

League to Save Lake Tahoe

Conflicts of Interest Policy

This conflict of interest policy is designed to help directors, officers and employees of the League to Save Lake Tahoe identify situations that present potential conflicts of interest and to provide the League to Save Lake Tahoe with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer or employee has or may have a conflict of interest with respect to the transaction.

I. Definitions

- A "conflict of interest" is any circumstance described in part II of this policy.
- A "related person" is any person serving as an officer, employee or member of the Board of Directors of the League to Save Lake Tahoe.
- A "family member" is a spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a related person.
- A "material financial interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a related person's or family member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
- A "contract or transaction" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing of a loan, and the establishment of any type of monetary relationship which creates a financial interest. The making of a gift to the League to Save Lake Tahoe is not a contract or transaction.

II. Conflict of Interest Defined

- For purposes of this policy, the following circumstances shall be deemed to create conflicts of interest:
- A contract or transaction between the League to Save Lake Tahoe and a related person, excluding employment contracts.
- A contract or transaction between the League to Save Lake Tahoe and a related person's family member.
- A contract or transaction between the League to Save Lake Tahoe and an entity in which a related person or family member has a material financial interest or of which such person is a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.
- A related person having a material financial interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to; an entity or individual that competes with the League to Save Lake Tahoe in the provision of services or in any other contract or transaction with a third party.

- A related person accepting gifts, entertainment or other favors from any individual or entity that:
 - does or is seeking to do business with, or is a competitor of the League to Save Tahoe.
 - has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from the League to Save Lake Tahoe.
 - under circumstances where it might be inferred that such action was intended to influence or possibly would influence the related person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of the League to Save Lake Tahoe.

III. Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, a related person must disclose to the President of the Board of Directors or the Executive Director the existence of the material financial interest and be given the opportunity to disclose all relevant facts to the directors and members of the committees with governing board delegated powers considering the transaction or arrangement. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting. If the related person does not attend the meeting at which his/her possible conflict of interest is discussed, the President or Executive Director shall report the disclosure.

2. Determining Whether a Conflict of Interest Exists

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

3. Addressing the Conflict of Interest

If the governing board or committee decides that a conflict of interest does exist, the President of the governing board or committee shall, if appropriate, appoint an unrelated person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the League to Save Lake Tahoe 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.

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 unrelated directors whether the transaction or arrangement is in the League to Save Lake Tahoe'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 Conflict of Interest Policy.

- (a) If the Board has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

IV. Records of the Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- 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 material financial interest, any action taken to determine whether a conflict of interest was present, and the governing board or committee's decision as to whether a conflict of interest in fact existed
- 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, if it was determined that a conflict of interest did exist.

V. Confidentiality

Each related 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 League to Save Lake Tahoe. Furthermore, a related person shall not disclose or use information relating to the business of League to Save Lake Tahoe for the personal profit or advantage of the related person or a Family Member.

VI. Review of policy

- Each new related person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- Each related person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the related person is involved that he or she believes could contribute to a conflict of interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to the League to Save Lake Tahoe. Any such information regarding business interests of a related person or a family member shall be treated as confidential and shall generally be

made available only to the President, the Executive Director, and any committee appointed to address conflicts of interest, except to the extent additional disclosure is necessary in connection with the implementation of this policy.

- This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all related persons.