

Did You Know?

Disclosure of Conflict of Interest

- ❖ Directors and officers of a board of an association that is not a timeshare condominium association, and the relatives of such directors and officers, must disclose to the board any activity that may reasonably be construed to be a conflict of interest?
- ❖ A rebuttable presumption of a conflict of interest exists if any of the following occurs without prior notice, as required in subsection (5):
 - (a) A director or an officer, or a relative of a director or an officer, enters into a contract for goods or services with the association.
 - (b) A director or an officer, or a relative of a director or an officer, holds an interest in a corporation, limited liability corporation, partnership, limited liability partnership, or other business entity that conducts business with the association or proposes to enter into a contract or other transaction with the association?
- ❖ The proposed activity must be listed on, and all contracts and transactional documents related to the proposed activity must be attached to, the meeting agenda?
- ❖ The board must approve the contracts with a potential conflict of interest, and all management contracts, by an affirmative vote of two-thirds of all directors present?
- ❖ It is a third-degree felony for an officer, director, or manager of a condominium association to knowingly solicit, offer to accept, or accept a kickback?