

TAMARAC HILLS HOMEOWNERS ASSOCIATION, INC.

**BOARD POLICY AND PROCEDURE
REGARDING CONFLICTS OF INTEREST**

Adopted JANUARY 10, 2006

The following resolution has been adopted by the Tamarac Hills Homeowners Association, Inc. ("Association") pursuant to Colorado statutes, at a meeting of the Board of Directors ("Board") to establish a policy and procedure for 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 Directors in order to assure sound management of the Association.

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

Requirements Upon All Directors.

- A. All Directors shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to the Association and owners. All Directors shall comply with all lawful provisions of the Association's Declaration, Bylaws, Articles of Incorporation, and Rules and Regulations.
- B. Any duality of interest or possible conflict of interest on the part of any Director shall be disclosed to the other Directors at the first meeting of the Board at which the interested Director 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.
- C. The interested Director 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 Director did not participate in the discussion and left the meeting during the discussion.
- D. Any Director 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.

- E. The foregoing requirements shall not be construed as preventing the interested Director 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.
- F. Any breach or suspected breach of this resolution by a Director shall be brought to the attention of the remaining Board members for appropriate action.
- G. 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 Director as appropriate and reasonable. If the breach is determined by a majority vote of the remaining Directors to be knowingly and willfully committed, the Board may accept the breach as the interested Director's resignation from the Board of Directors.
- H. From the date of adoption of this resolution set forth above, all Directors shall serve subject to the requirements of this resolution.

IN WITNESS WHEREOF, the undersigned have executed this Resolution the 10TH day of JANUARY, 2006.

TAMARAC HILLS HOMEOWNERS ASSOCIATION, INC.,
a Colorado non profit corporation

By: Michael J. Lee
President

By: Robert B. Thompson
Secretary