

Ocee Park Athletic Association, Inc. Conflict of Interest Policy

Article I – Purpose.

The purpose of the Ocee Park Athletic Association, Inc. (“OPAA”) Conflict of Interest Policy is to protect the tax-exempt status of OPAA, when OPAA is contemplating entering into a transaction or arrangement that may benefit the private interest of any person, including, without limitation, any OPAA Director or OPAA Officer, or may result in a possible excess benefit transaction. This Conflict of Interest Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to tax-exempt charitable organizations.

Article II – Definitions.

Section 1. Interested Person.

Any OPAA Director, OPAA Officer, or member of an OPAA Board committee having board delegated powers, who has a direct or indirect financial interest, as defined below, in a particular transaction is an interested person.

Section 2. Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (a) An ownership or investment interest in any entity with which OPAA has a transaction or arrangement,
- (b) A compensation arrangement with OPAA or with any entity or individual with which OPAA has a transaction or arrangement, or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which OPAA is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2 of this Conflict of Interest Policy, a person who has a financial interest may have a conflict of interest only if the OPAA Board of Directors or

an appropriate OPAA Board committee decides that a conflict of interest exists.

Article III – Procedures.

Section 1. Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the OPAA Directors and to the members of OPAA Board committees having board delegated powers considering the proposed transaction or arrangement.

Section 2. Determining Whether a Conflict Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the OPAA Board of Directors' meeting or the OPAA Board committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors or Board committee members shall decide if a conflict of interest exists.

Section 3. Procedures for Addressing the Conflict of Interest.

- (a) An interested person may make a presentation at the OPAA Board of Directors' meeting or at the OPAA Board committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the OPAA Board of Directors or the chairperson of the OPAA Board 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 OPAA Board of Directors or the OPAA Board committee shall determine whether OPAA can obtain with reasonable efforts a more advantageous transaction or arrangement 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 possible under circumstances not producing a conflict of interest, the OPAA Board of Directors or the Board committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in OPAA's best interest, for OPAA's own benefit, and

whether it is fair and reasonable. In conformity with the above determination, the OPAA Board of Directors or the Board committee shall make its decision as to whether OPAA will or will not enter into the transaction or arrangement.

Section 4. Violations of the Conflict of Interest Policy.

- (a) If the OPAA Board of Directors or Board committee has reasonable cause to believe an interested person has failed to disclose to OPAA actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person to explain the alleged failure to disclose.
- (b) If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the OPAA Board of Directors or the Board committee determines that the interested person has failed to disclose an actual or possible conflict of interest to OPAA, it shall take appropriate disciplinary and corrective action.

Article IV – Recordings of Proceedings.

The minutes of the OPAA Board of Directors and all Board committees having board delegated powers shall contain:

- (a) The names of the interested 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 OPAA Board of Directors' and the Board 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 general content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V – Compensation.

- (a) A voting member of the OPAA Board of Directors or any Board committee who receives compensation, directly or indirectly, from OPAA for services is precluded from voting on matters pertaining to that person's compensation.

- (b) A voting member of any OPAA Board committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from OPAA for services is precluded from voting on matters pertaining to that person's compensation.
- (c) No voting member of the OPAA Board of Directors or any Board committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from OPAA, either individually or collectively, is prohibited from providing information to any OPAA Board committee regarding compensation.

Article VI – Annual Statements.

Each OPAA director, OPAA Officer and each member of an OPAA Board committee having board delegated powers shall annually sign a statement which affirms such person:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands OPAA is tax-exempt charitable organization and in order to maintain OPAA's federal tax exemption, OPAA must engage primarily in activities which accomplish one or more of OPAA's tax-exempt purposes.

Article VII – Periodic Reviews.

To ensure OPAA operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize OPAA's tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) whether partnerships, joint ventures, and arrangements with management organizations conform to OPAA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further OPAA's charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess

benefit transaction.


Article VIII – Use of Outside Experts.

When conducting the periodic reviews as provided for in Article VII, OPAA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the OPAA Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Approvals

This OPAA Conflict of Interest Policy has been approved for use by the OPAA Board of Directors by a majority vote at a duly constituted Board of Directors' meeting and is hereby adopted for use by OPAA.

Date of Approval by the OPAA Board of Directors: January 6, 2007.

Signature of OPAA President: 

Print name: Wayne Henderson

Date: 1-6-07

Signature of OPAA Secretary: 

Print name: Gillen E. Young

Date: 1/6/07