

COYOTE CRISIS COLLABORATIVE

JOINT VENTURE POLICY

This Joint Venture Policy of Coyote Crisis Collaborative, an Arizona nonprofit corporation (the "Corporation"), requires the Corporation to evaluate its investment in, contribution to, or participation in joint ventures or other similar arrangements under applicable federal tax laws and take steps to safeguard its tax-exempt status with respect to such arrangements that such joint ventures or other similar arrangements do not jeopardize the Corporation's tax exempt status under section 501(c) of the Internal Revenue Code of 1986, as amended (the "Code").

This Joint Venture Policy applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

Article I **JOINT VENTURES OR SIMILAR ARRANGEMENTS** **WITH TAXABLE ENTITIES**

For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (i) whether the Corporation controls the venture or arrangement; (ii) the legal structure of the venture or arrangement; or (iii) whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes. A venture or arrangement is disregarded if it meets both of the following conditions:

a) 95% or more of the venture's or arrangement's income for its tax year ending within the Corporation's tax year is excluded from unrelated business income taxation, including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property; and

b) The primary purpose of the Corporation's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.

Article II **SAFEGUARDS TO ENSURE EXEMPT STATUS PROTECTION**

The Corporation will: (i) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Corporation's exempt status is protected; and (ii) take steps to safeguard the Corporation's exempt status with respect to the venture or arrangement. Some examples of safeguards include:

- a) Control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the Corporation;
- b) Requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
- c) That the venture or arrangement not engage in activities that would jeopardize the Corporation's exemption; and
- d) That all contracts entered into with the Corporation be on terms that are arm's length or more favorable to the Corporation.

CERTIFICATE OF ADOPTION

The foregoing Joint Venture Policy was duly adopted by the Board of Directors of Coyote Crisis Collaborative effective as of the 19 day of August, 2010.

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By: Allen Clark
ALLEN CLARK, Secretary