

**POLICY CONCERNING HANDLING OF CONFLICTS OF INTEREST INVOLVING BOARD MEMBERS OF
MOUNTAIN SIDE HOMEOWNERS' ASSOCIATION, INC.
AND
MOUNTAIN SIDE CONDOMINIUM ASSOCIATION**

WHEREAS Mountain Side Homeowners' Association, Inc. and Mountain Side Condominium Association, Colorado nonprofit corporations (collectively the "**Association**") are required to adopt a responsible governance policy concerning handling of conflicts of interest involving board members pursuant to COLO. REV. STAT. § 38-33.3-209.5(1)(b)(II).

NOW THEREFORE, the Association has adopted the following responsible governance policy as part of its rules and regulations:

1. Definitions.

- 1.1. A "**conflict of interest**" arises when there is a contract, transaction, or other financial relationship between the Association and a director, 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. An example of a conflict of interest would be the Association hiring a director's company to provide services.
- 1.2. 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. Requirements in Event of Conflict of Interest.

- 2.1. In the event a director perceives a conflict of interest, he or she shall bring the matter promptly to the attention of the Association's executive board 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.
- 2.2. 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.
- 2.3. The interested director may be counted in determining the presence of a quorum at a meeting of the executive board which authorizes, approves, or ratifies a transaction giving rise to a conflict of interest.
- 2.4. The interested director may address the executive board on the matter in the same manner as any other Owner.
- 2.5. Should more than one director perceive a conflict of interest on the same matter, the matter shall be determined by a vote of the Owners.

3. Requirement for Periodic Review. This policy shall be reviewed by the executive board at least once in every two year period.

Certification: The foregoing policy was adopted unanimously by both Boards at the Combined Boards of Directors meeting held on 11/15/14 and is so reflected in the minutes.

Klug Law Firm, L.L.C

**POLICY CONCERNING CONDUCT OF MEETINGS
OF
MOUNTAIN SIDE HOMEOWNERS' ASSOCIATION, INC.
AND
MOUNTAIN SIDE CONDOMINIUM ASSOCIATION**

WHEREAS Mountain Side Homeowners' Association, Inc. and Mountain Side Condominium Association, Colorado nonprofit corporations (collectively the "**Association**") are required to adopt a responsible governance policy concerning conduct of meetings pursuant to COLO. REV. STAT. § 38-33.3-209.5(1)(b)(II).

NOW THEREFORE, the Association has adopted the following responsible governance policy as part of its rules and regulations:

1. Rules of Order. Meetings will be conducted in accordance with the bylaws of the Association and the Association's executive board may require that meetings (all or part) be conducted in accordance with the current edition of Robert's Rules of Order.
2. Executive Board Meetings.
 - 2.1. All meetings of the Association's executive board shall be open to all Owners, and all votes shall be conducted during an open meeting except where permitted to be conducted in executive session.
 - 2.2. Agendas, if available, of meetings of the executive board will be available to Owners upon request, but Owners are not entitled to special notice of meetings of the executive board and the agendas need not be provided before any meeting.
 - 2.3. Executive board meetings may be conducted by conference call, in which case the executive board shall arrange means for Owners to listen and be heard upon request.
 - 2.4. The person presiding over a meeting of the executive board may limit the time given to a particular topic or participant.
 - 2.5. The executive board may conduct an executive session and restrict attendance to executive board members and any others designated by the executive board for any of the following reasons:
 - 2.5.1. To consult with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
 - 2.5.2. To discuss matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
 - 2.5.3. Investigative proceedings concerning possible or actual criminal misconduct;
 - 2.5.4. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
 - 2.5.5. Review of or discussion relating to any written or oral communication from legal counsel.

CERTIFICATION:

The foregoing policy was adopted unanimously by both Boards at the Combined Boards of Directors meeting held on 11/15/14 and is so reflected in the minutes.

The
Klug Law Firm,LLC
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