

**CARDIFF GLEN II OWNERS ASSOCIATION, INC.
BOARD POLICY AND PROCEDURE
REGARDING CONFLICTS OF INTEREST**

Adopted January 1, 2006

The following resolution has been adopted by the Executive Board ("Board") of Cardiff Glen II Owners Association, Inc. ("Association") pursuant to Colorado statutes, at a meeting of the Board to establish a policy and procedure for handling conflicts of interest by Board members.

RECITALS

- (a) The Board wishes to avoid self-dealing, actual or apparent, in its administration of the Association.
- (b) The Board wishes to adopt requirements for members of the Board/ Directors ("Board Members") in order to assure sound management of the Association.

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

Requirements Upon All Members of the Board/Directors.

- A. All Board Members shall exercise their power and duties in good faith and in the interest of, and with utmost loyalty to the Association and owners. All Board Members shall comply with all lawful provisions of the Association's Governing Documents.
- B. Any duality of interest or possible conflict of interest on the part of any Board Member shall be disclosed to the other Board Members at the first meeting of the Board at which the interested Board 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 Board meeting at which the disclosure of the conflict or possible conflict of interest is made.
- C. The interested Board Member shall leave the meeting during any time when discussion of any topic related to the conflict or possible conflict of interest is conducted. The minutes of the meeting shall reflect that the interested Board Member did not participate in the discussion and left the meeting during the discussion.
- D. Any Board Member having a duality of interest or possible conflict of interest on any matter shall not vote or use his or her personal influence on the matter. The


minutes of the meeting shall reflect the abstention from voting and the reason for the abstention.

- E. The foregoing requirements shall not be construed as preventing the interested Board Member from briefly stating his or her position in the matter nor from answering pertinent questions of other Board members since his or her knowledge may be of great assistance.
- F. Any breach or suspected breach of this resolution by a Board Member shall be brought to the attention of the remaining Board members for appropriate action.
- G. This Policy shall be effective commencing January 1, 2006.

SECRETARY'S

CERTIFICATION: The undersigned, being the Secretary of the Cardiff Glen II Owners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Executive Board of the Association, at a duly called and held meeting of the Board December 20, , 2005, and in witness thereof, the undersigned has subscribed his/her name.

CARDIFF GLEN II OWNERS ASSOCIATION, INC.,
a Colorado non-profit corporation

By: 
Secretary