

BY-LAWS

OF

UNION PINES MARCHING VIKINGS, INC.

Revised and approved April 20, 2021- revisions found in italics

ARTICLE I - OFFICES

The principal office of the corporation in the State of North Carolina shall be located at 1981 Union Church Road, Cameron, NC 28326. The corporation may have such other offices, either within or without the State of incorporation as the Board of Directors may designate or as the business of the corporation may from time to time require.

ARTICLE II - MEMBERS

1. QUALIFICATION AND CLASSES OF MEMBERSHIP.

Membership in the corporation shall be open to all Union Pines High School parents or legal guardians of students who are (1) active Members of the Union Pines Band and (2) have paid the Union Pines Band Fees to the Union Pines High School per active Union Pines Band student.

2. INTENTIONALLY OMITTED

3. ANNUAL MEETING.

The **annual meeting of the Members shall be held in the month of May in each year, beginning with the year 2014**, for the purpose of electing directors for the ensuing fiscal year, and for the transaction of such other business as may come before the meeting.

4. SPECIAL MEETINGS.

Special meetings of the Members may be called by the President or by the Board of Directors or shall be called by the Secretary within thirty (30) days after the delivery to the Secretary of the written request of the Members comprising not less than one-tenth of all votes of the Members of the Corporation. Such request must be signed, dated and delivered to the Secretary and must describe the purpose or purposes for which the meeting is to be held.

5. PLACE OF MEETING.

The Board of Directors may designate any place, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. *If deemed necessary, the meetings can be held by electronic means.*

6. NOTICE OF MEETING.

Written or printed notice stating the time and place of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days, or in case of a special meeting called at the request of the Members, not more than thirty (30) days, before the date of the meeting, either personally or by mail or by electronic mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the record of Members of the Corporation, with postage prepaid (as applicable).

If a meeting of Members is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before adjournment.

7. CLOSING OF TRANSFER BOOKS OR FIXING OF RECORD DATE.

For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members or any adjournment thereof, or in order to make a determination of Members for any other proper purpose, the Board of Directors may provide that the Membership books shall be closed for a stated period but not to exceed, in any case, seventy (70) days. If the Membership roll books shall be closed for the purpose of determining Members entitled to notice of, or to vote at, a meeting of Members, such books shall be closed for at least ten (10) days immediately preceding such meeting.

In lieu of closing the Membership roll books, the Board of Directors may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than seventy (70) days and, in the case of a meeting of Members, not less than ten (10) full days prior to the date on which the particular action, requiring such determination of Members, is to be taken.

8. QUORUM.

A quorum at a meeting of Members shall be achieved when one-tenth of the

votes entitled to be cast by Members, represented in person *or electronically*, is present at a meeting. If there is no quorum at the opening of a meeting of Members, such meeting may be adjourned from time to time by the vote of the majority of the votes of the Members voting on the motion to adjourn, until a quorum as aforesaid shall be present or be represented and thereafter, any business may be transacted which might have been transacted at the original meeting.

The Members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

9. PROXIES.

Proxies are not permitted in any event.

10. VOTING.

Each Member's legal guardian(s) shall be entitled to one vote per active Union Pines Band student on each matter submitted to a vote at a meeting of the Membership. When it may be unclear as to who, as between or among legal guardians may vote, the guardian with primary custody shall be entitled to vote, unless otherwise agreed upon as between the guardians in writing and submitted to the Secretary in advance of any meeting. Where there is no single primary custodian/guardian, then the guardians shall decide the matter of who shall cast a vote between themselves, and if there shall be no agreement and more than one vote is attempted to be cast, all votes associated with such Membership shall be discounted. Additionally, if all legal guardians of a Band student are deployed due to military service, then the adult charged with the custody and care of the Band student may be physically *or electronically* present at a meeting and vote on behalf of the Member, so long as all proof of the aforesaid is sufficiently submitted to the Secretary in advance of any meeting.

Except as otherwise provided by law, the Articles of Incorporation or these Bylaws, if a quorum exists, action on a matter by a voting group is approved if the votes cast favoring the action exceed the votes cast opposing the action.

11. VOTES REQUIRED.

The vote of a majority of the votes entitled to be cast by those Members physically present at a meeting of the Membership, duly held at which a quorum is present, shall be sufficient to take or authorize action upon any matter which may properly come before the meeting except as otherwise provided by law, by the Articles of Incorporation, or by these Bylaws. Any provision in these Bylaws prescribing the vote required for any purpose as permitted by law may not itself be amended by a vote less

than the vote prescribed therein.

12. RULES OF ORDER.

The deliberations of the Corporation, the Board, and all committees shall be governed by the rules contained in the then current edition of Robert's Rules of Order in all cases where they are not inconsistent with the Articles of Incorporation, these Bylaws, or the standing rules of the Corporation.

ARTICLE III - BOARD OF DIRECTORS

1. NUMBER, ELECTION, AND TERM OF OFFICE.

The number of the directors of the Corporation shall be **no less than FIVE (5) and no more than NINE (9)**, unless and until otherwise determined by vote of a majority of the entire Board of Directors. The Union Pines High School Band Director shall be a permanent, voting Member of the Board and shall not be subject to election in any event. ~~A Member whose only active Union Pines Band student Member is a freshman, is not eligible for Board Membership.~~ *A Member whose Union Pines Band student Member is a freshman can be eligible for Board Membership if they have previously been an active Member.*

After the initial appointment, except as may otherwise be provided herein or in the Articles of Incorporation, **the Members of the Board of Directors of the Corporation, shall be elected by a majority of the votes cast at the annual meeting of the Members in May.**

Each director shall hold office for a one year term (a "year" measured from June 1 through May 31) and after serving for three consecutive terms, one year must expire before that same director shall be eligible for election to the Board.

2. DUTIES AND POWERS.

The Board of Directors shall be responsible for the control and management of the affairs, property, and interests of the Corporation, and may exercise all powers of the Corporation except as are in the Articles of Incorporation. The Board will keep a complete record of all of its acts and all affairs of the Corporation and make the same reasonably available for examination by any Member. The Board will adopt the budget for the Corporation yearly and present it to the Membership in the notice concerning the annual meeting.

3. ANNUAL AND REGULAR MEETINGS NOTICE.

A regular annual meeting of the Board of Directors shall be held within the month of June, at the location determined by the Board. At this meeting, among other things, Officers shall be elected by the Board.

The Board of Directors, from time to time, may provide by resolution for the holding of other regular meetings of the Board of Directors, and may fix the time and place thereof.

Notice of any regularly scheduled meeting of the Board of Directors shall not be required to be given and, if given, need not specify the purpose of the meeting; provided, however, that in case the Board of Directors shall fix or change the time or place of any regular meeting, notice of such action shall be given to each director who shall not have been present at the meeting at which such action was taken within the time limited, and in the manner set forth in the second paragraph of Section 4 of this Article III, with respect to special meetings, unless such notice shall be waived in the manner set forth in the third paragraph of Section 1.

4. SPECIAL MEETINGS NOTICE.

Special meetings of the Board of Directors shall be held whenever called by the President or by one of the directors, at such time and place as may be specified in the respective notices or waivers of notice thereof.

Notice of special meetings shall be mailed or electronically mailed directly to each director, addressed to him at her residence or usual place of business, at least four (4) days before the day on which the meeting is to be held.

Notice of any special meeting shall not be required to be given to any director who shall attend such meeting without protesting prior thereto or at its commencement, the lack of notice to him, or who submits a signed waiver of notice, whether before or after the meeting. Notice of any adjourned meeting shall not be required to be given.

5. CHAIRMAN.

At all meetings of the Board of Directors, the Chairman of the Board, if any and if present, shall preside. If there shall be no Chairman, or he shall be absent, then the President shall preside, and in her absence, a Chairman chosen by the Directors shall preside.

6. QUORUM AND ADJOURNMENTS.

At all meetings of the Board of Directors, the presence of a majority of the Board of Director's Members shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by law, by the Articles of Incorporation, or by these By-Laws.

A majority of the directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.

7. MANNER OF ACTING.

At all meetings of the Board of Directors, each director present shall have one vote.

Except as otherwise provided by statute, by the Articles of Incorporation, or by these By-Laws, the action of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Any action authorized, in writing, by all of the directors entitled to vote thereon and filed with the minutes of the corporation shall be the act of the Board of Directors with the same force and effect as if the same has been passed by unanimous vote at a duly-called meeting of the Board.

8. VACANCIES.

Any vacancy in the Board of Directors occurring by reason of an increase in the number of directors, or by reason of the death, resignation, disqualification, removal or inability to act of any director, or otherwise, shall be filled for the unexpired portion of the term by a majority vote of the remaining directors, though less than a quorum, at any regular meeting or special meeting of the Board of Directors called for that purpose.

9. RESIGNATION.

Any director may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or such officer, and the acceptance of such resignation shall not be necessary to make it effective.

10. REMOVAL.

Any director may be removed for cause by action of majority vote of the Board.

11. SALARY.

No salary shall be paid to directors, as such, for their services.

12. CONTRACTS.

No contract or other transaction between this Corporation and any other Corporation shall be impaired, affected or invalidated, nor shall any director be liable in any way by reason of the fact that any one or more of the directors of this Corporation is or are interested in, or is a director or officer, or are directors or officers of such other Corporation, provided that such facts are disclosed or made known to the Board of Directors.

Any director, personally and individually, may be a party to or may be interested in any contract or transaction of this Corporation, and no director shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board of Directors, and provided that the Board of Directors shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such director) of a majority of a quorum, notwithstanding the presence of any such director at the meeting at which such action is taken. Such director or directors may be counted in determining the presence of a quorum at such meeting. This Section shall not be construed to impair or invalidate or in any way affect any contract or other transaction which would otherwise be valid under the law (common, statutory, or otherwise) applicable thereto.

13. COMMITTEES.

The Board of Directors, by resolution adopted by a majority of the entire Board, may from time to time designate from among its Members an executive committee and such other committees, and alternate Members thereof, as they deem desirable, each consisting of three or more Members, with such powers and authority (to the extent permitted by law) as may be provided in such resolution. Each such committee shall serve at the pleasure of the Board.

ARTICLE IV - OFFICERS

1. NUMBERS, QUALIFICATIONS, ELECTION, AND TERM OF OFFICE.

The officers of the Corporation shall consist of a President and a Secretary/Treasurer, and such other officers, including a Chairman of the Board of Directors, and one or more Vice Presidents, as the Board of Directors may from time to time deem available. Any officer other than the Chairman of the Board of Directors may be, but is not required to be, a director of the Corporation. Any two or more offices may be held by the same person, except the offices of President and Secretary.

The officers of the Corporation shall be elected by the Board of Directors at the regular annual meeting of the Board in June.

Each officer shall hold office from the date of their election until May 31 or until her or his successor shall have been elected and qualified, or until her death, resignation, or removal.

2. RESIGNATION.

Any officer may resign at any time by giving written notice of such resignation to the Board of Directors, or to the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such officer, and the acceptance of such resignation shall not be necessary to make it effective.

3. REMOVAL.

Any officer may be removed, either with or without cause, and a successor elected by the Board at any time.

4. VACANCIES.

A vacancy in any office by reason of death, resignation, inability to act, disqualification, or any other cause, may at any time be filled for the unexpired portion of the term by the Board of Directors.

5. DUTIES OF OFFICERS.

Officers of the Corporation shall, unless otherwise provided by the Board of Directors, each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may be set forth in these By-Laws, or may from time to time be specifically conferred or imposed by the Board of Directors.

6. PRESIDENT.

The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He shall sign, with the Secretary, and Assistant Secretary, or any other proper officer of the corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

7. VICE-PRESIDENTS.

In the absence of the President or in the event of her death, inability or refusal to act, the Vice-Presidents in the order of their length of service as such, unless otherwise determined by the Board of Directors, shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. And shall perform such other duties as from time to time may be prescribed by the President or Board of Directors.

8. SECRETARY.

The Secretary shall: (a) keep the minutes of the meetings of the Board of Directors and of all committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) maintain and authenticate the records of the corporation and be custodian of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized;(d) maintain and have general charge of the books of the corporation; (e) attest the signature or certify the incumbency or signature of any officer of the corporation; (f) at the commencement of any and all meetings of the Corporation, analyze the roster of the corporation and determine whether a sufficient quorum exists and declare the status of quorum at the commencement of all meetings; and (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be prescribed by the President or by the Board of Directors.

9. ASSISTANT SECRETARIES.

In the absence of the Secretary or in the event of her death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretary,

unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as may be prescribed by the Secretary, by the President or by the Board of Directors.

10. TREASURER.

The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such depositories as shall be selected in accordance with the provisions of these bylaws; (b) maintain appropriate accounting records as required by law; (c) prepare, or cause to be prepared, annual financial statements of the corporation that include a balance sheet as of the end of the fiscal year and an income and cash flow statement for that year, which statements, or a written notice of their availability, shall be mailed to each director within 120 days after the end of such fiscal year; (d) see to the proper filing of any and all tax returns due and owing to governing authorities every year; and (e) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be prescribed by the President or by the Board of Directors.

11. ASSISTANT TREASURERS.

In the absence of the Treasurer or in the event of her death, inability or refusal to act, the Assistant Treasurers in the order of their length of service as such, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. They shall perform such other duties as may be prescribed by the Treasurer, by the President or by the Board of Directors.

12. SURETIES, BONDS, INSURANCE.

At each annual meeting of the Membership, the Membership shall vote on whether the Corporation shall secure adequate insurance to cover Board errors and omissions, general liability, and (special) event insurance as well as vote on whether to require any officer, employee, or agent of the Corporation to execute to the Corporation a bond in such sum, and with such surety or sureties as the Board of Directors may direct, conditioned upon the faithful performance of her duties to the Corporation, including responsibility for negligence and for the accounting for all property, funds, or securities of the Corporation which may come into his or her hands.

13. SHARES OF OTHER CORPORATIONS.

Whenever the Corporation is the holder of shares of any other corporation, any right or power of the Corporation as such Member (including the attendance, acting, and voting at Members' meetings and execution of waivers, consents, proxies or other instruments) may be exercised on behalf of the Corporation by the President, any Vice President, or such other person as the Board of Directors may authorize.

ARTICLE V - CONTRACTS, LOANS, CHECKS & DEPOSITS

1. CONTRACTS.

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of an on behalf of the corporation, and such authority may be general or confined to specific instances.

2. LOANS.

No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

3. CHECKS AND DRAFTS.

All checks, drafts or other orders for the payment of money, issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by the Board of Directors. At the time of execution of these Bylaws, the corporation requires dual signatures on all checks remitted by the Corporation.

4. DEPOSITS.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as may be selected by or under the authority of the Board of Directors.

5. CONFLICT OF INTEREST.

If a director has a conflict of interest, then that director should fully disclose the conflict to the board. After full disclosure, the transaction may be approved by a vote of the disinterested directors after all disinterested directors have knowledge of the transaction and the director's interest. The vote has to be an affirmative vote of the

majority, not less than two, of all the disinterested directors, without regard to any quorum requirements. Additionally, each Board Member shall sign the Corporation's Conflict of Interest Policy annually, a copy of which is attached hereto as Exhibit A.

ARTICLE VI - FISCAL YEAR

The fiscal year of the Corporation shall be from June 1 through and including May 31 or as fixed by the Board of Directors from time to time, subject to applicable law.

ARTICLE VII - AMENDMENTS

The Members, by a vote of two thirds (2/3) of the votes entitled to be cast by those Members physically present at a meeting wherein a quorum has been achieved, shall have power to make, adopt, alter, amend, and repeal, from time to time, by-laws of the Corporation. If an amendment to the Bylaws is to be considered at a regular or special meeting, notice of not less than 10 days of the purpose of the meeting, including the consideration and vote on an amendment to the Bylaws, must be given to Members via the methods of notice specified in Article II Section 6. *Amendments can be made by a majority vote of the Members responding to a mail or electronic ballot providing each proposed amendment has (a) been presented and read at the preceding annual meeting; or (b) mailed or electronically sent to each member or published in the official organ of the corporation at least 30 days prior to the vote.*

ARTICLE VIII – INDEMNIFICATION

1. COVERAGE.

Any person who at any time serves or has served as a director or officer of the Corporation, or in such capacity at the request of the Corporation for any other Corporation, partnership, joint venture, trust or other enterprise, or as a trustee or administrator under an employee benefit plan, shall have a right to be indemnified by the Corporation to the fullest extent permitted by law against (a) reasonable expenses, including reasonable attorneys' fees, actually incurred by him in connection with any threatened, pending or completed action, suit or proceeding (and any appeal thereof), whether civil, criminal, administrative, investigative or arbitative, and whether or not brought by or on behalf of the Corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him

in satisfaction of any judgment, money decree, fine (including, without limitation, an excise tax assessed with respect to an employee benefit plan), penalty or settlement for which he may have become liable in any such action, suit or proceeding.

2. PAYMENT.

Expenses incurred by such person shall be paid in advance of the final disposition of such investigation, action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation.

3. EVALUATION.

The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this Article VIII, including without limitation, to the extent needed, making a determination that indemnification is permissible under the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the amount of indemnity due him, and giving notice to and obtaining approval by the Members of the Corporation.

4. CONSIDERATION.

Any person who at any time after the adoption of this Article VIII serves or has served in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this Article VIII. Any repeal or modification of these indemnification provisions shall not affect any rights or obligations existing at the time of such repeal or modification.

5. EXCLUSIONS.

This Article VIII does not extend to officers or directors of any Corporation that has merged or consolidated with or hereafter merges or consolidates with the Corporation with respect to any threatened, pending or completed action, suit or proceeding (and any appeal thereof), whether civil, criminal, administrative, investigative or arbitral, which is or are based upon or arise or arises out of facts, circumstances or events that occurred or arose prior to such merger or consolidation.

6. DEFINITIONS.

For purposes of this Article VIII, terms defined by the Acts and used but not defined herein shall have the meanings assigned to them by the Acts.

The undersigned certifies the foregoing by-laws have been adopted as the first by-laws of the Corporation, in accordance with the requirements of the Corporation law, on the 17 day of September, 2013.

Chairman of the Board of Directors

Exhibit A – Conflict of Interest Policy

**CONFLICT OF INTEREST POLICY
For Union Pines Marching Vikings, Inc. (organization)**

**Article I
Purpose**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**Article II
Definitions**

1. Interested Person

Any director, principal officer, or Member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

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 any entity with which the Organization has a transaction or arrangement;
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III Procedures

1. Duty to Disclose

In Connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and Members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After Disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict interest is discussed and voted upon. The remaining board or committee Members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe 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 Member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the Member has failed to disclose an actual or

possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV Records of Proceedings

The minutes of the governing 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 financial interest, any action taken to determine whether a conflict of interest was present, and the governing 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 with the proceedings.

Article V Compensation

- a. A voting Member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that Member's compensation.
- b. A voting Member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that Member's compensation.
- c. No voting Member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Annual Statement

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

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands policy,
- c. Has agreed to comply with the policy, and

- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

**Article VII
Periodic Reviews**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article VIII
Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board its responsibility for ensuring periodic reviews are conducted.

Adopted this the ____ day of _____, _____
