

**RESOLUTION 17-01-03
OF
HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC.**

SUBJECT: Establish Duties and Responsibilities of Directors, Delegates and Committee Members of the Highlands Ranch Community Association, Inc. ("HRCA").

PURPOSE: To approve and adopt Duties and Responsibilities of Directors, Delegates and Committee Members of the Highlands Ranch Community Association, Inc.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: 2/21/2017

RESOLUTION:

WHEREAS, the Board of Directors ("Board") of HRCA is responsible for the management and affairs of the Community Association; and


WHEREAS, HRCA desires to adopt Duties and Responsibilities of Directors, Delegates and Committee Members of Highlands Ranch Community Association, Inc. to assist in their roles which duties and responsibilities are attached hereto.

NOW THEREFORE, BE IT RESOLVED, the Board of Directors of HRCA hereby adopts the attached Duties and Responsibilities of Directors, Delegates and Committee Members of Highlands Ranch Community Association, Inc.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Highlands Ranch Community Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors on 2/21/2017, 2017 and in witness thereof, the undersigned has subscribed his/her name.

**HIGHLANDS RANCH COMMUNITY
ASSOCIATION, INC.**


By: Jeff Suntken, President

Resolution 17-01-03
Duties and Responsibilities of Directors, Delegates and Committee Members
of the Highlands Ranch Community Association, Inc.

The Board of Directors ("Board") of Highlands Ranch Community Association, Inc. ("HRCA") is responsible for the management of all aspects of HRCA and has the obligation and duty to make decisions for the entire community. In order to assist the Board, the Delegates and Committee Members of HRCA in their official capacity as defined below, the Board hereby sets forth these guidelines summarizing the duties and responsibilities of directors, delegates and committee members of HRCA.

GENERAL DUTIES OF BOARD MEMBERS, DELEGATES AND COMMITTEE MEMBERS

All directors, delegates and committee members have the following duties:

1. The **DUTY OF DUE CARE** requires the directors and officers to:
 - a. Act in good faith;
 - b. With the care an ordinary prudent person in a like position would exercise under similar circumstances; and
 - c. In a manner the directors and officers reasonably believes to be in the best interest of HRCA

This means you must be reasonably informed and actively participate in those affairs as are set forth. The duty of due care must be discharged diligently, honestly and in good faith. You must act with knowledge. You must conduct yourself with the level of care, skill and diligence exercised by "reasonably prudent persons" in the handling of their own affairs. Where you know the facts, analyze the probable result of an action, exercise sound judgment and keep reasonable records, you act prudently and fulfill your important duty of due care. You should generally exercise their duty of due care by reviewing the agenda and reading related materials in advance of each meeting, attending meetings, being prepared to discuss the business before the meeting and voting on matters that come before the meeting.

2. The **DUTY OF UNDIVIDED LOYALTY** requires the interests of HRCA take priority over your personal interests. You must treat all information learned in your role as confidential unless there has been public disclosure, the information is included in HRCA's records, such as recorded in the minutes, or the information is common knowledge and must not speak as an individual on behalf of HRCA or the Board unless authorized by the Board of Directors. You are prohibited from borrowing money from HRCA.
3. The **DUTY TO ACT WITHIN THE SCOPE OF AUTHORITY** as set forth in the governing documents or policies of HRCA;
4. The **DUTY OF COMPLIANCE** with the governing documents of HRCA;
5. The **DUTY TO ABIDE** by all federal, state and local laws;
6. The **DUTY TO TREAT** all others with respect and dignity, ensuring an environment free from discrimination or harassment on the grounds of race, color, religion, pregnancy, sex/gender, sexual orientation, national origin, age, disability, marital or military service status, or any other category protected by applicable law;

CONFLICTS OF INTEREST

All directors, delegates and committee members must adhere to the following with respect to conflicts of interest.

1. Definitions.
 - a. "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and you, or between the Association and a party related to you, or between the Association and an entity in which you are a director or officer or have a financial interest.
 - b. "Party related to a You" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which you or a party related to you has a beneficial interest, or an entity in which a party related to you is a director or officer or has a financial interest.
2. Any conflicting interest transaction on the part of you or any party related to you must be disclosed. You should disclose you financial or other interest whenever you or a party related to you proposes to enter into a business or financial relationship with HRCA. You may be counted in determining quorum at the meeting and may participate in the discussion but shall not vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against. Following disclosure of or otherwise learning of a conflict of interest, the disinterested board members, delegates or committee members shall act in the best interests of HRCA in addressing any such conflict.
3. No conflicting interest transaction shall be voidable by the Association if:
 - a. The facts about the conflicting interest transaction are disclosed, and a majority of the disinterested board members, delegates or committee members, even if less than a quorum, in good faith approves the conflicting interest transaction; or
 - b. The conflicting interest transaction is fair to the Association.
4. In addition to the above, each director, delegate and committee member shall adhere to the following Code of Ethics:
 - a. You shall not use your position for private gain, including for the purpose of enhancement of your financial status through the use of certain contractors or suppliers.
 - b. You shall not solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
 - c. You shall not accept a gift or favor made with the intent of influencing a decision or action on any official matter.
 - d. You shall not receive any compensation from the Association for acting as a volunteer.
 - e. You shall not willingly misrepresent facts to the Members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on a committee to the Board, delegates, Board of Directors or the HRCA Staff Members to advance a personal cause.
 - f. You shall not interfere with a contractor engaged by the Association while a contract is in progress.
 - g. You shall not harass, threaten, or attempt through any means to control or instill fear in any Member or agent of the Association.
 - h. You shall not make any promise of anything not approved by you, the Board as a whole, the delegates or committee to any subcontractor, supplier, or contractor during negotiations.
 - i. You shall voluntarily resign from your position if convicted of a felony.
 - j. You shall not knowingly misrepresent any facts to anyone involved in anything with the community which would benefit yourself in any way.
 - k. Language and decorum at meetings will be kept professional. Personal attacks against owners, residents, managers, service providers, committee members or board members are prohibited and are not consistent with the best interest of the community.

PROTOCOL FOR EMAIL COMMUNICATION

Emails that are distributed by directors, delegates or committee members in their official capacity are official Association business and must conform with the following protocol.

1. You shall not send any inappropriate content such as hate speech; sexually explicit or sexually oriented materials; materials related to any illegal activities; bullying or harassment or material that ridicules or could reasonably be considered as being discriminatory towards others on the basis of race, creed, religion, color, sex, disability, national origin, age or sexual orientation.
2. All emails sent by a you from your HRCA email account shall include the following:

LEGAL DISCLAIMER

This email and its attachments may be confidential and are intended solely for the use of the intended recipient. If you are not the intended recipient of this email and its attachments, you must take no action based upon them, nor must you copy them to anyone. Please contact the sender if you believe you have received this email in error. Please note that any views or opinions expressed are solely those of the author and do not necessarily represent those of the Highlands Ranch Community Association (HRCA). Finally, the recipient should check this email and any attachments for the presence of viruses. The HRCA accepts no liability for any damage caused by any virus transmitted by this email.

3. At the request of the Manager, any email sent under this section shall be made available to the Manager.
4. Anyone who violates this email protocol or the Code of Ethics at Paragraph 4 under Conflicts of Interest will be revoked of their HRCA email account privileges as well as other appropriate action.

SPECIFIC DUTIES OF BOARD MEMBERS, DELEGATES AND COMMITTEE MEMBERS

One of the most important functions of the Board of Directors, Delegates and Committee Members are to keep the resources and its efforts focused on HRCA's mission. This requires the directors, delegates and committee members to have an adequate understanding of HRCA's governing documents, programs, people and the various resources which are available to achieve HRCA's goals. Being a board member, delegate or a committee member requires active participation. Persons who do not have the time to keep reasonably informed and to regularly and actively participate should not agree to be a director, delegate or a committee member.

1. Definitions.

- a. "Official Capacity" as used in the Bylaws shall mean only the actions taken as part of the individual's position in the Highlands Ranch Community Association, Inc. and only those actions which have a nexus to that position. Specifically, Official Capacity shall mean the following with respect to certain positions within the Highlands Ranch Community Association, Inc.:
 - i. With respect to Directors Official Capacity shall mean any action taken as a part of fulfilling the duties and responsibilities of a Director as set forth in the governing documents of HRCA and state and federal law.
 - ii. With respect to Delegates Official Capacity shall mean any action taken as a part of fulfilling a Delegates duties as set forth in the governing documents of HRCA and state and federal law and more specifically described in Paragraph 3a below.

2. Board Members.

- a. The Official Capacity of the Board Members' is to act as the steward of HRCA's assets. These assets are held by HRCA to be used only to further the common interests of the Members of HRCA. HRCA may not be operated for the personal benefit of the directors.

- b. The directors are responsible to the Board and the Board, in turn, is legally responsible for the management of the affairs of HRCA. The Board is not expected to manage the day-to-day activities of HRCA. For those duties, the Board has hired a community manager to which the Board may delegate any of its duties, powers or functions. However, it is the Board's responsibility to oversee the community manager's work, to see that HRCA is fulfilling its mission and to review and assess the community manager's performance.

3. Delegates.

- a. The Official Capacity of Delegates is to elect the Board of Directors at the annual meeting of Delegates. Delegates also vote on those limited items set forth in the governing documents for Delegate voting as follows:
 - i. Election of Board of Directors (Bylaws Section 6.2)
 - ii. Removal of Directors (Bylaws Section 7.6)
 - iii. Amendments to the Articles (Articles of Incorporation, Article X1)
 - iv. Amendments to the Bylaws (Bylaws, Section 11.1)
 - v. Encumber Association Properties (Community Declaration, Section 5.24)
 - vi. Certain assessment increases (Community Declaration, Section 8.21)
 - vii. Special assessments (Community Declaration, Section 8.31)
 - viii. Amendments to the Declaration (required by Governmental Entity) (Community Declaration, Section 11.4)
 - ix. Conveyance of Association Properties (Community Declaration, Section 5.23)
 - x. Review of application process for Backcountry Development Proposals (Bylaws, Section 13.2)
 - xi. Act in an advisory capacity with respect to the operation and maintenance of Recreation Cost Centers (Bylaws, Section 6.2.1)

3. Committee Members.

- a. The Official Capacity of Committee Members is to serve the HRCA Board of Directors in an advisory capacity to ensure that the best and most accurate information and advice is provided to the Board for use in their deliberations. The Committee Members shall have and exercise such authority as specified in the resolution creating such committee. Each Committee Resolution will detail the specific duties of the Committee Members.

**Statement of Acknowledgment of Duties and Responsibilities
of Directors, Delegates and Committee Members of
the Highlands Ranch Community Association, Inc.**

I have received, read and understand the document entitled, " Duties and Responsibilities of Directors, Delegates and Committee Members of the Highlands Ranch Community Association, Inc.", a copy of which is attached hereto as Exhibit "A", and I agree to abide by and comply with same, including the guidelines set forth therein, in the course of fulfilling my duties as a director, delegate or committee member of HRCA.

Signature

Print Name

Date