

**RESOLUTION  
OF LINCOLN CREEK VILLAGE  
HOMEOWNERS' ASSOCIATION, INC. ("Association")  
ADOPTING POLICIES AND PROCEDURES  
REGARDING BOARD OF DIRECTORS CONFLICTS OF INTEREST**

**SUBJECT:** Adoption of a policy and procedure regarding director conflicts of interest and a code of ethics.

**PURPOSE:** To adopt a policy and procedure to be followed when a director has a conflict of interest to ensure proper disclosure of the conflict and voting procedures and to adopt a code of ethics for directors.

**AUTHORITY:** The Supplemental Declaration of Covenants, Conditions and Restrictions for The Bluffs, The Colony and The Courtyard Homes at Lincoln Creek Village ("Declaration"), Bylaws and Articles of the Association and Colorado law.

**EFFECTIVE DATE:** September 19, 2007

**RESOLUTION:** The Association hereby adopts the following policy and procedure regarding director conflicts of interest and code of ethics:

1. General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association and its members. All directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.

2. Definition. A conflict of interest exists whenever any contract, decision or other action taken by or on behalf of the Board of Directors would financially benefit: (i) a director; (ii) a parent, grandparent, spouse, child, or sibling of the director; (iii) a parent or spouse of any of the persons in subsection (ii); (iv) an entity in which a director (or any of the persons identified in subsection (ii) above) is a director or officer or has a financial interest.

3. Disclosure of Conflict. Any conflict of interest on the part of any director shall be verbally disclosed to the other directors in open session at the first open meeting of the Board of Directors at which the interested director is present prior to any discussion or vote on the matter. After disclosure, the director may participate in the discussion but shall not vote on the matter. The minutes of the meeting shall reflect the disclosure made, the

dburry  
10/15/2013, 7:30AM  
VIEWED

lmoss  
10/21/2013, 9:28AM  
WEB ENTERED

tdorth  
10/08/2013, 8:24AM  
PENDING ENTRY

rbrown  
10/15/2013, 11:05AM  
HW ENTERED

abstention from voting of the interested director, the composition of the quorum, and a record who voted for and against.

4. Failure to Disclose Conflict. Any contract entered into in violation of this policy shall be voidable by the Association. In such event, the Board of Directors, at the next meeting of the Board of Directors, shall vote again on the contract, decision or other action taken in violation of this Policy.

5. Code of Ethics. In addition to the above, each director and the Board of Directors as a whole shall adhere to the following Code of Ethics:

(a) No director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.

(b) No contributions will be made to any political parties or political candidates by the Association.

(c) No director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.

(d) No director shall accept a gift or favor made with intent of influencing decision or action on any official matter.

(e) No director shall receive any compensation from the Association for acting as a volunteer.

(f) No director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board of Directors to advance a personal cause.

(g) No director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board of Directors President or be in accordance with policy.

(h) No director shall harass, threaten, or attempt through any means to control or instill fear in any member, director or agent of the Association.

(i) No promise of anything not approved by the Board of Directors as a whole can be made by any director to any subcontractor, supplier, or contractor during negotiations.

(j) Any director convicted of a felony shall voluntarily resign from his/her position.

(k) No director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.

(l) Language and decorum at Board of Directors meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and directors are prohibited and are not consistent with the best interest of the community.

6. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration or Bylaws shall have the same meaning herein.

7. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

8. Deviations. The Board of Directors may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

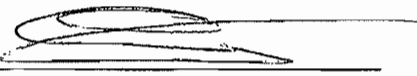
9. Amendment. This policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned governing Association, has executed and adopted this instrument effective the date and year first stated above.

LINCOLN CREEK VILLAGE  
HOMEOWNERS' ASSOCIATION, INC.  
a Colorado nonprofit corporation

Attest:

  
\_\_\_\_\_  
Janelle Taylor, Secretary

By   
\_\_\_\_\_  
Craig Pottenger, President