

**BEACHPLACE ASSOCIATION, INC.
CONFLICT OF INTEREST POLICY AND STANDARDS
FOR OFFICERS, DIRECTORS, COMMITTEE MEMBERS AND EMPLOYEES**

Article I – Purpose

The purpose of this policy is to protect the interests of Beachplace Association, Inc. by: (a) preventing the personal interest of a Director, Officer, Employee, or Committee Member when contemplating entering a transaction or arrangement from interfering with their duties to the organization and (b) avoiding any unethical financial, professional, or political gain on the part of such individuals. The intent of this policy is to supplement, not replace, any applicable federal, state, or local laws governing conflict of interest applicable to not-for-profit corporations.

Article II – REQUIREMENTS AND PROHIBITIONS

- A. Association Officers, Board and Committee Members must disclose financial relationships with any company or individual who has or is seeking to have a business relationship with the Association or any interest in the outcome of any litigation in which the Association is a party. A Director or Committee Member with a conflict of interest shall recuse him/herself from any votes associated with these relationships.
- B. Officers, Employees, Board and Committee Members must not make unauthorized promises to a contractor or bidder.
- C. Officers, Employees, Board and Committee Members must not use their positions or decision-making authority for personal gain, to pursue a personal agenda or to seek advantage over another owner or non-owner resident or otherwise engage in conduct that constitutes a conflict of interest with the Officer's, Board and Committee Member's obligations to the Association.
- D. Officers, Employees, Board and Committee Members may not accept any gifts, directly or indirectly, from owners, residents, contractors, or suppliers.

Article III - CONFLICTS OF INTEREST

- A. Section 617.0832 of the Florida Statutes provides:

Director conflicts of interest.—

(1) No contract or other transaction between a corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest, because such director or directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction, or because his or her or their votes are counted for such purpose, if:

(a) The fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors;

(b) The fact of such relationship or interest is disclosed or known to the members entitled to vote on such contract or transaction, if any, and they authorize, approve, or ratify it by vote or written consent; or

(c) The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the board, a committee, or the members.

(2) For purposes of paragraph (1)(a) only, a conflict-of-interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board of directors, or on the committee, who have no relationship or interest in the transaction described in subsection (1), but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors who have no relationship or interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director having a relationship or interest in the transaction does not affect the validity of any action taken under paragraph (1)(a) if the transaction is otherwise authorized, approved, or ratified as provided in subsection (1), but such presence or vote of such a director may be counted for purposes of determining whether the transaction is approved under other sections of this chapter.

(3) For purposes of paragraph (1)(b), a conflict-of-interest transaction is authorized, approved, or ratified if it receives the vote of a majority in interest of the members entitled to vote under this subsection. A director who has a relationship or interest in the transaction described in subsection (1) may not vote to determine whether to authorize, approve, or ratify a conflict-of-interest transaction under paragraph (1)(b). However, the vote of that director is counted in determining whether the transaction is approved under other sections of this chapter. A majority in interest of the members entitled to vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this section. As used in this subsection, the term “majority in interest” refers to a majority of the voting shares or other voting units allotted to the members.

B. Section 718.3027 of the Florida Condominium Act provides:

Conflicts of interest.—

(1) Directors and officers of a board of an association that is not a timeshare condominium association, and the relatives of such directors and officers, must disclose to the board any activity that may reasonably be construed to be a conflict of interest. A rebuttable presumption of a conflict of interest exists if any of the following occurs without prior notice, as required in subsection (5):

(a) A director or an officer, or a relative of a director or an officer, enters into a contract for goods or services with the association.

(b) A director or an officer, or a relative of a director or an officer, holds an interest in a corporation, limited liability corporation, partnership, limited liability partnership, or other business entity that conducts business with the association or proposes to enter into a contract or other transaction with the association.

(2) If a director or an officer, or a relative of a director or an officer, proposes to engage in an activity that is a conflict of interest, as described in subsection (1), the proposed activity must be listed on, and all contracts and transactional documents related to the proposed activity must be attached to, the meeting agenda. The association shall comply with the requirements of s. 617.0832, and the

disclosures required by s. 617.0832 shall be entered into the written minutes of the meeting. Approval of the contract or other transaction requires an affirmative vote of two-thirds of all other directors present. At the next regular or special meeting of the members, the existence of the contract or other transaction shall be disclosed to the members. Upon motion of any member, the contract or transaction shall be brought up for a vote and may be canceled by a majority vote of the members present. If the contract is canceled, the association is only liable for the reasonable value of the goods and services provided up to the time of cancellation and is not liable for any termination fee, liquidated damages, or other form of penalty for such cancellation.

(3) If the board votes against the proposed activity, the director or officer, or the relative of the director or officer, must notify the board in writing of his or her intention not to pursue the proposed activity or to withdraw from office. If the board finds that an officer or a director has violated this subsection, the officer or director shall be deemed removed from office. The vacancy shall be filled according to general law.

(4) A director or an officer, or a relative of a director or an officer, who is a party to, or has an interest in, an activity that is a possible conflict of interest, as described in subsection (1), may attend the meeting at which the activity is considered by the board and is authorized to make a presentation to the board regarding the activity. After the presentation, the director or officer, or the relative of the director or officer, must leave the meeting during the discussion of, and the vote on, the activity. A director or an officer who is a party to, or has an interest in, the activity must recuse himself or herself from the vote.

(5) A contract entered into between a director or an officer, or a relative of a director or an officer, and the association, which is not a timeshare condominium association, that has not been properly disclosed as a conflict of interest or potential conflict of interest as required by s. 718.111(12)(g) is voidable and terminates upon the filing of a written notice terminating the contract with the board of directors which contains the consent of at least 20 percent of the voting interests of the association.

(6) As used in this section, the term "relative" means a relative within the third degree of consanguinity by blood or marriage.

- C. Pursuant to the foregoing statutory provisions, conflicts of interest between Directors and the Association are specifically regulated and, in some instances, completely prohibited.
- D. Accordingly, it is the policy of the Association that the Association will not enter into any agreement or contract for goods or services with a Board Member or a corporation or other entity that is owned, controlled, or operated by a Board Member or a family member of such Board Member. The Board hereby resolves that the foregoing conflict of interest standards shall also be the policy of the Association as to any member of a committee appointed by the Board of Directors.

Article IV - FINANCIAL INTEREST

- A. Officers, Employees, Board and Committee Members Directors must disclose any financial interests they have with entities that have or seeks to have a contractual relationship with the Association. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the Association has a transaction

or arrangement;

2. A compensation arrangement with any individual or entity with which the Association has a transaction or arrangement; or
 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.
- B. A financial interest is not necessarily a conflict of interest unless the Association's Board of Directors determines that a conflict of interest exists.
- C. In determining whether a conflict of interest exists, the Board must allow the interested person the opportunity to explain his/her financial interest before ruling whether the financial interest is a conflict of interest. Then, the disinterested directors shall determine whether the Association is able, with reasonable efforts, to obtain an equal or better contract, transaction, or arrangement with another person or entity that does not give rise to a conflict of interest. If obtaining an equal or better contract, transaction, or arrangement is not reasonably possible, the disinterested directors shall vote to determine whether there is a conflict of interest.
- D. If the Board determines that there is a conflict of interest, the interested party shall not be permitted to vote or participate in any discussion concerning the person's conflict of interest.
- E. If any person shall fail to disclose an actual or possible conflicts of interest, the Board may take appropriate disciplinary and corrective action.

Article V - ANNUAL STATEMENT

- A. Each Employee, Officer, Board and Committee Members shall sign a statement each year which affirms that he/she agrees to the following:
1. Has received a copy of the conflicts of interest policy;
 2. Has read the policy;
 3. Has agreed to comply with the policy; and
 4. Understands the Association is a not-for-profit corporation.
- B. Failure to sign the annual statement does not nullify the policy.

Article VI – Acknowledgment

By signing, the individual named below understands what constitutes a Conflict of Interest and agrees to abide by the procedures set forth by this policy for the duration of their relationship with Beachplace Association, Inc., including their duty to disclose any known or potential conflicts of interest.

Signature:  Date: 5-25-22

Name (printed): Kimberly D. Parris