The Neighborhood Club of Bala Cynwyd

Conflicts of Interest Policy

Article I
Purpose

The purpose of this conflicts of interest policy (this "Policy") is to protect the interests of The Neighborhood Club of Bala Cynwyd (the "Corporation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest, which are applicable to nonprofit and charitable organizations.

Article II
Definitions

Section 1. Interested Person. Any director, officer 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. If a person is an interested person with respect to any entity with which the Corporation is affiliated, he or she is also an interested person with respect to the Corporation. Interested persons shall also include those additional persons so identified pursuant Article III.

Section 2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

(a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

(b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or

(c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

"Compensation" includes direct and indirect remuneration as well as gifts or favors that are substantial in amount. A financial interest is not necessarily a conflict of interest. Under Article IV, Section 2 of this Policy, a person who has a financial interest may have a conflict of interest only if the Board of Directors or the appropriate committee thereof determines that a conflict of interest exists. A "transaction or arrangement" shall include a matter on which the Corporation is taking action or considering taking action (including, without limitation, a real estate project as to which the Corporation will either take no action or oppose.)

Article III
Implementation; Conflicts Administrator

The President of the Corporation, or his or her designee (the "Conflicts Administrator"), shall be responsible for implementation of the Policy, including: (i) assuring proper adoption by the Board of Directors of resolutions from time to time identifying the members of senior staff of the Corporation and the major consultants or other independent contractors to the Corporation who are to be designated as interested persons and made subject to the Policy and that, with respect to any such consultants and independent contractors, they are by contract made subject to the Policy; (ii) assuring that all interested persons (including all directors and officers of the Corporation) timely submit the Acknowledgement Statements required to be submitted under Article VII and that all Disclosure Statements submitted by Interested Persons under Article VIII are presented to the Board of Directors in a timely manner; and (iii) otherwise taking any and all necessary actions for the proper implementation of this Policy.

Article IV
Procedures

Section 1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose, on a Disclosure Statement submitted to the Conflicts Administrator in accordance with Article VIII, the existence of the financial interest and must be given the opportunity to disclose all material facts to the directors and members of committees with Board-delegated powers considering the proposed transaction or arrangement.

Section 2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, such interested person shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall determine whether a conflict of interest exists.

Section 3. Procedures for Addressing the Conflict of Interest.

(a) An interested person may make a presentation at the Board or committee meeting, but after the presentation, such person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

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

(c) If appropriate considering the nature of the transaction or arrangement, and after exercising due diligence, the Board or committee shall determine whether the Corporation 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 Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or

arrangement is in the Corporation'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.

Section 4. Violations of the Conflicts of Interest Policy.

(a) If the Board of Directors or committee thereof has reasonable cause to believe that one of its members has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article V
Records of Proceedings

The minutes of the Board of Directors 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 possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's determination 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.

Article VI
Compensation

(a) If a voting member of the Board of Directors receives compensation, directly or indirectly, from the Corporation for services, that voting member is precluded from voting on matters pertaining to that member's compensation.

(b) If a voting member of any committee whose jurisdiction includes compensation matters receives compensation, directly or indirectly, from the Corporation for services, that voting member is precluded from voting on matters pertaining to that member's compensation.

(c) If a voting member of the Board of Directors or any committee thereof whose jurisdiction includes compensation matters receives compensation, directly or indirectly, from the Corporation, either individually or collectively, that voting member is prohibited from providing information to any committee regarding compensation.

(d) No school that has any of its employees, officers or directors serving on the Board of Directors of the Corporation or as an officer of the Corporation, and no student who is enrolled at such school, may receive, directly or indirectly, any payment or scholarship from the Corporation. Students enrolled at such a school may participate in the Corporation's programs and contests, but may not receive any financial benefit from their participation.

Article VII
Annual Statements

Each interested person shall annually sign and deliver to the Conflicts Administrator an Acknowledgement Statement (in the form attached as Exhibit A to this Policy), which affirms such person:

(a) Has received a copy of this Policy;

(b) Has read and understands this Policy (or has asked the Conflicts Administrator for an explanation of any portion of this Policy which he or she does not understand, and has received an adequate explanation);

(c) Has agreed to comply with this Policy; and

(d) Understands that the Corporation is tax-exempt and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Article VIII
Disclosure Statements

Each Interested Person shall submit a fully completed Disclosure Statement, in the form attached as Exhibit B to this Policy, to the Conflicts Administrator in a timely manner (i.e., in advance of consideration of the proposed transaction or arrangement in which the Interested Person has a Financial Interest by the Board (or a committee of the Board)).

Article IX
Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its corporate purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether the Corporation's compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

(b) Whether partnerships, joint ventures and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Corporation's purposes and do not result in inurement, impermissible private benefit or an excess benefit transaction.

Article X
Use of Outside Experts

When conducting the periodic reviews as provided for in Article IX, the Corporation may, but need not, use outside expert advisors. If outside expert advisors are used, their use shall not relieve the Board of Directors of its responsibility for that ensuring periodic reviews are conducted.

Exhibit A

Acknowledgement Statement Regarding Conflicts of Interest Policy

[TO BE SIGNED AND DELIVERED TO THE CONFLICTS ADMINISTRATOR UPON INITIALLY BECOMING AN INTERESTED PERSON AND ANNUALLY THEREAFTER FOR AS LONG AS THE UNDERSIGNED REMAINS AN INTERESTED PERSON]

The undersigned acknowledges that he or she is an "interested person" as described in the Conflicts of Interest Policy of Neighborhood Club of Bala Cynwyd (the "Corporation"), and hereby affirms that he or she:

(a) Has received a copy of the Policy;

(b) Has read and understands the Policy (or has asked the Conflicts Administrator to provide an explanation of any portion of the Policy which he or she does not understand, and has received an adequate explanation);

(c) Agrees to comply with the Policy at all times; and

(d) Understands that the Corporation is a tax-exempt organization, and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Date: _____

_____
Name and Title of Interested Person

_____
Signature of Interested Person

Exhibit B

Disclosure Statement Regarding Potential Conflict of Interest

1. Identity of Interested Person:

2. Complete Description of the Transaction or Arrangement Involving the Financial Interest:

3. Complete Description of the Nature and Scope of the Financial Interest:

4. Any Additional Relevant Information:

Date: _____

_____
Name and Title of Interested Person

_____
Signature of Interested Person