

LUTHERVILLE COMMUNITY ASSOCIATION

CONFLICT OF INTEREST POLICY

SECTION 1. PURPOSE:

Lutherville Community Association ("LCA") is a Maryland not for profit Corporation. Its purpose is to benefit the residents of the Lutherville Community and therefore Board Members are beholden to the same. Under Maryland law the LCA is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between LCA and its board, officers, and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity to its members. The board and officers have the responsibility of administering the affairs of LCA honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of LCA members. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with LCA or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. PERSONS CONCERNED:

This statement is directed not only to directors and officers, but to all persons who can influence the actions of LCA. For example, this would include all who make decisions and anyone who has proprietary information concerning LCA.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, officers, and other board members with any of the following third parties:

1. Donors and others supporting the LCA.
2. Agencies, organizations, and associations which affect the neighborhood of the LCA.
3. Governmental agencies who may ask for information or opinions of the community from the LCA.
4. Family members, friends, and other neighbors.

SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock, securities or holding debt or other proprietary interests in any third party dealing with LCA.
2. Holding ones personal opinion out towards public officials and elected officials as that of the LCA without first making it clear that it is merely a personal opinion.
3. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with Policy related to the LCA.
4. Receiving remuneration for services with respect to individual transactions involving LCA.
5. Using LCA's time, personnel, equipment, supplies, or good will for other than LCA-approved activities, programs, and purposes.
6. Receiving personal gifts or loans from third parties dealing or competing with LCA. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of LCA.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board and officers to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and

4. The board or a duly constituted committee thereof has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the President of the board, who shall bring the matter to the attention of the board.

The board shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to LCA. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of LCA and the advancement of its purpose.

Failure to abide by this conflict of interest policy will result in removal from office.

APPROVED by the LCA Board 11/15/2022