

Canoa Estates, Inc.
CONFLICT OF INTEREST POLICY

Background

When acting on behalf of the Canoa Estates, Inc., (CEHOA), members and officers of the CEHOA Board of Directors, committee chairs, and independent contractors have the responsibility to act in accordance with the highest ethical standards of business conduct and carry out their responsibilities for the CEHOA in a manner that avoids any situation where their personal interests could conflict, or give the appearance of conflicting, with the best interests of the CEHOA.

Nature of Conflicts of Interest

All individuals have financial arrangements and organizational affiliations that have a natural effect on their frame of reference and decisions. This Conflict of Interest Policy addresses situations where an individual's interests may conflict, or appear to conflict, with the best interests of the CEHOA. An individual is not prohibited from having potentially conflicting interests, as most everyone does; the important thing is to identify potentially conflicting interests as they arise and disclose them according to this policy.

Though actual or potential conflicts of interest can arise in a variety of situations, they most often arise in the following two situations:

- A conflict of interest may exist where a person acting on behalf of the CEHOA, or a member of their immediate family, has a personal financial interest that could influence, or appear to influence, that person's decisions or actions in a matter under consideration.
- A conflict of interest may also exist where a person acting on behalf of the CEHOA has an affiliation that could influence, or appear to influence, that person's decisions or actions in a matter under consideration.

Financial Interests

A conflict of interest may exist where a person has a financial interest in any transaction or matter involving the CEHOA. By way of example, a financial interest may exist if that person has, directly or indirectly, through the business relationships, investments, of that person or that person's immediate family:

- * An ownership or investment interest in any entity with which the CEHOA has or is considering a financial transaction or arrangement;
- * A compensation arrangement with any entity or individual with which the CEHOA has or is considering a financial transaction or arrangement;
- * A potential ownership or investment interest in any entity or with any individual with which the CEHOA is negotiating a financial transaction or arrangement;
- * Used CEHOAs' personnel, equipment, supplies, or goodwill for personal economic gain; or
- * Received personal gifts or loans from third parties that have interests opposed to the best interests of the CEHOA.

Affiliation Interests

A conflict of interest also may exist where a person, or an immediate family member or business associate of that person, has an affiliation with an organization that could influence the decisions or

actions of that person on behalf of the CEHOA. By way of example, such affiliations could include the following:

- * A member of the CEHOA Board shares confidential information obtained by virtue of that person's service on the Board for personal influence or economic benefit with an organization to which that information is valuable.
- * Another organization with which a member of the Board has an affiliation, has an interest in an issue which might conflict with the best interests of the CEHOA.
- * Relevant affiliations with other organizations, including being a volunteer on a committee of that organization, serving as a board member, being employed by that organization, or having done any of these in the past. Similarly, an individual's longstanding close personal relationship with a vendor representative could affect, or appear to affect, that person's impartiality in some decision-making situations.

The areas of conflicting interest listed above and the relationships in those areas which may give rise to conflict are not exhaustive. Conflicts might arise in other areas or through other relationships.

Disclosing Potential Conflicts of Interest

Once each year, all members and officers of the CEHOA Board of Directors, committee chairs, and independent contractors acting on behalf of the CEHOA are required to submit a signed affirmation of compliance that discloses affiliations or financial interests that could involve either an actual or potential conflict of interest.

It is the continuing responsibility of all persons acting on behalf of the CEHOA to disclose any actual or potential conflict of interest as soon as it is known. If an additional potential conflict arises during the course of the year, individuals should disclose it at that time. Disclosures or questions concerning the application of the CEHOAs' Conflict of Interest Policy should be directed to the President of the CEHOA.

Conflict of Interest Policy for Canoa Estates, Inc.
Signature and Disclosure

No Disclosures

Disclosure(s) as Listed Below

Date: _____

Signature: _____

Title: _____