

CONFLICT OF INTEREST POLICY AND AGREEMENT

ARTICLE I

Purposes

It is important for Indian River ATV Club, Inc. directors, officers, and members to be aware that both real and apparent conflicts of interest or dualities of interest sometimes occur in the course of conducting the affairs of the corporation and that the appearance of conflict can be troublesome even if there is in fact no conflict whatsoever. Conflicts occur because the many persons associated with the corporation should be expected to have, and do in fact generally have multiple interests and affiliations and various positions of responsibility within the community. In these situations a person will sometimes owe identical duties of loyalty to two or more corporations. The purpose of the conflict of interest policy is to protect the corporation's tax-exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or member of the corporation or might result in a possible excess benefit transaction. The policy is intended to supplement but not to replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Conflicts are undesirable because they potentially or eventually place the interests of others ahead of the corporation's obligations to its charitable purposes and to the public interests. Conflicts are also undesirable because they often reflect adversely upon the person involved and upon the institutions with which they are affiliated, regardless of the actual facts or motivations of the parties. However, the long-range best interests of the corporation do not require the termination of all association with the persons who may have real or apparent conflicts that are harmless to all individuals or entities involved.

Each member of the board of directors and the members of the corporation has a duty of loyalty to the corporation. The duty of loyalty generally requires a director or member to prefer the interests of the corporation over the director's/ members interest or the interest of others. In addition, directors and members of the corporation shall avoid acts of self-dealing which may adversely affect the tax-exempt status of the corporation or cause there to arise any sanction or penalty by a governmental authority.

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 directors with whom have the governing powers considering the proposed transactions or arrangements.

ARTICLE II

DEFINITIONS

2.1 Interested Person

Any director, officer with governing delegated power, or member who has a direct or indirect financial interest, as defined below, is an interested person.

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

Compensation included 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, a person who has a financial interest may have a conflict of interest only if the appropriate governing board decides that a conflict of interest exists.

ARTICLE III

PROCEDURES

3.1 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 directors with governing powers considering the proposed transactions or arrangement.

3.2 Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after the discussion with the interested person, he/she will leave the governing directors while the determination of conflict of interest is discussed and voted upon.

3.3 Procedure for Addressing the Conflict of Interest

- (a) An interested person may make a presentation to the governing board, 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 president of the governing board shall, if appropriate, appoint a disinterested person to investigate alternatives to the proposed transactions or arrangements
- (c) After exercising due diligence, the governing directors shall determine whether the corporation can obtain with reasonable effort 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 governing directors shall determine by a majority vote of the disinterested whether the transaction or arrangement is in the decisions as to whether to enter into the transaction or arrangement.

3.4 Violations of the Conflict of Interest Policy

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

ARTICLE IV

RECORDS OF PROCEEDINGS

4.1 Minutes

The minutes of the governing directors shall contain:

- (a) The names of the 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 the governing director's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including and alternatives to the proposed transactions or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V

COMPENSATION

5.1 No director, officer, or member shall receive compensation from the corporation for services, to include monetary, gifts, or favors.

5.2 Directors, officers, and members may be allowed the vote on expenses or compensation for work to be completed by another affiliated entity for the arrangements required for the safety of the corporation's goals.

ARTICLE VI

ANNUAL STATEMENTS

Each director, officer, and member 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 that the corporation 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 VII

PERIODIC REVIEWS

To ensure the corporation operates in a manner consistent with charitable 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:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information and result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management corporations conform to the corporation'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 VIII

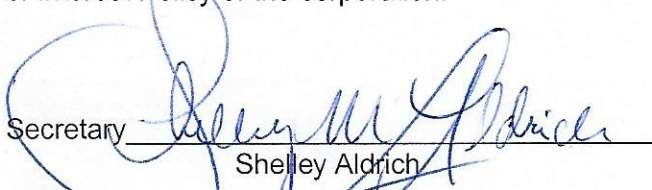
USE OF OUTSIDE EXPERTS

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

CERTIFICATE OF ADOPTION OF CONFLICT OF INTEREST

POLICY AND AGREEMENT

I do hereby certify that the above stated Conflict of Interest Policy and Agreement for Indian River ATV Club, Inc. were approved and adopted by the board of directors on Saturday, February 24th, 2018 and constitute a complete copy of the Conflict of Interest Policy of the corporation.

Secretary 
Shelley Aldrich

Date 3/27/18