

[ASSOCIATION NAME]

Conflict of Interest Statement

I _____ have received a copy of the Conflict of Interest Policy for [NAME], its Board of Directors, candidates for the Board of Directors, Committee members and staff. I have read and understand the above mentioned Policy and agree to comply with it.

Signature

Date

Position/Title

BILLINGS LAW FIRM, PLLC

CONFLICT OF INTEREST POLICY

for

[NAME]

its Board of Directors, Candidates for Board of Directors, Committee Members and Staff

ARTICLE I. PURPOSE

The purpose of the conflict of interest policy is to protect the [NAME] (the “Association”) interest when (i) it is contemplating entering into a transaction or arrangement that might benefit the private interest of a staff person, an officer or director of the Association, candidate to be an officer or director, or any committee person thereof, or (ii) it or its Board is making any decision, vote or resolution, taking any action, engaging in any conduct, or not engaging in any action or conduct, that will have a financial interest or benefit to a staff person, officer or director of the Association (or related entity), candidate to be an officer or director, or any committee person thereof, any particular related member of the Association or group thereof, or their family members or (iii) handling legal issues or litigation that could have a financial interest or benefit to a staff person, officer or director of the Association (or related entity), candidate to be an officer or director, or any committee person thereof, any particular related member of the Association or group thereof, or their family members. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

ARTICLE II. DEFINITIONS

1. INTERESTED PERSON

Any staff personnel, director, principal officer, or member of a committee, or candidate for such position, with board delegated powers, who has a direct or indirect conflict of interest or benefit, as defined below, is an interested person as described in this policy.

2. CONFLICTS OF INTEREST

A. Financial Interests

A person has a “financial interest” if the person has, directly or indirectly, through business, investment or family –

(a) an ownership or investment interest in, compensation arrangement with, or employment by any entity with which the Association has a transaction or arrangement, or

(b) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or

(c) an ownership or investment interest in, compensation arrangement with, or employment by any entity or individual with which the Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts, entertainment or favors that are substantial in nature.

B. Legal Interests

For the purposes of this Policy, a Person has a conflict of interest if the person has a business, investment or family relationship with any person or entity, or employee of an entity, that has a legal dispute, pending litigation, or any potential claim, cause of action or lawsuit against the Association, whether as plaintiff/claimant or defendant/respondent (“legal interest”).

C. Other Interests

In addition to financial interest and legal conflict of interests, there may be other potential Conflict of Interest that are not expressly defined or set forth in this policy. In this regard, the interested person shall avoid any appearances of impropriety and take all steps necessary to identify such other potential conflicts of interest and comply with this Policy, even if said conflict of interest is not expressly set forth herein.

ARTICLE III. PROCEDURES

1. DUTY TO DISCLOSE

(a) In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her subject interest to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

(b) Even a director or committee member who plans not to attend a scheduled meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a conflict of interest shall disclose to the chair of the

meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

2. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

After disclosure of the interest, the interested person shall leave the board or committee meeting while the interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists. The interested person shall refrain from any action that may affect this board decision.

3. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

(a) In the event of a proposed transaction or arrangement having a financial interest to said person, the chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(b) After exercising due diligence, the board or committee shall determine whether the Association can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(c) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest and for its own benefit. Further, it shall determine whether the transaction is fair and reasonable to the Association and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) In the event of legal dispute, pending litigation, or any potential claim, cause of action or lawsuit against the Association, said interested person shall recuse from all meetings and/or executive sessions at which said disputes, etc. are to be discussed, voted upon or otherwise handled, and shall keep any such information learned notwithstanding such protections confidential and privileged, and shall not share same with any third party, including without limitation family members, or other owners of said business and/or entity.

4. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY

(a) If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

5. CONFIDENTIALITY

Each interested person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of the Association. Furthermore, an interested person shall not disclose or use information relating to the business or legal affairs or status of the Association for the personal profit or advantage of the interested person or a family member, including without limitation any information, documents, data or other knowledge.

ARTICLE IV. RECORDS OF PROCEEDINGS

The minutes of the board and all committees with board-delegated powers shall contain –

(a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.

(b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ARTICLE V. COMPENSATION

(a) A voting member of any committee which has committee members who receive compensation, directly or indirectly, from the Association for services, is precluded from voting on matters pertaining to that compensation.

(b) Persons who receive compensation, directly or indirectly, from the Association, whether as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters.

ARTICLE VI.
ANNUAL STATEMENTS

Each director, principal officer and member of a committee with board delegated powers shall annually sign a statement which affirms that such person

- (a) has received a copy of the Conflict of Interest Policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands that the Association is a non-profit organization and may be tax-exempt, and that, in order to maintain its non-profit and potential tax exemption, it must engage primarily in activities, which accomplish one or more of its non-profit and/or tax-exempt purposes.

Any candidate to be a director, principal officer and/or member of a committee with board delegated powers shall sign at the declaration of such candidacy a statement which affirms that such person:

- (a) has received a copy of the Conflict of Interest Policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands that the Association is a non-profit organization and may be tax-exempt, and that, in order to maintain its non-profit and potential tax exemption, it must engage primarily in activities, which accomplish one or more of its non-profit and/or tax-exempt purposes.

ARTICLE VII.
PERIODIC REVIEWS

To ensure that the Association operates in a manner consistent with its non-profit and potential tax-exempt purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining,

(b) Whether acquisitions of provider services has resulted in inurement or impermissible private benefit.

(c) Whether partnership and joint venture arrangements conform to written policies, are properly recorded, reflect reasonable payments for good and services, further the Association's potential tax-exempt purposes and do not result in inurement or impermissible private benefit.

(d) Whether agreements to provide services and agreements with other organizations, employees, and third party payers further the Association's charitable purposes and do not result in inurement or impermissible private benefit.

Adopted by the Board of Directors of [ASSOCIATION NAME], this ____ day of _____, 201____.

BY: Its Directors

[NAME], Director

[NAME], Director

[NAME], Director

BILLINGS LAW FIRM, PLLC