

## EXHIBIT C CONFLICTS OF INTEREST

1. The Board of Directors shall comply with all of Colorado's statutory provisions against conflicting interest transactions as found in the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act. A "*conflicting interest transaction*" is defined by the Colorado statutes, but generally means a contract, transaction, or other financial relationship between the Association and:

- (a) a Director of the Association; or
- (b) a party related to a Director (a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling); or
- (c) an estate or trust in which the Director or relative has a beneficial interest; or
- (d) an entity in which a relative of a Director, or officer, or has a financial interest.

2. Reimbursement of actual expenses shall not be deemed a financial benefit for purposes of this policy and transactions that are of a general benefit to a group of owners that includes one or more Directors shall not be considered a conflicting interest transaction.

3. Each individual Director is obligated by law to disclose, in an open Board meeting, any existing conflict of interest prior to any discussion or action on that issue, and the Director shall not vote on such issue. Such disclosure should be reflected in the minutes of the meeting or other written form.

4. The interested Director should not take part in the discussion and should leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Directors may ask the interested Director to remain during any portion of the discussion and/or vote, provided that the Director does not vote.

5. The above notwithstanding, at any Board meeting, a Director with a conflict of interest may be counted "*present*" for the purpose of determining whether a quorum exists; and the foregoing requirements shall not be construed as preventing the interested Director from briefly stating his or her position in the matter, nor from answering pertinent questions of other Directors, since his or her knowledge may be of great assistance.

6. The contract, Board decision or other Board action must be approved in good faith by a majority of the disinterested Directors. No contract, Board decision or other Board action in which a Director has a conflict of interest shall be approved unless it is commercially reasonable to (and/or in the best interests of) the Association.

7. Any contract or action in violation of this policy shall be brought to the attention unless:

(a) the material facts of the conflict are disclosed or are known to the Board or to the owners entitled to vote thereon; and

(b) is approved or ratified in good faith by a majority of either:

(1) the disinterested Directors; and/or

(2) the members of the Association; or

(3) is fair to the Association

8. Any Director who violates this rule, or any other lawful provision of any Association Document, may be removed from the Board by the other Directors; and any contract entered into by the Association can be declared void and unenforceable, and the interested Director shall be responsible for any damages arising from the failure to disclose the conflict.

9. No loans shall be made by the Association to any Director or officer. If any Director or officer assents to or participates in the making of such a loan, he or she shall be liable to the Association for the amount such loan until repayment is made.

10. The Board will review this conflict of interest policy on a periodic basis, at least every five (5) years.

Adopted by the Board, this 28<sup>th</sup> day of June, 2014, effective immediately.