



June 6, 2018

To: Columbia Association Board of Directors  
Milton W. Matthews, President/CEO

From: Susan Krabbe, Vice President and CFO

Cc: Sheri Fanaroff, General Counsel

Re: Indemnify CA Team Members on the 401(k) Plan Investment Committee

Columbia Association (CA) works with outside advisors to ensure that the 401(k) plan (the Plan) for eligible CA and village community association employees is compliant with all regulatory and legal requirements and that it applies industry best practices to the greatest extent possible.

The application of best practices, in addition to legal and regulatory compliance, is very important with the rise in litigation and the expansion of agency oversight in recent years, as related to investment options and plan costs, for example.

The Plan's Administrative Committee is comprised of John Clark, Payroll Manager; Ron Meliker, Director of Human Resources; Paul Papagjika, Controller; Lynn Schwartz, Director of Finance/Treasurer; and myself. Fidelity Investments is the Plan trustee, and CA is the Plan administrator. The KWH Group of RBC Wealth Management ("RBC") serves as 401(k) adviser, providing analysis and advice on fees, investment options and plan design; conducting participant education sessions; and, serving as an ERISA 3(21) fiduciary to the Plan. CA also has engaged outside benefits counsel.

As reported to the CA Audit Committee and Board in March 2018, RBC recommended that the Administrative Committee request that the CA Board hold the committee members harmless from the decisions they make as a committee member acting in good faith. Outside benefits counsel agreed with this recommendation, and worked with us to have the attached Board resolution drafted.

Thank you for your consideration of this matter at your June 14, 2018 work session.

Attachment

**BOARD RESOLUTION INDEMNIFYING FIDUCIARIES OF  
THE COLUMBIA ASSOCIATION, INC.  
INCENTIVE SAVINGS PLAN AND TRUST**

**WHEREAS**, Columbia Association, Inc. (the "Association") sponsors and maintains The Columbia Association, Inc. Incentive Savings Plan and Trust (the "Plan"); and

**WHEREAS**, fiduciaries of the Plan are also Association employees ("Plan Fiduciaries"); and

**WHEREAS**, current Plan Fiduciaries are Lynn Schwartz, Director of Finance/Treasurer, Paul Papagjika, Controller, Ron Meliker, Director of Human Resources, John Clark, Payroll Manager and Susan Krabbe, Vice President and CFO; and

**WHEREAS**, the Plan's financial advisers have recommended that the Association indemnify the Plan Fiduciaries in connection with their roles as Plan Fiduciaries through a specific resolution of the Association's Board of Directors; and

**WHEREAS**, the Employee Retirement Income Security Act of 1974, as amended, permits an employer to indemnify plan fiduciaries from the effects and consequences of their acts, omissions and conduct as Plan Fiduciaries, except to the extent that the effects and consequences result from the Plan Fiduciaries' own willful misconduct or gross negligence.

**NOW, THEREFORE, it is**

**RESOLVED** that the Association shall indemnify and hold harmless each current and future Plan Fiduciary from the effects and consequences of his or her acts, omissions and conduct in his or her official capacity as a Plan Fiduciary, except to the extent that such effects and consequences result from his or her own willful misconduct or gross negligence.

**FURTHER RESOLVED**, that if any matter arises as to which a Plan Fiduciary is entitled to indemnity pursuant to this resolution, the Association, at its own expense, shall take charge of the disposition of the asserted liability, including the compromise or conduct of litigation.

**Approved by Columbia Association Board of Directors \_\_\_\_\_, 2018**