

**COLORADO CANYONS
ASSOCIATION
CONFLICT OF INTEREST POLICY**

ARTICLE I Purpose

The purpose of the conflict of interest policy is to protect Colorado Canyons Association (“CCA”) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of CCA or any other person in a position to exercise substantial influence over its affairs, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable Colorado laws and federal laws governing conflicts of interest applicable to CCA.

ARTICLE II Definitions

1. **Interested Person.** Any director, principal officer, or member of a committee with governing board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

2. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

(a) an ownership or investment interest in any entity with which CCA has a transaction or arrangement, or

(b) a compensation arrangement with CCA or with any entity or individual with which FMC has a transaction or arrangement, or

(c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CCA is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts, favors or other benefits that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2 of this policy, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE III Procedures

1. **Duty to Disclose.** In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

(a) An interested person may make a presentation at the governing board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the governing board or committee shall determine whether CCA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors or disinterested members of the committee whether the transaction or arrangement is in CCA best interest and for its own benefit, and whether the transaction is fair and reasonable to CCA, and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

(a) If the governing board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the response of the member and making such further investigation as

may be warranted in the circumstances, the governing board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action including, but not limited to, disqualification of the member from certain deliberations or removal from the board.

ARTICLE IV Records of Proceedings

The minutes of the governing board and all committees with board-delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ARTICLE V Compensation Committees

1. A voting member of the governing board who receives compensation, directly or indirectly, from CCA for services is precluded from voting on matters pertaining to that member's compensation.

2. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CCA for services, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

3. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CCA for services is precluded from voting on matters pertaining to that member's compensation.

ARTICLE VI Annual Statements

Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement which affirms that such person:

