

**Association of Sea Pines Plantation Property Owners, Inc. (ASPPPO)**  
**Board of Directors Organizational Meeting**  
Videoconference  
Thursday, January 14, 2021, 9:00 a.m.

**Agenda**

- |  |         |
|--|---------|
| 1. Call to Order   | Scanlon |
| 2. Establishment of Quorum   | Ellis   |
| 3. Announcement - Newly Elected Board Members, Recognition of Retiring Board Members | Scanlon |
| 4. Approval - Nomination, Board of Directors Officers, 2021 *                        | Scanlon |
| 5. Review - Board of Directors Meeting Schedule, 2021                                | Scanlon |
| 6. Review - Conflict of Interest Policy, Confidentiality Acknowledgment Statement    | Scanlon |
| 7. Adjournment   | Scanlon |

\* Denotes Action Item

**ASSOCIATION OF SEA PINES PLANTATION PROPERTY OWNERS, INC.  
AND THE ADVISORY BOARD**

A South Carolina Nonprofit Corporation

**CONFIDENTIALITY ACKNOWLEDGMENT**

While serving on the Board of Directors or as a Committee Member for the Association of Sea Pines Plantation Property Owners, Inc. and the Advisory Board ("ASPPPO"), an individual may learn information that should be treated confidentially and not disclosed to parties other than ASPPPO's Board of Directors, Committee Members, ASPPPO's President or ASPPPO's employees or agents with a need to know. Such confidential information may include ASPPPO's financial information, employee salaries and job performance reviews, threats of litigation and the status of pending litigation involving ASPPPO, and other matters which, if disclosed to persons other than ASPPPO's Board of Directors, Committee Members, ASPPPO's President or ASPPPO's employees or agents with a need to know, may adversely affect the business and operations of ASPPPO (collectively hereinafter "Confidential Information").

The undersigned acknowledges that Confidential Information shall remain private and shall not be disclosed to parties other than ASPPPO's Board of Directors, Committee Members, ASPPPO's President, ASPPPO's employees or agents with a need to know, and ASPPPO's legal counsel. The undersigned acknowledges that disclosure of Confidential Information may harm ASPPPO and may possibly interfere with the business and operations of ASPPPO.

The undersigned acknowledges his or her receipt of this Confidentiality Acknowledgment as set forth above on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Position)

**ASSOCIATION OF SEA PINES PLANTATION PROPERTY OWNERS, INC.  
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**CONFLICT OF INTEREST POLICY**

(Adopted September 19, 2019)

**Article I**  
**Purpose**

This conflict of interest statement (the "Conflict of Interest Statement") is intended to provide guidance to the Association of Sea Pines Plantation Property Owners, Inc. ("ASPPPO") when it is contemplating entering into a transaction or arrangement that may present a conflict of interest with a member of the Board of Directors of ASPPPO (each hereinafter a "Director" and collectively, the "Board") or a member of a committee of the Board of ASPPPO (hereinafter a "Committee Member"). This Conflict of Interest Statement is intended to supplement any applicable State and federal laws governing conflicts of interest applicable to nonprofit mutual benefit corporations.

**Article II**  
**Definitions**

1. **Interested Person.** Interested Person shall mean any Director or Committee Member who has a direct or indirect Financial Interest (as hereinafter defined) in a transaction being contemplated by the Board.
2. **Financial Interest.** Financial Interest shall mean an interest which a Director or Committee Member has, either directly or indirectly, through business, investment, or family in the following:
  - (a) An ownership or investment interest in any entity or property with which ASPPPO has a business or other transaction or business arrangement;
  - (b) A compensation arrangement with ASPPPO or with any entity or individual with which ASPPPO has a business or other transaction or business arrangement. Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial, or;
  - (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ASPPPO is contemplating a business or other transaction or business arrangement.
3. **Conflict of Interest.** A Conflict of Interest arises when a transaction being contemplated by ASPPPO involves an Interested Person with a material Financial Interest in the transaction.

### **Article III** **Procedures**

1. Duty to Disclose. In connection with an actual or possible Conflict of Interest, an Interested Person shall disclose to the Board the existence of any Financial Interest or potential Conflict of Interest and such Interested Person shall be given the opportunity to disclose all material facts to the Board prior to Board action on the proposed transaction.
2. Determination. Upon an Interested Person's disclosure of a Financial Interest or potential Conflict of Interest, the Board shall determine, without the participation or vote of the Interested Person, whether or not a Conflict of Interest exists.
3. Procedures for Addressing the Conflict of Interest.
  - (a) The Interested Person may make a presentation to the Board; however, after his or her presentation, such Interested Person shall leave the Board meeting while the proposed transaction involving the potential Conflict of Interest is discussed and a determination is made by a vote of the remaining members of the Board;
  - (b) The Board may, but shall not be required to appoint a non-conflicted person or committee to investigate alternatives to the proposed transaction;
  - (c) The Board may, but shall not be required to determine whether ASPPPO may obtain, with reasonable efforts, an equally advantageous transaction from a person or entity that would not give rise to a Conflict of Interest;
  - (d) If an alternative transaction is not reasonably available under circumstances that would not present a Conflict of Interest, the Board shall determine, by a majority vote of the disinterested Directors who are voting, whether or not ASPPPO should proceed with the proposed transaction.
4. Violations of the Conflict of Interest Policy.
  - (a) If the Board has reasonable cause to believe an Interested Person has failed to disclose a Financial Interest or potential Conflict of Interest, it shall inform the Interested Person of the basis for such belief and shall provide such Interested Person an opportunity 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 Board determines that the Interested Person has failed to disclose a Financial Interest or potential Conflict of Interest, it shall take appropriate action.

**Article IV**  
**Records of Proceedings**

The minutes of the Board shall contain the following:

- (a) Name of the Interested Person who disclosed or who was otherwise found to have a Financial Interest or potential Conflict of Interest; the nature of the Financial Interest or potential Conflict of Interest; any action taken to determine whether a Conflict of Interest existed; and the Board's decision whether a Conflict of Interest, in fact, existed;
- (b) Names of the Directors who were present for the discussions and the votes relating to the proposed transaction.

**Article V**  
**Annual Statements**

Each director, principal office and member of a committee, with governing 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;
- (d) Understands the ASPPPO is a tax-exempt 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.

**Article VI**  
**Periodic Reviews**

To ensure the ASPPPO operates in a manner consistent with its purposes 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, 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:
  - (i) conform to the ASPPPO's written policies
  - (ii) rare property recorded
  - (iii) reflect reasonable investment or payments for good and services
  - (iv) further ASPPPO's tax-exempt purposes, and

- (v) do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article VII**  
**Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VI, the ASPPPO may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

The undersigned acknowledges his or her receipt of this Conflict of Interest Policy Acknowledgement, as set forth above on this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Position)