

AMENDED AND RESTATED CONFLICT POLICY

The following policy was adopted by the Board of Directors of The Charterwood Association ("the Association") pursuant to Colorado law at a regular meeting of the Board.

RECITALS:

A. Pursuant to Colorado Revised Statute 38-33.3-209.5(1)(b)(II), the Association is required to adopt a policy concerning how to handle conflicts of interest involving Board Members.

B. The executive Board has reviewed subsection 310.5 of the Colorado Common Interest Ownership Act and believes that subsection establishes a good analysis of possible conflicts of interest involving Board Members.

C. The executive Board believes restitution of actual damages is an adequate remedy for violations of the Association's conflict of interest policy.

THEREFORE, IT IS RESOLVED:

In the event any member of the executive board or a committee thereof ("Interested Person"), the Interested Person's child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business ("Related Parties") has/have a Financial Interest, as defined below, in a decision or other action for the Board's consideration, the Interested Person must declare the conflict and describe with reasonable particularity the nature of the conflict. The declaration of conflict must be made in a portion of the board meeting open to the members of the Association prior to any discussion or action being taken.

Financial Interest shall arise if the Interested Person or Related Parties have: a) an ownership or investment interest in any entity with which the Association has, or contemplates a transaction or agreement; b) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or, c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or agreement.

Compensation shall include direct and indirect remuneration as well as gifts or favors even if insubstantial.

Although the Member of the Board, after declaring the conflict, may participate in the discussion at the meeting, that member may not vote on that issue.

A conflict of interest transaction shall be not be void, voidable, 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 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 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 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 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 transaction is fair as to the nonprofit corporation.

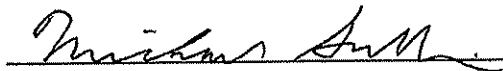
Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes, approves, or ratifies the transaction.

For purposes of this section, a "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, officer, or has a financial interest.

A contract entered into, or action taken, in violation of this policy or Colorado Revised Statute 38-33.3-310.5 shall be voidable by a majority vote of the Board of Directors.

Further, the Association may seek restitution for damages resulting from the member, or members, who failed to comply with this policy or Colorado Revised Statute 38-33.3-310.5, including all costs and attorney fees incurred in obtaining said restitution.

Policy adopted this 10th day of May, 2016 by Resolution of the Board of Directors of The Charterwood Association.



As: President/Secretary