

GRAND HARBOR PROPERTY OWNERS' ASSOCIATION
CONFIDENTIALITY POLICY

WHEREAS, the Board of Directors of GRAND HARBOR PROPERTY OWNERS' ASSOCIATION (hereinafter referred to as the "ASSOCIATION") have the ability "to close a portion of its meetings for the purpose of discussing items which require confidentiality, matters involving the personal accounts of Lot Owners, matters currently in litigation and other matters that the Board, in its discretion, consider to be of a sensitive nature" under Article III, Paragraph B, Section 10 of the Association's By-Laws.

WHEREAS, Article III, Paragraph B, Section C of the By-Laws states, "the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Members, to discuss or vote on matter of a sensitive nature, such as pending or threatened litigation, personnel matters, etc."

WHEREAS, Section 22.221 (a) of the Business Organizations Code states, "[a] director shall discharge the director's duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the corporation."

NOW THEREFORE, BE IT RESOLVED THAT, the following Confidentiality Policy is hereby adopted by the Board of Directors:

GRAND HARBOR PROPERTY OWNERS' ASSOCIATION
CONFIDENTIALITY POLICY

1. Every member of the Board of Directors (BOD) shall conduct themselves in a responsible and ethical manner. This pertains to any information that is presented to the BOD in writing and/or orally.
2. Any business presented in executive session shall not be discussed by a director with anyone else outside of executive session.
3. Any business presented in closed working sessions shall not be discussed by a director with anyone else outside of the closed working sessions until the information is complete and ready for presentation to property owners/residents.
4. Each director understands that a breach of this policy may lead to legal action against the Association or a misunderstanding of the facts between the Association and property owners/residents.
5. Any director who violates this policy may be subject to removal as authorized by Article III, Paragraph A, Section 7.
6. This policy is effective immediately.

APPROVED and ADOPTED by the Board of Directors this 3RD day of December, 2009.

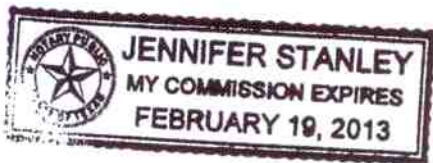
GRAND HARBOR PROPERTY OWNERS' ASSOCIATION

Gery E. Dobbins
Signature of Secretary

GERY E. DOBBINS
(Printed Name)

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

THIS INSTRUMENT was acknowledged before me on this the 3rd day of December, 2009, by the said Secretary of GRAND HARBOR PROPERTY OWNERS' ASSOCIATION, a Texas non-profit corporation, on behalf of said corporation.



Jennifer Stanley
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS