

**RESOLUTION OF THE
PONDEROSA CONDOMINIUMS
REGARDING HANDLING OF CONFLICTS OF INTERESTS
INVOLVING BOARD MEMBERS**

RESOLUTION: The Association hereby adopts the following policy:

As used in this Resolution, "conflicting interests transaction" means a contract, transaction or other financial relationship between the Association and a board member, or between the Association and a party related to a board member, or between the Association and an entity in which a board member of the Association is a board member or officer or has a financial interest.

"Board Member" means a member of the Association's Board of Directors.

"Party Related to a Board Member" means a spouses, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the board member or a party related to a board member has a beneficial interest, or an entity in which a party related to a board member is a director or officer or has a financial interest.

No loans shall be made by the Association to its board members or officers. Any board member or officer who assents or participates in making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

No conflicting interests transactions shall be voidable by a n owner or on behalf of the Association if:

- 1) the facts about the conflicting interest transaction are disclosed to the Board and a majority of the disinterested board members, even if less than a quorum, in good faith approves the conflicting interest transaction;
- 2) the facts about the conflicting interest transaction are disclosed or known to the owners entitled to vote on the matter and the conflicting interest transaction is authorized in good faith by a vote of the owners entitled to vote on the matter; or
- 3) the conflicting interest transaction is fair to the Association.

CERTIFICATION: The undersigned, being the president of Ponderosa Condominiums Association, Inc. certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association on September 25, 2008.

In witness whereof, the undersigned has subscribed her name.

By: Beverly Ross, President
Ponderosa Condominiums Association, Inc.