

MERIDIAN LAKE PARK CORPORATION

EXECUTIVE BOARD LEGAL DUTIES POLICY

Legal duties define the standards of behavior for directors of nonprofit corporations. By accepting a position on the Executive Board (Board) of Meridian Lake Park Corporation (Association), each Director agrees to abide by the following duties:

1. **DUTY OF CARE:** Each Board member must exercise the following duty of care. He or she must act in good faith, exercise that degree of care an ordinarily prudent person would exercise in like position under similar circumstances, and act in a manner the director reasonably believes to be in the best interests of the Association. Acting as a prudent person requires each director to possess and exercise sound, practical judgment, to employ common sense, and to reach sound informed decisions and conclusions (note this does not mean that the decision or conclusion is necessarily correct).
2. **DUTY OF LOYALTY:** Each director must act in good faith and in a manner he or she reasonably believes to be in the best interests of the Association. In conducting the business of the Association, each director must faithfully pursue the Association's interests over his or her own personal interests, financial or otherwise. Acting in good faith means acting honestly, openly and with fairness. Further, a director must adhere to the Association's requirements for conflicts of interests, including perceived conflicts of interest, and the law of the State of Colorado's requirements for the same.
3. **LIMITED DUTY OF CONFIDENTIALITY:** The Board is required to conduct its affairs with transparency, and, as such, all owners are invited to attend duly noticed Board meetings. However, in some cases and pursuant to law, the Board may limit attendance to only members of the Board. These executive session meetings are closed meetings and therefore are not open to owner attendance. In such an event, each director agrees to keep confidential, until notice from the President of the Board is received otherwise, any information, legal advice, and/or the subject matter discussed in the executive session. An individual director is not a spokesperson for the Association, unless expressly authorized by the Board. Disclosure of Association activities should be made only through the Association's designated spokesperson, usually the President or property manager. This duty of confidentiality survives the Director's tenure on the Board.
4. **ENFORCEMENT:** Each director, upon becoming a member of the Board, is required to execute this Policy. In the event any Director is found to have breached any of the foregoing duties by a majority of directors, he or she shall be required to resign from the Board.

ACKNOWLEDGMENT:

I, _____, the undersigned director, have read the foregoing, understand and acknowledge the contents set forth herein, and agree to abide by the same. I further sign this document voluntarily and without duress.

Dated: _____

By: _____