

**PENN TOWERS CONDOMINIUM ASSOCIATION, INC.
BOARD POLICY AND PROCEDURE
REGARDING CONFLICTS OF INTEREST**

Adopted Nov 11, 2014

The following resolution has been adopted by the Penn Towers Condominium Association, Inc. ("Association") pursuant to Colorado statutes, at a meeting of the Board of Managers ("Board") to establish a policy and procedure for handling conflicts of interest by Board members. This policy and procedure supersedes and replaces any prior resolution or policy regarding handling conflicts of interest by Board members.

RECITALS

- (a) The Board wishes to avoid self-dealing, actual or apparent, in its administration of the Association.
- (b) The Board wishes to adopt requirements for Managers in order to assure sound management of the Association.

NOW, THEREFORE, BE IT RESOLVED that the following shall apply:

Requirements Upon All Managers.

- A. All Managers shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to the Association and owners. All Managers shall comply with all lawful provisions of the Association's Declaration, Bylaws, Articles of Incorporation, and Rules and Regulations.
- B. A duality of interest or possible conflict of interest is any interest on the part of a Manager that serves a personal interest or that of any family member, extended family member, friend, neighbor or business interest in a manner that could be considered unfair to other Owners in the Association as determined by a majority of the Managers other than the interested Manager .
- C. Any duality of interest or possible conflict of interest on the part of any Manager shall be disclosed to the other Managers at the first meeting of the Board at which the interested Manager is present after the conflict of interest is or should be discovered. Such disclosure shall be made a matter of record in the minutes of the Board meeting at which the disclosure of the conflict or possible conflict of interest is made.
- D. The interested Manager shall leave the meeting during any time when discussion

of any topic related to the conflict or possible conflict of interest is conducted. The minutes of the meeting shall reflect that the interested Manager did not participate in the discussion and left the meeting during the discussion.

- E. Any Manager having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter. The minutes of the meeting shall reflect the abstention from voting and the reason for the abstention.
- F. The foregoing requirements shall not be construed as preventing the interested Manager from briefly stating his or her position in the matter nor from answering pertinent questions of other Board members since his or her knowledge may be of great assistance.
- G. Any breach or suspected breach of this resolution by a Manager shall be brought to the attention of the remaining Board members for appropriate action.
- H. If the remaining Board members by a majority vote determine that a breach of this resolution has occurred, it may impose sanctions upon the interested Manager as appropriate and reasonable. If the breach is determined by a majority vote of the remaining Managers to be knowingly and willfully committed, the Board may accept the breach as the interested Manager's resignation from the Board of Managers.
- I. The Board of Managers shall review the Policy and Procedure contained in this resolution periodically, but no less than annually, for its effectiveness.
- J. From the date of adoption of this resolution set forth above, all Managers shall serve subject to the requirements of this resolution.

IN WITNESS WHEREOF, the undersigned has executed this Resolution the 11 day of Nov, 2014.

PENN TOWERS CONDOMINIUM ASSOCIATION, INC.,
a Colorado nonprofit corporation

By: Tobias George
President