

**CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION
CONFLICT OF INTEREST POLICY
January 17, 2015**

1. SCOPE

This policy is applicable to all members of the Board of Directors.

2. PURPOSE

The purpose of this Policy is to outline the steps that must be taken in the event of a conflict of interest.

3. DEFINITIONS

“Conflict of Interest” is defined as:

- 3.1. A contract, transaction or other financial relationship between the Association and a Board member;
- 3.2. A Board member that has a financial interest in an entity with which the Association has a transaction or contract;
- 3.3. A Board member is an employee of the entity with which the Association has a transaction or contract;
- 3.4. A party related to a Board member has a financial interest in an entity with which the Association has a transaction or contract; or
- 3.5. A party related to a Board member is an employee of the entity with which the Association has a transaction or contract.

“Party related to a Board member” in this policy means a spouse, partner, descendant, ancestor, child, grandchild, niece/ nephew, aunt/uncle, parent, sibling, a descendent of a sibling, grandparent, an estate or trust the member has interest in, company or business the member has interest in, or any other person closely related to the Board member or that the Board member has a financial interest in.

4. IN THE EVENT OF A CONFLICT OF INTEREST

- 4.1. In the event any member of the Board of Directors has a conflict of interest on any subject matter, they will abstain from voting on that subject matter. This shall include, but not be limited to, hiring of a company or contractor, investment opportunities, work to be performed, and design review. The remaining Board members will vote on the matter at hand. The Board member in conflict of interest can take part in the discussion on the matter but cannot vote on the matter.

- 4.2. If a Board member does not declare a conflict of interest, the Board of Directors votes on

the matter, and at a later date, the conflict of interest is discovered, the action will be void and unenforceable until a new vote of the Board of Directors is conducted. Another vote of the Board must be taken with the Board member in conflict abstaining from voting in order to reestablish the action.

4.3. The Board of Directors may seek restitution damages resulting from a Board member's failure to comply with this policy, including all costs and attorney fees incurred in obtaining such restitution.

4.4. No loans are to be made from the Association to any Board member or Owner of the Association.

CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Crystal Lakes Road and Recreation Association (the "Association") certifies that the foregoing Policy was approved by the vote of at least a majority of the Association's Directors at a meeting of the Association's Board of Directors held on January 17, 2015.

CRYSTAL LAKES ROAD AND RECREATION ASSOCIATION:

1/29/2015	Casey Meadows	//Signed//
Date	Print Name	Signature