

**MINUTES
UNITED STATES CENTER FOR SAFESPORT
JANUARY 28-29, 2016**

Opening of Meeting

1. The meeting of the Board of Directors of the United States Center for SafeSport (USCSS) was opened on Thursday, January 28, 2016, at 4:30 p.m. MST. Notice of the meeting was duly given pursuant to the USSS Bylaws. The Meeting was held in Colorado Springs, Colorado.

Board Members Present (January 28, 2016)

2. The following Board members were present on Thursday, January 28, 2016: Regis Becker (via video conference), Angelo Giardino, Jessica Herrera-Flanigan, Reuben Jones, Frank Marshall, Julie Novak, Megan Ryther, Fran Sepler and Connie Smotek.
3. Also in attendance for all of the meeting on January 28, 2016, were Malia Arrington, (USOC Senior Director, Ethics and Safe Sport, Ethics and Safe Sport), Meredith Yeoman (USOC Coordinator, Community Outreach & Communications, Ethics and Safe Sport), Gary L. Johansen (USCSS Secretary and USOC Associate General Counsel, Legal), Stephen Brewer (USCSS Treasurer and USOC Controller, Finance), Chad Sunderland (USOC Director of Business Intelligence, Strategic Planning) and David P. Kunstle of the law firm of Lewis Roca Rothgerber Christie LLP (USCSS Outside Legal Counsel).

Quorum

4. Attending Board members constituted a quorum of the Board under USSS Bylaws.

Duties of Chair

5. For purposes of the meeting Frank Marshall assumed the duties of Chair pursuant to consent of the Board members.

Welcome

6. Frank Marshall called the meeting to order and welcomed the Board members. He noted that this was the first meeting of the USSS Board.
7. Mr. Marshall thanked Malia Arrington for arranging the meeting and setting the agenda. He also thanked Ms. Arrington, as the incorporator of USSS, in getting the organization up and running. He also recognized Ms. Arrington's assistance and contributions in setting goals, establishing action items and in providing draft documents for consideration by the Board for the January 28-29 meeting.

8. Mr. Marshall also acknowledged the presentations given by Malia Arrington, Gary L. Johansen and Kacie Wallace (USOC Athlete Ombudsperson) prior to the opening of the meeting. Ms. Arrington, Mr. Johansen and Ms. Wallace provided information on the Olympic and Paralympic movement, USOC governance, and the international sports regulatory framework.

Background

9. Malia Arrington gave a presentation to the Board on the involvement of the USOC and of National Governing Bodies (NGBs) with safe sport and the determination to create USCSS.
10. Ms. Arrington provided a brief overview of USCSS's Articles of Incorporation and Bylaws. Ms. Arrington explained that the USOC is the sole member of USCSS.
11. Ms. Arrington also pointed out that by recent amendment to the USOC Bylaws NGBs and Paralympic Sport Organizations (PSOs) are required to comply i) with the safe sport policies of the USOC and ii) with the policies and procedures of USCSS. Ms. Arrington indicated that one of USCSS's responsibilities will be investigating and resolving disputes concerning alleged safe sport violations. Matters that can't be resolved internally may be resolved through arbitration. Ms. Arrington further explained that the USOC Bylaws, also by recent amendment, provide that a decision concerning a safe sport rule violation brought by USCSS shall not be reviewable through a complaint under Section 9 of the USOC Bylaws, which provides for the adjudicating disputes relating to the denial of an individual's opportunity to participate in a protected competition.

Policies

12. The Board discussed, under Malia Arrington's leadership, the need for various USCSS policies.
 - (a) Ms. Arrington indicated that a Whistleblower Policy was adopted upon incorporation of USCSS. A copy of the Whistleblower Policy is attached to these minutes as **Attachment A**.
 - (b) The Board also considered a draft Conflict of Interest Policy. A **motion** to approve the Policy was made and seconded. The motion passed unanimously. A copy of the Conflict of Interest Policy is attached to these minutes as **Attachment B**.
 - (c) The Board considered a draft Confidentiality Policy. A **motion** to approve the Policy was made and seconded. However, after discussion, it was determined to table the motion as additional clarification was needed on certain terms.
 - (d) The Board discussed the need for a Document Retention Policy. Ms. Arrington indicated that she was still researching various alternatives and that she anticipated being able to present a Document Retention Policy at a later Board meeting.

- (e) The Board also discussed the need for a Communications Policy that would address who would respond to inquiries and how such responses would be addressed. The Board indicated a desire to have a draft Policy presented to them at a later Board meeting.

Board Responsibilities

- 13. Chad Sunderland gave a presentation on Board responsibilities and roles.
- 14. Following the presentation, the Board discussed, under Mr. Sunderland's leadership, the type of governance model it wanted to endorse. Three models were discussed, an Operational Board, a Consulting Board, and a Strategic Board. An Operational Board involves itself in the day-to-day operations of the organization. A Consulting Board serves more of a resource role to the organization. A Strategic Board approves a strategic plan, which is then implemented by the management team. The Board supported the Strategic Board model.

Adjournment

- 15. The Board adjourned its meeting at 5:45 p.m. MST. The Board indicated that it would reconvene at 8:00 a.m. MST Friday, January 29, 2016.

Reconvening of Meeting

- 16. The Board reconvened at 8:00 a.m. MST on Friday, January 29, 2016.

Board Members Present (January 29, 2016)

- 17. The following Board members were present on January 29, 2016: Regis Becker (via video conference), Angelo Giardino, Jessica Herrera-Flanigan, Reuben Jones, Frank Marshall, Julie Novak, Megan Ryther, Fran Sepler and Connie Smotek.
- 18. Also in attendance for all of the meeting were Gary L. Johansen (USCSS Secretary and USOC Associate General Counsel, Legal), Stephen Brewer (USCSS Treasurer and USOC Controller, Finance), Chad Sunderland (USOC Director of Business Intelligence, Strategic Planning) and Rick Adams (USOC Chief of Paralympic Sport and NGB Organizational Development, U.S. Paralympics). Malia Arrington, (USOC Senior Director, Ethics and Safe Sport, Ethics and Safe Sport) and Meredith Yeoman (USOC Coordinator, Community Outreach & Communications, Ethics and Safe Sport) were present for all of the meeting, except for that portion during which they excused themselves, as indicated in the minutes. Scott Blackmun (USOC CEO), Blanton Jones (USOC Vice President, Annual & Major Gifts, Development Department), Martha Johnson (USOC Associate Director, NGB Fundraising Development, Development Division), Pam Sawyer (Managing Director, USOC Human Resources Department) and

Rudy Garcia-Tolson (Guest Speaker and Paralympic Athlete) were present for part of the meeting, as indicated in the minutes.

USOC CEO Report

19. Scott Blackmun thanked the Board members for their service to USCSS. He also commented on the important mission of USCSS. Mr. Blackmun indicated that the USOC had authorized \$5.2 million in funding for USCSS, and that the USOC board of directors has authorized the USOC to expend \$2.5 million. Mr. Blackmun indicated that USCSS would need a dedicated and focused effort to raise funds in order to execute its mission. Mr. Blackmun left the meeting after his presentation.

Mission, Vision and Success Factors

20. Malia Arrington indicated that the USOC/NGB Safe Sport Working Group had identified three keys to success. They were reputation (how the organization is perceived), scalability (the ability to effectively and efficiently deal with safe sport complaints) and partnerships (the necessity to develop good relationships with the sporting community).
21. The Board entered into a discussion of USCSS's mission. The following draft mission statement was presented to the Board by Ms. Arrington: "To create an empowered sports community armed with the resources to stop abuse." Also, Ms. Arrington presented a possible vision, which was: "Through a collaborative effort, safe sport will lead the fight against abuse by leveraging sport's unique ability to spark social change." No action was taken and the Board expressed its desire to "make sport safe."

Services and Staffing

22. Malia Arrington led a discussion on possible services to be provided by USCSS. She indicated that sport organizations need access to prevention and response tools that comprehensively address all forms of abuse. On the prevention side Ms. Arrington discussed the need for (i) outreach and education, (ii) sample policies and procedures, and (iii) training. On the response side Ms. Arrington detailed processes for (i) reporting and intake, (ii) investigations, and (iii) arbitrations.
23. The Board discussed staffing for USCSS on a short- and long-term basis to accomplish its objectives. The Board also discussed the need for an organizational growth plan.

Intellectual Property License

24. Malia Arrington pointed out to the Board that the USOC owns trademarks, copyrights, images, materials and other intellectual property that pertain to the USOC's safe sport initiative. Pursuant to an agreement the USOC is willing to grant a non-transferable license to the USCSS permitting USCSS to use certain of the trademarks, copyrights,

images, materials and other intellectual property (Limited License to Use Intellectual Property). A **motion** was made and seconded to approve the license agreement and to authorize Ms. Arrington to sign the license agreement. The motion passed unanimously.

Budget and Funding

25. Steven Brewer led a discussion on USCSS's expense model and currently anticipated funding. Mr. Brewer indicated that the USOC board has authorized \$5.2 Million over the next five years (of which \$2.5 Million has been approved subject to various contingencies). NGBs have also committed to \$5.2 Million over the next five years. Once additional fundraising goals have been met, the USOC will release \$2.7 Million. Mr. Brewer also provided a cash flow projection related to USCSS's growth plan.
26. Mr. Brewer provided information on start-up costs for new organizations. Mr. Brewer indicated that at a minimum USCSS will need to budget funds for staffing, consultants, outside counsel, office space, insurance, education programs and arbitration costs associated with processing safe sport violations.

Fundraising

27. Blanton Jones and Martha Johnson joined the meeting.
28. Rick Adams provided information on fundraising efforts to date, including funding requests made to the professional leagues.
29. Mr. Jones discussed the role of the Board in fundraising. Mr. Jones indicated that each Board member has a unique talent that can come into play when fundraising.
30. Ms. Johnson discussed her experiences assisting NGBs in their fundraising efforts. Ms. Johnson indicated that fundraising requires collaboration within the entire organization. She also indicated that raising funds takes time.
31. The Board indicated its belief that in order to maximize fundraising efforts, USCSS will need to create a consolidated message and provide a clear vision of its goals and activities. The Board further discussed funding opportunities and challenges. The Board expressed its belief that a full time dedicated person will be needed in order for USCSS to meet its fundraising goals. The Board determined to ask the USOC if it would help set out a fundraising plan.
32. Mr. Jones and Ms. Johnson left the meeting.

Guest Speaker

33. Rudy Garcia-Tolson joined the meeting
34. Rudy Garcia-Tolson, an athlete from the Paralympic sport of swimming, provided an inspirational talk on his experiences as a disabled swimmer. Mr. Tolson indicated that the real disability in life is a negative attitude.
35. Mr. Tolson left the meeting.

Services Agreement, Staffing and CEO Search

36. Malia Arrington and Meredith Yeoman excused themselves from the meeting.
37. Pam Sawyer joined the meeting.
38. Rick Adams outlined the proposed shared services agreement between the USOC and USCA. The agreement runs through July 1, 2016, and allows for Ms. Arrington and Ms. Yeoman to work on loan to USCS. Their salaries will continue to be paid by the USOC. Under the services agreement Ms. Arrington will serve as Loaned CEO and Ms. Yeoman will serve as Loaned Community Outreach/Communication Coordinator. Their salaries will continue to be paid by the USOC. The agreement may be extended past July 1 upon agreement of both parties.
39. The Board discussed the possibility of adding a provision to the services agreement in the future that would provide for assistance from the USOC by the USOC Development Department. A **motion** was made and seconded to approve the shared services agreement. The motion passed unanimously.
40. The Board discussed what attributes it was seeking in a CEO. The Board also discussed whether or not to utilize the services of a search firm in the CEO hiring process. The benefits and costs associated with a search firm were discussed.
41. Ms. Sawyer provided input on developing a job description for the CEO. She also commented on the expected time to conduct a search and complete the hiring process. Ms. Sawyer also provided information on salary range and total compensation requirements. Further, Ms. Sawyer indicated that, if requested by USCS, the USOC could assist in the hiring process. She also indicated that at the request of USCS the USOC could conduct on-boarding for the CEO when hired.
42. It was determined that the Executive Search working group would consider this matter further and report back to the full Board.
43. Ms. Sawyer left the meeting.

Insurance

44. Malia Arrington and Meredith Yeoman rejoined the meeting.
45. Ms. Arrington led a discussion on the difficulties of obtaining professional liability insurance for USCSS. She outlined a professional liability quote from CFC Underwriting Ltd. Ms. Arrington requested the Board's authority to bind professional liability coverage with CFC Underwriting Ltd. for insurance. A **motion** was made and seconded to authorize binding the insurance. The motion passed unanimously.

Office Location

46. The Board entered into a discussion regarding the best place to locate USCSS's offices. The Board considered a number of factors including proximity to the USOC and NGBs/PSOs, advantage to being centrally located in the U.S., cost of office space, degree that location plays in attracting staff, cost of living, and necessity to be near a major airport. There was discussion that Denver, Colorado met a number of these criteria. A **motion** was made and seconded to explore locating USCSS in Denver, Colorado. The motion passed unanimously.

Messaging and Branding

47. The Board discussed USCSS messaging and branding. Ms. Arrington indicated that although the term "SafeSport" made sense to the Olympic/Paralympic movement, it was not entirely understood by others outside of that movement. To them "SafeSport" also included such issues as concussions and equipment safety. Ms. Arrington suggested that for messaging and branding purposes, USCSS may need to consider changing its name.

Working groups

48. The Board identified individuals to serve on three working groups. They are as follows.
 - (a) Communications and Marketing – Frank Marshall, Julie Novak, Fran Sepler and Connie Smotek.
 - (b) Executive Search – Regis Becker, Jessica Herrera-Flanigan, Reuben Jones, Megan Ryther and Fran Sepler (Ms. Sepler was added to the group after the groups had met).
 - (c) Fundraising – Regis Becker, Angelo Giardino and Jessica Herrera-Flanigan.
49. The Board then separated into the three working groups. Each working group spent time discussing its topic and reported back to the full Board. The Communications Group reported that USCSS needed to develop a long term media and marketing strategy and discussed possible media and marketing goals. The Executive Search group reported on the benefits and costs associated with hiring an executive search firm. The group also

discussed the possibility of having an executive search firm assist with developing job descriptions for key USCSS personnel. The Fundraising group reported on various fundraising avenues and discussed ways to be successful in the fundraising arena.


Meeting Dates

50. The Board discussed future meeting dates. The Board scheduled the following meetings:
1) March 18-19, 2016, in Colorado Springs, Colorado, 2) June 24-25, 2016, in Chicago, Illinois, 3) September 16-17, 2016, in Denver, Colorado and 4) December 9-10, 2016, in Houston, Texas.

Adjournment

51. A **motion** was made and seconded to adjourn the meeting. The motion passed unanimously.
52. The meeting was adjourned at 4:10 p.m. MST.

These minutes constitute a true and correct recitation of the January 28-29, 2016, meeting of the Board of Directors of the United States Center for SafeSport.



Gary L. Johansen
Secretary

Approved by the USCSS Board on March 18, 2016.

Attachments:

- Attachment A – Whistleblower Policy
- Attachment B – Conflict of Interest Policy

UNITED STATES CENTER FOR SAFESPORT
WHISTLEBLOWER POLICY

General. The United States Center for SafeSport, a Colorado nonprofit corporation (the “Corporation”) requires directors, officers, employees, staff members, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As agents and representatives of the Corporation, we must practice honesty and integrity in fulfilling our responsibilities, and we must comply with all applicable laws and regulations and the Corporation’s internal policies.

Reporting Responsibility

It is the responsibility of all the Corporation directors, officers, employees, staff members, and volunteers to report what they believe are material violations of law, Corporation policy, or questionable accounting or auditing matters by the Corporation or its officers, directors, employees, staff members, volunteers, agents, or other representatives relative to the Corporation. This responsibility includes notifying the Corporation if an action needs to be taken in order for the Corporation to be in compliance with the law, Corporation policy, or with generally accepted accounting practices.

The types of concerns that should be reported include, for purposes of illustration and without being limited to, the following:

- supplying false or misleading information on the Corporation’s financial documents, reports to grantors, investors, and/or lenders, tax returns or other public documents;
- providing false information to or withholding material information from the Corporation’s auditors, accountants, lawyers, directors, or other representatives responsible for ensuring the Corporation compliance with fiscal and legal responsibilities;
- embezzlement or misappropriation of funds for private benefit (i.e., use of the Corporation assets for personal gain or benefit);
- material violation of the Corporation’s policies, including among others, conflict of interest, whistleblower, and document retention;
- discrimination based on race, gender, ethnicity, sexual orientation or disability; and
- planning, facilitating or concealing any of the above or similar actions.

No Retaliation

The Corporation will use its best efforts to protect any director, officer, employee, staff member, or volunteer who in good faith reports a suspected violation or concern under this Whistleblower Policy against harassment, discrimination, retaliation or, in the case of an employee, adverse employment consequences as a result of such report. An employee, staff member, or volunteer who retaliates against someone who has reported a suspected violation or concern in good faith is subject to discipline up to and including termination of employment, termination of contractor relationship, or dismissal from the volunteer position. This Whistleblower Policy is intended to encourage and enable directors, officers, employees, staff members, and volunteers to raise serious concerns within the Corporation for internal investigation and appropriate action.

Reporting Violations and Concerns

General: All reports should be in writing unless it is impractical to do so. Although the Corporation will accept anonymous reports, it is important to understand that anonymity can hinder investigation, since it is impossible to seek additional information from an anonymous source. For that reason, it is essential that anonymous reports contain as much specific information as possible.

Employees and Staff Members: Whenever possible, employees and staff members should submit their concerns directly to their supervisor or to the next level of management as needed until matters are satisfactorily resolved. However, if for any reason an employee or staff member is not comfortable speaking to his/her supervisor or manager or does not believe the issue is being properly addressed, the employee or staff member may contact the chief executive officer. If the matter involves the chief executive officer, or the employee or staff member is not comfortable reporting the matter to the chief executive officer, the matter may be reported directly to the Board Chair.

Volunteers: Whenever possible, volunteers should submit their concerns directly to their volunteer coordinator or supervisor or to the next level of organizational management (if known) as needed until matters are satisfactorily resolved. If for any reason a volunteer is not comfortable speaking to his/her coordinator or supervisor, he or she may report the matter to the chief executive officer or Board Chair of the Corporation.

Directors: Directors may submit their concerns to the chief executive officer or the Board Chair.

Handling of Reported Violations

The Corporation will investigate all reports filed in accordance with this Whistleblower Policy with due care and promptness. The Corporation shall promptly acknowledge receipt of the complaint to the complainant and, when possible, refer the matter to appropriate persons in the Corporation's reasonable discretion to address and conduct an investigation to determine if the allegations are true, whether the issue is material, and what, if any, corrective action is necessary. Upon the conclusion of this investigation, the investigating body shall promptly report its findings to the chief executive officer or Board Chair, as applicable.

In the event the allegation of wrongdoing involves a member of the Board of Directors or officer, the deliberations and investigations of the Board of Directors or officers, as applicable, will not include the involved person. All deliberations and investigations shall comply with the conflict of interest policy of the Corporation. If the identity of the complainant is known, such identity shall not be disclosed to the involved person if reasonably possible.

Investigative Authority of Board of Directors

The chief executive officer or the Board of Directors, as applicable, have full authority to investigate suspected violations and concerns reported under this Whistleblower Policy and may retain outside legal counsel, accountants, private investigators, or any other resource that the investigating body reasonably believes is necessary to conduct a full and complete investigation of the allegations.

Acting in Good Faith

Anyone submitting a report under this Whistleblower Policy must do so in good faith and have reasonable grounds for believing the matter reported involves a material violation of law or the Corporation policy or a questionable accounting or auditing practice. Unfounded allegations that have been made maliciously,

recklessly, with gross negligence, or with the knowledge that the allegations are false, may result in disciplinary action.

Confidentiality

Reports of suspected violations or concerns, and investigations pertaining thereto, will be kept confidential to the extent possible. However, consistent with the need to conduct an adequate investigation and take corrective action, the Corporation cannot guarantee complete confidentiality. Disclosure by the Corporation staff or other representatives of information relating to an investigation to individuals not involved in the investigation may result in disciplinary action.

[End of Document]

**CONFLICT OF INTEREST POLICY
OF
UNITED STATES CENTER FOR SAFESPORT**

**ARTICLE 1
PURPOSE**

The purpose of this Conflict of Interest Policy is to ensure that all conflicts of interest – actual, potential and perceived – involving a director, officer, senior staff member or other person in a position to exercise substantial influence over the affairs of USCSS are disclosed and properly addressed, including to protect the tax-exempt interest of the United States Center for SafeSport, a Colorado nonprofit corporation (“USCSS”). A conflict of interest, or potential conflict of interest, exists when an individual’s activities or interests, including financial interests, interfere with, influence, or have the potential to interfere with or influence his or her responsibilities on behalf of USCSS or undermine the interests of USCSS. Should any transaction or act constitute a possible conflict of interest, the individual is required to disclose all of the relevant facts for consideration to determine whether a conflict of interest actually exists, and if so, the manner in which it should be resolved. This policy is intended to supplement but not replace any applicable state and federal law that governs conflicts of interest applicable to nonprofit and tax-exempt charitable organizations.

**ARTICLE 2
ANNUAL COMPLIANCE STATEMENTS**

Each director, officer, senior staff member, and any other person in a position to exercise substantial influence over the affairs of USCSS, including members of any committees with governing board-delegated powers, shall annually sign a statement and declaration in substantially the form attached as Schedule A hereto, or as otherwise adopted by the board of directors. Any situation that may develop before the next annual declaration should be disclosed to the Chair of the board of directors.

**ARTICLE 3
VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY**

If the governing board or its Chair or authorized committee has reasonable cause to believe a person has failed to disclose actual or potential conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person’s response and after making further investigation as warranted by the circumstances, the governing board or its Chair or authorized committee determines the person has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action. Such corrective and/or disciplinary action may

include, but is not limited to, removal of such person from their position on the board or other position of authority and/or disgorgement of benefits received from any conflict of interest transaction.

ARTICLE 4 CONFLICTS INVOLVING A FINANCIAL INTEREST

4.1. Definitions.

(a) **Interested Person.** Any director, officer, senior staff member or other person in a position to exercise substantial influence over the affairs of USCSS, or member of a committee with governing board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) **Related to.** A spouse, descendent, ancestor, sibling, the spouse or descendent of a sibling, an estate or trust in which the interested person or party related to the interested person has a beneficial interest, or an entity in which a party related to an interested person is a director, officer, or has a financial interest.

(c) **Financial Interest.** A financial interest includes the following, directly or indirectly, with respect to an interested person, or a party related to that person:

i. an ownership or investment interest in any entity with which USCSS has a transaction or arrangement,

ii. a compensation arrangement with USCSS or a compensation arrangement (including gifts, gratuities or discounts valued at more than \$100.00) with any entity or individual with which USCSS has a transaction or arrangement,
or

iii. an ownership or investment interest in, or compensation arrangement (including gifts, gratuities or discounts valued at more than \$100.00) with, any entity or individual with which USCSS is negotiating a transaction or arrangement.

A financial interest shall be presumed to be a conflict of interest, unless under the procedures set forth in this Article 4, the board of directors or appropriate board committee decides that a conflict of interest does not exist or otherwise approves or ratifies the financial interest or transaction.

4.2. Duty to Disclose Financial Interest. In connection with any actual or potential financial interest, an interested person must disclose the financial interest and all material facts to the board of directors or appropriate board committee with governing board-delegated powers considering the proposed transaction or arrangement.

4.3. **Determining Whether a Conflict of Interest Exists Involving a Financial Interest.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members, even if less than a quorum, shall decide if a conflict of interest exists.

4.4. **Procedures for Addressing a Conflict of Interest Involving a Financial Interest.**

(a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the potential conflict of interest.

(b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the governing board or committee shall determine whether USCSS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in USCSS's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4.5. **Quorum.** Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

4.6. **Records.** The minutes of the governing board and all committees with board-delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or potential conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of 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 with the proceedings.

Adopted January _____, 2016

SCHEDULE A

Form of Annual Statement and Declaration