

**COUNTRYSIDE PROPRIETARY**

**ADMINISTRATIVE RESOLUTION NO. 8**

**DISCLOSURE OF INTEREST**

WHEREAS, Article III, Section 3 of the Declaration of Covenants and Restrictions of the CountrySide Proprietary grants the Board of Directors (“Board”) all powers of the conduct of the affairs of the Proprietary; and

WHEREAS, the members of the Board wish to exercise their powers and duties in good faith with a view of the interests of the Proprietary and to this end adopt guidelines for action on matters where a potential conflict of interest may exist; and

WHEREAS, the Board wishes to avoid self-dealing, actual or apparent in its administration of the Proprietary; and

WHEREAS, the Board wishes to adopt requirements for officers and directors in order to assure sound management of the Proprietary.

NOW THEREFORE, BE IT RESOLVED THAT the following shall apply:

**I. REQUIREMENTS UPON ALL DIRECTORS AND OFFICERS**

- A. All officers and directors shall exercise their powers and duties in good faith and in the interest of the Proprietary.
- B. Any duality of interest or possible conflict of interest on the part of any officer or director shall be disclosed to the other directors and made a matter of public record through an annual procedure and also when the interest becomes a matter of Board action. Such annual disclosure shall take place at the first Board meeting after the beginning of a new fiscal year.
- C. Any contract of transaction must be commercially reasonable to the Proprietary at the time it is authorized, ratified, approved or executed.

**II. DIRECTORS DURING THE PERIOD OF DECLARANT CONTROL**

In recognition of its obligation to members, lenders and local authorities to complete the project as planned, the Declarant or his appointees to the Board may be counted in determining the presence of a quorum of any meeting of the Board or committee thereof which authorizes, approves or ratifies any contract or transaction, any may vote there at to authorize any

contract or transaction or with like force and effect as if he were not such director or officer of such other corporation, or not so interested. During the period of Declarant control, no contract or other transaction between the Proprietary and one or more of its Directors, or between the Proprietary, and any corporation or association (including the Declarant or any subsidiary or affiliate of the Declarant) in which one or more of its directors of the Proprietary are directors or officers or are pecuniarily interested, is either void or voidable because such director or directors are present at the meeting of the Board or any committee thereof which authorizes or approves the contract or transaction, or because his or her or their votes are counted for such purposes, if the conditions specified above are met.

III. **DIRECTORS AFTER THE PERIOD OF DECLARANT CONTROL**

In addition to all the requirements of Section I above, resident and elected directors shall be subject to the following requirements:

- A. Any resident-elected director having a duality of interest or possible conflict of interest on any matter shall not vote or use his personal influence on the matter and he shall not be counted in determining the quorum for the meeting. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the quorum situation.
- B. For purposes of this policy a director shall be deemed to be so interested if he is a principal or an officer or has a financial interest exceeding one thousand dollars (\$1,000.00) in the firm.
- C. The foregoing requirements shall not be construed as preventing the director from briefly stating his position in the matter from answering pertinent questions of other Board members since his knowledge may be of great assistance.
- D. Any new member of the Board will be advised of this policy upon entering on the duties of his office.

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ATTEST:

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PRESIDENT:

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DATE:

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SECRETARY:

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