

CENTENNIAL GLEN HOMEOWNERS ASSOCIATION

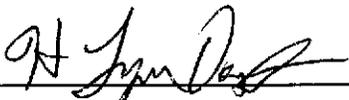
RESOLUTION # 2016-2 FOR THE ADOPTION OF A POLICY REGARDING BOARD MEMBER CONFLICTS OF INTEREST

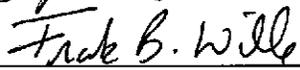
Effective Date: 29 June, 2016

Pursuant to Colorado law, the Board of Directors hereby adopts the following Policy when a Board member has a conflict of interest in order to ensure proper disclosure of the conflict, and to establish consequences for a failure to disclose.

1. **FIDUCIARY DUTY OF BOARD MEMBERS.** Each member of the Board of Directors owes a fiduciary duty to the Association, including a duty to act in good faith, in the interest of, in an informed manner, and with utmost loyalty to the Association.
2. **DEFINITION OF CONFLICT OF INTEREST.** A conflict of interest is present whenever any contract, decision, or other action taken by or on behalf of the Board would financially benefit: (i) a Board member, (ii) a parent, grandparent, spouse, child, or sibling of the Board member, or (iii) a parent or spouse of any of the persons in subsection (ii).
3. **DISCLOSURE OF CONFLICT.** Any possible conflict of interest on the part of any Director shall be verbally disclosed to the other Directors at the first open meeting of the Board of Directors at which the interested Director is present after the conflict of interest is or should be discovered. After disclosure, the Board member may not participate in the discussion and may not vote on the matter. Any Director having a conflict of interest on any matter shall not use his or her personal influence on the matter, and he/she shall not be counted in determining the quorum for the vote. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting and the composition of the quorum.
4. **FAILURE TO DISCLOSE CONFLICT.** Any contract entered into in violation of this policy shall be void and unenforceable.
5. **DEFINITIONS.** Unless otherwise defined in this resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
6. **SUPPLEMENT TO LAW.** The provisions of this resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado.

7. DEVIATIONS. The Board may deviate from the procedures set forth in this resolution if in its reasonable discretion such deviation is appropriate under the circumstances.
8. AMENDMENT. The Policy may be amended from time to time by the Board of Directors.
9. PRESIDENT'S CERTIFICATION. IN WITNESS WHEREOF, the undersigned certify that this procedure for the adoption of policies, procedures, rules, and regulations was adopted by resolution of the Board of Directors on 29 June, 2016.

BY:  HOA PRESIDENT

ATTESTED BY:  HOA SECRETARY