

KEYSTONE RANCH HOMEOWNERS ASSOCIATION, INC.
AMENDED & RESTATED POLICIES AND PROCEDURES
FOR BOARD CONFLICT OF INTEREST POLICY
(Amended And Restated - 2026)

Subject: Adoption of a policy and procedures for conflicts of interest.

Purpose: To revoke and replace any previously adopted rules or resolution of the Keystone Ranch Homeowners Association (“Association”) concerning conflicts of interest with the policies and procedures set forth below for such purpose.

Effective Date: 6-19-2026

- A. General. The Board shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of Keystone Ranch. All members of the Board shall exercise their powers and duties in good faith and in the best interest of, and with utmost loyalty to, the Association in accordance with this Board Conflict of Interest Policy.
- B. Conflicting Interest Transaction. A “Conflicting Interest Transaction” means a contract, transaction, or other financial relationship between:
1. the Association and a member of the Board (a “Director”), or
 2. the Association and an entity in which a Director is a director or officer or has a financial interest, or
 3. the Association and a party related to a Director. A “party related to a Director” shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which a Director, or a 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. Disclosure. A director with a Conflicting Interest Transaction (“Interested Director”) shall disclose the Conflicting Interest Transaction in an open meeting prior to the discussion and vote upon such Conflicting Interest Transaction. Such disclosure shall be reflected in the minutes of the meeting or other written form.
- D. Director Involvement in Conflicting Interest Transaction. An Interested Director shall not take part in the discussion and shall leave the meeting during the discussion and the vote on Conflicting Interest Transaction. Notwithstanding the foregoing, a majority of the disinterested Board members may ask the Interested Director to remain during any portion of the discussion and/or vote, provided that the Interested Director does not vote upon the Conflicting Interest Transaction.
- E. Approval or Ratification of Conflicting Interest Transactions. 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 an Owner or by or in the right of the Association, solely because the Conflicting Interest Transaction involves a Interested Director or a party related to a Interested

Director or an entity in which a Interested Director is a director or officer or has a financial interest or solely because the Interested Director is present at or participates in the meeting of the Board or of any committee of the Board that authorizes, approves, or ratifies the Conflicting Interest Transaction or because the Interested Director's vote is counted for such purpose if:

1. 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 Board or the relevant committee of the Board, and the Board or such 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 are less than a quorum; or

2. the material facts as to the Director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Owners entitled to vote thereon, and the Conflicting Interest Transaction is specifically authorized, approved, or ratified in good faith by a vote of the Owners entitled to vote thereon; or

3. the Conflicting Interest Transaction is fair to the Association.

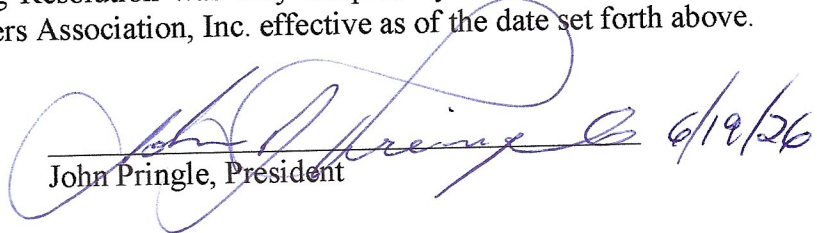
F. Quorum Includes Interested Director. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee of the Board which authorizes, approves, or ratifies a Conflicting Interest Transaction.

G. 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.

H. Periodic Review. The Board shall periodically review the Association's conflict of interest policies, procedures, rule and regulations.

CERTIFICATION

I hereby certify that I am the duly elected and acting President of Keystone Ranch Homeowners Association, Inc., and that the foregoing Resolution was duly adopted by action of the Board of Managers of Keystone Ranch Homeowners Association, Inc. effective as of the date set forth above.

 6/19/26
John Pringle, President