

BIG SKY OWNERS ASSOCIATION
BOARD OF DIRECTORS POLICY RESOLUTION

POLICY: CONDUCT AND CONFLICT OF INTEREST

Date of Board Adoption: August 29, 2014 Policy No: 97-010(R1)

Effective Date: August 29, 2014 Date(s) Revised: 19 June, 1997; 17 July 1997

RESOLUTION

Whereas, The Big Sky Owners Association, Inc. (Association) is filed with the Montana Secretary of State as a nonprofit Montana Corporation; and

Whereas, The Association Bylaws (Article V11, Section A) assigns the Board of Directors (Board) all powers and duties necessary for the administration of the affairs of the Association which are enabled by law, the Covenants, The Articles or the Bylaws and which are not exclusively reserved for the membership; and

Whereas, Montana Code Annotated (35-2-418) specifies that certain steps shall be taken to avoid conflicts of interest between directors; and

Whereas, The Board has determined that it is in the best interest of the Association to develop and specify standards of conduct, which reinforce and supplement Montana Code, to which Board members and members and committees of the Association are held, and to specify a process for considering contracts and other issues where an actual or perceived conflict of interest exists;

Be It Resolved That the following standards of conduct exist for each member of the Board and its committees:

1. The duty to act in accordance with good faith judgment and in the best interest of the Association
2. The duty of loyalty to the Association.
3. The duty to avoid conflicts of interest in transactions with the Association in which a Board member has a direct or indirect interest.
4. The duty to maintain confidences of the Association.
5. The duty to comply with Montana State Law, and relevant provisions of the Covenants, Articles and Bylaws of the Association.

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And Be It Further Resolved That if the Board of Directors or a committee considers (a) a matter which may have a direct and personal effect on a Board member or committee member, or a person or entity with which a Board member or committee member is associated, or (b) a proposal presented by a Board member or committee member is associated, the following conditions shall apply to consideration of the contract or issue:

1. The fact of member's interest must be disclosed to the Board or committee by the member with the potential conflict. Such interest must be noted in the minutes.
3. The member with the conflict of interest shall not participate in the Board or committee discussion nor vote upon the issue or contract which is the subject of the member's conflict. However, a transaction involving a member's conflict of interest is authorized, approved or ratified if it receives the affirmative vote of a majority of the directors on the Board, or on the BSOA committee, who have no direct or indirect interest in the transaction.
4. The member with the conflict of interest may choose to be addressed in the same manner as that of an Applicant and may at his/her own discretion be available only for answering questions associated with the issue or contract at hand accordingly.

Be It Further Resolved That each Board member at the beginning of each year, shall disclose in writing, for the record and file, any potential conflict that he/she perceives by virtue of office or position held, business interest held, property owned, or for any other reason.


This resolution supersedes all other Policies regarding conduct or conflict of interest.

DATED this ^{29th} ^{August} 16th day of May, 2014.

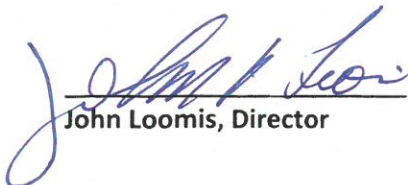
**BOARD OF DIRECTORS
BIG SKY OWNERS ASSOCIATION, INC.**

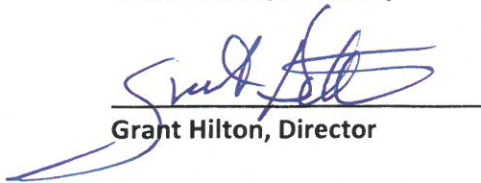

Mary Michelle "Mitch" Furr, Chair


Steve Barrett, Vice Chair


Kevin Frederick, Treasurer

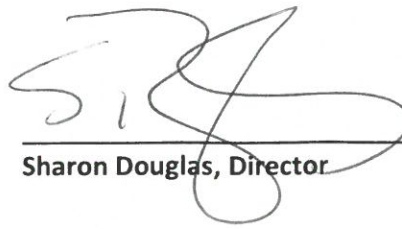

Will Brunner, Secretary


John Loomis, Director


Grant Hilton, Director



Barb Rooney, Director



Sharon Douglas, Director



Kent Volosin, Director