

Park River West Condominium Association, Inc.
Policy for Board Member Conflicts of Interest

Adopted 21 January, 2018

The following policies and procedures ("Policy") governing Board Member Conflicts of Interest have been adopted by the Park River West Condominium Association, Inc. ("Association") pursuant to C.R.S. 38-33.3-209.5 at a meeting of the Board of Directors.

1. GENERAL

A. The terms and conditions set forth in the Declarations and Bylaws of the Association are incorporated in this Policy by reference and govern for all purposes when not in conflict with the Colorado Common Interest Ownership Act, as it exists or may be amended, and the Colorado Revised Nonprofit Corporation Act, as it exists or may be amended. This policy shall be in addition to the provisions of C.R.S. 7-128-501. In the event of a conflict between this policy and the statute, the provision that is more restrictive shall prevail.

B. These Policy provisions are subordinate to and shall only supplement the Declarations and Bylaws where they are otherwise silent. The provisions of this Policy shall be independent and severable. The declaration of invalidity of any one or more of the Policy provisions by court order or decree shall in no way affect the validity or enforceability of any other provision, which other provisions shall remain in full force and effect.

C. The definitions set out at Section 7-128-501, C.R.S. are adopted and shall apply to members of the executive board; further:

(a) "Corporation" or "nonprofit corporation" means the Association.

(b) "Director" means a member of the Association's executive board.

(c) "Officer" means any person designated as an officer of the Association and any person to whom the board delegates responsibilities under this article, including, without limitation, a managing agent, attorney, or accountant employed by the board.

(d) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between a nonprofit corporation and a director of the nonprofit corporation, or between the nonprofit corporation and a party related to a director, or between the nonprofit corporation and an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest.

(e) "Party related to a director" shall mean 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, or has a financial interest.

D. This Policy is to protect the interests of Park River West Condominium Association, Inc. Unit Owners when the Board of Directors is contemplating entering into any action, transaction or arrangement that may benefit the private interest(s) of a Board member or

officer, including indirect benefits to family members (spouse, brothers and sisters, adopted or natural children, grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren), or a business and/or entity in which the Board member or officer is a director or officer or has a financial interest. This policy is intended to supplement but not replace any applicable state and/or federal laws governing conflict of interest applicable to homeowner associations, including but not limited to C.R.S. 7-128-501.

2. STATUTORY PROVISIONS ADOPTED

The Association and the Board of Directors adopts the following statutory provisions of Section 7-128-501, C.R.S.:

A. No loans shall be made by a corporation 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 corporation for the amount of such loan until the repayment thereof.

B. 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 a member or by or in the right of the nonprofit corporation, solely because the conflicting interest transaction involves a director of the nonprofit corporation or a party related to a director or an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest or solely because the director is present at or participates in the meeting of the nonprofit corporation's board of directors or of the committee of the board of directors that authorizes, approves, or ratifies the conflicting interest transaction or solely because the director's vote is counted for such purpose if:

(a) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(b) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

(c) The conflicting interest transaction is fair as to the nonprofit corporation.

C. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

D. The Association's conflict of interest policies, procedures, and rules and regulations shall be periodically reviewed upon:

i. Statutory amendment to 38-33.3-209.5 C.R.S. and any associated provisions.

ii. Request made by a member of the Board and placed upon the next following Board Meeting agenda.

iii. Request of two or more Unit Members, which shall be placed on the agenda of the next following Board Meeting.

iv. Request of any Unit Member to be considered at the Annual Meeting of the Association, which shall be placed on the agenda for the meeting following the request for which notice has not yet been given.

v. Yearly at the Annual Meeting of the Board following the Annual Meeting of the Association.

3. APPLICATION OF RULES

The Association and the Board shall use the statutory provisions, the Declarations, and the provisions of the Bylaws to review and address any actual or potential conflicts of interest relating to the officers and directors of the Association. In the event the statutory provisions are amended, the Board may modify or amend this policy.

4. DUTY TO DISCLOSE

A. Conflict Director. A Board member or officer shall disclose the existence of a conflict of interest to the rest of the Board members during a board meeting in open session AND in advance of any substantive discussion, Board action, vote or decision on the conflicting interest transaction. The Board member with the conflict cannot vote on the conflicting interest transaction. The conflicted director may participate in the discussion about a conflicting interest transaction unless a majority of the directors without a conflict determine such participation would give rise to the appearance of impropriety or would otherwise not be appropriate.

B. Common Director. Any Board member may allege that another Board member has a conflict of interest on any matter before the Board at any annual, regular or special meeting of the Board of Directors. The alleging Board member must fully share information and reasons for believing that a conflict of interest exists. Once a determination is made that a conflict of interest exists, the Board member that has the conflict of interest shall not vote on the conflicting interest transaction.

Park River West Condominium Association, Inc.

By: _____
Judy M. Domina, President

Attest: _____,
Mindy Stephens, Secretary

This Conflicts Policy was adopted by the Board of Directors at a regular meeting held on the 21st day of January, 2018, and is effective the 21st day of January, 2018, and is attested to by the Secretary of the Park River West Condominium Association, Inc.