

**RESOLUTION  
OF THE  
CATHEDRAL PINES METROPOLITAN DISTRICT**

**Board Member Responsibilities and Code of Conduct**

The undersigned, being all of the Directors of The Cathedral Pines Metropolitan District (“District”), hereby consent to, vote in favor of, and adopt the following resolution:

**WHEREAS**, the Board of Directors, in an effort to comply with this statute, desires to establish a policy that shall establish a Code of Conduct for all individuals serving as a director on the Board;

**IT IS THEREFORE RESOLVED** that the policy attached hereto as Exhibit A (hereafter referred to as “The Board Member Conduct Policy”) shall be adopted and hereby established as the policy of this District;

**IT IS FURTHER RESOLVED** that this policy shall remain in effect until amended or hereby terminated by a majority vote of the Board of Directors; and

**IT IS FURTHER RESOLVED** that this policy shall take effect on \_\_\_\_\_.

This document is intended to be a guideline for the objectives and behavior of Cathedral Pines Metro District Board members. It has not been developed to be all-inclusive and is subject to change by Board. In addition, each Board member is bound by County, State and Federal guidelines for appropriate Board behavior and decision-making.

Most importantly, Board members should use common sense, common courtesy, act in the common good of the community, and as a team. Once Board decisions have been made, it is expected that each Board member will support that decision publicly, regardless of their own personal opinion.

Thank for your efforts and contributions to our community.

## EXHIBIT A

### The Board Member Conduct Policy

#### I. GENERAL STANDARDS

##### Representation

The Cathedral Pines Board of Directors is the governing authority of this District. Apart from his/her normal function as a part of this unit, or as directed by the Board, no Director may commit the District to any policy, act or expenditure. All powers, privileges and duties vested in or imposed upon the District shall be exercised and performed by and through the Board. The Board may delegate to officers, employees and agents of the District any or all administrative and ministerial powers.

Directors shall represent the interests of the entire community in exercising his/her duties. All decisions made on behalf of the District must be made with the best interests of *the community as a whole* in mind.

Directors may not misrepresent facts in order to achieve any measure of personal gain or gain for any other person or special interest group.

Directors may not represent the Board in written or verbal communications with members of other entities unless specifically authorized by the Board, Board President, or District Manager to serve as its representative.

Directors may not, on behalf of the Board and/or the District, make any promise or representation to any person, contractor, subcontractor or supplier that has not previously been approved by a majority vote of the Board of Directors.

The Board of Directors shall comply with and be guided by applicable state laws and regulations including the Colorado Special District Act and applicable federal laws and regulations.

##### Community Involvement

Directors shall be committed to the establishment of ad-hoc committees to offer involvement by other community members and to promote input from owner and non-owner residents. Committees shall be defined by a Committee Charter, which is supported by all Directors and Committee members. Directors are encouraged to become involved in ad-hoc committees of interest.

Directors acknowledge their responsibility to welcome and educate new residents of the community through active participation in community events.

Directors shall support the importance of building a sense of community and promoting the District's hosting of periodic activities that enhance the development and sustaining atmosphere of neighborliness (subject to State guidelines for such activities and expenses)

Directors shall develop processes that provide members with the opportunity for access to community records, input into community decisions, and a reasonable appeal process for decisions.

Directors shall endeavor to make the community's standards as understandable as possible, adding clarifying "lay" language or supplementary materials when drafting or revising documents, as needed, to provide clear communication.

Directors are expected to participate above and beyond attendance at regularly scheduled meetings and the responsibilities associated with Board offices. That is, they are expected to participate on Committees and/or assume other leadership responsibilities as necessitated by Board activities and decisions.

Directors are expected to abide by community standards, including but not limited to honoring all Community Bylaws, Covenants, and Standards of Behavior.

## **II. BOARD STRUCTURE**

### **Officers**

Annually, at the first regular Board Meeting following the general election of Board Members, and during the same month in the following year, the Board shall select a President, Vice President (as desired), Secretary, and Treasurer for the next 12-month period or until another election is held. Other non-officer Board members will serve on an At-Large basis.

### **President**

The President shall perform the duties of the presiding officer at all meetings of the Board of Directors and shall carry out the resolutions and orders of the Board of Directors. Those duties include but are not limited to:

- Preparing monthly meeting agendas/discussion topics in conjunction with District Manager
- Acting as Board liaison with outside counsel, district management, Homeowners Association, and other governmental entities
- Overseeing budgetary process and reporting as required by State Law
- Appointing Ad Hoc committees and soliciting members subject to affirmation by the Board
- Providing strategic direction for consideration by the Board
- Signing all official documents of the District
- Assuming other responsibilities as directed by the Board

The President shall be the Board's liaison to the District Manager and shall convey the Board's actions and directions to the District Manager and other appropriate parties, and shall monitor the District Manager's progress on Board directives and policies.

### **Vice President**

Although not required by State law, the Board may choose to elect a Vice President to serve in the position of Board President when the President resigns, is absent, disabled, or otherwise unable to fulfill their functions. In addition, if the President disqualifies himself/herself from participating in an agenda item due to a conflict of interest or other reason, the Vice President shall perform the duties as the presiding officer. Should the President be unable to sign official documents or authorize previously approved expenditures, the Vice President may sign these documents in their stead.

Assume all other responsibilities as directed by the Board.

### **Secretary**

The Secretary shall distribute upcoming Board Meeting Agendas to all Board members on a timely basis and assure that they are posted publicly as required by Law.

The Secretary does not have to be a member of the Board and shall be responsible for seeing that accurate minutes of Board meetings are kept, preserved, and made available to the community on a timely basis.

### **Treasurer**

The Treasurer shall be a member of the Board and shall be responsible for seeing that appropriate financial procedures are in place, that accurate financial records are kept, preserved, and made available to the community on a timely basis.

The Treasurer shall also be responsible for seeing that an annual budget is prepared and adopted pursuant to the provisions of the Colorado Budget Act. Any changes to the annual budget made by Board vote should be reported by the Treasurer and reported pursuant to the provisions of the Colorado Budget Act.

The Treasurer shall review and authorize as necessary all vendor payables as prior approved by the Board. The Treasurer does not have veto authority over individual payments once approved by the Board unless material discrepancies or misrepresentations are discovered.

The Treasurer shall work with the District Manager to select (subject to Board approval) a Public Accounting Firm to conduct an annual audit and facilitate such audit as needed.

The Treasurer shall work with the District Manager to assure payment of community bonds and oversee best strategy for repayment.

### **District Manager**

The Board may appoint a District Manager(s) or contract with an Administrator(s), Management Company/Companies, or other entities to serve for such term and upon such conditions, including compensation, as the Board may establish.

The District Manager(s) shall have general supervision over the administration of the affairs, employees and/or contractors, and business of the District and shall be charged with the hiring and discharging of employees and contractors of District properties. The District Manager shall have the care and custody of the general funds of the District and shall deposit or cause to be deposited the same in the name of the District in such banks or savings associations as the Board may select. The District Manager shall, working with the Treasurer, assure that timely and accurate budgets and financial statements are provided to the Board and the community.

The District Manager shall assure that appropriate notice is given to the residents of the community regarding Board meeting dates and assist the Board President in preparing the meeting agendas.

The District Manager shall guide the Board in the conduct of its meetings and appropriateness of its discussions in accordance with State Law and Roberts Rules of Order (12<sup>th</sup> Edition).

The District Manager will be named and appointed as the custodian of records for the District unless otherwise appointed.

### **Committees**

The Board may create standing or ad hoc committees at its discretion. Committee motions and recommendations shall be advisory to the Board and not commit the District to any policy, act or expenditure nor may any committee direct staff to perform specific duties unless authorized by the Board. Board members are highly encouraged to participate in at least one committee.

### **III. *DUE PROFESSIONAL CARE***

Directors must exercise due professional care in the performance of their duties, fulfilling their fiduciary responsibilities to the membership and fellow directors.

Directors must observe the business judgment rule by exercising the same degree of care and skill as normally used by others in a similar position and business.

Directors shall undertake only those responsibilities and assignments that they can reasonably expect to perform with competence.

Directors must familiarize themselves with District business, have a working knowledge of the governing documents and community standards, rules or guidelines.

Directors acknowledge that the business of the District is carried out in meetings of the Board; therefore, each Director shall be committed to attending regularly scheduled meetings of the Board and shall participate as a decision-maker by actively voting on issues before the board, abstaining. Board members may abstain when a declared conflict of interest or other personal reason exists.

Directors agree to abide by all published standards of the District and are responsible for setting a standard and a tone for behavior that is in the best interest of the District.

A director shall not accept the office of President unless he/she has served on the Board for at least one year, thereby being appropriately familiar with the history of the District and the policies and procedures of the Board prior to serving as leader of the Board. There are no other minimum tenure requirements for other Board Officers.

Directors shall be committed to participate in opportunities of board member education and shall attend appropriate board member training classes offered by the management company to expand their understanding of their role and responsibilities whenever possible.

#### **IV. PROFESSIONAL COURTESY**

Directors will exhibit professional courtesy to all District members and community District management professionals. Directors should commit themselves to emphasizing the positive, avoiding hidden agendas or other forms of negative interaction.

Directors shall not interfere or supervise District or management company employees. All direction to the Management company shall be made through the Board President, unless the Board decides otherwise, or a contract exists with a management company that authorizes such actions.

Directors may not interfere with contractual relationships between community management professionals and contractors.

Directors will protect the confidentiality of the personal information of other Directors, committee members, residents, employees, and management professionals at all times, including after the board member's term is expired or terminated regarding knowledge learned during their term of office.

## **V. FIDUCIARY RESPONSIBILITIES/USE OF DISTRICT FUNDS**

Directors may not use or encumber District funds or property for their personal use or benefit.

Directors may be reimbursed for expenses incurred on behalf of the District provided the Board of Directors approves the expenses in advance and the party seeking reimbursement submits receipts.

### **Balanced Budget Objective**

It shall be the objective of the Metro District Board to operate each year on a break-even basis; that is, annual spending should not exceed annual income. Extenuating circumstances may occur, including unanticipated capital expenditures, etc. which may require special consideration by the Board, but the general approach of the Board should be to operate on a cash-neutral basis.

### **Building Appropriate Contingencies and Reserves**

In consideration of the Balanced Budget Objective, the Board shall also strive to maintain adequate reserves and contingencies to protect the District from the impact of significant, unexpected expenditures. A Contingency fund should be established as part of the annual budget to protect against unexpected costs incurred during the normal course of business; and a Reserve Fund shall also be established and funded when possible to offset the impact of one-time major capital expenditure requirements (e.g., Lodge roof replacement, installation of additional monuments, etc.).

### **Authority to Commit to Expenditures**

Each year the Board of Directors shall approve an annual Budget which shall guide their spending throughout the course of the year. This Budget shall derive its revenue from resident Property Taxes, revenue generated from Lodge activities, and other fundraising activities which conform to state guidelines. The Board shall also periodically measure its performance against the budget and adjust as appropriate.

### **Board Member Spending Authorities**

The Board may, by simple majority vote, set spending limits that each Board member is authorized to spend on behalf of Board activities without seeking prior approval from the full Board. This authority shall apply only to specific projects or activities and is not intended to be "open-ended. This policy is established to allow individual Board members to fulfill their duties without having to seek Board approval for minor expenditures consistent with Board objectives and in the Community's best interest. These spending levels may

be adjusted or revoked at any time by simple majority vote of the Metro Board.

### **Solicitation of Multiple Bids**

In an effort to assure that the Board is fulfilling their fiduciary responsibility and seeking the best possible outcome for the community, all expenditures expected to exceed \$20,000 shall require the Board to solicit a minimum of three (3) competitive bids when possible.

In addition to cost, the Board shall also take into consideration past experience with each vendor, quality of work, timeliness, and other factors it considers appropriate at the time before awarding work to any particular vendor (i.e., lowest price being only one of several important considerations in each decision).

However, in the case of ongoing maintenance or other needs, the Board may establish "Preferred" vendors to complete the required work without seeking competitive bids on each project. These Preferred vendors will have proven in the past to be competitively priced and have delivered or exceeded the expected level of quality and timeliness. This will allow the District Manager(s) to complete necessary work on a timely basis where seeking competitive bids may be unnecessary or impractical.

## **VI. MEETING CONDUCT/COMMUNICATIONS**

The Board of Directors of the Cathedral Pines Metropolitan District is committed to providing excellence in legislative leadership that results in the provision of the highest quality services and representation on behalf of the District's constituents. In order to assist in the government of the behavior between and among members of the Board of Directors, the following guidelines are established.

### **Professional Communication**

The language used at District meetings will be considerate and professional at all times. Personal attacks, aggressive speech or use of profanity is unacceptable and shall not be tolerated.

### **Listening**

The smooth working of a District Board is a team effort. All individuals should work together in a collaborative process, assisting each other in conducting the affairs of the District. Openness, responsiveness, and attentive listening in communication is highly encouraged. In addition, the dignity, style, values, and opinions of each director shall be respected.



## **Rules of Order**

Board members will follow the agreed-upon manner of basic parliamentary procedure as appropriate for a small body or organization, recognizing that decision-making takes place through the process of motions being made and votes taken.

Board members shall avoid creating side conversation(s) during business meetings of the District and shall respect the process of decision-making determined by the President of the Board.

## **Attendance**

In recognition of a Board Member's fiduciary Duty of Care, any member of the Board of Directors who has three (3) consecutive unexcused meeting absences shall agree to automatically offer to resign their Board position.

## **Open Discussion and Unity**

Different viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinion and should feel comfortable expressing them. However, once the Board of Directors acts by majority vote, all Directors should officially support the Board's action and not create barriers to the implementation of such action.  
*There should be no minority opinions expressed publicly.*

## **Personal Communication vs. Board Communications**

In any interaction with residents of the community, it is important that the Board member does not speak on behalf of the Board unless instructed to do so by the Board. Board members are welcome to express their own opinions, but they should be stated as such and not represented as the opinion of the Board as a whole. Opinions or individual disagreement with the Board's actions shall not be publicly expressed once District action is taken by the Board.

## **Resident Complaints**

In handling complaints from residents and property owners of the District, said complaints should be referred to the Board President or District Manager(s). The President should be made aware of any complaints raised and Board members should refrain from attempting to handle complaints without the involvement of the District Manager.

## **Intra-Board Communications**

Directors shall make every effort to honor the normal channels of communication. No more than two (2) Board members should conduct written communication between each other regarding Board subjects. Communications or information to be disseminated to all

Board members in advance of a meeting etc. shall be directed through the District Manager(s).

### **Honoring Channels of Communication**

In an effort to monitor costs, Directors requesting outside advice or counsel, especially when incurring an expense on behalf of the District, should request prior approval from the Board President and/or District Manager, and should notify the Treasurer of the impending expense. If the subject matter involves actions or conduct of the President or another Board member, the request should be made directly through the District Manager.

## **VII. CONFLICTS OF INTEREST**

A conflict of interest is defined as a secondary interest in any action or contract that would financially benefit that person or the parent, grandparent, friend, spouse, child, or sibling of that person. This also includes any vote or decision that benefits the individual personally from actions or decisions made in their official capacity.

### **General**

Directors must not allow any outside influence to interfere with exercising their duties in the best interest of the District.

Any director that may have a potential conflict of interest with regard to a business transaction or management responsibilities must disclose, in a public forum, the potential conflict and abstain from voting on that action.

Any director that has an actual conflict of interest with regard to a business transaction or management responsibilities must disclose, in a public forum, the conflict to others in attendance and abstain from voting on the issue or exerting any influence on the other voting members of the board.

### **Related Entities**

Any engagement of a company or individual that is related to any board member or any relative of a board must be properly disclosed prior to any such engagement. The disclosure shall be in a public forum and the related member shall abstain from voting on issues affecting the company or individual.

***A Board member who is also engaged in the practice of another profession shall not provide these other professional services to the District while serving as a board member, officer, or committee member if the performance of such services is likely to result in a potential or actual conflict of interest.*** VIII. **GIFTS AND CONTRIBUTIONS**

### **Gifts**

It shall be the policy of the District to discourage Board Members from the acceptance of gifts, entertainment, or other favors from existing or prospective clients, vendors, or suppliers. Gifts of nominal value (worth less than \$50.00) given as a token of friendship or upon special occasions such as a holiday are acceptable.

Cash gifts of any amount are not acceptable.

Any gift intended to influence a decision by a board, officer, or committee member, or to create an atmosphere of indebtedness toward the bearer is not acceptable.

### **Contributions**

The District will not make any contributions to any political parties or political candidates.

## **IX. BOARD MEETING PROCEDURES**

### **Regular Meetings**

Regular meetings of the Board of Directors shall be held as determined by the Board, but at least 4 times annually per the Community's By-Laws. The date, time, and place of regular meetings shall be reconsidered annually at the first meeting of the Board for that year.

### **Special Meetings (Non-Emergency)**

Special meetings (non-emergency) of the Board of Directors may be called by any Director by informing the other Directors of the date, time and place of such special meeting, and the purpose for which it is called, and by posting notice as provided in 32-1-903, C.R.S., and 24-6-402, C.R.S.

### **Agenda**

An agenda shall be prepared as specified for the regular and special Board meetings and shall be included with the notice of the meeting as posted 24 hours in advance of the meeting. The agenda shall include all items of business to be considered, as nearly as known at the time of the posting.

### **Special Meetings (Emergency)**

In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened immediate disruption of public facilities, the Board of Directors may hold an emergency special meeting without complying with the twenty-four (24) hour notice required above. An emergency situation means a crippling disaster which severely impairs public health, safety, or both, as determined by the Manager and Board President or Vice President in the President's absence.

An emergency meeting may be called by the Board President or any two Board Members. All members of the Board shall receive notice of such meeting, as far in advance of the meeting as possible. Only items relevant and necessary to dealing with the emergency shall be considered at the emergency meeting.

## **X. BOARD MEETING CONDUCT**

### **Robert's Rules**

Meetings of the Board of Directors shall be conducted by the President in a manner consistent with the policies of the District. *{The 12<sup>th</sup> edition of Robert's Rules of Order, Revised} shall also be used as a general guideline for meeting protocol.* District policies shall prevail whenever they are in conflict with *{The 12<sup>th</sup> edition of Robert's Rules of Order, Revised.}*

## **XI. BOARD MEMBER COMPENSATION**

### **Meeting Compensation**

Board Members compensation (if any) shall be established by a Board resolution, as governed by 32-1- 902 (3), Colorado Revised Statutes. The District will not compensate Board Members for ceremonial events such as annual festivals where no business is conducted, even if notice of such meeting was posted.

### **Board Member Expenses**

Board Members that incur expenses for activities on behalf of the District at the request of the Board shall be reimbursed on the basis established under the District's Expenditure Control Guidelines. Receipts, etc. for all shall be presented to the Treasurer and District Manager for reimbursement.

## **XII. DIRECTOR BEHAVIOR/ENFORCEMENT**

### **Complaints**

Complaints against any board member which allege conduct inconsistent with the foregoing resolution must be made in writing to the President of the

Board of Directors. If the complaint is against the President, complaints will be submitted to the Vice President.

### **Review Period**

The Board President, or Vice President, shall convene an Executive meeting within thirty (30) days of receipt of a complaint to discuss the alleged activity with the complainant and the accused member.

The Board shall attempt to gather all facts relevant to the alleged misconduct. Once satisfied that the information presented is sufficient to make a determination in the matter, the Board will excuse the complainant and the accused member and decide what action, if any, may be appropriate to resolve the matter.

### **Findings**

The Board shall issue its written finding with respect to the alleged misconduct within seven (7) days after the executive session held pursuant to the above.

### **Sanctions**

Should the Board find that a breach of the District's Board Member Conduct Policy was committed by a Board member; the Board may impose appropriate sanctions, consistent with the Bylaws of the District.

Such sanctions could include censure or removal of the member from the board.

This resolution is adopted this \_\_\_\_\_, 2023, at an open Board meeting where a quorum of the Board was present and is effective immediately.