

**MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC  
BOARD OF DIRECTORS**

**CONFLICT OF INTEREST STATEMENT  
& RESOLUTION ACKNOWLEDGMENT**

**For COMMITTEE MEMBERS**

A conflict of interest is a situation in which an individual's duty to one leads to the disregard of a duty to another. A conflict exists when an outside influence affects one's ability to make an unimpeded independent decision or when an individual owes duties to separate entities with conflicting interests.

The duty of Committee Members and Managers to recognize and deal with conflicts of interest stems from their fiduciary duty to **MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC.** Committee Members and Managers are entrusted with the care, protection, and/or use of the property of another.

The Committee Member's duty encompasses both a duty of loyalty and a duty of care. The duty of care requires the Committee Member to exercise the skill and care that a reasonable person would use under similar circumstances.

The duty of loyalty requires the Committee Member to place loyalty to the Association above other interests. Confidentiality is an important facet of the duty of loyalty. A fiduciary cannot disclose information obtained in the course of his/her duty as a Board Member.

The Committee Member and Manager can anticipate potential conflicts before they become actual conflict when considering **MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC.** transactions by asking themselves:

- \* Do I have any outside interests that which may influence my decision regarding this transaction?
- \* Do I have any outside interests that should be disclosed to the **MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC.** Board of Directors regarding this transaction?
- \* Do I have a duty to another entity that may influence my decision?
- \* Do I have a duty to another entity that conflicts with the duty I owe to **MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC.?**

Now, therefore, the attached Resolution applies:

**MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC.  
RESOLUTION  
DISCLOSURE OF INTEREST**

WHEREAS, the Board wishes to avoid possible self-dealing, actual or imagined, on its committees' administration of **MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC.**

WHEREAS, the Board wishes to adopt requirements for Committee Members in order to assure sound management of the Association;

NOW, THEREFORE, BE IT RESOLVED that the following shall apply;

REQUIREMENTS of all **MERIDIAN ON SAND KEY OWNERS ASSOCIATION INC.** Committee Members

- A. All Committee Members shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to, the Association and owners/members. All Committee Members shall comply with all lawful provisions of the **MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC.** protective covenants, by-laws, rules, and regulations.
- B. Any duality of interest or possible conflict of interest shall be disclosed to the other Committee Members at the first opportunity at which the interested Committee Member is present after the conflict of interest is or should be discovered. Such disclosure shall be made a matter of record in the minutes of the Committee meeting at which the disclosure of interest is made and shall be reported to the **Board of Directors**.
- C. Any contract or transaction between **MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC.** and a Committee Member must be commercially reasonable and in the overall best interests of the **MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC.** at the time it is authorized, ratified, approved, or executed.
- D. Any Committee Member having a duality of interest or possible conflict of interest on ANY matter shall not vote or use his/her personal influence on the matter at hand, and he/she shall not be counted in determining the quorum on the vote for said issue. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting on the matter, and the quorum situation.
- E. For the purposes of the Resolution, a Committee Member shall be deemed to be so interested if he/she is a principal, officer, stockholder, or employee, or has a financial interest exceeding two hundred dollars (\$200.00) in the firm/company, or retains any duality interest that would conflict with the interest owed to the **MERIDIAN ON SAND KEY OWNERS ASSOCIATION, INC..**
- F. The foregoing requirements shall not be construed as preventing the Committee Member from briefly stating his/her position on the matter, nor from answering pertinent questions from other Committee members, since his/her knowledge may be of assistance.
- G. Any new member of the Committee will be advised of this policy upon entering the duties of his/her office.

Adopted by the Board of Directors this      day of      , 20      .

