

RESOLUTION NO. 2012-10

A RESOLUTION ADOPTING A COMPREHENSIVE ETHICS POLICY FOR THE BOARD OF DIRECTORS AND OFFICERS OF THE HAMILTON COUNTY LAND REUTILIZATION CORPORATION.

WHEREAS, the Board of the Hamilton County Land Reutilization Corporation ("the Board") adopted the Hamilton County Land Reutilization Corporation ("HCLRC") Code of Regulations pursuant to Resolution 2012-3; and

WHEREAS, the Board finds that the HCLRC Code of Regulations, Article VII requires the adoption and maintenance of a Comprehensive Ethics Policy; and

WHEREAS, the Board finds that it is necessary and proper to adopt the Comprehensive Ethics Policy that is attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Hamilton County Land Reutilization Corporation:

Section 1. This Board hereby finds and determines that it has received and reviewed the policy attached to this Resolution as Attachment A ("Comprehensive Ethics Policy").

Section 2. This Board hereby approves and adopts the Comprehensive Ethics Policy and incorporates such Policy into the HCLRC Code of Regulations.

Section 3. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken, and that all deliberations of this Board that resulted in such formal actions were held, in meetings open to the public, in compliance with the law.

Section 4. This resolution shall be in full force and effect upon its adoption.

Adopted: May 16, 2012

Yeas: 7

Nays: 0



Chairperson



Attest: Secretary



COMPREHENSIVE ETHICS POLICY

HAMILTON COUNTY LAND REUTILIZATION CORPORATION

Chapter 1. Conflict of Interest Policy

Section 1. Policy Statement

It is policy of the Hamilton County Land Reutilization Corporation ("HCLRC" or "Corporation") to ensure that HCLRC Directors and Officers conduct themselves in a manner that fosters public confidence in the integrity of the HCLRC, its processes, and its accomplishments. The purpose of this policy is to protect the interests of the HCLRC and to set clear guidelines for the Directors and Officers of the HCLRC.

Section 2. Prohibited Interests and Actions of Directors and Officers; Permitted Interests; Exceptions.

Section 2.1. Prohibited Interests in Corporation Contracts. No Director or Officer of the Corporation shall knowingly do any of the following:

- (1) Authorize, or employ the authority or influence of such person's office to secure authorization of any contract with the Corporation in which such person, a member of such person's family, or any of such person's business associates has an interest;
- (2) Authorize, or employ the authority or influence of such person's office to secure the investment of funds in any share, bond, mortgage, or other security, with respect to which such person, a member of such person's family, or any of such person's business associates either has an interest, is an underwriter, or receives any brokerage, origination, or servicing fees;
- (3) During such person's term of office with the Corporation or within one year thereafter, occupy any position of profit in the prosecution of a contract authorized by such person or by the Board of Directors of the Corporation of which such person was a member at the time of authorization;
- (4) Have an interest in the profits or benefits of a contract entered into by, or for the use of, the Corporation;

Section 2.2. Permitted Interests. In the absence of bribery or a purpose to defraud, a Director, or Officer of the Corporation, member of such person's family, or any of such person's business associates shall not be considered as having an interest in a Corporation contract or the investment of its funds, if all of the following apply:

- (1) The interest of that person is limited to owning or controlling shares of a corporation or

organization, or being a creditor of a corporation or organization, where that corporation or organization is the contractor on the contract involved or is the issuer of the security in which the funds are invested;

(2) The shares owned or controlled by that person do not exceed five per cent of the outstanding shares of the corporation or organization, and the amount due that person as creditor does not exceed five per cent of the total indebtedness of the corporation or organization;

(3) That person, prior to the time the contract is entered into, files with the Board of Directors of the HCLRC, an affidavit giving that person's exact status in connection with the corporation or organization.

Section 2.3. Exceptions. Section 2.1 hereof does not apply to a Corporation contract in which a Director or Officer of the Corporation, a member of such person's family, or one of such person's business associates has an interest, when all of the following apply:

(1) The subject of the contract is necessary supplies or services for the Corporation;

(2) The supplies or services are unobtainable elsewhere for the same or lower cost, or are being furnished to the Corporation as part of a continuing course of dealing established prior to such person's becoming associated with the Corporation;

(3) The treatment accorded the Corporation is either preferential to or the same as that accorded other customers or clients of the corporation or organization in similar transactions;

(4) The entire transaction is conducted at arm's length, with full knowledge by the Corporation of the interest of such person, the member of such person's family, or business associate, and such person takes no part in the deliberations or decision of the Corporation with respect to the contract.

Section 2.4. Soliciting or Accepting Improper Compensation. No Director or Officer of the Corporation shall knowingly solicit or accept, and no person shall knowingly promise or give to a Director or Officer of the Corporation, either of the following:

(1) Any compensation, other than as allowed by divisions (G), (H), and (I) of Section 102.03 of the Revised Code or other provisions of law, to perform such person's official duties, to perform any other act or service in such person's official capacity, for the general performance of the duties of such person's office or employment, or as a supplement to such person's compensation;

(2) Additional or greater fees or costs than are allowed by rule or regulation of the Corporation to perform such person's official duties.

Section 2.5. Soliciting or Accepting Anything of Value in Exchange for Certain Consideration. No Director or Officer of the Corporation for such person's own personal or business use shall solicit or accept anything of value in consideration of either of the following:

(1) Appointing or securing, maintaining, or renewing the appointment of any person to any office, employment, or agency with the Corporation;

(2) Preferring, or maintaining the status of, any Director or Officer of the Corporation with respect to compensation, duties, placement, location, promotion, or other material aspects of employment or service.

Section 2.6. Soliciting or Accepting Political Contributions in Exchange for Certain Consideration. No person for the benefit of a political party, campaign committee, legislative campaign fund, political action committee, or political contributing entity shall coerce any contribution in consideration of either of the following:

(1) Appointing or securing, maintaining, or renewing the appointment of any person to any office, employment, or agency with the Corporation;

(2) Preferring, or maintaining the status of, any employee of the Corporation with respect to compensation, duties, placement, location, promotion, or other material aspects of employment.

Section 3. Procedures.

Section 3.1. Duty to Disclose. Notwithstanding the provisions of Section 2.2(3) hereof, in connection with any actual or potential conflict of interest, a Director or Officer of the Corporation must disclose in writing the existence and nature of his or her interest to the Board of Directors prior to its formal approval of the proposed transaction or contractual arrangement.

Section 3.2. Duty to Recuse Oneself from Vote or Selection Process. A Director or Officer that has, or will have, an interest in a transaction or contractual arrangement of the Corporation with an entity or individual that is prohibited under this Policy must recuse himself or herself from (i) participating in discussions whose immediate purpose is to make a recommendation or selection of the entity or individual with whom the Corporation will enter into the transaction or arrangement, (ii) voting on the matter or (iii) both, as applicable. A Director that is either elected or employed by a political subdivision with which the Corporation is considering entering into a transaction or other arrangement must recuse himself or herself from voting on the matter involving the political subdivision. A Director or Officer who complies with the provisions of this Section 3.2 shall not be deemed to have an actual or potential conflict of interest.

Section 3.3. Determining Whether a Prohibited Interest Exists. After disclosure of a potential prohibited interest under Section 3.1 of this Policy, the Director or Officer making such disclosure shall leave the Board of Directors' meeting while the Board discusses the nature of the interest and votes upon whether it believes such an interest constitutes or will constitute a prohibited interest if the Corporation were to enter into a transaction or contractual

arrangement with the entity or individual in respect of which the interested person has an interest and whether such person is not or will not be deemed to have a conflict of interest due to such person's compliance with the provisions of Section 3.2 hereof. If such person is a Director, the remaining Board of Directors shall decide if a conflict of interest exists.

Section 3.4. Procedures for Addressing the Conflict of Interest. If, pursuant to Section 3.3, a prohibited interest is deemed to exist:

- a. The Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement and may in its discretion request verbal advice or a written opinion of the Ohio Ethics Commission on the matter.
- b. After exercising due diligence, the Board of Directors shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

Section 3.5. Violations of the Conflicts of Interest Policy.

- a. If the Board of Directors has reasonable cause to believe that a Director or Officer of the Corporation has failed to disclose an actual or possible prohibited interest under this Policy, it shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of such person and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that such person has, in fact, failed to disclose an actual or possible prohibited interest, it shall take the disciplinary and corrective action which it, in its sole discretion, determines to be appropriate in the circumstances, including, without limitation, compliance with division (A)(1) of Revised Code Section 2721.22.

Section 4. Records of Proceedings. With respect to any proceedings of the Board of Directors under this Policy, the minutes of the Board of Directors shall contain the following:

- a. The names of the persons who disclosed or otherwise were found to have a potential or actual prohibited interest under this Policy, the nature of the interest, any action taken to determine whether the interest is a prohibited interest hereunder or under any law of the State of Ohio, and the Board of Directors' decision as to whether a prohibited 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 therewith.

Section 5. Annual Statements. Each Director and Officer of the Corporation shall annually sign a statement which affirms that such person:

a. has received a copy of the most recent Conflicts of Interest Policy;

b. has read and understands this Policy;

c. has agreed to comply with this Policy; and

d. understands that (i) the Corporation is an organization performing essential governmental functions authorized in Chapters 1724 and 5722 of the Ohio Revised Code, among others, and, therefore, pursuant to Section 115(1) of the Code, it and its income is exempt from federal income taxation and (ii) in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its governmental purposes.

Section 6. Periodic Reviews. To ensure that the Corporation operates in a manner consistent with its governmental purposes and that it does not engage in activities that could jeopardize its status as an organization performing essential governmental functions and claiming exemption from federal income taxation pursuant to Section 115(1) of the Code, periodic reviews shall be conducted. The periodic reviews shall, at the minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining; and

b. Whether partnership and joint venture arrangements and arrangements with management service organizations, including property management organizations, if any, conform to written policies of the Corporation, are properly recorded with the Corporation, reflect reasonable payments for goods and services, further the Corporation's governmental purposes and do not result in personal inurement or impermissible private benefit.

Section 7. Use of Outside Experts. In conducting the periodic review provided for in Section 6, the Corporation may, but need not, use outside advisors or experts. If outside experts are used their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

Section 8. Amendments. This Policy may be amended from time to time by the Directors of the Corporation acting in accordance with the provisions governing amendments to this Policy set forth in the Code of Regulations.

Section 1. Policy Statement. The Revised Code Section 1724.10(B)(1) expressly provides that *“Membership on the governing board of a community improvement corporation does not constitute the holding of a public office or employment within the meaning of sections 731.02 and 731.12 of the Revised Code or any other section of the Revised Code[.]”* The Directors of the HCLRC adopt this ethics policy (“General Ethics Policy”) to govern actions of the HCLRC’s Directors and Officers in order to protect the public trust inherent in the Corporation’s statutory purposes.

Section 2. Definitions. As used in this Chapter 2:

(A) *“Income”* includes gross income as defined and used in the “Internal Revenue Code of 1986,” 100 Stat. 2085, 26 U.S.C. 1, as amended, and interest and dividends on obligations or securities of any state or of any political subdivision or authority of any state or political subdivision.

(B) *“Anything of material value”* means to the extent material, as defined below:

- (1) Money, bank bills or notes, United States treasury notes, and other bills, bonds, or notes issued by lawful authority and intended to pass and circulate as money;
- (2) Goods and chattels;
- (3) Promissory notes, bills of exchange, orders, drafts, warrants, checks, or bonds given for the payment of money;
- (4) Receipts given for the payment of money or other property;
- (5) Rights in action;
- (6) Things which savor of the realty and are, at the time they are taken, a part of the freehold, whether they are of the substance or produce thereof or affixed thereto, although there may be no interval between the severing and taking away;
- (7) Any interest in realty, including fee simple and partial interests, present and future, contingent or vested interest, beneficial interests, leasehold interests, and any other interest in realty;
- (8) Any promise of future employment;
- (9) Every other thing of value, including, but not limited to, a contribution as defined in section 3517.01 of the Revised Code. For the purposes of this definition, “material” when used in the phrase “anything of material value” means anything with a monetary value in excess of \$400.

(C) *“Honorarium”* means any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or similar gathering. “Honorarium” does not include ceremonial gifts or awards that have insignificant monetary value; unsolicited gifts of nominal value or trivial items of informational value; or income received from any person for personal services rendered to that person that are customarily provided in connection with the practice of a bona fide business and that are wholly unrelated to the duties or services provided to the Corporation by the recipient.

Section 3. Prohibited Representations. A present or former Director or Officer of the Corporation is not permitted, during employment with or service to the Corporation or for a period of one year thereafter to represent a client or act in a representative capacity for any person on any matter in which the Director or Officer personally participated as a Director or Officer of the Corporation through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or other substantial exercise of administrative discretion.

Section 4. Maintaining Confidentiality of Information. A present and former Director or Officer of the Corporation is prohibited from disclosing or using, without appropriate authorization, any information acquired by such Director or Officer in the course of the Director's or Officer's official duties for the Corporation that is confidential because of statutory provisions, or that has been clearly designated to the Director or Officer as confidential when that confidential designation is warranted because of the status of the proceedings or the circumstances under which the information was received and preserving its confidentiality is necessary to the proper conduct of the Corporation's business.

Section 5. Prohibited Use of the Authority or Influence of Corporate Office or Employment. A Director or Officer of the Corporation is prohibited from using or authorizing the use of the authority or influence of his or her office to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the Director, Officer or employee with respect to that person's duties.

Section 6. Prohibition upon Solicitation or Acceptance of Things of Material Value. A Director or Officer of the Corporation is prohibited from soliciting or accepting anything of a material value that is of such a character as to manifest a substantial and improper influence upon the Director or Officer with respect to that person's duties. For purposes of this Section, there is a rebuttable presumption that the acceptance of meals or casual entertainment from the same person or entity that does not exceed \$400 during a calendar year does not manifest a substantial and improper influence upon a Director or Officer with respect to that person's duties. Reimbursement by a third party of the actual travel expenses of a Director or Officer of the Corporation when traveling on or for official business of the Corporation for the purpose of making a speech or presentation about the Corporation or for educational or other charitable purposes shall be excluded from the application of this Section. This Section shall not be construed as prohibiting a Director or Officer of the Corporation from accepting an Honorarium or a payment in reimbursement of travel, meal, and lodging expenses for a speech or presentation about or related to the work of the Corporation if voluntarily offered by a third party. Any such Honorarium shall be deposited into the general fund of the Corporation immediately upon the Director's or Officer's return to the Corporation. Payment in reimbursement of travel, meals, and lodging expense for such speech or presentation may be retained by the Director or Officer so long as no reimbursement for the same expenses is sought from the Corporation. This Section shall not be construed as prohibiting a Director or Officer from accepting a paid consulting engagement arising out of such Director's or Officer's

expertise about the functions of or his or her relationship to the Corporation and its mission if the payment for such an engagement is deposited into the general fund of the Corporation and if the acceptance of such an engagement will not adversely affect that person's duties with the Corporation.

Section 7. Requesting a Ruling from the Board of Directors. Any Director or Officer of the Corporation who is unsure of such person's compliance with the provisions of this Chapter in connection with an individual situation that arises may request that the Board of Directors of the Corporation, in its absolute discretion, rule on the potential activity's compliance with the letter and spirit of this Chapter. If a Director of the Corporation avails himself or herself of the provisions of this Section 7, such Director shall not participate in any discussions among the other Directors or in their ruling related to such Director's requested ruling, except as the other Directors may request in connection with learning or clarification of the factual matters related to such situation.

Section 8. Violations of the General Ethics Policy. If the Board of Directors has reasonable cause to believe that a Director or Officer of the Corporation has violated this General Ethics Policy, it shall inform the Director or Officer of the basis for such belief and afford such person an opportunity to explain the alleged violation. If, after hearing the response of such person and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that such Director or Officer has, in fact, violated this General Ethics Policy, it shall take appropriate disciplinary and corrective action, including, but not limited to, ordering mandatory withdrawal from the Board of Directors, if such person is a Director, or suspension or termination, if such person is an Officer. Nothing in this Section 8 or anywhere else in Chapters 1 or 2 of this Comprehensive Ethics Policy shall be construed as prohibiting the Board of Directors of the Corporation from turning over evidence of an alleged violation of any provision of this Comprehensive Ethics Policy to local law enforcement authorities if it believes that the alleged violation may rise to the level of a criminal offense.