

CONFLICT OF INTEREST POLICY

1. A person is disqualified from serving as a Director on the Board for the Corporation if:
 - a. He or she and their immediate family member is a developer of property including industrial parks or residential developments including permanent or mobile living units and apartments within the service area of the Corporation.
 - b. He or she is an employee of any developer of property within the service area of the Corporation.
 - c. He or she is an employee of any director, manager, engineer, or attorney for the Corporation.
 - d. He or she is serving as consultant, engineer, attorney, manager, or in any other professional capacity for the Corporation or for a developer of property within the service area of the Corporation.
 - e. He or she is a party to a contract with the Corporation, except a contract for the purchase of water/sewer services furnished by the Corporation to the Corporation's members generally, or;
 - f. He or she is a party to a contract with any developer of property within the service area of the Corporation, other than a contract limited solely to the purpose of purchasing or conveying real property within the service area of the Corporation for the purpose of establishing a residence or establishing a commercial business within the service area of the Corporation.
 - g. He or she is serving as an employee, or in some professional capacity representing a municipality, district, or utility which is currently contracting with the Corporation for water utility or other service or other conditions or considerations.
 - h. He or she is a member of the immediate family of any Director of the Corporation or of any other person serving in a managerial capacity, as attorney, accountant, or as engineer on behalf of the Corporation or if he or she serves as a director or as officer for any bank or saving and loan association retained as a depository for the funds of the Corporation, or any bank or savings and loan association which holds any indebtedness of the Corporation.
 - i. He or she or any member of their immediate family holds an elected or appointed office or is a member of any Board that deals in any manner with the Corporation.

- j. He or she has ever been terminated from employment at Maxwell WSC for just cause.
2. A member is disqualified from employment by the Corporation if he or she is a member of the immediate family of any Director of the Corporation.
 3. As used in the policy, the term "developer of property within the service area of the Corporation" refers to any person who owns land within the service area served by the Corporation, or obligated to be served by the Corporation under the Certificate of Convenience and Necessity (CCN), and who has divided or proposed to divide the land into two or more parts for the purpose of laying out a subdivision, or any tract of land or any addition to any subdivision, or for laying out a subdivision, or for laying out residential lots or commercial lots, or any lots intended for any uses which require or may require, water/sewer service from the Corporation.
 4. No Officer or Director of the Corporation shall be entitled to any compensation for or in consideration of the execution of his duties as such Officer or Director, provided, however, that the actual, reasonable expenses of an Officer or Director incurred on the business for the Corporation may, with the approval of the Board of Directors, be paid to them.
 5. No Officer or Director of the Corporation shall:
 - a. Solicit or accept or agree to accept a financial benefit other than from the Corporation, that might reasonably tend to influence his or her performance of duties for the Corporation or that he or she knows or should know is offered with the intent to influence the Officer's or Director's performance of his or her duties.
 - b. Accept employment or compensation that might reasonably induce him or her to disclose confidential information acquired in the performance of official duties.
 - c. Accept outside employment or compensation that might reasonably be expected to create substantial conflict between the Officer's and Director's private interest and duties of the Corporation; or
 - d. Solicit or accept or agree to accept a financial benefit from another person in exchange for having performed duties as an Officer or Director of the Corporation in favor of that person.
 6. He or she has ever been removed from office by the board for sexual harassment of any employee or Board member of Maxwell WSC.

7. The Board of Directors may accept on behalf of the Corporation with board approval any contribution, gift, bequest, or devise for general purpose or for any special purpose of the Corporation, provided however, that the Board of Directors may reject any donation made upon condition or restriction if in the discretion of the Board of Directors, the acceptance of the donation as so conditioned or restricted will not be in the best interests of the Corporation.
8. The removal of any Director of the Corporation because of disqualification under this policy shall not affect the validity of any action taken by the Corporation through its Board of directors during the time of service by that Director, even though the Director may have been acting under the disqualification at the time of such service.
9. If at any time any Officer or Director is required to vote in his or her capacity as a director on an issue which may create a conflict of interest or which may be deemed a conflict of interest, the Officer or Director shall abstain from voting, as a matter of record, on that issue.