

**COLORADO'S TIMBER RIDGE METRO DISTRICT(CTRMD)
CONFLICT OF INTEREST POLICY**

Effective Date: August 4, 2026

In compliance with C.R.S. 1004, 1004.5 and HB24-1267 the Board of Directors of the CTRMD desires to adopt a uniform and systematic policy to address conflicts of interest.

The CTRMD hereby adopts the following policies and procedures to handling directors' conflicts of interest. This policy shall supersedes all prior policies regarding conflicts of interest.

1. Definitions:
 - A. "Conflicting interest transaction" means a contract, transaction or other financial relationship between: (A) the CTRMD and a director, or (B) between the CTRMD and a party related to a director, or (C) between the CTRMD and an entity in which a director of the CTRMD is a director or officer.
 - B. "Party related to a director" means a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.
 - C. "Officer," for purposes of this policy only, means any person designated as an officer of the CTRMD and any person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board.
2. The director shall disclose the conflicting interest in the proposed transaction in an open meeting prior to the discussion and vote. Such disclosure shall be reflected in the minutes of the meeting or other written form.
3. The director shall not take part in the discussion and shall leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Board members may ask the interested Board member to remain during any portion of the discussion and/or vote, provided that the director does not vote.
4. The interested director shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.
5. The contract, Board decision or other Board action must be approved by a majority of the disinterested Board members. No contract, Board decision or other Board action in which a Board member has a conflicting interest shall be approved unless it is commercially reasonable to and/or in the best interests of the CTRMD.
6. Notwithstanding anything to the contrary herein, no conflicting interest transaction shall be set aside solely because an interested director is present at, participates in or votes at a Board or committee meeting that authorizes, approves or ratifies the conflicting interest transaction if:
 - A. the material facts as to the director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board of Directors or the

committee, and the Board or committee 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 be less than a quorum; or

- B. the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote; or
 - C. the conflicting interest transaction is fair to the CTRMD.
7. No loans shall be made by the CTRMD 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 CTRMD for the amount of such loan until the repayment of the loan.

IN WITNESS WHEREOF, the undersigned certify that this Conflict of Interest Policy was adopted by resolution of the Board of Directors of the CTRMD on this 1st day of August 2026.

COLORADO'S TIMBER RIDGE METRO DISTRICT

By: _____
Its: President

ATTEST:

By: _____