

**CHARLES VILLAGE CIVIC ASSOCIATION, INC. BOARD OF DIRECTORS
CONFLICTS OF INTEREST POLICY**

ARTICLE I

Purpose

The purpose of this conflicts of interest policy is to protect the interests of the Charles Village Civic Association, Inc (the "Corporation"), its Board of Directors (the "Board") and the community served by the Corporation (the "Community") when (a) the Corporation is contemplating entering into any transaction or arrangement of any kind or nature whatsoever, (b) the Corporation, through its Board or any Board committee, is taking or proposing to take any action on any item, including any proposed resolution or other action, or (c) the Corporation, its Board and/or any Board committee is reviewing and/or discussing any information that is made available by the Board, any Board committee or any member of the Board or any Board committee at any Board or Board committee meeting or in any other communication among Board and/or Board committee members; that, in any case, might benefit the private or personal interest of any member of the Board or any third party related to such Board member or enable any member of the Board or any third party related to such Board member to act in a manner which is contrary to the interests of the Corporation. Knowing that conflicts of interest may from time to time arise, particularly when Board members are also residents and/or business owners within the Community, this conflicts of interest policy is a deliberate effort to identify and address conflicts of interests so that they may be addressed in an appropriate and timely manner. It is the policy of the Board to avoid even the appearance of impropriety; accordingly, all actual, perceived or potential conflicts of interest of any Board member must be disclosed and handled in accordance with the provisions of this policy. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable organizations.

ARTICLE II

Definitions

1. Interested Person

Any Board director or member of a committee with Board-delegated powers.

2. Financial Interest

A person has a financial interest if the person or a Related Third Party to such person, directly or indirectly, through business, investment, family or other relationship, (i) has an ownership or investment interest in any organization, business or other entity with which the Corporation has or intends to enter into a financial transaction or arrangement; (ii) is seeking or accepting or intending to seek, accept or provide compensatory employment, contract work, consulting or other compensation arrangements, any payment, any loan, or any other business relationship for which such person or Related Third Party has or may receive compensation of any kind of nature, (iii) is providing or seeks to provide any goods or services to the Corporation in exchange for compensation of any kind or nature whatsoever, (iv) is the representative of any vendor doing, or seeking to do, business with the Corporation; or (v) has a potential ownership or investment interest in, or compensation arrangement with, any organization, business, entity or individual with which the Corporation is negotiating or intends to negotiate a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are material in nature.

3. Related Third Party

A business associate or colleague, a family member, a friend, a current or former domestic partner, a current or former spouse or any person related to any business associate or colleague, family member, friend, domestic partner or spouse. A Related Third Party also includes any organization of any kind or

nature whatsoever in which a Board member or a Related Third Party to such Board member is an employee, owner, agent, representative, consultant, vendor, board member or board committee member.

4. Conflict of Interest

A conflict of interest arises when the personal, financial or other private interests of an Interested Person or a Related Third Party benefit or may benefit from the Interested Person's actions taken on behalf of the Board and/or any Board committee or from any information provided or available to the Interested Person by virtue of being a member of the Board or any Board committee and which information is not otherwise public information.

ARTICLE III

Procedures

1. Duty to Disclose

An Interested Person must disclose any actual, potential or perceived conflict of interest as soon as it is known by such Interested Person or reasonably should have been known. This disclosure must be made in writing addressed to the Board President or must be made verbally in a Board meeting and/or in a Board committee meeting. If any such disclosure is made in a Board committee meeting, the person presiding at such committee meeting shall communicate such disclosure to the Board President promptly. In addition, each Interested Person will sign a Disclosure Statement at the beginning of his or her term on the Board which shall be provided to the Board President and which shall be updated at least annually and such other times as the Board President may request.

2. Determining Whether a Conflict of Interest Exists

Whenever there is reason to believe (either through disclosure or through a non-disclosed discovery) that a conflict of interest exists or may exist, the Board or committee members shall decide if a conflict of interest exists by a majority vote of the Board or committee members then present (excluding the Interested Person).

3. Procedures for Addressing Conflicts of Interests

If the Board and/or a Board committee has determined that an Interested Person has a conflict of interest, the Board and/or Board committee shall determine the appropriate response. Such response may include the following procedures:

a. The Interested Person that has an actual, perceived or potential conflict of interest with respect to a proposed action or transaction shall not participate in the deliberations and decision making of the Board and/or the applicable Board committee with respect to such action or transaction. The Interested Person with the conflict of interest shall not be entitled to vote and is not counted as part of the quorum for the vote. The minutes of the meeting shall reflect that the Board and/or committee determined that the Interested Person had a conflict of interest, that the vote was taken and, where applicable, the abstention from voting and participation by the Interested Person.

b. If the conflict of interest involved a financial transaction or arrangement, the Board President or committee chair may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board or committee shall determine whether the Corporation 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. 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 Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to

the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

a. If the Board or committee has reasonable cause to believe that such Interested Person has failed to disclose actual or possible conflicts of interest or has otherwise violated the CVCA Conflicts of Interest Policy, it shall inform such Interested Person of the basis for such belief and afford such Interested Person an opportunity to explain the alleged failure to disclose and/or violation.

b. If, after hearing the response of such Interested Person and making such further investigation as may be warranted in the circumstances, the Board or committee determines that such Interested Person has in fact failed to disclose an actual or possible conflict of interest or otherwise has violated the CVCA Conflicts of Interest Policy, the Board or committee may take appropriate disciplinary and corrective action, which may include removal of such Interested Person from the Board and/or committee. Removal of any Board or committee member shall require the same percentage vote of the Board members (excluding the Interested Person) required by the Bylaws to remove a Board member for "good cause" in accordance with Article III, Section 8 of the Bylaws, as amended or restated from time to time.

ARTICLE IV

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 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 item which may be subject to such actual or possible conflict of interest, the content of the discussion, and a record of any votes taken in connection therewith.

ARTICLE V

Annual Statements

Each director 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 conflicts of interest policy;
- b. has read and understands the policy; and
- c. has agreed to comply with the policy.

**CHARLES VILLAGE CIVIC ASSOCIATION, INC.
BOARD OF DIRECTORS
CONFLICTS OF INTEREST POLICY ACKNOWLEDGEMENT**

This is to acknowledge that I have received a copy of the Charles Village Civic Association, Inc. ("CVCA") Conflicts of Interest Policy and understand that it contains important information on my privileges and obligations as a member of the Board of Directors.

I acknowledge that I am expected to read, understand and adhere to the CVCA Conflicts of Interest Policy. I have read the CVCA Conflicts of Interest Policy and agree to be bound by the terms and conditions contained therein. I am certifying my commitment to adhere to the CVCA Conflicts of Interest Policy. I have read the Conflicts of Interest Policy and know of no current violations, unless previously discussed and vetted with the President of the Board. If any situation should arise in the future which I think may constitute a conflict of interest, I will promptly and fully disclose the circumstances of such conflict to the Board President as required by Article III Section 1 of the CVCA Conflicts of Interest Policy. In the event a potential conflict of interest arises during a meeting of the Board and/or any Board committee, I shall give full and frank disclosure of the situation to the person presiding over such meeting. The Board or Board committee, as the case may be, at which such disclosure is made, shall determine, by a majority vote of the Board members then present, if a conflict or potential conflict exists. Should one exist, I may not participate in that body's deliberations and decision-making pertaining to the conflict.

In addition, I further certify that the information set forth herein is true and correct to the best of my knowledge, information and belief:

Signature

Printed Name

Date

(i) As a resident of or business owner in the Community, I own or have an interest in the following property(ies) located in the Community:

(ii) Name(s) of any organization(s) with respect to which I am a Board member, employee, consultant or owner and which transacts business or is located in or whose mission is to provide services and/or advocate for issues, persons or businesses which are located in or affect the Community:

Please indicate that during the past twelve (12) months or, to best of your knowledge, within the next twelve (12) months:

1. Has the Corporation purchased or leased, or agreed or proposed to agree to purchase or lease, goods, services or property from you or from any Related Third Party?

Yes No

2. Have you or has any Related Third Party been provided with a gift, gratuity or favor, of a material nature, from a person or entity which does or proposes to do business with the Corporation?

Yes No

3. A. Do you or will you have any ownership interest in any property or business which is the subject of any action or proposed action of the Board or any Board committee, including any land use matters?

Yes No

B. Do you have a business relationship with any person or business that has an ownership interest in any property or business which is the subject of any action or proposed action of the Board or any Board committee, including any land use matters? (For purposes of this question "business relationship" includes any vendor, professional, consulting or other relationship in which you have received or expect to receive any payment or other compensation for any goods or services)

Yes No

4. Does or will any Related Third Party have any ownership interest in any property or business which is the subject of any action or proposed action of the Board or any Board committee, including any land use matters?

Yes No

5. Did or do you intend to make use of any confidential information obtained from the Board and/or any Board committee for your own benefit or the benefit of any Related Third Party?

Yes No