

TIMBER CREEK ESTATES AT BLUE RIVER HOMEOWNERS ASSOCIATION, INC.

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

Adopted January 4, 2007

The following resolution has been adopted by the Timber Creek Estates At Blue River 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.