

Conflict of Interest Policy

Article I - Purpose

The purpose of this conflict of interest policy is to protect the interests of the Riviera Beach CDE, Inc. (RBCDE) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its employees, officers or directors; or, might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable State and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II - Definitions

1. Interested Person

Any employee, officer, director, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

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 the RBCDE has a transaction or arrangement;
- b. A compensation arrangement with the RBCDE or with any entity or individual with which the RBCDE 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 RBCDE 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, a person who has a financial interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.

Article III - Procedures

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 and members of committees with Board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

- a. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed.
- b. If the disclosure is made at a committee meeting, the chairperson of the committee shall report the facts presented at the meeting to the Chairperson of the Board of Directors. The committee shall not have the authority to investigate the possible conflict or make a final determination of whether a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board or 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 Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or Board appointed committee shall determine whether the RBCDE 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 Board or committee shall determine by a majority vote of the disinterested directors (or Board appointed committee members, as appropriate) whether the transaction or arrangement is in the RBCDE's best interest, for its own benefit, and whether it is fair and reasonable.
- e. If the review is conducted by a Board appointed committee, the recommendation of the committee shall be made to the Board of Directors.
- f. In conformity with the above determination, the Board shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the Board or committee has reasonable cause to believe an employee, officer or director has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the Board or committee determines the person has failed to disclose an actual or possible conflict of interest,
 - (1) the committee shall recommend that the Board take appropriate disciplinary and corrective action; or, if the disclosure is made to the Board,
 - (2) the Board shall take appropriate disciplinary and corrective action.

Article IV - Records of Proceedings

The minutes of the Board and all committees with board delegated powers 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 Board's or 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 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 Board, who receives compensation directly or indirectly from the RBCDE for services, is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly from the RBCDE for services, is precluded from voting on matters pertaining to that member's compensation.
- c. A voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the RBCDE, either individually or collectively, is not prohibited from providing information to any committee regarding compensation. However, according to Sections "a" and "b" of this Article, that member is precluded from voting on matters pertaining to that member's compensation. Furthermore, that member

shall not be present in the meeting when the vote is taken.

Article VI - Annual Statements

Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy;
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and,
- d. Understands the RBCDE is charitable and in order to maintain 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 RBCDE 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 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 the RBCDE'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.

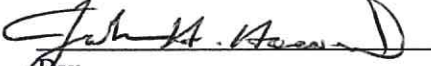
Article VIII - Use of Outside Experts

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

**CONSENT TO THE ADOPTION OF
OF AN AMENDMENT TO
THE BYLAWS OF THE RIVIERA BEACH CDE, INC.
WITHOUT A MEETING**

I, John H. Howard, as a member of the board of directors of Riviera Beach CDE, Inc., consent to the adoption of the attached Conflict of Interest Provision as an amendment to the Bylaws of said corporation.


I further consent to the adoption of this amendment to the Bylaws without a meeting as provided in the adopted Bylaws.


By: _____
Date: 1/24/12

**CONSENT TO THE ADOPTION OF
OF AN AMENDMENT TO
THE BYLAWS OF THE RIVIERA BEACH CDE, INC.
WITHOUT A MEETING**

I, MARY M KINNEY, as a member of the board of directors of Riviera Beach CDE, Inc., consent to the adoption of the attached Conflict of Interest Provision as an amendment to the Bylaws of said corporation.

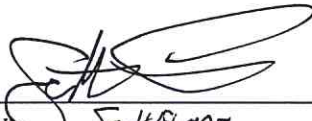
I further consent to the adoption of this amendment to the Bylaws without a meeting as provided in the adopted Bylaws.


By: MARY M KINNEY
Date: 1-23-12

**CONSENT TO THE ADOPTION OF
OF AN AMENDMENT TO
THE BYLAWS OF THE RIVIERA BEACH CDE, INC.
WITHOUT A MEETING**

I, Scott Alons, as a member of the board of directors of Riviera Beach CDE, Inc., consent to the adoption of the attached Conflict of Interest Provision as an amendment to the Bylaws of said corporation.

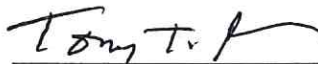
I further consent to the adoption of this amendment to the Bylaws without a meeting as provided in the adopted Bylaws.


By: Scott Alons
Date: Jan 25, 2012

**CONSENT TO THE ADOPTION OF
OF AN AMENDMENT TO
THE BYLAWS OF THE RIVIERA BEACH CDE, INC.
WITHOUT A MEETING**

I, Tony Brown, as a member of the board of directors of Riviera Beach CDE, Inc., consent to the adoption of the attached Conflict of Interest Provision as an amendment to the Bylaws of said corporation.

I further consent to the adoption of this amendment to the Bylaws without a meeting as provided in the adopted Bylaws.


By: Tony T. Brown
Date: 1/25/12

**CONSENT TO THE ADOPTION OF
OF AN AMENDMENT TO
THE BYLAWS OF THE RIVIERA BEACH CDE, INC.
WITHOUT A MEETING**

I, Michael J Clark, as a member of the board of directors of Riviera Beach CDE, Inc., consent to the adoption of the attached Conflict of Interest Provision as an amendment to the Bylaws of said corporation.

I further consent to the adoption of this amendment to the Bylaws without a meeting as provided in the adopted Bylaws.



By: Michael J. Clark
Date: 01-23-2012