

Tab 7-Sign Conflict of Interest Statement

Lake Holiday Country Club, Inc.

Conflict of Interest Policy and Agreement

Purpose

The purpose of the Lake Holiday Country Club (LHCC) Conflict of Interest Policy is to protect LHCC's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an employee, Officer or Director of LHCC. This policy is intended to supplement but not replace any applicable State laws governing conflicts of interest.

Definitions

1. **Interested Person** Any employee, Director, Officer 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 LHCC has a transaction or arrangement; or
 - b A compensation arrangement with LHCC or with any entity or individual with which LHCC has a transaction or arrangement; or
 - c A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which LHCC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Procedures

1. **Duty to Disclose** In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence and nature of his or her Financial Interest to the Directors or Members of Committees with Board-delegated powers considering the proposed transaction or arrangement.
2. **Determining Whether a Conflict of Interest Exists** After disclosure of the Financial Interest, the Interested Person shall leave the Board or Committee meeting while the Financial Interest is discussed and voted upon. The remaining Board or Committee Members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest**
 - a The President of the Board or Chairperson of the Committee shall, if appropriate, appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement. In the event the President or Chairperson is the interested person, the Vice President or Vice Chairperson shall carry out this duty.
 - b After exercising due diligence, the Board or Committee shall determine

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whether LHCC can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

- c If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or Committee shall determine by a majority vote of the disinterested Directors or Committee Members whether the transaction or arrangement is in LHCC's best interest. The Board or Committee shall determine whether the transaction is fair and reasonable to LHCC and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflict of Interest Policy

- a If the Board or Committee has reasonable cause to believe that 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 response of the Member and making such future investigation as may be warranted in the circumstances, the Board or Committee determines that the Member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings

1. 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; and
 - 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 any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Annual Statements

1. Each Director, principal Officer and Member of a Committee with Board-delegated powers shall annually sign a statement which affirms that such person:
 - a Has received a copy of the Conflict of Interest Policy,
 - b Has read and understands the Policy, and
 - c Has agreed to comply with the Policy.

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Declaration

Listed below are all relationships; including financial, work, consulting, contractual agreement, or arrangements of any kinds; that I or members of my immediate family have with Lake Holiday Country Club, Inc. or any entity doing business with Lake Holiday Country Club, Inc.

Certification

I certify that I have received a copy of and have read Lake Holiday Country Club's Conflict of Interest Policy, and I hereby avow that no situation in which I am involved could be construed as placing me in a position of having a conflict of interest with Lake Holiday Country Club as identified in this Conflict of Interest Policy except for those situations disclosed in the above Declaration. Any further situations in which a possible conflict of interest might arise will be reported promptly to the Board of Directors and the General Manager of Lake Holiday Country Club, Inc.

Date: _____

Name: _____

Signature: _____