any pending issue shall explicitly state his/her conflict.
- 2) The Board member shall declare that he/she will abstain from voting on the policy position (in the case of Board meetings) or explicitly state that he/she did abstain from voting on the policy or position.
- 3) The Board member may request to be excused from the portion of the Board

meeting during which the issue or policy will be discussed. Any other Board may also make this request.

4) Any Board member with the real or perceived conflict of interest may offer any relevant information to the HOA or AC which may aid in decision-making.

5) The minutes of the Board meetings at which the above policy is applied will clearly reflect that these rules were followed.

VALIDITY OF A CONFLICT OF INTEREST TRANSACTION: A conflict of interest transaction is not voidable if the transaction was fair at the time it was entered into or is approved as follows:

1) A transaction in which a Board member has a conflict of interest may be approved if the material facts of the transaction and the Board member's interest were disclosed or known to the HOA or AC, which authorized, approved, or ratified the transaction.

a) A conflict of interest transaction is authorized, approved, or ratified, if it receives the affirmative vote of a majority of the Board of Directors who have no direct or indirect interest in the transaction. If a majority of the Board of Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a Board member with a direct or indirect interest in the transaction does not affect the validity of any action taken under this sub-paragraph if the transaction is otherwise approved.

b) A conflict of interest transaction is authorized, approved, or ratified by the Board of Directors if it receives a majority of the votes entitled to be counted. Votes cast by or voted under the control of a Board member who has a direct or indirect interest in the transaction, and votes cast by or voted under the control of an entity, shall not be counted in a vote of the Board of Directors to determine whether to authorize, approve, or ratify a conflict of interest transaction under this section. A majority of the voting power, whether or not present, that are entitled to be counted in a vote on the transaction constitutes a quorum for the purpose of taking action under this section.

DISPUTE WHETHER CONFLICT EXISTS: In the event there is a dispute amongst the Board members whether a conflict of interest exists with a particular Board member and they can not agree, the HOA may disregard the vote of the Board member with the alleged conflict of interest, provided that the remaining Board members attending the meeting unanimously agree that a conflict exists; that the vote (of the Board member with the conflict) must be disregarded to preserve the integrity of the Board, and so that there not be any appearance of impropriety by the Board; and that the minutes of the meeting reflect the same.

ADDITIONAL REQUIREMENTS: The articles of incorporation, bylaws, or a resolution of the Board of Directors or the HOA may impose additional requirements on conflicts of interest.