POLICY NO. 2: CONFLICTS OF INTEREST

1. A "conflict of interest" arises when there is a contract, transaction, or other financial relationship between the Association and a director (a board member), or between the Association and a party related to a director, or between the Association and an entity in which a director is a director or officer or has a financial interest. A "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 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.

2. In the event a director perceives a conflict of interest, he or she shall bring the matter promptly to the attention of the Board of Directors and disclose all material facts as to the director's relationship or interest and reasons why or why not the transaction would be fair to the Association, and the conflict shall be noted in the minutes of the meeting. A majority of the disinterested directors may then in good faith decide whether or not to authorize, approve, or ratify the transaction giving rise to the conflict of interest by affirmative vote, even though the disinterested directors are less than a quorum. The interested director may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes, approves, or ratifies a transaction giving rise to a conflict of interest. The interested director may address the Board of Directors on the matter in the same manner as any other Owner.

3. This policy shall be reviewed by the Board of Directors at least once in every two-year period.

CERTIFICATION:

The foregoing policy was adopted effective July 29, 2023 (date).

Brad Lingle
Secretary of the Association