

**LAKE AGNES PROPERTY OWNERS ASSOCIATION
BOARD POLICY AND PROCEDURE
REGARDING CONFLICTS OF INTEREST**

Adopted December 23, 2005

The following resolution has been adopted by the Board of Directors (“Board”) of Lake Agnes Property Owners Association (“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, with CRS 7-128-501 and with the Colorado Common Interest Ownership Act.
- 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. If any contract, decision or other action taken by or on behalf of the Board would financially benefit any member or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board member or a parent or spouse of any of those persons, that Board member shall declare a conflict of interest for that issue. The Board member shall declare the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on the issue. The

minutes of the meeting shall accurately reflect the Board Member's abstention from voting.

- D. 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.
- E. This Policy shall be effective commencing January 1, 2006 and shall specifically exclude all matters previously brought before the Board (or which may be reasonably related thereto) which matters are evidenced in Board meeting minutes wherein one or more Board members: (i) had a possible or actual conflict of interest based upon a financial interest in an unrelated endeavor; (ii) sought previous legal counsel from the Association's attorney; and (iii) met the provisions of CRS 7-128-501.

SECRETARY'S

CERTIFICATION: The undersigned, being the Secretary of the Lake Agnes Property Owners Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on December 23, 2005, and in witness thereof, the undersigned has subscribed his/her name.

LAKE AGNES PROPERTY OWNERS ASSOCIATION,
a Colorado non-profit corporation

by: _____
Secretary