

RESOLUTION NO. 2017-12

**A RESOLUTION APPROVING THE ADOPTION OF A
CONFLICT OF INTEREST POLICY APPLICABLE TO
THE DIRECTORS OF THE DISTRICT**

WHEREAS, the Downtown Community Improvement District (the "District") was formed on February 7, 2011, by Special Ordinance No. 20866 of the City Council of the City of Columbia, Missouri, is a political subdivision of the State of Missouri and is transacting business and exercising powers granted pursuant to the Community Improvement District Act, Sections 67.1401 through 67.1571, RSMo ("CID Act"); and

WHEREAS, Section 67.1461 RSMo., as amended, grants the board of directors of a community improvement district the authority to possess and exercise all of the community improvement district's legislative and executive powers;

WHEREAS, pursuant to 67.1461 RSMo, as amended, of the CID Act, the District is authorized to adopt a conflict of interest policy which will be applicable to its Directors; and

WHEREAS, the Board of Directors of the District have determined that it is necessary and desirable that the District enter into a Conflict of Interest policy (the "Conflict of Interest Policy"), a copy of which is attached hereto as Exhibit A.

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

1. The Board of Directors hereby approves the Conflict of Interest Policy for the Directors of the District, in the form attached as Exhibit A hereto and incorporated herein by reference. The Chairman is hereby authorized and directed to execute the Conflict of Interest Policy on behalf of the District and the Secretary is hereby authorized and directed to attest to the Conflict of Interest Policy.

2. This Resolution shall take effect and be in full force immediately after its adoption by the Board of Directors of the District.

Passed this 14th day of February, 2017.

_____, Chairman of the Board of
Directors

(SEAL)

Attest:

_____, Secretary of the Board of Directors

**EXHIBIT A
TO RESOLUTION NO. 2017-12**

Conflict of Interest Policy and Acknowledgement

DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT CONFLICT OF INTEREST POLICY

The Downtown Community Improvement District (the "District") hereby adopts the following Conflict of Interest Policy (the "Policy") for its use in administering the affairs of the District.

A. **Purpose:** The purpose of this policy is to help assure that the District complies with the Community Improvement District Act (Sections 67.1401 through 67.1571 of the Revised Statutes of Missouri or "the Act"). The provisions of this policy are intended to supplement, but not replace any applicable laws of the State of Missouri governing conflicts of interest applicable to Community Improvement Districts.

B. **Definitions:** In this policy, the following terms will have the following meanings:

1. "Conflict of Interest" means a transaction: (i) between the District and a Director (directly or indirectly); or (ii) a payment by the District to a Director (directly or indirectly) which would constitute an Impermissible Financial Benefit to that Director.

2. "Director" means any person serving as a Director of the District and who has been duly elected as such.

3. "Disclosure" means either: (i) written disclosure to all Directors; or (ii) a verbal disclosure at any open meeting of the Directors which is reasonably sufficient to apprise the Directors of a potential Impermissible Financial Benefit which any Director might have with respect to a transaction being contemplated by the Directors on behalf of the District.

4. "District" means Downtown Community Improvement District.

5. "Impermissible Financial Benefit" means a material economic benefit, compensation, or payment paid directly or indirectly, either individually or through a business entity, family member, or third party by the District and which: (1) personally benefits a Director; and (2) is in an amount which exceeds the fair market value of the asset, service, or transportation project acquired in exchange for such payment. However, any payment which is made by this District which is less than or equal to the fair market value of the good, asset, or benefit purchased, and which is expended in order to accomplish the proper and lawful objectives of the District shall not be considered as an Impermissible Financial Benefit. Furthermore, a payment or benefit having a value of less than Five Hundred Dollars (\$500.00) shall not be considered as material.

C. **Policy and Prohibitions:** Any transaction to be undertaken by this District which creates the potential for an Impermissible Financial Benefit to any Director creates the potential for a Conflict of Interest. Each Director shall have the affirmative duty to fully disclose all details surrounding any potential possible Conflict of Interest with respect to a proposed action to

be undertaken by the District prior to the authorization thereof by the Board of Directors. No Director shall engage in any transaction which creates a Impermissible Financial Benefit to that Director as a result of any transaction to be undertaken by the District without the prior approval of a majority of the Board of Directors who do not have such Conflict of Interest or without fully disclosing to the Board of Directors the nature of any such potential Conflict of Interest.

D. **Presumptions:** If the District acquires property from any entity in which any Director has a material financial interest, such acquisition or purchase shall not be considered to violate this policy if: (1) the nature of any Director's interest in the transaction is known or fully disclosed to the entire Board of Directors; (2) the purchase price paid by the District for the asset or good from any person or entity in which a Director has a material financial interest is equal to or less than the fair market value of such asset or good, as determined by a competent and independent third party appraiser experienced in rendering similar appraisals. Such an appraisal shall only be obtained if required by a majority of the members of the Board of Directors without such a material financial interest.

E. **Procedures:** When considering any transaction which may have the effect of materially benefitting one or more Directors, the entire Board of Directors shall have the right to obtain such independent review of the transaction or to obtain additional appraisals as the Directors, in their discretion, deem appropriate in order to establish that the District will not, in fact, pay any amount for property, goods, or services in excess of the fair market value of same. Any acquisition of property, goods, or services which follows from a public bid and/or competitive bidding procedure and which results in the award of a contract for the acquisition of property, goods, or services from a person, business, or entity in which a Director has a financial interest shall not be deemed to be a violation of this conflict of interest policy. If the only source from which a particular property, good, or service can be procured is from a business, person, or entity in which a Director has a material financial interest, then such acquisition shall not occur unless and until an independent appraisal of the value thereof is first obtained, and the entire Board of Directors must review and approve of the valuation of said property, good, or service prior to approving any resolution for the acquisition thereof. The Director who has a potential Conflict of Interest may, in said Director's discretion, abstain from voting on a transaction if he or she believes that he has a Conflict of Interest which would violate this Policy, although he or she need not do so if full disclosure of the particulars surrounding such potential Conflict of Interest is made and the procedures referred to above in this policy are followed. In all circumstances, the Directors who approve of a transaction involving a Director's potential Conflict of Interest must be satisfied that there will not be any adverse effect on the District as a result of such approval, and that such transaction is in the best interests of the District, taking into account all facts and circumstances pertaining thereto.

F. **Records:** The District, as a part of its financial records, shall maintain a record of all information pertaining to disclosures of and resolutions adopted with respect to each Directors' potential Conflicts of Interest from and after the date of the option of this policy. Such records and information shall be disclosed to the auditor engaged by the District to perform the annual audit of the District's finances and transactions.

IN WITNESS WHEREOF, this policy has been adopted and shall be effective as of this 8th day of March, 2011.

Downtown Community Improvement District
(the "District")

By: _____,
_____, Chairman of the Board of
Directors

(SEAL)

Attest:

_____, Secretary of the Board of Directors