

PROSPECTOR VILLAGE HOMEOWNERS ASSOCIATION

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

Adopted Jan 18, 2008

The following resolution has been adopted by the Prospector Village Homeowners Association ("Association") pursuant to Colorado statutes, at a meeting of the Executive Board ("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 Executive Board Members in order to assure sound management of the Association.
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NOW, THEREFORE, BE IT RESOLVED that the following shall apply:

Requirements Upon All Executive Board Members.

- A. All Board Members shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to the Association and owners. All Board Members 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 Board Member shall be disclosed to the other Board Members at the first meeting of the Board at which the interested Board Member 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 Board Member 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 Board Member did not participate in the discussion and left the meeting during the discussion.

- D. Any Board Member 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 Board Member 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 Board Member 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 Board Member as appropriate and reasonable. If the breach is determined by a majority vote of the remaining Board Members to be knowingly and willfully committed, the Board may accept the breach as the interested Board Member's resignation from the Executive Board.
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- H. From the date of adoption of this resolution set forth above, all Board Members shall serve subject to the requirements of this resolution.

IN WITNESS WHEREOF, the undersigned have executed this Resolution the ____ day
of Jan 18, 2008.

**PROSPECTOR VILLAGE
HOMEOWNERS ASSOCIATION,**
a Colorado non profit corporation

By: Russel K. Bendrey
President

By: Sheylah Matthews
Secretary