ADDENDUM

ARTICLE X – CONFLICT OF INTEREST POLICY

SECTION 1. PURPOSE:

The Filipino-American Association of Pensacola, Incorporated (Fil-Am) is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the Internal Revenue Service as well as state regulatory and tax officials view the operations of Fil-Am as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to the general public.

Consequently, there exists between Fil-Am and its directors, officers, committees, members, and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. All directors, officers, committees and members have the responsibility of administering the affairs of the Association in an honest and prudent manner with utmost care, skill, and judgment for the sole benefit of the Fil-Am. They shall exercise all transactions involved in their duties in an utmost good faith. They shall not use their positions with Fil-Am or knowledge gained there from for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. PERSONS CONCERNED

This statement is directed not only to directors, officers and members but to the relatives who may influence the actions of Fil-Am. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning Fil-Am.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

1. Persons and firms supplying goods and services to Fil-Am.
2. Persons and firms from whom Fil-Am leases property and equipment.
3. Persons and firms with whom Fil-Am is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting Fil-Am.
6. Agencies, organizations and associations which affect the operations of Fil-Am.
7. Relatives which include spouses, mother, father, stepmother, stepfather, grandparents, children, grandchildren, sister, stepsister, brother, stepbrother or any household member regardless of relationship who are actually living under the same roof with a member, director or officer.

SECTION 4. NATURE OF CONFLICTING INTEREST

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with Fil-Am.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with Fil-Am.
3. Receiving remuneration for services with respect to individual transactions involving Fil-Am.
4. Using Fil-Am's time, personnel, equipment, supplies, or goodwill for other than Fil-Am approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with Fil-Am. Receipt of any gift is disapproved except gifts of a value less than $25, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 5. INTERPRETATION OF THE STATEMENT OF POLICY:

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of Fil-Am.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed to Fil-Am Board of Directors. All officer, director and members of the Association must promptly inform the Board of Directors of any existing or potential transactions between themselves or their relatives and the Fil-Am Association.

2. The director, officer, or member involved may not participate in deliberations nor vote on the decision to enter into such transaction.
3. A competitive bid or comparable valuation exists; and
4. The [board or a duly constituted committee thereof] has determined that the transaction is in the best interest of the organization.

E. _If amending or adding additional Articles, enter change(s) here_:
(attach additional sheets, if necessary). (Be specific)

Amendment and Addendum to the Constitution and By-Laws of the Articles of Incorporation
Article III, General Purpose; Section 1-Fundamental Purpose of this organization:
Said organization is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, for a public purpose. Any such assets not disposed of shall be disposed of by a court of competent jurisdiction in the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.