

RESOLUTION NO. 17-005

**A RESOLUTION OF THE EAST LOOP COMMUNITY
IMPROVEMENT DISTRICT APPROVING CONFLICT OF
INTEREST POLICY; AND AUTHORIZING CERTAIN ACTIONS
IN CONNECTION THEREWITH**

WHEREAS, pursuant to the Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "*CID Act*"), the East Loop Community Improvement District (the "*District*") was formed on June 30, 2016, by Ordinance No. 70322 (the "*Ordinance*") passed by the Board of Aldermen of the City of St. Louis, Missouri; and

WHEREAS, pursuant to the Ordinance, the District was established for the purpose of undertaking certain public improvements within the boundaries of the District through the imposition of, among other things, a special assessment (the "*CID Special Assessment*") pursuant to Section 67.1521 of the CID Act; and

WHEREAS, the Board of Directors of the District desires to provide a procedure to disclose potential conflicts of interest and substantial interests for officers of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EAST LOOP COMMUNITY IMPROVEMENT DISTRICT, AS FOLLOWS:

Section 1. Declaration of Policy. The proper operation of the District requires that officials and employees be independent, impartial and responsible the board of directors of the District hereby approve the Conflict of Interest Policy as set forth as **Exhibit A** attached hereto and incorporated herein by reference.

Section 2. District Officers to Execute Resolution. The Chair or Vice Chair of the Board of Directors of the District is hereby authorized and directed to execute this Resolution for and on behalf of and as the act and deed of the District and the Secretary or Assistant Secretary of the District's Board of Directors is hereby authorized and directed to attest to this Resolution.

Section 3. Further Authority. All actions heretofore taken by the authorized representatives, agents and employees of the District in connection with the transactions contemplated by this Resolution are hereby ratified and confirmed, and the District shall, and the representatives, agents and employees of the District are hereby authorized and directed to, take such further action, and execute and deliver such other documents and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 4. Severability. The sections, paragraphs, sentences, clauses and phrases of this Resolution shall be severable. In the event that any such section, paragraph, sentence, clause or phrase of this Resolution is found by a court of competent jurisdiction to be invalid, the remaining portions of this Resolution are valid, unless the court finds the valid portions of this Resolution are so essential to and inseparably connected with and dependent upon the void portion that it cannot be presumed that the District has enacted the valid portions without the void ones, or unless the court finds that the valid portions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 5. Governing Law. This Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 6. Effective Date. This Resolution shall take effect and be in full force upon its passage by the District's Board of Directors and shall remain in effect until amended or repealed by the District's Board of Directors.

Passed this 16th day of November, 2017.

I, the undersigned, Chair of the East Loop Community Improvement District, hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the District at a meeting held, after proper notice, on November 16, 2017.



EAST LOOP COMMUNITY IMPROVEMENT DISTRICT

Joe Edwards
Chair, Board of Directors

WITNESS my hand and official seal this 16th day of November, 2017.

ATTEST:

[Signature]
Secretary, Board of Directors

EXHIBIT A

CONFLICT OF INTEREST POLICY

(Attached hereto.)

**EAST LOOP COMMUNITY IMPROVEMENT DISTRICT
CONFLICT OF INTEREST POLICY**

**Article I
Purpose**

The purpose of this Conflict of Interest Policy is to protect the interests of The East Loop Community Improvement District (the “Organization”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the 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 conflicts of interest applicable to nonprofit and charitable organizations.

**Article II
Definitions**

1. Interested Person

Any director, principal officer, 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 Organization has a transaction or arrangement;
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under **Article III, 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, he/she will 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 will 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 will determine whether the Organization 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 will determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the governing board or committee will make its decision as to whether to enter into the transaction or arrangement.

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 will 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 has failed to disclose an actual or possible conflict of interest, it will take appropriate disciplinary and corrective action.

Article IV Records of Proceedings

The minutes of the governing board and all committees with board delegated powers will 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 Compensation

- a. A voting member of the governing board who receives compensation, or whose family member receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's or family member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives, or whose family member receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's or family member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers will annually 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; and
- d. understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews will be conducted. The periodic reviews will, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use will not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

The foregoing Policy was adopted this 16th day of November, 2017.

Tameka Stigers, Secretary

**EAST LOOP COMMUNITY IMPROVEMENT DISTRICT
CONFLICT OF INTEREST
DISCLOSURE STATEMENT**

The Undersigned, as an officer and/or Board member of the East Loop Community Improvement District (the “CID”), I understand that the CID has a Conflict of Interest Policy (“Policy”) of which I have received a copy.

As an interested party under the terms of the Policy, I also understand that I must disclose the existence of any financial interest. For these purposes, a financial interest is defined to mean:

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 CID has a transaction or arrangement;
- b. A compensation arrangement with the CID or with any entity or individual with which the CID 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 CID is negotiating a transaction or arrangement.

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

Disclosure Statement

Based on the terms of the Policy, I hereby certify that as of the date of this Disclosure Statement:

1. I have not had and will not have during my term in office, any ownership or financial interest in any entity with which the CID has a transaction or arrangement, unless such conflict has been fully reported to an officer or director of the Board and such reported conflict has been approved and waived by the Board.

2. I have not received and will not receive any compensation from the CID or from an entity or individual with which the CID has a transaction or arrangement, for my services as an officer, director, authorized agent or otherwise.

3. To the best of my knowledge, I do not have a family relationship, by virtue of blood, marriage or adoption, with any officer, director or authorized agent of any entity with which the CID has a transaction or arrangement, unless such conflict has been fully reported to

an officer or director of the Board and such reported conflict has been approved and waived by the Board.

Current conflicts of interest include (if none, please so indicate below):

Upon completion, I understand that this Disclosure Statement must be provided to the CID.

Date

Print Name

Signature