

**Soda Springs Ranch Homeowners Association
Handling of Conflicts of Interest
Involving Board Members Policy
September 16, 2006**

These Responsible Governance Policies have been adopted by the Board of Directors of the Soda Springs Ranch Condominium Association, Inc. (the "Association") pursuant to and in compliance with the requirements of C.R.S. 38-33.3-209.5 and other provisions of the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101 *et seq.* ("CCIOA"). The policies and procedures set forth below are not intended to revoke, supersede or modify any provisions of the Condominium Declaration for Soda Springs Ranch Condominiums, the Articles of Incorporation and Bylaws of the Association, or any other rules and regulations adopted by the Board of Directors of the Association, as the same now exist or may hereafter be amended (herein collectively referred to as the "Governing Documents"). Rather, these Policies are intended to summarize and supplement applicable provisions of such Governing Documents in order to provide a convenient reference for Owners, Directors and other interested parties with respect to the governance and operation of the Association. In the event of any conflict or inconsistency between the provision of the Governing Documents and these Policies, the Governing Documents shall control. Any failure by the Board or any officer or agent of the Association to follow the policies and procedures set forth herein shall not give rise to any liability, forfeiture or waiver on the part of the Association or any Director, officer or agent thereof, nor shall it relieve any Owner of responsibility for payment of assessments or other charges payable by such owner, nor shall it be an excuse for any violation of the provisions of the Governing Documents by any Owner.

In accordance with 38-33.3-209.5 (b) (II), Responsible Governance Policies (SB100), the following policy is outlined regarding procedures to handle board member conflicts of interest:

1. Any conflict of interest involving a member of the Board of Directors of the Association will be handled in accordance with the provisions of C.R.S. 38-33.3-310.5 (CCIOA) and C.R.S. 7-128-501 (Colorado Revised Nonprofit Corporation Act).
2. Generally, a conflict of interest may arise with respect to any proposed 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 of the Association is a director or officer or has a financial interest.
3. If any conflict of interest exists on the part of any Director or party related to a Director, such conflict shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the Director may participate in the discussion and may vote on the matter, or may abstain from either action. The interested Director may also be counted in determining the existence of a quorum. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum and record who voted for and against.

4. No transaction shall be voidable by an Owner or on behalf of the Association because it involved a conflict of interest on the part of a Director or party related to a Director if: (i) The facts about the conflict of interest are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction; (ii) The facts about the conflict of interest are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or (iii) The conflicting interest transaction is fair to the Association.

5. No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

Approved by the SSR Board of Directors

Date: September 16, 2006