# LOST PARK RANCH OWNERS ASSOCIATION, INC.
# DIRECTOR CONFLICT OF INTEREST POLICY

Adopted May 6, 2006

The following procedures have been adopted by the Lost Park Ranch Owners Association, Inc. ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To adopt a policy governing the handling of conflicts of interest among Board members;

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy to govern the handling of conflicts of interest among Board members:

1. If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a Board member, or a parent or spouse of any of those persons, then, in advance of entering into that contract, making the decision or taking the action, that interested Board member shall declare at an open meeting of the Board, that a conflict of interest exists and shall describe in detail all of the particular facts of the conflict of interest.

2. The interested Board member may deliver to the Board a letter setting forth a detailed summary of the conflict of interest, which letter shall be read out loud by a non-interested Board member at an open meeting of the Board.

3. After the interested Board member makes such a declaration, the interested Board member may participate in a discussion of the matter giving rise to the conflict of interest. However, the interested Board member may not vote on the issue giving rise to the conflict of interest. If there is compliance with the terms of this policy, a majority of the disinterested Board members, or any higher number required by the Association's governing documents, may in good faith authorize, approve, or ratify the conflicting interest transaction.

4. The interested Board member may be counted as present when determining whether a quorum of the Board exists.

5. Any contract entered into in violation of this policy is void and unenforceable.

Lost Park Ranch Owners Association, Inc.

By: Clifford A. Pugh
President

Attest
Jeff Cohn
Secretary

This Director Conflict of Interest Policy was adopted by the Board of Directors on the 6th day of May, 2006, effective the 6th day of May, 2006, and is attested to by the Secretary of the Lost Park Ranch Owners Association, Inc.

Jeff Cohn
Secretary