

# Marin Country Club Neighborhood Association

## Conflict of Interest Policy

### Article I – Purpose

The purpose of this Conflict of Interest Policy is to protect the interests of the Marin Country Club Neighborhood Association (the “Association”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, or committee member of the Association. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit corporations.

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### Article II – Definitions

#### 1. Interested Person

Any director, officer, or member of a committee with governing board–delegated powers who has a direct or indirect financial interest, as defined below.

#### 2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: - An ownership or investment interest in any entity with which the Association has a transaction or arrangement; - A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or - A potential ownership, investment, or compensation interest with any entity or individual with which the Association is negotiating a transaction or arrangement.

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

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### Article III – 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 all material facts to the directors and members of committees with governing board–delegated powers considering the proposed transaction or arrangement.

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### Article IV – Procedures for Addressing the Conflict of Interest

1. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the meeting while the determination of a conflict of interest is discussed and voted upon.
  2. The remaining board or committee members shall decide if a conflict of interest exists.
  3. If a conflict of interest is determined to exist, the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  4. After exercising due diligence, the board or committee shall determine whether the Association 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.
  5. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing 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 Association’s best interest, for its own benefit, and whether it is fair and reasonable.
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## Article V – Violations of the Policy

1. If the board or committee has reasonable cause to believe a person has failed to disclose an actual or possible conflict of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
  2. If, after hearing the person’s response and after making further investigation as warranted, the board or committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
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## Article VI – Records of Proceedings

The minutes of meetings of the Board of Directors and committees with board-delegated powers shall contain: - The names of the persons who disclosed or were found to have a financial interest; - The nature of the financial interest; - Any action taken to determine whether a conflict of interest was present; - The board’s or committee’s decision as to whether a conflict of interest existed; and - The names of the persons present for discussions and votes relating to the transaction or arrangement, the content of the discussion, and a record of any votes taken.

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## Article VII – Annual Statements

Each director, officer, and member of a committee with governing board–delegated powers shall annually sign a statement which affirms that such person: - Has received a copy of this Conflict of Interest Policy; - Has read and understands the policy; - Has agreed to comply with the policy; and - Understands the Association is organized for social welfare purposes and, in order to maintain its federal tax exemption under Section 501(c)(4) of the Internal Revenue Code, must engage primarily in activities that accomplish those purposes.

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## Article VIII – Periodic Reviews

To ensure the Association operates in a manner consistent with its nonprofit purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board of Directors shall conduct periodic reviews. These reviews shall, at a minimum, include: - Whether compensation arrangements and benefits are reasonable and are the result of arm’s-length bargaining; and - Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, and further the Association’s purposes.

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## Article IX – Adoption of Policy

This Conflict of Interest Policy was adopted by the Board of Directors of the Marin Country Club Neighborhood Association on February 2, 2026, and shall remain in effect until modified or repealed by the Board.

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### **Director / Officer Acknowledgment**

I hereby acknowledge that I have received, read, and understand the Conflict of Interest Policy of the Marin Country Club Neighborhood Association and agree to comply with it.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_