

# CAROLINA TRACE ASSOCIATION

<http://www.ctaincnc.com>

## MINUTES of December 1<sup>st</sup>, 2020, CTA BOARD OF DIRECTORS MEETING

David Smoak, CTA President, called the meeting to order at 7:00 p.m.

### ATTENDANCE:

#### DIRECTORS or ALTERNATES

<b>Eagles Nest</b>	Kathy Jelen	<b>Highland Woods</b>	Chuck Popke	<b>South Landing</b>	Dan Eastham
<b>Golf East</b>	Stephen Smith	<b>Lakewood</b>	Charles Wick	<b>Southwind</b>	Forest Breyer
<b>Golf North</b>	Mary Wild	<b>Laurel Thicket</b>	Shannon Taylor	<b>Stonegate</b>	Absent
<b>Golf West</b>	Marilee Ostman	<b>Mallard Cove</b>	Lisa Doscher	<b>Village at Trace</b>	Sharwynne Blatterman
<b>Harbor Creek</b>	Mike Dussault	<b>North Shore</b>	Bill Glance	<b>Woodfield</b>	Elaine Bednarick
<b>Hidden Lake</b>	Steve Bolstridge	<b>Sedgemoor</b>	Jim Miller	<b>Wdmr/Trentwood</b>	Bob Dykeman

#### OFFICERS

<b>President and Chair of the Executive Committee</b>	David Smoak
<b>Vice President and Chair of the Security and Safety Committee</b>	Cal Saltzman
<b>Treasurer and Chair of the Finance Committee</b> <b>Assistant Treasurer</b>	Oscar Roberto Ed Nelson
<b>Secretary</b>	Kate Woods

#### Guests

Ernie Violon	Chris Meyers
Len Ruemker	Roberta Wilder
Ellen Berg	

**QUORUM CALL** - A quorum was reached with 17 directors present and agreeing to this video conference being a legitimate meeting of the CTA Board.

**APPROVAL OF MINUTES** - A motion was made to approve the minutes of the November 2020 meeting. This was approved by unanimous consent.

**GROUP REPORTS - CTCC Liaison** - No Report.

**Utilities Report** - Please see attachment #1.

**CT Fire Dept** - The department averaged 300 calls this year. They have 35 members on their roster. Earlier this year they got rated, on a scale from 1 to 10, 1 being the best. They were rated a 5/9. This was an improvement. The distance required from a fire hydrant dropped,

helping with the rating as there are no hydrants on highway 87. The rating change will take effect January 1<sup>st</sup>. This change may not have an effect on premiums but will on commercial properties. If any POAs have questions about the dept, Chief Myers can attend your board meetings or answer any questions you may have. They plan to move the hydrant up front by the lake. Regarding the recent issues with burning, open burning is allowed in the county. Chief Myers will research the use of accelerants and get that information back to the board. It was brought up that the state environmental agency has regulations regarding burning. No burning 250 ft from road, or 500 ft from occupied homes. Chief Myers will look into this further.

**PRESIDENT'S REMARKS** - Please see attachment #2.

**FINANCIAL REPORT** - October Financial Summary is attachment #3. Assessments for 2021 have been sent and are due January 1<sup>st</sup>. SPA was the big payment for the month.

**SECRETARY-** As elections are taking place within POAs, new officer information should be sent to [ctasectr@gmail.com](mailto:ctasectr@gmail.com) so all records are up to date and 2021 officers are certified. It is recommended that all POAs adopt the policy of creating position specific email addresses for their board positions so that personal emails are no longer used. This provides new officers with a history of communication from the previous officer and helps new residents contact officers with less hassle. It also streamlines communication coming from the CTA Secretary and would allow for easier document sharing and other upgrades to usual CTA processes.

## **COMMITTEE REPORTS**

**Security & Safety** - Security Log is Attachment #4.

**Security:** The October CERT Report is Attachment #5. The Safety and Security Report is Attachment #6. Fiber optics is being installed on Cox Mill Rd. This means fiber may be available for Trace in the coming years.

**Traceway Roads & Maintenance (TRAM)** - Please see attachment #7. TRAM will be looking into the status of the culvert near Eagles Nest to make sure it is functioning properly.

**Trace Lake and Dam (TLAD)-** Please see Attachment #8

## **OLD BUSINESS -**

**Snow Plowing-** Kate Woods will be meeting with John Brown to discuss our snow plowing contract and get details about the trucks and their capabilities. Mike Dussault is available for POAs to contract with for snow plowing as well. He can be reached at [mdussault.rmr@windstream.net](mailto:mdussault.rmr@windstream.net).

**Conflict of Interest Policy:** Please see Attachment #9. During discussion of the policy, it was clarified that under 5, footnote 7c, if any party receives a benefit, then it must be available to all parties. It is recommended that POAs to have a similar policy as well. A vote was taken to approve this policy. It passed by unanimous consent.

**NEW BUSINESS -**

**2021 Officers-** A vote was taken to approve the 2021 CTA Officers as follows: David Smoak for President, Kate Woods for Vice President, Oscar Roberto for Treasurer, and Ellen Berg for Secretary. This passed by unanimous consent.

**NEXT CTA Meeting -** Next meeting is scheduled for January 5, 2021.

**ADJOURNMENT -** The meeting was adjourned by the President at 7:54 pm.

Respectfully submitted by,

Kate Woods, Secretary, Carolina Trace Association

**Attachments:**

Attachment #1: Utilities Report

Attachment #2: President's Remarks

Attachment #3: November 2020 Treasurer Report

Attachment #4: Security Log November 2020

Attachment #5: CERT Report

Attachment #6: Safety and Security Report

Attachment #7: TRAM Report

Attachment #8: TLAD Report

Attachment #9: Conflict of Interest Policy

## Utilities Report

RE: CWSNC request last July for rate increase based upon water/sewer “Systems Improvements”.

The Public Staff denied the request because they believed CWSNC did repair and maintenance work and not improvements.

Now, even though this rate increase was only about 57 cents a month, several months later and the NCUC Commissioners still have not made a final decision.

CTA President's Remarks December 1, 2020

1. Closing out 2020 will be a joy to most people and cannot come soon enough. The annual report will summarize the accomplishments of the Executive Committee and TRAM, however I would be amiss if I didn't mention now the achievement of the 18 CTA Directors to rapidly adapt to our current model of doing business, since having board meetings via remote computers is a situation that nobody would have imagined even 12 months ago. Multiply this situation times 18 and you can understand why I continue to praise and cheer the special people of this community that volunteer so much of their time to be a part of CTA and our independent POAs while conducting your daily business, monthly and annual meetings.
2. The topic of "open burning" was discussed several years ago at CTA. At one time there was the belief that CTA was able to enact community-wide rules such as this one prohibiting burn barrels, turkey-fryers, fire pits, etc. After researching and acknowledging the independent structure of the POAs and their lot owners, a policy letter was generated in January 2018 clarifying that on CTA common property there was no "open burning" and the individual rules listed within the POAs and their lots. With winter approaching and the passing of time since the last discussion of "open burning", it has become necessary to communicate and reinforce this policy once again. I encourage every resident to read the policy at: [https://www.ctaincnc.org/uploads/5/0/4/3/50430335/cta\\_open\\_burning\\_policy\\_2018.pdf](https://www.ctaincnc.org/uploads/5/0/4/3/50430335/cta_open_burning_policy_2018.pdf) before attempting to turn in your neighbors for having a fire on their property. The SPA guards have been trained to direct public concerns about fire safety to the Fire Department who is also being refreshed on the diverse Carolina Trace policies regarding this topic, however it is still not the Fire Department's role to enforce specific community rules. Ultimately if an individual POA has violations of their specific CRRs, then the penalties and enforcement of those CRRs must come from within that POA.
3. As non-municipal Sanford residents, we pay an annual "Disposal" fee/tax included with our property taxes for the Convenience Centers scattered around the county for non-municipal resident to dump/recycle our household waste. Most of you probably use the Wilson Rd Convenience Center if you do not pay for the street-side weekly trash services. The Wilson Rd Center has become noticeably busier and frequently the bins are overflowing. I recently contacted the County Manager about this particular Convenience Center and was informed that the county is actually looking for a new, larger site outside the city boundaries. I share this since I have been talking about growth in Lee County for several months now and the county is aware of this issue also.
4. Finally, I notified the Board in November of a possible fine from the State regarding a recent wastepipe rupture into Lake Trace. I have re-submitted our earlier Sanitary Sewer Overflow (SSO) Report along with an additional letter to the State's Division of Water Resources, there has been no response from the State as of yet.
5. Happy Holidays and thanks again to our Decorations committee who have decorated our bridges and Gatehouse already to put us in good spirits. For those new residents that haven't seen them before, it is usually worth driving by all of our POAs along Traceway a little before Christmas as their wonderful sign decorations are put up, and most are lit up at night. An interesting consideration is that for Christmas 2021, with the automatic gate installed at the South Gate, you will be able to drive the entire Traceway/Cox Mill Rd loop in one complete circuit, so cheers to a brighter 2021!

Happy Holidays,  
David Smoak  
CTA President

**Carolina Trace Association, Inc.**  
**November 2020 Financial Summary**

		Nov 30, 20	Oct 31, 20	\$ Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
	Business Checking ****9106	237,258.95	255,793.85	-18,534.90
	Business Checking MMkt ****6807	145,710.56	345,703.50	-199,992.94
	CTA POA Legal ****7347	8,457.60	7,687.60	770.00
	CTA POS ***1504	4,000.00	4,000.00	0.00
	CTA CD 7 ****8688 1/27/21 25K	25,262.52	25,262.52	0.00
	CTA CD 8 ****8751 1/27/21 50K	50,446.28	50,446.28	0.00
	<b>Total Checking/Savings</b>	<b>471,135.91</b>	<b>688,893.75</b>	<b>-217,757.84</b>
<b>Other Current Assets</b>				
	CTA CDARS1 ****2788 100K	100,000.00	0.00	100,000.00
	CTA CDARS2 ****2834 100K	100,000.00	0.00	100,000.00
	12000 - Undeposited Funds	0.00	13,628.50	-13,628.50
	<b>Total Other Current Assets</b>	<b>200,000.00</b>	<b>13,628.50</b>	<b>186,371.50</b>
	<b>Total Current Assets</b>	<b>671,135.91</b>	<b>702,522.25</b>	<b>-31,386.34</b>
<b>TOTAL ASSETS</b>		<b>671,135.91</b>	<b>702,522.25</b>	<b>-31,386.34</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
	<b>Current Liabilities</b>	8,801.01	3,321.27	5,479.74
	<b>Total Liabilities</b>	8,801.01	3,321.27	5,479.74
<b>Equity</b>				
	30100 - Reserve Fund			
	30120 - Traceway Upgrades	55,000.00	55,000.00	0.00
	30110 - General Reserve	380,410.31	380,410.31	0.00
	<b>Total 30100 - Reserve Fund</b>	<b>435,410.31</b>	<b>435,410.31</b>	<b>0.00</b>
	<b>Net Income</b>	<b>226,924.59</b>	<b>263,790.67</b>	<b>-36,866.08</b>
	<b>Total Equity</b>	<b>662,334.90</b>	<b>699,200.98</b>	<b>-36,866.08</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>671,135.91</b>	<b>702,522.25</b>	<b>-31,386.34</b>

Payments: The major payments this month were SPA for \$24,964.

Reserve/Capital Funds: Total Reserves amount to \$435,410.31

CTA CD7 and CD8 have an interest rate of 0.4% and mature on 01/27/21. Two new \$100,000 CDs (insured CDARS) placed with First Horizon Bank.

Assessments: The 2021 POA assessments for the first quarter were sent on 12/1. They are due on January 1<sup>st</sup>. Checks received prior to Jan 1 will be deposited in January,

**Oscar Roberto, CTA Treasurer**

**Ed Nelson, CTA Assistant Treasurer**

## SECURITY LOG FOR THE MONTH OF NOVEMBER 2020

CATEGORY	WEEK 1-7	WEEK 8-14	WEEK 15-21	WEEK 22-28	WEEK 29-30	TOTAL
ACCIDENT	0	0	0	0	0	0
EMS	0	3	3	0	0	6
PATROL RESPONSE	7	5	7	6	1	26
PATROL HOURS	336	336	336	336	336	1,680
SHERIFF PATROL	18	0	13	11	1	43
SCHEDULE PERMITS	1,526	1,307	1,316	1,823	541	6,513
ACTUAL PERMITS	1,370	1,172	1,163	1,637	446	5,788
UNSCHEDULE GUEST	0	0	0	0	0	0
FIRE ALARM	0	0	0	0	0	0
UNLOCKED DOORS	0	0	0	0	0	0
VANDALISM	0	0	0	0	0	0
CITIATIONS	0	0	0	0	0	0
CTGP	14	20	19	9	2	64
GOLFERS	91	218	235	273	43	860
CTCC	84	36	26	15	3	164

CERT Report for Safety & Security Committee for 1 December 2020

1. CERT does not train during December. The 2021 Training Plan is on the CTA website in the CERT section. The plan is subject to change to accommodate the restrictions on gathering. Most training will be by Zoom session until it is safe to gather again. We do have some outdoor training planned, but safety will determine the venue.
2. January CERT training will be a Zoom session about Disaster Mitigation.
3. The new CERT Basic course is partially online and self-paced. There is a hands-on skills training session required for completion. We will offer the skills session once it is safe to gather again. Anyone completing the online portion of the course will be offered to join the monthly training sessions. Once hands-on skills training has been completed, gear and IDs will then be issued.



CTA 2020 VP December 2020 Notes/Comments

A complaint has been received from a Carolina Trace Resident and an interaction between one of the SPA Patrol Officers in response to another Resident Complain on a Carolina Trace Resident Burning in his back yard. The complaint will be heard at the next Carolina Trace Association's Safety & Security Committee during the Committees meeting on Tuesday December 1, 2000 at 5:00PM. Any discussion, recommended, or action taken on this issue will be done during a closed executive segment (Committee Members and or CTA Executive Officers) of the December 2020 Meeting. As a part of this process, both the resident and the officer may attend the "Zoom" meeting. During the CTA Safety & Security "Zoom" Meetings the Committee Chairperson has full control of all audio and video and may limit or restrict users comments / video. Any Carolina Trace Resident may attend the above meeting, it is always held on the same day as the CTA Delegate Meeting (typically the 1<sup>st</sup> Tuesday of each month), at 5:00 PM. To attend, residents (or their representatives) must request permission (stating their objective in attendance), and then be approved by the committee. An invitation to attend will then be sent to the resident by the committee chair.

A sample for additional North Gate Window E-Sticker has been received. This E-Sticker will also function for the South Gate once operational. After installation of a new E-Sicker Reader at the Main Gate, the North and South Gate E-Stickers will work at all gates. The installation of the new E-Sticker reader at the Main Gate will require some construction around the Main Gate area and is not planned to start until approximately mid-2021 Funding for this action was approved in the 2021 Budget. The addition of a new E-Sticker reader at the Main Gate will allow CTA to have one common sticker for all gates. During and after this addition, the old Main Gate E-Stickers will remain operational until the older E-Sticker reader fails (alleviating the need for existing residents with the older technology to purchase new E-Stickers).

There is a proposed new residential development within Carolina Trace on vacant land on the North side of the intersection of Traceway North and Lakeview Dr. This development would become a part of the Village at the Trace POA. As details of this development are released it will be provided to CTA Executive Staff and Directors.

It is with great remorse that I write this report as this is one of the last duties, I will be formally providing to Carolina Trace. As such, I would like to thank you all: Carolina Trace Association, Carolina Trace Safety & Security Committee, the SPA staff, and especially all its residents and volunteers who have helped me to better perform my duties. It has been one of my hardest but most rewarding experiences in POA/HOA Executive Board leadership roles over the past 35 years. With the loss of my dear wife "Jan" of 52+ earlier this year, at some point in the next 1 – 3 years I will be moving out of Carolina Trace and into a Retirement Community.

But, until I leave, I will continue to serve as a helper, advisor, and mentor as new personnel who have and will take over my roles and responsibilities.

Carolina Trace has been a wonderful place to live and enjoy.

**Thank you.**

Cal Saltzman

## December Tram Report

- 1) Received permission from NCDOT to take down all but the first two sections of the damaged chain link fence at RT 87
- 2) Work has started with approval from NCDOT on the South Gate area. This first step includes tree removal, earth moving, drainage, and the installation of new steps.

Estimated completion date is April 2021

- 3) Ernie Patterson and Roger Brown are reviewing the water flow and erosion along and into Lake Trace. The first step will be taking down the chain link fence and clearing trees and shrubs from both side of bank near rt 87 / sign island
- 4) 14 foot replacement fence has arrived to replace the damage 12 foot gate at the North exit. RMR will be doing the work in the next few weeks. Oscar has filed an insurance claim for the cost of gate and labor to replace.
- 5) Mark Mitchell will be doing road repair work next week. Weather permitting.
- 6) Landscaping committee decided to leave several of the perennial plants at the guardhouse planter area. Plants were added as they felt appropriate. This will save having to buy as many new plants in spring and the labor cost to do the work.
- 7) The 2 1/2 sewer line that runs from the gate house under the South bridge insulation is over half completed. It should be completed in the next week.
- 8) Leaves were blown off Traceway prior to Thanksgiving. The plan is to have them blown off two more times. December and January.

TRACE LAKE AND DAM COMMITTEE REPORT

December 2020

The original proposed plan for the TLDC is as follows:

1. Survey property
2. Present estimates of cost/cost share to CTA Directors for approval
3. Purchase easements between Escalante and various property owners (not CTA!), this would include the north side of the dam also.
4. Supervise property access work to completion
5. Coordinate/liaison Escalante work in the dam area.

We are roughly at the 3d step now. After meeting with April Stephenson, a local real estate attorney, we are working on finishing details for the easement and then we will need another survey map done of the specific marked trail/easement which will be agreed to by all parties.

It has been reported that clearing of the brush on the North side has been completed by Escalante. Discussion of cost-sharing for the South easement was attempted with Escalante, however there are still some major expenses projected by Escalante.

Trace Lake and Dam Committee

**Conflict of Interest and Compensation Policy of Carolina Trace Association, Inc.  
("CTA")**

**Adopted by the Board of Directors on 12/01/2020**

**I. Overview**

**1. Purpose**

The purpose of this Conflict of Interest Policy (the "policy") is to protect CTA's interests when it is considering taking an action or entering into a transaction that might benefit the private interests of a director, officer or **key person**<sup>1</sup>, result in the payment of excessive compensation to a director, officer or key person; or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit, charitable organizations.

**2. Why is a policy necessary?**

As a nonprofit, charitable organization, CTA is accountable to both government agencies and member Associations for responsible and proper use of its resources. Directors, officers and volunteers have a duty to act in CTA's best interests and may not use their positions for their own financial or personal benefit.

Conflicts of interest must be taken very seriously since they can damage CTA's reputation and expose both CTA and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for CTA.

**3. To whom does the policy apply?**

This policy applies to all directors, officers and key persons ("you")<sup>2</sup>.

**II. Identifying Conflicts of Interest**

**1. What is a conflict of interest?**

A potential conflict of interest arises when a director, officer or key person, or that person's **relative**<sup>3</sup> or business (a) stands to gain a financial benefit from an action CTA takes or a transaction into which CTA enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the director, officer or key person in discharging their duties to CTA.

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<sup>1</sup> **Key person** means a person, other than a director or officer, whether or not an employee of CTA, who:

- a) has responsibilities, or exercises powers or influence over CTA as a whole similar to the responsibilities, powers, or influence of directors and officers;
- b) manages CTA, or a segment of CTA that represents a substantial portion of the activities, assets, income, or expenses of CTA; or
- c) alone or with others controls or determines a substantial portion of CTA's capital expenditures or operating budget.

<sup>2</sup> Organizations may choose to make the policy applicable to all of their employees, not just key persons.

<sup>3</sup> **Relative** means a person's spouse or domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and great-grandchildren.

## 2. **What are some examples of potential conflicts of interest?**

It is impossible to list all the possible circumstances that could present conflicts of interest. Potential conflicts of interest include situations in which a director, officer or key person or that person's relative or business:

- has an ownership or investment interest in any third party that CTA deals with or is considering dealing with;
  - serves on the board of, participates in the management of, or is otherwise employed by or volunteers with any third party that CTA deals with or is considering dealing with;
  - receives or may receive compensation or other benefits in connection with a transaction into which CTA enters;
  - receives or may receive personal gifts or loans from third parties dealing with CTA;
  - serves on the board of directors of another nonprofit organization that is competing with CTA for a grant or contract;
  - has a close personal or business relationship with a participant in a transaction being considered by CTA;
  - would like to pursue a transaction being considered by CTA for their personal benefit.
3. In situations where you are uncertain, err on the side of caution and disclose the potential conflict as set forth in Section III of this policy.
  4. **A potential conflict is not necessarily a conflict of interest.** A person has a conflict of interest only if the audit committee decides, pursuant to Section IV of this policy, that a conflict of interest exists.<sup>4</sup>

### III. **Disclosing Potential Conflicts of Interest**

1. You must disclose to the best of your knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. Submit a signed, written statement disclosing all the material facts to the audit committee.
2. You must file an annual disclosure statement in the form attached to this policy. **If you are a director**, you must also file this statement right after your initial election. Submit the form to the chair of the Finance committee.

### IV. **Determining Whether a Conflict of Interest Exists**<sup>5</sup>

1. After there has been disclosure of a potential conflict and after gathering any relevant information from the concerned director, officer or key person, the Finance committee shall determine whether there is a conflict of interest. The director, officer or key person shall not be present for deliberation or vote on the matter and must not attempt to influence improperly the determination of whether a conflict of interest exists.

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<sup>4</sup> Alternatively, the policy could provide for disclosure (1) to the board of directors, in which case, the board would decide both whether there is a conflict and how to handle the conflict; or (2) to a different board committee.

<sup>5</sup> Alternatively, the policy could provide for disclosure (1) to the board of directors, in which case, the board would decide both whether there is a conflict and how to handle the conflict; or (2) to a different board committee.

2. In determining whether a conflict of interest exists, the audit committee shall consider whether the potential conflict of interest would cause a transaction entered into by CTA to raise questions of bias, inappropriate use of CTA's assets, or any other impropriety.
3. A conflict always exists in the case of a **related party transaction** – a transaction, agreement or other arrangement in which a **related party**<sup>6</sup> has a financial interest and in which CTA or any affiliate of CTA is a participant.<sup>7</sup>
4. If the audit committee determines that there is a conflict of interest, it shall refer the matter to the board of directors ("board").

#### V. Procedures for Addressing a Conflict of Interest

1. When a matter involving a conflict of interest comes before the board, the board may seek information from the director, officer or key person with the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to influence improperly the deliberation or vote.
2. **Additional Procedures for Addressing Related Party Transactions**
  - a. CTA may not enter into a related party transaction unless, after good faith disclosure of the material facts by the director, officer or key person, the board or a committee authorized by the board determines that the transaction is fair, reasonable and in CTA's best interest at the time of such determination.
  - b. If the related party has a substantial financial interest, the board or authorized committee shall:
    - i. prior to entering into the transaction, consider alternative transactions to the extent available;
    - ii. approve the transaction by a vote of not less than a majority of the directors present at the meeting; and

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<sup>6</sup> A **related party** is:

- a) a director, officer or key person of CTA or any affiliate of CTA, or
- b) a relative of any individual described in (1), or
- c) an entity in which any individual described in (1) or (2) has an ownership or beneficial interest of 35% or more, or in the case of a partnership or professional Corporation, a direct or indirect ownership interest in excess of 5%.

<sup>7</sup> A transaction is not a related party transaction if:

- a) the transaction, or the related party's financial interest in the transaction, is de minimis;
- b) the transaction would not customarily be reviewed by the board or the boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms;
- c) the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that CTA intends to benefit as part of the accomplishment of its mission (and that benefit is available to all similarly situated members of the same class on the same terms).

- iii. contemporaneously document in writing the basis for its approval, including its consideration of any alternative transactions.
- iv. at the board discretion, it can approve in advance recurring transactions with a party for a calendar year as long as the conditions mentioned in point ii and iii are met.

**VI. Minutes and Documentation**

The minutes of any board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. the name of the interested party and the nature of the interest;
- b. the decision as to whether the interest presented a conflict of interest;
- c. any alternatives to a proposed contract or transaction considered by the board; and
- d. if the transaction was approved, the basis for the approval.

**VII. Prohibited Acts**

CTA shall not make a loan to any director or officer.

**VIII. Procedures for Determining Compensation**

1. No person shall be present for or participate in board or committee discussion or vote pertaining to:
  - a. their own compensation;
  - b. the compensation of their relative;
  - c. the compensation of any person who is in a position to direct or control them in an employment relationship;
  - d. the compensation of any person who is in a position to directly affect their financial interests; or
  - e. any other compensation decision from which the person stands to benefit.
2. In the case of compensation of Key Persons, the following additional procedures apply:
  - a. The board or a committee authorized by the board shall approve compensation before it is paid.
  - b. The board or authorized committee shall base approval of compensation on appropriate data, including compensation paid by comparable organizations.
  - c. The board or authorized committee shall contemporaneously document:
    - i. the terms of compensation and date of determination;
    - ii. the members of the board or committee who were present and those who voted for it;
    - iii. the comparability data relied on and how it was obtained;

- iv if the compensation is higher or lower than the range of comparable data, the basis for the determination, and;
- v. any actions with respect to consideration of the compensation by anyone on the board or committee who had a conflict of interest with respect to the matter.



Carolina Trace Association, Inc.  
**Conflict of Interest Disclosure Statement**

By signing below, I affirm that:

1. I have received and read a copy of the Conflict of Interest Policy;
2. I agree to comply with the policy;
3. I have no actual or potential conflicts as defined by the policy or if I have, I have previously disclosed them as required by the policy or am disclosing them below.

Disclose here, to the best of your knowledge:

1. any entity in which you participate (as a director, officer, employee, owner, or member) with which CTA has a relationship;
2. any transaction in which CTA is a participant as to which you might have a conflicting interest; and
3. any other situation which may pose a conflict of interest.

Name:

Position:

Signature:

Date: