

PROPERTY OWNERS ASSOCIATION OF HILLTOP LAKES, INC.

CONFLICT OF INTEREST POLICY

In compliance with the governing documents of the Property Owners Association of Hilltop Lakes, Inc. (the "Association"), the Board of Directors desires to establish a Conflict of Interest Policy necessary for the orderly and secure operation of the Association.

The Association hereby adopts the following Conflict of Interest Policy (the "Policy"):

1. DEFINITIONS

A. "Interested Person" means any director, officer, or member of a committee who has a Conflict of Interest in a matter under consideration by the Board of Directors or Committee.

B. "Conflict of Interest" means any conduct, transaction or relationship that presents or might conflict with a director, officer, or committee member's duties owed to the Association and that person's personal, business, or other interests.

C. A Conflict of Interest includes, *but is not limited to*, those relationships or transactions where a director, officer, or committee member is related to a person involved in a matter under consideration by the Board within the third degree by consanguinity or affinity, as determined under Chapter 573 of the Texas Government Code; has a financial interest; or has an interest in litigation regarding the matter.

2. PROCEDURES

A. *Duty to Disclose*

Any Interested Person must disclose any actual or possible Conflict of Interest. The Interested Person must be given the opportunity to disclose all material facts relating to the conflict to the directors and members of committees considering the proposed action, transaction, or arrangement.

Any director, officer, or committee member who is aware of an actual or possible Conflict of Interest of another director, officer, or committee member should disclose such conflict to the Board for consideration of whether a Conflict of Interest exists.

B. *Determining Whether a Conflict of Interest Exists*

After disclosure of the potential Conflict of Interest under subsection (A), the Interested Person shall leave the Board meeting while the remaining Board members determine whether a Conflict of Interest exists. The remaining Board members shall decide by a majority vote of the disinterested members whether an actual Conflict of Interest exists.

C. *When a Conflict of Interest Exists*

An Interested Person shall recuse him or herself from any matter where the Board has determined that a Conflict of Interest exists. An Interested Person who has a Conflict of Interest shall not participate in or be permitted to hear the Board's, or any committee's discussion of the matter. It also may not review any Association records, correspondence, or other records reasonably related to the matter. The Interested Person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

An Interested Person who has a Conflict of Interest in a matter to be considered at a Board meeting may be counted towards quorum for purposes of the vote. The Interested Person shall not vote on the matter nor be present in the meeting room when any vote is taken.

Such person's ineligibility to vote shall be reflected in the minutes of the meeting.


3. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY

- A. If the governing board or committee reasonably believes that a member has failed to disclose an actual or possible Conflict of Interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- B. In the event a Board or Committee member fails to comply with this policy, it could subject said member to disciplinary action as allowed under the Association's governing documents or Texas law.

CERTIFICATE

"I, the undersigned, being Secretary of Property Owners Association of Hilltop Lakes, Inc. (the "Association") hereby certify that the foregoing resolution to adopt the Conflict of Interest Policy was approved on the 23 day of April, 2024, by at least a majority of the Association's Board of Directors, at a duly held meeting of the directors at which a quorum was present."

Property Owners Association of Hilltop Lakes, Inc..



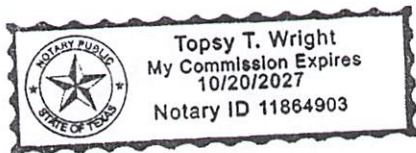
Jon DRUCKHAMMER, Secretary

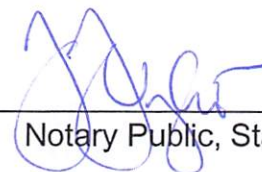
STATE OF TEXAS

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COUNTY OF LEON

This instrument was acknowledged before me on the 24 day of April, 2024, by Jon DRUCKHAMMER, Secretary of Property Owners Association of Hilltop Lakes, Inc., a Texas non-profit corporation, on behalf of said corporation.





Notary Public, State of Texas

