

**CHARTER AND BY-LAWS**

**OF THE UNITED STATES NAVAL ACADEMY**

**CLASS OF 1989**



## **CHARTER**

These By-laws provide for the voluntary participation of members of the United States Naval Academy Class of 1989, as an entity, to support the United States Naval Academy ("USNA"), the USNA Alumni Association ("USNAAA") & Foundation ("USNAAA&F") and individual members of the Class. The By-laws, as set forth below, exist to provide an effective and legal means to manage the Class organization's affairs, activities and finances.

### **ARTICLE I**

#### **MISSION**

The mission of the USNA Class of 1989 Alumni Organization, (hereby known as "Class") is to:

1. To promote Class spirit and unity and provide information of professional, social, or general interest concerning the Class organization, classmates, and the Naval Service.
2. Support the USNA through active involvement with the Brigade of Midshipmen, USNAAA&F, and through selective philanthropic projects.
3. Provide enduring personal, social interaction, communications, and support among Class members. Enhance the close relationships developed at the Naval Academy and furthered by friendships developed during the ensuing years.
4. Promote and support the honor, traditions, and integrity of the Class, the United States Naval Academy and the Naval Service.
5. Receive and maintain real and/or personal property and monetary funds belonging to the Class to use and apply the whole or any part of the income thereof for accomplishing Class business and objectives, provided that, no part of such income shall benefit any individual member per Appendix A.
6. Perpetuate the positive image of the Class of 1989.

### **ARTICLE II**

#### **ORGANIZATION**

1. The Class shall manage its business in accordance with the laws of the State of Maryland, with the advice of the USNAAA&F, these By-laws and through the use of a strong and active Board of Directors (BOD).
2. The BOD shall conduct its business using these By-laws and the latest version of Robert Rules of Order.
3. Under the cognizance of the BOD, Regional Chapters of the Class may be formed in areas that have a sufficient number of members, and where there is a desire to conduct local Class business.

### **ARTICLE III**

#### **MEMBERSHIP**

1. Membership in the Class shall be automatic for any person who took the Oath of Office with the Class of 1989 of the U.S. Naval Academy. Those who graduated from the U.S. Naval Academy in the Class of 1989 will be considered graduate members of the Class. Those who were at any time a member of the Class of 1989 of the U.S. Naval Academy but did not graduate with the Class will be considered non-graduate members of the Class.
2. Honorary Membership:
  - A. The widow or widower of a deceased member of the Class shall be eligible for Honorary Membership in the Class provided he or she and the Class Member were legally married and not separated or otherwise estranged at the time of his or her death.
  - B. Upon the nomination of any candidate deemed worthy of an Honorary Membership in the Class by any graduate member of the Class, the BOD shall consider such nomination at its next meeting called pursuant to these By-laws, and shall upon a majority vote, award such candidate an Honorary Membership in the Class; provided, that such Honorary Membership shall not be deemed final unless and until the action of the BOD is ratified by a plurality vote of the membership present at the next annual meeting of the Class.
  - C. A person awarded Honorary Membership shall have all rights of a member of the Class except that an honorary member shall have no power to vote in Class Organizational affairs, nor hold office in the Class Organization/on the BOD.

### **ARTICLE IV**

#### **LEADERSHIP AND MANAGEMENT**

1. The implementation of the mission of the Class, as outlined in these By-laws, shall be led and managed by a strong and active BOD. The BOD shall:
  - A. Be comprised of a President, Vice-President, Operations Officer, Secretary, Treasurer, and two at-large members.
  - B. Make position assignments for all members of the BOD in accordance with the reconstitution process outlined in Article VII 1 F.
  - C. Determine the policies and operation of the Class in accordance with the By-laws.
2. The BOD may also invite anyone to attend any BOD meeting in an advisory capacity as a non-voting member.

## **ARTICLE V**

### **QUALIFICATIONS AND DUTIES OF THE BOARD OF DIRECTORS**

1. Qualifications and duties of all members of the BOD are that they shall:
  - A. Be elected by a vote of the members of the Class as described in Article VII.
  - B. Be required to devote a personal commitment of time, effort, and availability to carry out all assigned duties.
  - C. Maintain full transparency of all operations and activities accomplished on behalf of the Class.
  - D. Establish and execute a strategic vision and plan for the Class.
  - E. Be elected for terms as outlined in Article VII.
  - F. Be eligible for membership in the USNA Alumni Association.
2. The President shall:
  - A. Be accountable and responsible for the planning and leadership of the Class and the BOD.
  - B. Be the primary representative for the Class in all affairs of the Class including interaction with the USNA and USNAAA&F.
  - C. Be an active representative of the Class as a member of the Council of Class Presidents (COCP), an organization that is supportive of USNAAA.
  - D. Additionally, while serving as a member of the COCP, he/she may be selected to serve as the 1980's Decade Representative from the Council to the USNAAA Board of Trustees (BoT).

- E. Preside over all meetings of the BOD and of the membership when present at such meetings.
  - F. Be authorized to sign all instruments necessary or expedient to the management of the Class, in consultation with the BOD.
  - G. Establish committees, in consultation with the BOD, as needed in order to efficiently conduct Class business.
  - H. Appoint and empower, with the approval of the majority of the BOD, other Class Volunteers for specific duties as non-voting members of the BOD.
  - I. Nominate any member who fulfills the necessary requirements to fill any vacancy or vacancies, which may occur in the BOD during his or her term of office. Nominations shall be presented to the BOD and the BOD shall vote on such nomination, and upon acceptance by the majority, such person shall be named to fill such vacancy until the next election.
  - J. Perform other duties as necessary and appropriate.
  - K. Be a member of the USNA Alumni Association or become a member within 30 days of assuming the office.
3. The Vice-President shall:
- A. Succeed to the office of President in the event of a vacancy in that office, or in the incapacity of the President to perform his or her duties.
  - B. Represent the President at any meetings or functions that the President is unable to attend.
  - C. Be responsible for all committees initiated by the President or BOD and serve as primary liaison between the committees and the BOD.
  - D. Assist the President in managing class affairs.
  - E. Perform other duties as necessary and appropriate.
4. The Operations Officer shall:
- A. Succeed to the office of Vice President in the event of a vacancy in that office, or in the incapacity of the Vice President to perform his or her duties.
  - B. Be primarily responsible for organizing and managing the social functions of the class to include, but not limited to:
    - i. Primary BOD liaison for the Class Tailgate Coordinator.
    - ii. Primary BOD liaison for the Major Reunion Chairperson and the Reunion Committee.
  - C. Organize all BOD and general membership meetings of the Class.

- D. Be responsible for ensuring Class elections are conducted in accordance with Article VII and serve as the primary BOD liaison for the Election Committee Chairperson and the Election Committee.
  - E. Execute the strategic vision and maintain a calendar for Class activities and engagement.
5. The Secretary shall:
- A. Keep a record and publish the proceedings of all Class and BOD' meetings.
  - B. Maintain all appropriate records of the Class.
  - C. Serve as the primary liaison to the BOD for the Corresponding Secretary volunteer if not already serving in this capacity.
  - D. Prepare class communications, as appropriate.
  - E. In cooperation with the USNAAA&F, maintain a Class Registry with the appropriate contact information for each member, to include a database of deceased classmates, and family members as appropriate.
6. The Treasurer shall:
- A. Be responsible for the financial activity of the Class, under the direction of the BOD.
  - B. Serve as Financial Liaison between the Class and the Alumni Association.
  - C. Maintain accurate and current records of the funds of the Class, such records shall be presented on request of any member of the BOD, or upon written request of any voting member of the Class.
  - D. Submit a financial statement for the previous year and a projected budget for the forthcoming year for approval by the BOD.
  - E. At least annually, advise the Class as to the financial status of the Class Organization.
  - F. Cause state and/or federal annual income tax reports to be filed annually with the respective state and federal government as necessary.
  - G. Manage and account for all funds belonging to the Class in accordance with Article XI.
7. The At-Large Members
- A. One At-Large Member shall serve as the liaison to the class gift chair person, and shall be an *ex officio* member of the committee. One At-Large Member shall be designated as the liaison for Regional Chapters, if created, and shall maintain a list of Company Representatives.
  - B. Both At-Large members shall perform any other duties determined necessary by the BOD.

## ARTICLE VI

### OTHER CLASS REPRESENTATIVES

1. **Class Volunteers:** In accordance with Article V, the President may, with the approval of the BOD, appoint other Class Volunteers as non-voting BOD Members for conducting specific duties on behalf of the Class. These positions may include, but are not limited to, the following:
  - A. Corresponding Secretary, who shall collect Class news and write and submit articles for *Shipmate Magazine*.
  - B. Chief Information Officer, who shall establish and maintain Class information sources for the purpose of keeping members informed of Class events to include social media, websites, list server, etc.
  - C. Class Gift Chairperson, who shall liaise with the designated At-Large BOD Member for major class projects and gifts.
  - D. Reunion Chairperson, who shall lead preparations for each major reunion.
  - E. Class Tailgate Coordinator, who shall report to the Operations Officer and be responsible for the planning and execution of Class tailgates to include possession and maintenance of all Class owned tailgate equipment as well as creating and maintaining an SOP for Class tailgate parties/events.
  - F. Election Committee Chairperson, who shall solicit participation in the Class election process.
  - G. Any other position as deemed appropriate by the BOD.
2. To qualify for these positions, each Class Volunteer shall be expected to devote a commitment of time, effort, and availability to carry out assigned duties.
3. Class Volunteers may be invited to participate in any and all BOD or Class meetings in which their specific task or function is discussed.

## ARTICLE VII

### ELECTION OF THE BOARD OF DIRECTORS

1. BOD Makeup and Terms of Office:
  - A. Each BOD Member shall serve for a term of six years.

- B. The seven-member BOD will have staggered elections every three years; four members in one cycle and three members during the next cycle. This sequence shall repeat every six years.
- C. Elections will replace BOD Members by name, regardless of current position, based on their years of current service on the BOD. The staggered approach is designed to maintain continuity and corporate knowledge through transition periods.
- D. All potential candidates for election will be running for BOD membership only, with specific BOD positions being determined and assigned via a reconstitution process outlined in Section 2 of this Article.
- E. During the transition period to these updated By-laws, the BOD and the By-Laws Committee may waive any requirement or add any requirement of the election process deemed necessary for the smooth transition provided the new and/or waived requirements are published to the class. No less than 45 days will be granted for nominations/solicitations for volunteers and no less than 30 days will be provided for voting.
- F. Terms shall begin on January 1, following the election. During the transition between boards, the incoming and outgoing boards shall work together for a smooth and orderly transition and transfer of documents and authority.
- G. BOD Members shall not serve more than 12 consecutive years and/or two full consecutive terms, following which they shall be ineligible to serve on the BOD for three years/until the next election cycle. In the event there are not enough candidates to fill the vacant positions, this paragraph is waived.

## 2. Reconstitution of the BOD

- A. Reconstitution is the internal BOD process by which the specific offices or positions of the individual BOD Members will be assigned.
- B. After every election and at any time a 2/3 majority of the BOD deems necessary, the BOD shall reconstitute office positions. All existing BOD members are eligible to vote during the process of reconstituting the BOD. For post-election reconstitution processes, only the incoming seven BOD members will vote.
- C. A plurality of votes will be used to determine the new office holders during all reconstitution processes.
- D. In the event of a tie, the BOD member elected in the most recent election will prevail. If the tie consists of two or more members from the most recent election; only those members will be eligible for that position and another vote of the BOD shall be held. In the event of a continued tie, the BOD member with the most valid votes from the most recent election shall be declared the winner. If a tie still exists between three or more members, the final tie breaker shall be determined by drawing numbers from a hat with



the lowest number being declared the winner. If only two members are still tied, a coin toss shall be the final tie breaker. Each member tied at the coin toss or number drawing stage shall have the right to be present at the coin toss or number drawing and have up to two classmates of his or her choosing present.

3. Nominations:

- A. No later than 6 months prior to each election cycle, an Election Committee shall be appointed by the BOD and comprised of three Class members with one member acting as the Chairperson.
- B. It shall be the duty of the Election Committee to solicit Class members to run for the BOD and to encourage participation in the voting process. The names and contact information for the Election Committee should be communicated to as many members of the Class as practicable, including the USNAAA&F provided communications services.
- C. In the event that there are no qualified voluntary or proposed nominees, the Election Committee will have the power to solicit and propose a list of potential nominees provided those nominees are willing to serve. The Committee shall report the nominees to the Operations Officer a minimum of three months prior to the election to allow for promulgation to the Class.
- D. Election Committee members will not be eligible to run for office or be voted into office for the election in which he/she served as an Election Committee member.

4. Election Process:

- A. In election years, the elections will be held prior to Homecoming Football Weekend and in coordination with the Class Annual Meeting, which may be virtual. If this falls in a major reunion year, the elections shall be prior to the reunion weekend.
- B. Candidates may communicate with the class using whatever means they have available to them. All candidates shall have access to the USNAAA&F communication service for up to two campaign messages.
- C. The voting process shall be conducted by a neutral third-party service such as that which is provided to the Class by the USNAAA&F. Utilization of a third-party method or service that will provide a combination of impartiality, security and convenience for the Class. The vendor's process shall be auditable.
- D. Ballots shall contain the names of all nominees in alphabetical order without distinction as to the method of nomination. Ballots shall be made available to each member of the Class a minimum of thirty (30) days prior to the Annual Meeting in the election year. Ballots shall be made available by whatever means recommended by the election committee and approved by the BOD. Ballots shall contain space for write-in candidates.

- E. Ballots shall be returned to the Election Committee a minimum of two days prior to the Annual Meeting in the election year.
  - F. The Election Committee shall report the election results to the Class at the Annual Meeting.
5. Voting and Ties:
- A. The candidates, including write-ins, receiving the top three or four (depending on election cycle) number of votes shall be considered the BOD members elect.
  - B. In the case of a tie vote by the class for BOD members, the election shall be decided by a plurality of votes cast by Class members attending that year's annual Class meeting.
  - C. Any write-in candidate elected in accordance with paragraph A of this section must be eligible and must be willing to serve; if he or she is not eligible or not willing to serve, those votes shall be excluded and the winner shall be determined by the highest three or four placing remaining candidates (depending on the election cycle).
  - D. A plurality of all eligible votes cast shall be sufficient for election to the BOD.
  - E. The Election Committee will ensure strict confidentiality of the process and all votes.

## **ARTICLE VIII**

### **VACANCIES AND REMOVAL OF BOARD MEMBERS AND VOLUNTEERS**

1. Any BOD Member or Class Volunteer may resign when he or she cannot commit the necessary time, or effort to the Class to fulfill the duties of their office.
2. Any BOD Member or Class Volunteer may be removed from his or her position, for cause, by a two-thirds majority vote of the BOD.
3. The position of a BOD Member may be declared vacant in the event the BOD Member is absent from two (2) consecutive regular meetings of the BOD.
4. In the event of the vacancy of the office of President, succession shall be in accordance with the hierarchy established by Article V. The BOD shall fill any vacancies created in accordance with Article V Section 2 I.
5. The President shall fill a vacancy on the BOD by a majority vote of remaining BOD members. If the vacant position has less than three years remaining on its original six year term, no further action is required.
  - A. If the vacant position has more than three years remaining on its original term; the member appointed to fill the vacancy will be subject to continue in office by an up or down vote of the class at the next three year election.

B. If the vacant position has more than three years remaining on its original term and there is insufficient time to add the appointed member to the next election ballot per Article VII Section 3, the new appointed member will be subject to continue in office by an up or down vote of the class no later than 31 January of the year following the election.

6. The intent of this (Article VIII) is that no officer shall serve more than three years without being subject to a vote by the class.

## **ARTICLE IX**

### **CLASS MEETINGS**

1. In a major reunion year, the Annual Meeting of the Class shall be in conjunction with the reunion weekend. In other years, the BOD shall select a date and location with virtual capability. Notice of the Annual Meeting shall be published not less than two months preceding the date set for such meeting. Notice shall be made available via all practical means, including USNAA&F communication service.
2. Special Meetings of the Class may be held at such time and place (to include virtual meetings) as the BOD shall determine. Special Meetings may be called by a majority of the BOD, or may be requested, through a written and signed petition to the BOD, by not less than fifteen (15) members of the class. The petition shall include the purpose of the meeting and any proposed language subject to a vote. The BOD shall meet with the petitioners within 30 days to set a mutually agreeable date for the meeting. Notice of Special Meetings shall be given by the Operations Officer. Notice shall be made available via all practical means, including USNAA&F communication service, and should include the purpose of the meeting and any proposed language for a vote.
3. A quorum, for the purpose of conducting an Annual or Special Meeting, shall consist of not less than two percent (2%) of the Class, excluding Class Officers and including proxy votes per Article IX Section 6. The BOD may alter this requirement in the event of extenuating circumstances, but in no case will an Annual or Special Meeting be conducted with less than two percent (2%), including the Class officers.
4. Each voting member (defined in Article III: Membership) present at an Annual or Special meeting shall be entitled to one (1) vote except as provided in Article III, Section 2.C, and Section 6 of this Article. Each voting member of the Class is entitled to one (1) vote for all purposes herein provided. Notices for all meetings of the Class shall include information on any action to be submitted for a Class vote.
5. A plurality of the votes cast shall be sufficient to approve any proposal submitted to the Class during a meeting. A majority of the BOD may decide that any proposal shall be referred to the

entire class for their approval. The presiding (senior) officer from the Board at any meeting shall not be entitled to vote except when required to break a tie.

6. A member of the Class may grant to another member of the Class the power to cast his or her vote by proxy. Such power of proxy shall be granted in writing, via email, or by any other verifiable electronic medium. The power of proxy shall be authenticated by the BOD prior to any vote by such member in the exercise of such proxy.
7. Members of the BOD may participate in meetings via telephone, or any other means, whereby all persons participating in the meeting can hear each other.

## **ARTICLE X**

### **BOARD OF DIRECTORS MEETINGS**

1. Meetings of the BOD shall be held at such time as necessary to carry out the duties of the BOD. However, meetings of the BOD must be held at least quarterly. Special BOD meetings may be called by the President, Vice President, or any other two (2) members of the BOD. BOD Members shall be notified of all meetings by the Operations Officer.
2. A majority of the voting members of the BOD constitutes a quorum for the purposes of holding a meeting. A majority of the votes cast shall be sufficient to approve any proposal before the BOD.
3. Any action required or permitted to be taken at any meeting of the BOD may be taken without a meeting if consent to such action is agreed to a majority of the members of the BOD, and such written notice is filed with the minutes of the proceedings of the BOD.
4. Members of the BOD may participate in meetings via telephone, or any other means, whereby all persons participating in the meeting can hear each other person at the meeting.

## **ARTICLE XI**

### **INCOME AND PROPERTY**

1. Dues may be assessed, on an annual or other basis, as determined by the BOD and approved by a vote of the class for the purpose of defraying the annual operating costs of the Class. The BOD shall not require the payment of dues by any member as a condition of continued membership in the Class. All dues shall be uniformly assessed on all voting members.
2. The income and property of the Class shall be applied exclusively toward the promotion of the mission of the Class, and no portion thereof shall be paid or transferred directly or indirectly to any member of the Class except in the way of reimbursement for expenses. See Appendix A:

Conflict of Interest Policy for more details. There shall be no mixing of Class income and property with any personal income and property.

3. The Treasurer shall monitor class accounts, as described in Article V.
4. Class Funds:
  - A. Class Funds are accounted for by the Treasurer and applied solely toward the promotion of the mission of the Class.
  - B. The Alumni Association may, by majority vote of the BOD, “manage” the Class Fund account.
  - C. A majority of the BOD may approve expenditures up to \$890.00 without submitting to a class vote.
  - D. Expenditures above \$890.00 must be authorized by the BOD and voted on by the Class with a majority of the responding members required for approval.
5. In order to preserve, protect and enhance the net worth of the Class’ financial assets, the BOD will require the Treasurer to review the class account, Class expenditures and balances for all funds including those funds held and managed by the Alumni Association and all reports at least on an annual basis. The results of the review shall be published at the Class annual meeting and posted to the Class website (or current near equivalent) so as to be available to the members of the Class.
6. The Class fiscal year shall run from January 1 until December 31 for each calendar year.

## **ARTICLE XII**

### **PROPOSITIONS AND AMENDMENTS**

1. The BOD may submit to a vote of the members of the Class such propositions as it deems necessary, and shall submit to a vote of Class members all propositions required under the provisions of these By-laws.
2. The BOD must submit to a vote of the members of the Class any proposition signed by at least fifteen (15) members of the Class if such proposition requests such action. These propositions will normally be presented at the Annual Meeting provided that the subject matter does not in the opinion of the petitioners and the BOD require immediate action, in which case the subject matter of the petition shall be submitted to Class members for immediate vote in accordance with Article IX Sections 2-6.
3. Similar to Article IX, any Class vote required for financial expenditures, propositions and/or amendments shall require a quorum of at least two percent (2%) of the Class, not including the BOD, for any vote to be considered valid. If any Class issue does not receive a quorum of total

votes, the BOD will determine how to proceed in order to achieve a quorum for final resolution of the issue.

4. A plurality vote of those responding within a designated timeframe for the vote shall determine any proposition.
5. Technological Updates: With unanimous consent, the BOD may supplement or supplant (with greatest deference given to supplementing) any technological provision in these By-laws pertaining to communications, corresponding, voting, documentation of proceeding and accounting provided the BOD deems such technological upgrades do not fundamentally diminish the transparency of the BOD and broad notification is given to the class at least 30 days prior to any such change.
6. Requests for amendment to these By-laws will be addressed in the same manner as any proposition to the class.

### **ARTICLE XIII**

#### **DISSOLUTION**

1. This organization is dissolved upon the occasion of the death of the last living voting member of the United States Naval Academy Class of 1989. Upon dissolution of this organization, assets shall be distributed to the United States Naval Academy Foundation if named organization is exempt under IRS section 501(c)(3) at the time of dissolution. If the United States Naval Academy Foundation is not exempt under section 501(c)(3) then upon dissolution all remaining assets will be distributed to the Federal Government for use to support United States Navy and Marine Corps families.

### **ARTICLE XIV**

#### **DEFINITIONS**

1. For purposes of these By-laws, any reference to signatures or signed writings shall include any verifiable writing, facsimile, or electronic communication that bears the sender's name.
2. For purposes of these By-laws, "plurality" is defined as a higher number of votes cast for one candidate when compared to the number of votes cast for any other candidate, or a higher number of votes cast for a proposal when compared to the number of votes cast against that

proposal. Any tie in voting for a proposal will be resolved by the presiding (senior) officer from the BOD.

DRAFT

## **Appendix A: Conflict of Interest Policy**

### **ARTICLE I**

#### **PURPOSE**

1. The purpose of the Conflict of Interest policy is to protect the Class' (USNA Class of 1989) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Class 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 class officer, member-at-large 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 Class has a transaction or arrangement,
  - B. A compensation arrangement with the Class or with any entity or individual with which the Class 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 Class is negotiating a transaction or arrangement.
3. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
4. A financial interest is not necessarily a Conflict of Interest. Under Article XI, 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, the interested party 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. 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 Class 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 Class' 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.
  - E. If it is determined that a Class Officer has a Conflict of Interest regarding an issue before the Board, that officer shall be recused from further discussion or votes on that specific issue or potential conflict.
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 failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.

#### **ARTICLE IV**

##### **RECORDS OF PROCEEDINGS**

1. The minutes of the governing board and all committees with BOD 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**

##### **COI STATEMENTS**

1. Each class officer upon election or re-election, and each member of a committee with Board of Directors' delegated powers when appointed shall sign a statement which affirms such person:
  - A. Has received a copy of the conflicts of interest policy.
  - B. Has read and understands the policy.
  - C. Has agreed to comply with the policy.