

**WINSTON TOWERS 600 CONDOMINIUM ASSOCIATION, INC.
CONFLICT OF INTEREST POLICY, ANNUAL STATEMENT
AND RESOLUTION**

Conflict of Interest Policy

Article I- Purpose

The purpose of this Conflict of Interest Policy (this “Policy”) is to protect the interests of Winston Towers 600 Condominium Association, Inc., a Florida not-for-profit corporation when it enters into a transaction or arrangement that might benefit the private interest of an officer or director or other Interested Person, or might result in a possible excess benefit transaction. A conflict, or duality, of interest concerns circumstances in which an Interested Person has a barrier that prevents such person from maintaining the best interests of the Association. Conflicts can arise from personal, professional or volunteer positions or relationships. Moreover, this Policy is intended to prevent apparent conflicts of interest in situations wherein observers or third parties may legitimately question whether an Interested Person can be objective or impartial because of a competing interest where the Interested Person may have dual allegiance. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

Article II- Definitions

1. **Association.** The “Association” shall mean Winston Towers 600 Condominium Association, Inc., a Florida not-for-profit corporation.
2. **Board.** The “Board” shall mean the Association’s Board of Directors, including any disinterested committee appointed by the Board of Directors to investigate and/or vote on a Potential Conflict, in the event the Board of Directors determines that appointing such a disinterested committee is appropriate or necessary under the circumstances of any given Potential Conflict.
3. **Compensation.** “Compensation” as used herein includes direct and indirect remuneration as well as gifts or favors that are valued at greater than \$1.00. Notwithstanding the foregoing, Compensation shall not include gifts received as part of any annual holiday fund or special fund established, from time to time, which may be distributed in any manner prescribed by the Board in its sole and absolute discretion; nor shall Compensation include *de minimis* holiday gifts.
4. **Conflict of Interest.** A “Conflict of Interest” shall mean if any Interested Person has a Potential Conflict, and the Board has determined that a Conflict of Interest exists pursuant to Article IV of this Policy.
5. **Elected or Appointed Capacity.** A person has an “Elected or Appointed Capacity” if the person holds a position outside of the Association which is, will, or may called to vote in a matter that is likely to impact upon the present or future rights of the Association.

6. **Fiduciary Obligation.** A person has a “Fiduciary Obligation” if the person has, directly or indirectly, through business, investment or family, a duty of loyalty to any organization or entity with which the Association has a transaction or arrangement, with respect to such transaction or arrangement.

7. **Financial Interest.** A person has a “Financial Interest” if the person has, directly or indirectly, through business, investment or family:

- a. an ownership, investment, or control interest in any entity with which the Association has a transaction or arrangement;
- b. compensation or a compensation arrangement with any entity or individual with which the Association has a transaction or arrangement; or
- c. a potential ownership, investment, or control interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

8. **Interested Person.** An “Interested Person” is any director, officer, or employee of the Association, or any person elected or appointed to any other office or capacity of the Association, who has a direct or indirect (i) Financial Interest or (ii) Fiduciary Obligation or (iii) an Elected or Appointed Capacity.

9. **Potential Conflict.** A “Potential Conflict” shall mean any Financial Interest or Fiduciary Obligation or Elected or Appointed Capacity of any Interested Person.

Article III - Fiduciary Duty Resolution

All members of the Board and other Interested Persons shall not do business with, contract with, receive services or products from any vendor, contractor, or employee of the Association, currently employed, engaged or otherwise working for or in contract with the Association with the exception of (i) services provided to the Interested Person as a resident in the Association in the same manner and at the same cost and rate provided to other residents; (ii) vendors that are public banks and insurance companies that such Interested Person has no financial interest in such entity; and (iii) publicly traded companies that such Interested Person owns less than a 10% interest in. Any Interested Person who violates this resolution will be immediately removed from his/her position with the Association. In addition, each vendor and contractor doing business with the Association, shall sign an affidavit, upon demand, that it has not provided any remuneration, services, or products to any Interested Person in violation of this resolution.

Article IV– Procedures

1. **Duty to Disclose.** All Interested Persons must disclose the existence of any Potential Conflict and must disclose all material facts thereof in writing to the Board. The Board shall have the opportunity to request any reasonable additional information and documentation related to such Potential Conflict, and the disclosing Interested Person has a duty to cooperate with the Board’s investigation of such Potential Conflict.

2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the Potential Conflict and all material facts related thereto, including such additional information and documentation requested by the Board, the Interested Person shall have the right to address the Board, which body may question the Interested Person. The Board shall take a private vote, to be determined by a majority, whether a Conflict of Interest exists and whether the Association 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. No member of the Board with a Potential Conflict shall take part in a vote regarding whether same amounts to a Conflict of Interest or be counted towards reaching a quorum.

3. **Procedures to Addressing a Conflict of Interest.**

- a. If the Board determines by a majority vote that the Potential Conflict does not have a more advantageous alternative, or if the Board determines that it is in the best interest of the Association, for its own benefit, and fair and reasonable to pursue the Potential Conflict despite the Interested Person, then no Conflict of Interest shall exist.
- b. If the Board does not make a determination as set forth in Section 3(a), above, then the Association shall not pursue the transaction forming the Potential Conflict.

4. **Violations of the Conflicts of Interest Policy.**

- a. If the Board has reason to believe that an Interested Person has failed to disclose actual or possible Potential Conflicts, then the Board shall inform such Interested Person of the basis for such belief and afford such Interested Person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the Interested Person and making such further investigation as may be warranted by the circumstances, the Board determines that the individual has failed to disclose a Potential Conflict, the Board may vote, by a majority, to remove that Interested Person from his/her position within the Association.

Article V - Records of Proceedings

The minutes of a Board Meeting discussing any Potential Conflicts shall contain:

- a. The names of Interested Person(s) who disclosed or otherwise were found to have a Potential Conflict, the nature of the Potential Conflict, any action taken to determine whether a Conflict of Interest was present, and the Board'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 Potential Conflict, the 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 VI- Compensation

1. A voting member of the Board who receives Compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's Compensation, a family or relative's Compensation.
2. No voting member of the Board or officer who receives Compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee or the Board regarding Compensation.

Article VII - Annual Statements

1. Each director and officer of the Association (and other Interested Persons upon demand of the Board) shall annually sign a statement which affirms that such person:
 - a. has received a copy of this Policy;
 - b. has read and understands this Policy;
 - c. has agreed to comply with this Policy; and
 - d. understands the Association is a nonprofit organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
2. If at any time during the year, the information in the annual statement changes materially, the director or officer or other Interested Person shall disclose such changes and revise the annual statement.
3. The Board shall regularly and consistently monitor and enforce compliance with this Policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

Article VIII - Periodic Reviews

1. To ensure the Association operates in a manner consistent with a nonprofit organization and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, including the following subjects:
 - a. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available) and the result of arm's length bargaining.
 - b. Whether any partnerships, joint ventures, and arrangements conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article IX - Use of Outside Advisors

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

Annual Conflict of Interest Statement and Contract

I have received, have read, and understand the Association’s Conflict of Interest Policy set forth above and agree to comply fully with its terms and conditions at all times during my service as a Director, Officer, or other Interested Person. If at any time following the submission of this Statement I become aware of any Potential Conflict, or if the information provided below becomes inaccurate or incomplete, I will promptly notify the Board in writing.

1. Position:

- a. Are you a voting Director on the Board of Directors? Yes _____ No _____
- b. Are you an officer Yes _____ No _____
- c. If you are an officer, which Officer position do you hold? _____
- d. If you are an Interested Person in any other manner, please so state: _____

2. Disclosures:

- a. Do you have a Financial Interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest Policy with the Association?
Yes _____ No _____

i. If yes, please describe it:

ii. If yes, has the Financial Interest been disclosed, as provided in the Conflict of Interest Policy? Yes _____ No _____

- b. In the past, have you had a Financial Interest, including a compensation arrangement, as defined in the Conflict of Interest Policy with the Association?
Yes _____ No _____

i. If yes, please describe it, including when (approximately):

ii. If yes, has the Financial Interest been disclosed, as provided in the Conflict of Interest Policy? Yes _____ No _____

c. Do you have a Fiduciary Duty (current or potential), as defined in the Conflict of Interest Policy, with any organization engaged in a transaction with the Association? Yes ____ No ____

i. If yes, please describe it:

ii. If yes, has the Fiduciary Duty been disclosed, as provided in the Conflict of Interest Policy? Yes ____ No ____

d. In the past, have you had a Fiduciary Duty (current or potential), as defined in the Conflict of Interest Policy, with any organization engaged in a transaction with the Association?

Yes ____ No ____

i. If yes, please describe it, including when (approximately):

ii. If yes, has the Financial Interest been disclosed, as provided in the Conflict of Interest Policy? Yes ____ No ____

e. Do you hold an Elected or Appointed Capacity, as defined in the Conflict of Interest Policy, with any entity or governmental unit whose decisions are likely to impact upon the current or future rights of the Association? Yes ____ No ____

i. If yes, please describe it:

ii. If yes, has the Elected or Appointed Capacity been disclosed, as provided in the Conflict of Interest Policy? Yes ____ No ____

f. In the past, have you held an Elected or Appointed Capacity, as defined in the Conflict of Interest Policy with the Association?

Yes ____ No ____

g. If yes, please describe it, including when (approximately):

3. I understand that the Association is a nonprofit organization 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.

SIGNATURE PAGE

**IF YOU ARE A MEMBER OF WINSTON TOWERS 600 CONDOMINIUM
ASSOCIATION'S BOARD OF DIRECTORS, THEN SIGN HERE:**

Signature: _____

Date: _____

Printed Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____, 20____
by _____ (insert name), who is [] personally known to me
or [] has produced _____ as identification and who did take an oath.

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA

**IF YOU ARE AN EMPLOYEE OF WINSTON TOWERS 600
CONDOMINIUM ASSOCIATION, INC. THEN SIGN HERE:**

Signature: _____

Date: _____

Printed Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____, 20____
by _____ (insert name), who is [] personally known to me
or [] has produced _____ as identification and who did take an oath.

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA