

MISSION VIEJO HOMEOWNERS' ASSOCIATION INC.
Policy Regarding Conflict of Interest

The following procedures regarding conflict of interest were adopted by the Board of Directors of the Mission Viejo Homeowners' Association Inc. ("Mission Viejo HOA") as guided by the principles of C.R.S. 38-33.3-209.5 and C.R.S. 38-33.3-310.5.

Effective Date: September 1, 2006

NOW, THEREFORE, IT IS RESOLVED that Mission Viejo HOA does hereby adopt the following policy regarding potential conflict of interest for the Board of Directors:

Financial Conflicts:

The Mission Viejo Homeowners Association, Inc. will endeavor to ascertain whether members of the Board of Directors or committees thereof have any type of financial stake in any proceeding before them. If any contract, decision, or other action taken by or on behalf of the Board of Directors would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a member of the Board or a parent or spouse of any of those persons, that Board member shall declare a conflict of interest for that issue. In addition, if the value of the Board members unit property or the institution owned or managed by the Board member will be directly enhanced by a decision of the Board of Directors, the Board member should disclose this as a conflict. After making such declaration, the member may participate in the discussion but shall not vote on that issue. If any individual Board of Director finds that his or her personal, business, or professional interests result in an inordinate number of conflicts of interest, it may be advisable for that member step down from the Board or committee, rather than risk impairment of the Board of Director's functions.

The undersigned hereby certifies that the foregoing resolution was adopted and made part of the minutes of the meeting of the Board of Directors conducted on the 15th day of August, 2006.

Mission Viejo Homeowners Association Inc.

By:  - President Title