

**American Arabic Benevolent Association Corporation
Cheriton Grove Corporation**

CONFLICT OF INTEREST / NON-DISCLOSURE POLICY

The American Arabic Benevolent Association (AABA) and the Cheriton Grove Corporations respect the rights of its Boards of Directors and Officers in their activities outside of their duties as Board members, which are private in nature and which do not conflict with or adversely reflect upon AABA/Cheriton Grove Corporations. Board members personal or other non-business activities and interests, including their relationships with others, may inappropriately affect their work responsibilities. These conflicts of interests can undermine their business judgment and responsibility to the corporation and threaten AABA's/Cheriton Grove's business and reputation. Board members/Officers should avoid conflicts of interests – or even the appearance of such conflicts – to ensure that their actions are in the best interests of the corporation, business partners, and the community we serve.

To avoid any misunderstandings of AABA/Cheriton Grove Corporation policy on conflict of interest matters regarding members of its Boards of Directors and Officers, the following policy is in force and has been approved by the AABA/Cheriton Grove Corporation's Boards of Directors.

POLICY STATEMENT

1. **Purpose:** A conflict of interest policy serves a number of purposes: (i) allows a Board to make decisions in an objective manner without undue influence by persons with a private interest; (ii) helps to assure that an exempt organization fulfills its charitable purposes; and, (iii) provides guidance in overseeing the activities of its Directors and Officers.

If there is any doubt, Board members should treat situations as actual conflicts until they have been disclosed and resolved. Sometimes, the Board of Directors can easily resolve if Board Members disclose them before taking any action. If Board members do not disclose potential or actual conflicts, they may create situations that the Board of Directors cannot properly resolve. There must be full and complete disclosure of any conflict or apparent conflict.

2. **General Policy:** A conflict of interest shall be deemed to exist if a member of the Board of Directors or Officer (jointly referred to as "Member") has a real or apparent, direct or indirect financial or fiduciary interest, investment or concern in or with an organization or person that or who would or could be affected by the actions or decisions of the Board of Directors, Officers, any of its committees, or affiliates of above mentioned, who would or could be in a position with another company, organization, or person to affect AABA/Cheriton Grove Corporation. A conflict of interest shall be deemed to include, but not be limited to, the following:
 - A. Holding a financial interest, including but not limited to, as a shareholder, partner, joint venturer, creditor, guarantor, employee, officer or director in or of any entity or with any individual providing supplies, materials, equipment, personal or real property or professional advice or services (known as a "Provider") to AABA/Cheriton Grove, although it shall not be deemed to automatically constitute a conflict of interest for a Member to be a shareholder of less than five (5%) percent of a publicly traded Provider.

This does not preclude AABA/Cheriton Grove from doing business with a Provider, just not with or through the Member of the Provider.

- B. Borrowing money from a Provider.
- C. Accepting, personally or for a family member, gifts, favors, or other personal gratuity (collectively, "Gifts") from a Provider or potential provider substantial enough in value to influence business between the Provider and AABA/Cheriton Grove Corporations. This proscription would not apply, however, to the acceptance of Gifts of a perishable or consumable nature or having an aggregate value in any one year of less than \$25, but care must be exercised to insure that continual acceptance of Gifts on a regular basis does not eventually create a real or apparent conflict of interest. Any proscribed Gift should be promptly refused and returned to the donor with the explanation that AABA/Cheriton Grove Corporation policy does not permit the acceptance of such gift.
- D. Acquisition, by purchase or lease, of real estate in which it is known that AABA or Cheriton Grove Corporation has an interest.
- E. The disclosure, without authorization, of AABA/Cheriton Grove information to which a Member has access to, including, but not limited to, confidential correspondence, financial documents or information, mailing lists, and contracts.
- F. The acceptance of any remuneration for services rendered to AABA/Cheriton Grove Corporation other than in accordance with written Board-approved policy.
- G. Issues related to the Cheriton Grove Corporation require additional scrutiny due to government oversight and regulations associated with government backed or provided funding under the Section 202 Program:
 - i. Officers and Board members may not have any financial interest in any contract with Cheriton Grove or in any firm, which has a contract with Cheriton Grove. This restriction applies so long as the individual is serving on the Board and for a period of three years following resignation or final closing, whichever occurs later.
 - ii. Identity of interest. An identity of interest between Cheriton Grove and any development team member or between development team members is prohibited until two years after final closing.

Further restrictions may apply as government regulations change, which may have to be incorporated into this policy pending such review by the Clerk (or other such designated Officer as directed by the Executive Committee) and approved by the AABA/Cheriton Grove Boards.

- 3. Definitions. This policy statement should be understood to refer not only to AABA and Cheriton Grove Corporations, but also to any affiliated organization(s) both current and future. A Member, for purpose of this policy, shall include a board director, committee member, his or her spouse, parents, children, siblings (and their respective spouses) and any trust or estate in which any of them hold a beneficial interest or for which they act in a fiduciary capacity. The Board and its referenced Officers shall refer to the Board of Directors of AABA and Cheriton Grove Corporation, depending upon which institution is involved in the matter at issue.
- 4. Board Procedure. No Member shall act, vote upon, or decide any matter with respect to which he or she has such a conflict of interest. A Member, who believes that he or she has or may have a conflict of interest with respect to any matter, or any Member who feels another Member possesses a conflict of interest, shall promptly notify, in writing, to the Officers of the pertinent Board as to the circumstances, furnishing all material facts. While the

interested Member may participate in the information-gathering stage, prior to the Board's discussion, he or she may not be present or otherwise participate in the deliberation or decision of the Board and shall not be allowed to vote on the concerned matter. If appropriate, the President of the Board is empowered to appoint a disinterested Board Member or committee to investigate alternatives to the proposed transaction or arrangement. A majority vote of the disinterested Board Members present, shall determine whether the transaction or arrangement is in the organization's best interests and for its own benefit, whether it is fair and reasonable to the organization and, after exercising due diligence, whether it can not obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances. The interested Member's disclosure of any potential conflict of interest; the nature thereof; the Board's determination; the content of the discussions; the names of those members present; the record of the vote; and the interested Member's non-participation, non-presence and non-vote shall be duly reflected in the minutes of the meeting.

5. Non-Disclosure. The undersigned acknowledges that during their term as a Board Member [Regular or Emeritus], he/she will have access to various processes, information, data, records, specifications, plans, in connection with the past, current, or future operation of its business including, but not limited to, the Corporation's business records, financial data & records, membership lists, proposed projects/activities.
 - A. The undersigned agrees that he/she will not disclose any of the aforesaid, directly or indirectly, or use any of them in any manner, either during the term of office or at any time thereafter, except as required in the course of this relationship with either Corporation or with the authorization/approval of the Board of Directors.
 - B. All files, records, documents, blueprints, specifications, information, letters, notes, membership lists, original artwork/creative, notebooks, and similar items relating to the business of AABA/Cheriton Grove Corporations, whether prepared by undersigned or otherwise coming into his/her possession, shall remain the exclusive property of AABA and/or Cheriton Grove Corporation.
 - C. The undersigned may retain copies of the foregoing, but may not disclose or distribute to non-Board members without authorization/approval of the Board of Directors. Upon the expiration or termination of said Board Members term of office, the undersigned shall deliver upon request of the Board of Directors all such files, records, documents, specifications, information, and other items in his possession or under his/her control.
6. Corporate Responsibility. AABA/Cheriton Grove Members shall act in the best interest of the corporation. In its pursuit of obtaining the most cost effective price from a Provider, AABA/Cheriton will follow an open and non-discriminatory Request for Proposal process, so that the lowest qualified bidder is chosen.
7. Circulation. A copy of this policy shall be furnished to each Member and shall be reviewed annually for information and guidance purposes. The Member must promptly acknowledge his or her receipt of this document by signing it, adding written comments, if applicable, to the attached page(s), sign, and return it promptly to the Clerk (or other such designated Officer as directed by the Executive Committee), who shall make a full report to the President and the Executive Committee of AABA. If a real or apparent conflict of interest is noted herein, the President or Clerk (or other such designated Officer as directed by the Executive Committee) shall immediately copy this document for disposition as outlined herein. By signing below, the Member also affirms that he or she agrees to comply with the policy and understands that the organization is a charitable organization, which must engage primarily in activities that accomplish one or more of its tax exempt purposes to maintain its tax exempt status. A prospective Member shall be advised of the policy prior to his or her election to the Board and shall subscribe to it upon the Member's Board election or committee appointment.

Having read and understood the above, the Member has subscribed his or her name, affirming thereby that the Member has no real or apparent conflict of interest as of this date or, if so, detailing its nature on the attached page(s).

SIGNATURE: _____

PRINT NAME: _____

DATE: ____/____/____

This signed document covers the period from 7/01/____ through 6/30/____

The AABA/Cheriton Grove Corporation's Board's of Directors approved this policy on Tuesday, November 16, 2004

SIGNED:

President–Kenneth J. Raffol _____ / /

Clerk–Camille Sarrouf, Sr., Esq _____ / /

Recording Secretary-Rosanne Soloman _____ / /

COMMENTS OR DISCLOSURE OF ANY OR APPARENT CONFLICT

I hold as of the above date the following real or apparent conflict of interest for:

AABA, Inc.

Cheriton Grove Corporation, Inc.

1. _____

2. _____

3. _____

4. _____

SIGNATURE: _____ I am not aware of any real or apparent conflict

Print Name: _____ Date: ____/____/____

This signed document covers the period from 7/1/_____ through 6/30/_____