LOWRY HILL EAST NEIGHBORHOOD ASSOCIATION
POLICY REGARDING
CONFLICTS OF INTEREST AND DISCHARGE OF DUTIES
FOR DIRECTORS, COMMITTEE MEMBERS AND OFFICERS

ARTICLE I
PURPOSE

The purpose of this policy is to protect the interests of Lowry Hill East Neighborhood Association ("the Association") when it is contemplating entering into a transaction or arrangement with, or making a policy decision or recommendation, that might directly or indirectly benefit the private interest of an officer or director of the Association. 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

A. Interested Person.

A director, officer or member of a committee with board-delegated powers who has a direct or indirect Financial Interest, as defined below, is an Interested Person. Interested person includes local officials, department heads and candidates as defined in Minneapolis Ordinance Section 15.280.

B. Financial interest.

A person has a Financial Interest if the person (including a related person as defined in Minneapolis Ordinance Section 15.280) has, directly or indirectly, through business, investment, employment, or service on the governing body:

1. An ownership or investment interest in any entity
   (a) with which the Association has a transaction or arrangement, or
   (b) that could benefit financially or otherwise through a policy decision or recommendation being made by the Association; or
2. A compensation arrangement with the Association (other than for services as an officer, director or employee) or with any entity or individual
   (a) with which the Association has a transaction or arrangement, or
   (b) that could benefit financially or otherwise through a policy decision or recommendation being made by the Association; or
3. A potential ownership or investment interest in, or compensation, arrangement with, any entity or individual

(a) with which the Association is negotiating a transaction or arrangement, or
(b) that could benefit financially or otherwise through a policy decision or recommendation being made by the Association.

Compensation includes direct and indirect remuneration as well as gifts or favors that are valued at over $5. Acting to approve or disapprove of a matter may result in a Financial Interest. A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists. Decisions may be appealed using the Lowry Hill East Neighborhood Association Grievance Procedure. There is no financial interest if the action affects the entire neighborhood or a relatively large area within the neighborhood where the property owner or renter lives.

ARTICLE III

DISCHARGE OF DUTIES

A. Standard of Care.

It is the responsibility of each director and officer of the Association to discharge their duties as a director or officer in good faith, in a manner the person reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

ARTICLE IV

CONFLICTS PROCEDURES

A. Duty to Disclose.

In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of their Financial Interest (as defined above) and be given the opportunity to disclose all material facts relating to their Financial Interest to the directors or members of committees with board-delegated powers considering the proposed transaction, arrangement, policy decision or recommendation.

B. 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, the Interested Person must leave the board (or committee) meeting while the Financial Interest is discussed and voted upon. The remaining board (or committee) members shall decide if a conflict of interest exists. Decisions may be appealed using the Lowry Hill East Neighborhood

Association Grievance Procedure.

ARTICLE V

VIOLATIONS

All questions of violations of this Policy shall be referred to the Lowry Hill East Neighborhood Association Grievance Procedure.

ARTICLE VI

RECORDS OF PROCEEDINGS

The minutes of meetings of the board (or committee) 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 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, arrangement, policy decision or recommendation, the content of the discussions, including any alternatives to the proposed transaction, arrangement, policy decision or recommendation and a record of any votes taken in connection therewith.

ARTICLE VII

COMPENSATION

The following shall apply to any compensation committee:

A. A voting member of the board of directors who receives compensation, directly or indirectly, from the Association 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 Association for services, is precluded from voting on matters pertaining to that member's compensation.

ARTICLE VIII

STATEMENT

Each director, officer and member of a committee with board-delegated powers shall complete and sign a Conflicts of Interest Policy Statement at the time of their initial

election or appointment. The current form is attached hereto as Exhibit A.

Adopted: February 16, 2005

Revised: 6/16/2026

EXHIBIT A

CONFLICTS OF INTEREST POLICY
ANNUAL STATEMENT

The undersigned, being a director, officer or member of a committee with board-delegated powers of Lowry Hill East Neighborhood Association, acknowledges the following:

1. I have received a copy of the Lowry Hill East Neighborhood Association's Policy Regarding Conflicts of Interest and Discharge of Duties for Directors, Committee Members, and Officers (the "Policy").
2. I have read and understand the Policy.
3. I agree to comply with the Policy.
4. I understand that the Policy applies to the board of directors, all committees and subcommittees having board-delegated powers and all officers.
5. I understand that Lowry Hill East Neighborhood Association is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

6. The following information concerning conflicts and potential conflicts is true, correct and complete to the best of my knowledge:

A. I serve or represent Lowry Hill East Neighborhood Association in the following capacity:

Title: _____

B. I am an "Interested Person" as defined in the Policy, because I have a "Financial Interest" as defined in the Policy, in the following organizations which may enter into a transaction or arrangement with, or be benefited by a policy decision or recommendation made by Lowry Hill East Neighborhood Association:

Organization: _____

_____ _____

_____

Title:

C. I am not involved in any activity or transaction, nor am I a party to a contract involving interests <u>that</u> could be found to be adverse to Lowry Hill East Neighborhood Association except for the following:

_____

_____

D. I am not pursuing any business opportunities <u>that</u> might adversely affect Lowry Hill East Neighborhood Association except for the following:

_____

_____

E. I bring to your attention the following potential conflicts of interest in addition to those, if any, disclosed in B, C and D above: (If none, insert "None.")

_____

_____

_____

Dated: _____

Printed or Typed Name

_____

Signature