

LMOA POLICY MANUAL

CHAPTER THREE - Section 3.02

ORGANIZATION-BOD-CONFLICT OF INTEREST

Date: Jan. 16, 1984
Attachment: Rules and Reg.

SUBJECT: Organization-Board of Directors-Conflict of Interest

CONTACT: General Manager

I. POLICY

The Directors of Lake Monticello Owners' Association will conduct themselves at all times in such a manner as to create respect for themselves and the Lake Monticello Owners' Association.

Each Director has a duty to the Association to be free from the influence on any private considerations when acting on behalf of the Association.

Each Director shall perform the responsibility of his position on the basis of what is in the best interest of the Association and free from the influence of private considerations. No Director shall participate in any decision or action for which he has an actual or apparent conflict of interest that would tend to impair independence of judgement or action.

It is the duty of each Director to advise the other Directors of any potential conflicts of interest before any decision is made or action is taken by the Board.

II. APPLICATION

As used in this policy "private considerations" are defined as those considerations that affect an individual Director as opposed to the general membership of the Association. In determining conflicts of interest, the interest of a family member (defined as spouse, children, other close relatives and members of the same household) shall be considered the same as if they were the Director's own interest.

If a Director has a potential conflict of interest, the Board should be advised of the situation to determine whether a conflict of interest exists.

Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to such action or who have no private interest in the subject matter of discussion, or (2) if such quorum is not available, or even if obtainable a quorum of disinterested Directors so direct, by independent legal counsel in a written opinion. In the event it is determined that a conflict of interest exists, the Director shall abstain from participating in the discussion and decision making process.