



Business Accelerator Statement of Understanding

The Local Development Finance Authority (LDFA) provides funding to support Ann Arbor SPARK Business Acceleration services. To access these services, Client acknowledges and agrees to the following if it enters into a Proposal with Ann Arbor SPARK:

- The engagement is non-exclusive, and SPARK is free to provide similar services to other clients, and client is free to obtain similar services from another provider;
- The LDFA may audit the services provided to client, any agreement regarding confidentiality notwithstanding;
- Client has been informed of SPARK’s conflict of interest policies (attached hereto as Attachment A);
- Respond to an annual survey that will update employment, technology, capital raising and sales growth for five years; and
- SPARK will provide company contact information to media for publicity purposes.

Certain of the services provided by SPARK have eligibility criteria pertaining to location. To determine eligibility, Client certifies as follows (check ONE):

- Client’s registered business address is in the City of Ann Arbor
- Client’s registered business address is outside of the City of Ann Arbor but inside Washtenaw County
- Client’s registered business address has not yet been determined

If the principal place of business has not yet been determined, Client may join the SPARK Business Incubator and register the incubator address as the company address until Client determines where its more permanent place of business is to be established. If the Client moves out of the City of Ann Arbor within one year of receiving services from SPARK funded by the LDFA then Client will repay SPARK for actual services provided.

Agreed _____, 2014

Client

Ann Arbor SPARK

Signature

Bill Mayer
Director, Business Accelerator Services

Name: _____

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Mobile: _____

Attachment A

SPARK Conflict of Interest Policy

Article I Purpose

The duty of loyalty owed by members of the Board of Directors of Ann Arbor Spark, a Michigan nonprofit corporation (the "**Corporation**") requires that Directors exercise their power in the interest of the Corporation. As a tax exempt organization the Corporation also is obligated to promote publicly supported organizations that it benefits, rather than private interests.

It is the policy of the Corporation that all Directors and Officers shall scrupulously avoid any conflict, or the appearance of any conflict, between their own interests and the interests of the Corporation. The purpose of this Conflict of Interest Policy is to protect the Corporation's interest when contemplating a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation.

This policy is intended to supplement but not replace the Bylaws of the Corporation. If any conflict exists between this Policy and the Bylaws of the Corporation, the Bylaws shall control.

This Policy is further intended to supplement and not replace (a) any applicable state law governing conflicts of interest concerning nonprofit corporations, and (b) any conflicts of interest policy that governs the conduct of any member of the Corporation. In the event of any conflict between this Policy and either of the foregoing, the foregoing shall control.

Article II Definitions

1. Interested Person

A director, principal officer, or member of a committee with board delegated powers who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

2. Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through business, investment or family, 1 or more of the following:

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 nature.

A Financial Interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a Financial Interest may have a conflict of interest only if a determination is made that a conflict of interest exists.

Article III Procedures

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an Interested Person shall disclose the existence and nature of his or her 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.

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, the Interested Person shall leave the 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.

3. Procedures for Addressing the Conflict of Interest

a. An Interested Person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

b. The chairperson of the 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 board or committee 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.

d. 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 or committee 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.

4. Violations of the Conflicts of Interest Policy

a. If the board or committee has reasonable cause to believe that 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.

b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

The minutes of the 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 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 therewith.

Article V
Annual Statements

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

- a. has received a copy of the conflict of interest policy;
- b. has read and understands the policy;

- c. has agreed to comply with the policy; and
- d. understands that the Corporation is an organization exempt from taxation 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.

Article VI Periodic Reviews

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

- a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b. Whether any of its activities result in inurement or impermissible private benefit.
- c. Whether partnership and joint venture arrangements and arrangements with publicly supported and private organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's exempt purposes and do not result in inurement or impermissible private benefit.

Article VII Use of Outside Experts

In conducting the periodic reviews provided for in Article VI, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.