

COLUMBINE TOWNHOUSES ONE ASSOCIATION
Director Conflict of Interest Policy

The following director conflict of interest policy was adopted by the Board of Directors of Columbine Townhouses One Association, Inc., ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Effective Date: January 1, 2006.

NOW, THEREFORE, IT IS RESOLVED that the following procedures shall apply in cases where members of the Association's Board of Directors have a conflict of interest, as that term is described herein below:

1. In the event any Board member or any member of a committee thereof, or that person's child, grandchild, spouse, sibling, parent, grandparent, company, partner, or business has a financial interest or may financially benefit from a decision or other action put before the Board for consideration, the Board member or committee member shall have a conflict of interest and must declare the conflict. "Financial interest" or "financial benefit" as set forth above shall exist if the person has: an ownership or investment interest in any entity with which the Association has or contemplates a transaction or agreement; or has a compensation arrangement with the Association or with any entity or individual with which the Association has or contemplates a transaction or arrangement. In any event, a financial benefit or financial interest shall have the broadest possible meanings available; however, a Board member's ownership of stock in a publicly-traded company shall not constitute a conflict of interest unless the Board member owns more than five percent (5%) of all shares of the company. Compensation shall include direct and indirect remuneration as well as gifts or favors if more than trivial.
2. In the event of a conflict of interest, the interested Board or committee member shall describe in detail all of the particular facts of the conflict of interest at an open meeting of the Board. Alternatively, the interested Board member may deliver to the Board a letter setting forth a detailed summary of the conflict of interest, which letter shall be read aloud by a non-interested Board member at an open meeting of the Board.
3. Once the conflict of interest is made known to the Board, the interested Board member may participate in a discussion of the matter giving rise to the conflict of interest but must abstain from any vote on the matter giving rise to the conflict of interest. However, the interested Board member may, at the discretion of a majority of the non-interested directors, be counted as present to determine whether a quorum of the Board exists.
4. Any contract entered into in violation of this policy is void and unenforceable and may entitle the Association to seek restitution for damages, including resulting costs and attorneys' fees, resulting from the Board member's failure to comply with the terms of this policy.

5. If there is compliance with the terms of this policy, a majority of the disinterested Board members, or any higher number required by the Association's governing documents, may in good faith authorize, approve, or ratify the conflicting interest transaction.

In the event that a court of competent jurisdiction finds any portion of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

The undersigned hereby certifies that the foregoing resolution was adopted and made a part of the minutes of the meeting of the Board of Directors of the Association conducted on the 12th day of DECEMBER, 2005.

COLUMBINE TOWNHOUSES ONE ASSOCIATION

Barry L. Schneider

By: BARRY L. SCHNEIDER its: PRESIDENT