



Supplemental Operating Procedures and Policies

Updated September, 2009

Introduction

This document establishes or provides additional information concerning operating procedures and policies for the North Lake Tahoe Resort Association, a 501(c)(4) non-profit public benefit corporation. The information contained herein is supplementary to the operating procedures and policies set forth in the NLTRA's adopted Bylaws and other documents and agreements which establish procedures and policies. The NLTRA's Bylaws were most recently updated by action of the Board of Directors in December 2007.

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North Lake Tahoe Resort Association Committees

Definition of Committee Responsibilities and Membership

As of the publication date of this document, the NLTRA has five standing committees, plus an ad hoc Lodging Committee (advises the Marketing Committee), and a Community Marketing Grant Program Subcommittee (advises the Chamber of Commerce Advisory Committee). The NLTRA Board annually appoints an Elections Committee, whose function is to organize and conduct the annual Board Election. Additionally, the Board appoints members to serve on the Cooperative Marketing Committee (CMC) as part of its agreement with the Incline Village Crystal Bay Visitors Bureau (IVCBVB) to fund and implement the North Lake Tahoe Marketing Cooperative.

Each NLTRA committee and subcommittee includes members of the NLTRA Board, as well as community or “lay” members. The membership of each committee/subcommittee is defined below.

Standing Committees

Infrastructure Committee

The role of the Infrastructure Committee is to provide input and direction to staff and to advise the NLTRA Board on any and all matters pertaining to infrastructure planning, budgets and projects. Committee responsibilities include the consideration of infrastructure project applications. Following such consideration, Committee recommendations are submitted to the NLTRA Board of Directors for consideration and action. The annual NLTRA-Placer County Agreement defines which infrastructure project expenditures approved by the NLTRA Board must be submitted to the Placer County Board of Supervisors for final consideration and approval.

Committee Membership

Consistent with terms of the annual NLTRA-Placer County Agreement, there are a total of 12 members of the Infrastructure Committee. In addition to appointed NLTRA Board members, committee membership includes interested members of the community who have expertise and/or interest in infrastructure development and projects. Six of the twelve members are appointed by the NLTRA Board (including Board representatives) and six are appointed by the Placer County Board of Supervisors. Committee members serve two year terms, and can be reappointed by the appropriate appointing body.

Transportation Committee

The role of the Transportation Committee is to provide input and direction to staff and to advise the Board on any and all matters pertaining to transportation planning, budgets, programs and projects. Committee responsibilities include the consideration of proposed transportation projects and expenditures. Following such consideration, Committee recommendations are submitted to the NLTRA Board for consideration and action.

Committee Membership

In addition to appointed NLTRA Board members, committee membership includes interested members of the community who have expertise and/or interest in transportation and related issues. Committee members serve two year terms and may be reappointed. Based on adopted NLTRA policy, two Committee members are appointed to represent the Truckee-North Tahoe Transportation Management Association.

Marketing Committee

The mission of the NLTRA Tourism Division is *“to promote North Lake Tahoe as a travel destination with the purpose of increasing travel spending within the region, including year-round occupancy and length of stay, generating additional Transient Occupancy Tax (TOT) revenues, sales tax revenues, and maximizing exposure and promotion of North Lake Tahoe on a regional, national and international level.”* The role of the Marketing Committee is to provide input to staff and advise the Board on all matters related to the NLTRA’s marketing strategies, plans, programs, budgets and outcomes. Committee responsibilities include the consideration of marketing strategies, plans, programs and budgets. Following such consideration, Committee recommendations are submitted to the NLTRA Board for consideration and action.

Committee Membership

In addition to appointed NLTRA Board members, this Committee consists of marketing and sales professionals from community businesses and organizations. An effort is made to ensure a diversity of representation from geographic areas as well as types of businesses and organizations. Based on adopted NLTRA policy, Committee membership is set at a total of eleven. Members serve a two-year term and may be reappointed. Four seats rotate on an annual basis.

Chamber of Commerce Advisory Committee

The mission of the North Lake Tahoe Chamber of Commerce is *“to take specific actions to help improve the opportunity for local businesses to achieve and sustain success; to promote business, tourism, and the economic, cultural, and civic welfare of the greater North Lake Tahoe community.”* Chamber programs, projects and other activities are based on the objectives and actions as set forth in the adopted Chamber Business Plan. The role of the Chamber of Commerce Advisory Committee is to provide input and direction to staff and the NLTRA, including guidance and input on Chamber programs, projects, budgets, and related activities, and input on the annual update of the Chamber Business Plan. The Committee, and its Community Marketing Grant Program Subcommittee, have responsibility for consideration and recommendations in connection with the NLTRA’s adopted Community Marketing Grant Program (see Community Marketing Grant Program Subcommittee, below).

Committee Membership

In addition to appointed NLTRA Board members, committee membership is defined as follows: one representative each from the North Tahoe Business Association (NTBA), Tahoe City Downtown Association (TCDA), West Shore Association (WSA), Squaw Valley Business Association (SVBA), and the Northstar Village Retailers Association (NVRA); and five seats to be filled by members, or representatives of members, of the North Lake Tahoe Chamber of Commerce. At least one of these Chamber seats shall be filled by a Chamber member from the Incline Village area. Consideration in appointing applicants for Committee membership shall be given to ensure that the Committee represents as broad a cross-section of members as possible, from both a type of business and a geographic perspective. Members serve a one-year term and may be reappointed.

Finance Committee

The role of the Finance Committee is provide input to staff and direction to staff and to advise the Board on any and all matters pertaining to the present and future budgets, and all financial matters related to the corporation. Committee responsibilities include the review and consideration of monthly financial statements, forecasts, annual budgets and related matters. As appropriate, the committee makes recommendations to the NLTRA Board of Directors, particularly with regard to monthly financial statements, and the annual NLTRA budget.

Committee Membership

In addition to appointed NLTRA Board members, at least one member of the committee can be appointed to represent the membership and community at-large. It is preferred that this member have a background in finance, accounting or a related profession.

Lodging Subcommittee

As directed by the NLTRA Board, the duties of this Subcommittee are to review and provide input to the NLTRA Marketing Committee and Board of Directors regarding marketing programs from a lodging supplier's perspective, including, but not limited to, continuous review of the NLTRA's consumer Web site to ensure optimal functionality for the booking of reservations by lodging suppliers.

Subcommittee Membership

In addition to appointed NLTRA Board members, committee membership shall consist of seven representatives of lodging suppliers which are members of the NLTRA/North Lake Tahoe Chamber of Commerce. Committee members serve one year terms and may be reappointed. The frequency of the meetings of this Subcommittee shall be determined by the NLTRA Board, with input from members of the Subcommittee.

Community Marketing Grant Program Subcommittee

This subcommittee considers and makes recommendations to the Chamber of Commerce Advisory Committee regarding Community Marketing Program grant applications, consistent with the adopted NLTRA Community Marketing Program Grant Funding Criteria. Grant recommendations made by the Subcommittee are then

considered by the full Chamber of Commerce Advisory Committee. If approved by the Committee, recommendations are forwarded to the NLTRA Board of Directors for final approval. Board consideration and action is typically a Board Consent Calendar item, subject to the procedures which govern Consent Calendar actions.

Subcommittee Membership

The membership of this subcommittee has been set at a total of seven, defined as follows: one representative each from the North Tahoe Business Association, Tahoe City Downtown Association, West Shore Association, Squaw Valley Business Association and the Northstar Village Retailers Association, one at-large Chamber member, and one NLTRA Board member who also serves on the Chamber of Commerce Advisory Committee. Subcommittee members serve a one year term, and may be reappointed.

Elections Committee

As set forth in the adopted NLTRA Bylaws, at least sixty days prior to any election, the NLTRA Board shall appoint an Elections Committee. The responsibilities of the Elections Committee are: 1) to solicit qualified Board candidates for nomination; 2) to prepare a slate of candidates; 3) to give notice of the election; 4) to direct staff in conducting the election; 5) to appoint an impartial party as Inspector of the Election to tally the ballots and announce the results to the Board.

Committee Membership

As defined in the Bylaws, the Elections Committee shall be composed of three (3) to seven (7) members, including at least one (1) Member of the Board and at least one (1) Member not currently serving on the Board. No member of the Election Committee can be a candidate for the election for which they are serving on the Committee.

Cooperative Marketing Committee (CMC)

As defined in the *North Lake Tahoe Marketing Cooperative Participation Agreement* (July 2006), this committee was established by the Cooperative "Participants" (NLTRA and the Incline Village Crystal Bay Visitors Bureau) to coordinate efforts to fund and implement the North Lake Tahoe Marketing Cooperative. The role of the CMC is to finalize the annual Regional Cooperative Marketing Plan and oversee Plan implementation, using the budget resources identified and approved by each Participant. The CMC oversees the Plan by providing direction and oversight to the Plan Administrator. Consistent with Section 1.5 of the Agreement, the Plan Administrator is the NLTRA's Director of Tourism.

Committee Membership

Consistent with Section 8 of the North Lake Tahoe Marketing Cooperative Participation Agreement, the NLTRA's membership in the CMC is defined as follows: Four members, to include the Executive Director, two Board members, and one At Large Member. Note: The Incline Village Crystal Bay Visitors Bureau (IVCBVB) has the same number of CMC members, defined in identical fashion. These four members are appointed by the IVCBVB Board of Directors.

Process for Appointing Committee Members

With the exception of the six members of the Infrastructure Committee appointed by the Placer County Board of Supervisors and the four members of the Cooperative Marketing Committee appointed by the Board of Directors of the Incline Village Crystal Bay Visitors Bureau, the NLTRA Board of Directors makes all other appointments to the committees identified in this document.

NLTRA Board Member Appointments

Each year, in December, members of the NLTRA Board are provided with a form on which to indicate their committee assignment preferences for the coming calendar year. The Board Chair, with input from the NLTRA Management Team, finalizes a list of proposed Board committee assignments. These proposed assignments become part of the slate of proposed committee appointments considered by the NLTRA Board at the regular Board meeting each January.

“Lay” or Community Member Appointments

Each year, in December, the NLTRA Management Team shall conduct a process for soliciting letters from members and others in the community expressing their interest and qualifications for consideration of appointment to a specific committee. The Management Team shall assemble the letters and prepare recommendations for appointment for Board consideration at the regular Board meeting each January.

Placer County Appointments

Placer County has the opportunity to provide one County representative for each of the NLTRA’s standing committees. Each year, in December, the County Executive Office shall submit a list of the County committee representatives. The formal appointment of the County’s committee representatives shall be considered as part of the committee appointment process described in this document.

Approving Committee Appointments

Every effort shall be made to ensure that a complete slate of proposed appointments for each committee, including Board, “lay” member and Placer County representatives, is submitted to the NLTRA Board for consideration and approval as part of the regular Board agenda each January so that the new committees can be in place by no later than mid-January.

Consistent with the NLTRA’s adopted *Handbook for Board Members*, each Board member is required to serve on a least two of the organization’s committees. This requirement may be waived, based on specific circumstances, at the discretion of the Board Chair.

**Committee Attendance
Removal/Resignation
Process for New Appointments**

It is the responsibility of the NLTRA Management Team to provide the Board Chair with a regularly updated list of committee member attendance. The Chair may recommend that a committee member be removed if he/she misses three consecutive meetings without notification. Should a committee member be asked to step down, or if a member resigns, the Board can consider and appoint a replacement at any time during the year, consistent with the qualifications and process described in this document.

Organizational Communications

Timely and effective communications, both internal and external, are essential for organizational coordination and success. The NLTRA Executive Director and Management Team shall work to ensure the quality of staff reports and other documents necessary to support NLTRA decision making, strategic planning, and project implementation. Between meetings, as necessary, the Executive Director will maintain communication with the Board using an on-going e-mail report, currently referred to as "On The Radar."

Any press release which is drafted to communicate a significant change in organizational structure or policy shall be first reviewed by members of the NLTRA Board Executive Committee, or by the full Board, if requested by the Executive Committee.

Procurement Policy

The following is the official NLTRA Procurement Policy, adopted by the Board of Directors.

To the extent monies received for projects and programs are expended by the North Lake Tahoe Resort Association (NLTRA), or a third party under grant from the NLTRA, for service and support in any amount greater than \$50,000, the NLTRA shall utilize a competitive bidding or procurement process. This process is intended to ensure that the work is awarded in an impartial manner to the most responsive and best qualified contractor, making certain that the projects and programs are accomplished in the most cost-effective manner. The applicability of this policy includes consecutive or phased projects and programs where services are provided by a single entity.

This policy is not applicable to cooperative programs in which the NLTRA is not a primary partner. Primary partner is defined as funding a 40% or greater share of service and support costs. This policy is also not applicable when service and support is being provided by a non profit public benefit corporation that does not compete with other potential service providers. All service and support in an amount greater than \$50,000 shall be accompanied by a scope of work and contract.

Document Destruction Policy

Purpose

Various federal and state laws require a non-profit organization to maintain certain documents for either a specific period of time or permanently. The purpose of this policy is to prevent the premature destruction of documents, whether by accident or other circumstance. It also clarifies when certain documents may be destroyed, after they have been maintained for the required period of time.

The following table is provided specific to the types of documents generated and maintained by the North Lake Tahoe Resort Association. It shall be the policy of the NLTRA to adhere to the document destruction and preservation schedule as shown in this table.

| Type of Document | Minimum Requirement |
|---|---------------------|
| Accounts Payable Ledgers and Schedules | 7 years |
| Audit Reports | Permanently |
| Bank Reconciliations | 2 years |
| Bank Statements | Permanently |
| Checks (for important payments and purchases) | 7 years |
| Contracts, Mortgages, Notes and Leases (expired) | 7 years |
| Contracts (still in effect) | Permanently |
| Correspondence (general) | 4 years |
| Correspondence (legal and important matters) | Permanently |
| Correspondence (with customers and vendors) | 4 years |
| Depreciation Schedules | Permanently |
| Duplicate Deposit Slips | 2 years |
| Employment Applications | 2 years |
| Year End Financial Statements | Permanently |
| Insurance Policies (expired) | 3 years |
| Insurance Records, Current Accident Reports, Claims, Policies, etc. | Permanently |
| Invoices (to customers, from vendors) | 7 years |
| Minute Books, Bylaws and Charter | Permanently |
| Payroll Records and Summaries | 7 years |
| Personnel Files (terminated employees) | 7 years |
| Retirement and Pension Records | Permanently |
| Tax Returns and Worksheets | Permanently |
| Timesheets | 7 years |
| Withholding Tax Statements | 7 years |

CONFLICT OF INTEREST POLICY

OF

NORTH LAKE TAHOE RESORT ASSOCIATION

Section 1. Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's ("Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction, as defined in I.R.C. Section 4958. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

Section 2. Definitions

(a) Interested Person – Any director, principal officer, or member of a committee with governing board delegated powers, who has a material financial interest, as defined below, is an interested person. (See Cal. Corp. Code §5233(a)).

(b) Material Financial Interest – A person has a material financial interest if the person has, directly or indirectly, through business, investment, or a spouse:

- i. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- ii. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that may be considered substantial enough to influence a Board member's decision.

A material financial interest is not necessarily a disqualifying conflict of interest. Under Section 3.b, the Board may approve the transaction if it finds that the transaction is in the Organization's best interests.

Section 3. Procedures

(a) Duty to Disclose – In connection with any actual or possible conflict of interest an interested person must disclose the existence of the material financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) 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, he/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 shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest

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

(ii) 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.

(iii) After exercising due diligence, the governing board or committee shall determine whether the Organization 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.

(iv) 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 make findings and determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization'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.

(d) Violations of the Conflicts of Interest Policy

(i) If the governing board or committee has reasonable cause to believe a member 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.

(ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing 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.

Section 4. Records of Proceedings

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 possible 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.

Section 5. Compensation

(a) A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

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

(c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6. Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement that affirms such person:

(a) Has received a copy of the conflicts of interest policy;

(b) Has read and understand the policy;

(c) Has agreed to comply with the policy; and

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

Section 7. Periodic Reviews

To ensure the Organization operates in a manner consistent with nonprofit 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 compensation arrangement and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and

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

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Article 7, Section 7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.



NORTH LAKE TAHOE RESORT ASSOCIATION

CONFLICT OF INTEREST POLICY ANNUAL STATEMENT

Pursuant to North Lake Tahoe Resort Association's ("NLTRA") Conflict of Interest Policy, Section 6, as a director, principal officer or member of a committee with governing board delegated powers, I affirm that I have:

- (a) Received a copy of the Conflicts of Interest Policy of NLTRA;
- (b) Read and understand the policy;
- (c) Agree to comply with the policy;
- (d) Understand that NLTRA is a nonprofit and in order to maintain its federal tax exemption it must primarily engage in activities that accomplish one or more of its tax exempt purposes; and
- (e) Completely and honestly disclosed all actual and potential material financial interests as defined in the Conflicts of Interest Policy on the attached Disclosure form.

[Name, Title]

Date



MATERIAL FINANCIAL INTEREST DISCLOSURE

Purpose

The purpose of the Conflict Of Interest Policy Material Financial Interests Disclosure is to protect NLTRA's best interests and tax-exempt status. Directors must disclose all material financial interests, as defined below, so that NLTRA knows when it is contemplating a transaction or arrangement that might benefit the private interest of an officer or director of the NLTRA or might result in a possible excess benefit transaction, as defined in I.R.C. Section 4958.¹

The Disclosure is for NLTRA's internal use only and is not a public document available for public disclosure. Without prior, written consent from the disclosing party, it may only be disclosed as required by law.

Material Financial Interests

As defined in NLTRA's Conflict of Interest Policy, a Director has a "material financial interest" if the person has, directly or indirectly, through business, investment, or a spouse²:

- a. An ownership or investment interest in any entity that the NLTRA has a transaction or arrangement with;
- b. A compensation arrangement with the NLTRA, or with any entity or individual that the NLTRA has a transaction or arrangement with; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual that the NLTRA is negotiating a transaction or arrangement with.

¹ The term "NLTRA" includes its subsidiary.

² The term "Spouse" includes a registered domestic partner.

Duty to Disclose Actual and Potential Material Financial Interests

Under the Conflict of Interest Policy and state law, Directors have a duty to disclose any actual or possible conflict of interest and the existence of any material financial interest. Remember, only “material financial interests,” as defined above, must be reported under each of the following five (5) categories. *Please attach additional sheets as necessary.*

1. An Ownership or investment interest (*greater than ten (10) percent*) in any entity that the NLTRA has a transaction or arrangement with.

A. Disclosures:

- No, this section does not apply to me.
- Yes, this section applies to me. Please see information below.

a. Disclose the name of the business entity;

b. Provide a general description of the business activity of the entity (for example, pharmaceuticals, computers, automobile manufacturing, or communications);

c. State the highest percentage of your interest in the entity during the reporting period;

d. Identify the nature of your investment (for example, stocks, warrants, options, or bonds);

e. If you initially acquired or disposed of your entire investment interest during the reporting period, enter the date acquired or disposed.

2. **Potential ownership or investment interest(s) (*greater than 10%*) in, or with, any entity or individual that the NLTRA is negotiating a transaction or arrangement with.**

A. Disclosures

- No, this section does not apply to me.
- Yes, this section applies to me. Please see information below.

a. Disclose the name of the business entity;

b. Provide a general description of the business activity of the entity (for example, pharmaceuticals, computers, automobile manufacturing, or communications);

c. State the highest percentage of your potential interest in the entity during the reporting period;

d. Identify the nature of your potential investment (for example, stocks, warrants, options, or bonds);

e. If known, enter the expected date of acquisition of the potential interest.

3. **Compensation arrangement(s) with the NLTRA.** A compensation arrangement with the NLTRA.

A. Disclosures:

- No, this section does not apply to me.
- Yes, this section applies to me. Please see information below.

- a. Report the compensation arrangement(s) with the NLTRA that you had during the reporting period;

- b. Report your job title with each reportable business entity, even if you received no income during the reporting period;

- c. Report the compensation arrangement(s) with the NLTRA that your spouse had during the reporting period.

4. Compensation arrangement(s) with any entity or individual that the NLTRA has a transaction or arrangement with.

A. Disclosures:

- No, this section does not apply to me.
- Yes, this section applies to me. Please see information below.

- a. Report the compensation arrangement(s) with the entity or individual that you had during the reporting period;

- b. Provide a general description of the business activity of the business entity or individual (for example, advertising agency);

- c. Report your job title with each reportable business entity or individual, even if you received no income during the reporting period;

- d. Report the compensation arrangement(s) with the entity or individual that your spouse had during the reporting period.

5. **Potential compensation arrangement(s) with any entity or individual that the NLTRA is negotiating a transaction or arrangement with.**

A. Disclosures:

- No, this section does not apply to me.
- Yes, this section applies to me. Please see information below.

a. Report the potential compensation arrangement(s) with the entity or individual that existed during the reporting period;

b. Provide a general description of the business activity of the source or business entity (for example, advertising agency);

c. Report your potential job title with each reportable business entity or individual, even if you will receive no income under the potential compensation arrangement during the reporting period;

d. Report the potential compensation arrangement(s) with the entity or individual that your spouse had during the reporting period.

Appendix

Instructions for Completing Material Financial Interest Disclosures

1. **Instructions for Disclosure Item #1:**

Reportable “Investments” include investments that qualify as material, as defined in the Material Financial Interest Disclosure Form, and include:

- Stocks, bonds, warrants, and options, held in margin or brokerage accounts;
- Sole proprietorships;
- Your own business;
- Your spouse’s business;
- Your or your spouse’s investments that are legally separate property;
- Partnerships (for example, a law firm or family farm);
- Investments in reportable business entities held in a retirement account ;
- If you, your spouse, or dependent children had a 10% or greater ownership interest in a business entity or trust (including a living trust), you must disclose material financial interests held by the business entity or trust;
- Business trusts

You are not required to disclose reportable investments in:

- Diversified mutual funds registered with the Securities and Exchange Commission (SEC);
- Bank accounts, savings accounts, and money market accounts;
- Insurance policies;
- Annuities;
- Shares in a credit union;
- Government bonds (including municipal bonds);
- Retirement accounts invested in non-reportable interests (for example, insurance policies, diversified mutual funds, or government bonds);
- Defined benefit pension plans and profit sharing plans qualified under Internal Revenue Code section 401(a);

- Interests held in a “blind trust” (a trust managed by a disinterested trustee who has complete discretion to purchase and sell assets held by the trust).

Additionally, you have a reportable “trust interest” if the interest qualifies as a “material financial interest,” as defined in the Material Financial Interest Disclosure Form, and as a Trustor you:

- Can revoke or terminate the trust;
- Have retained or reserved any rights to the income or principal of the trust or retained any reversionary or remainder interest; or
- Have retained any power of appointment, including the power to change the trustee, or the beneficiaries.

Or the interest qualifies as a “material financial interest,” as defined in the Material Financial Interest Disclosure Form, and you are a trust Beneficiary and:

- Presently receive income; or
- Have an irrevocable future right to receive income or principal

2. Instructions for Disclosure Item #2

Disclose any potential, reportable ownership or investment interests. See Appendix section 1, above for definitions of “reportable investments.”

3. Instructions for Disclosure Item #3:

Reportable “compensation” includes direct and indirect remuneration as well as gifts or favors that may be considered substantial enough to influence a Board member’s decision. Commonly reportable “compensation arrangements” and “potential compensation arrangements” include:

- Salary/wages, per diem, reimbursement for expenses;
- Community property interest (50%) in your spouse’s income - report the employer’s name and all other required information;
- Income received from investment interests, such as partnerships.

You are not required to report:

- Income from any sale, including the sale of a house or car (report the total sale price);

- Rental income;
- Prizes or awards not disclosed as gifts;
- Payments received on loans you made to others;
- An honorarium received prior to becoming a Director;
- Incentive compensation;
- Salary, reimbursement for expenses or per diem, social security, disability, or other similar benefit payments received by you or your spouse from a federal, state, or local government agency;
- Payments received under an insurance policy;
- Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union, an insurance policy, or a bond or other debt instrument issued by a government agency.

4. Instructions for Disclosure Item #4:

See Appendix section 3, above for applicable definitions of “reportable compensation.”

5. Instructions for Disclosure Item #5:

See Appendix section 3, above for applicable definitions of “reportable compensation.”