

**CEDARWOOD TOWNHOME CONDOMINIUMS
POLICY AND PROCEDURE
REGARDING CONFLICTS OF INTEREST**

Effective September 24, 2015

The following Policy and Procedure has been adopted by the Executive Board (“Board”) of Cedarwood Townhome Condominiums (“Association”) pursuant to Colorado statutes, regarding the conflicts of interest by members of the Board (“Board Members”).

I. Conflicting Interest Transaction

A. Definitions.

- (1) Conflicting Interest Transaction. A contract, a transaction or other financial relationship:
 - (a) between the Association and a Board Member; or
 - (b) between the Association and a party related to a Board Member; or
 - (c) between the Association and an entity in which a Board Member is also a director or officer or has a financial interest.
- (2) Officer. Any person designated as an officer of the Association and any person to whom the Board delegates responsibilities under the Colorado Common Interest Ownership Act (“CCIOA”) including a managing agent, attorney or accountant employed by the Board.

B. Dealing with a Conflicting Interest Transaction.

- (1) No Conflicting Interest Transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by an owner/member of the Association or by or in the right of the Association as a nonprofit corporation, solely because the Conflicting Interest Transaction involves a Board Member or a party related to a Board Member or an entity in which a Board Member of the Association is a director or officer or has a financial interest.
- (2) No Board Member shall participate in any decision regarding a Conflicting Interest Transaction in which he or she has a conflicting interest.
- (3) Every Conflicting Interest Transaction shall be fair to the Association.

- (4) Common or interested Board Members may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes, approves or ratifies the Conflicting Interest Transaction.
- (5) For purposes of this Policy, a party related to a Board Member shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the Board Member or a party related to the Board Member has a beneficial interest, or an entity in which a party related to the Board Member is a director, officer, or has a financial interest.

II. **Loans Prohibited.**

No loans shall be made by the Association to any Board Member or Officer. Any Board Member or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

CERTIFICATION: The undersigned, being the President of Cedarwood Townhome Condominiums, a Colorado nonprofit corporation, certifies that the foregoing policy and procedure was approved and adopted by the Executive Board of the Association, at a duly convened meeting, open to the members to attend, on September 24, 2015.

Cedarwood Townhome Condominiums, a
Colorado non-profit corporation

By: Rob Boyle
Name: Rob Boyle
Title: President