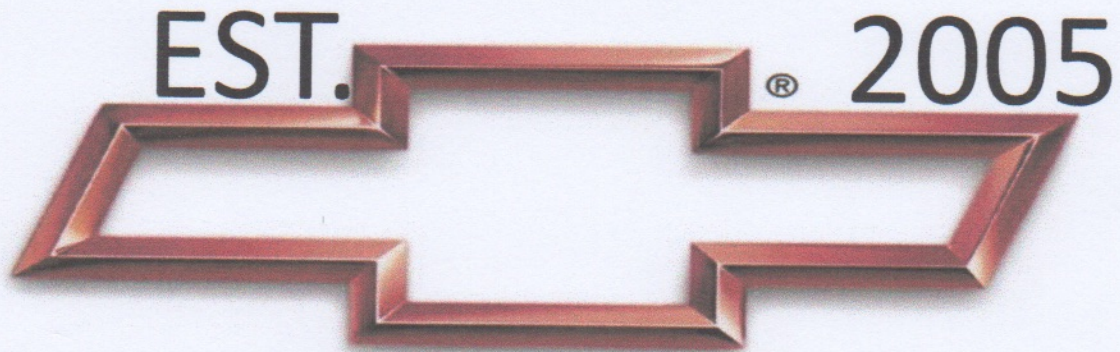

Corvette Of Choice, Southern California



**CORVETTE OF CHOICE, SOUTHERN CALIFORNIA
CONSTITUTION AND BY-LAWS**



Prepared By Corvette Of Choice By-Laws Committee

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Rev A

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Article I

Section 1: Name

The name of the Club shall be "Corvette Of Choice". The logo for the club is shown Figure 1-1. Any alterations to the logo aside from color shall be approved by the Board of Directors.

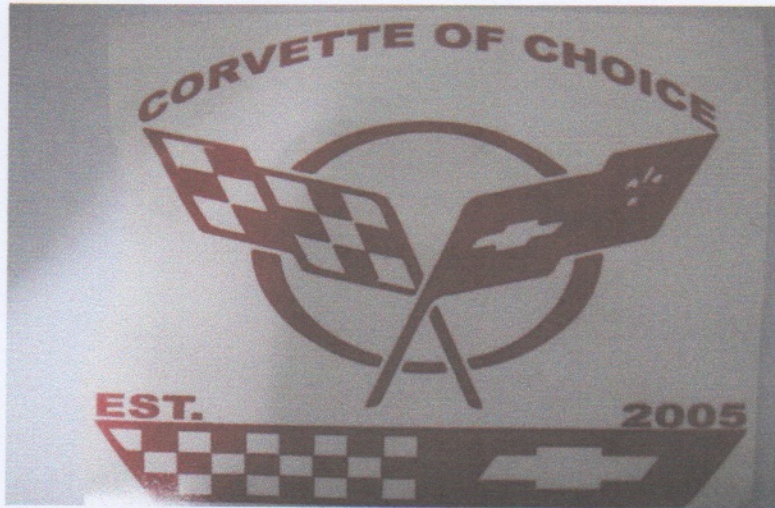


Figure 1-1

Section 2: Mission

"To be actively involved in the communities of Southern California; helping and giving back to others!"

Section 3: Purpose

The purpose of the Club shall be to encourage and promote Corvette related events, social activities and local community activities for the members and their families, and to plan and participate in events with other clubs. We use our Corvettes as tools to establish and promote friendships.

Section 4: Chapters of Corvette Of Choice

Individual Chapters shall be voted in by the club providing they meet the requirements of a Chapter described herein. Chapters are part of the main club and not a separate club. Regardless of the amount of Chapters or quantity of members in a single Chapter, there is one Club, with one President, one Vice President, one Treasurer, etc and they

shall be accountable and in compliance to the one set of Constitution and By-Laws herein. However, each Chapter shall have two representatives.

To qualify for a Chapter, the proposed Chapter must have at least 10 members with 50% of those members attending 12 consecutive monthly club meetings.

Once a Chapter is voted in, Corvette club related events, social activities and local community activities shall be equally promoted in all Chapter areas.

Section 5: Dissolution of Corvette Of Choice

In the event of dissolution of this club, all surplus funds will go to a charitable or non-taxable organization that will be selected by the Board of Directors, and no part of its net income shall insure to the benefit of any officer, director, member or other individual, either during the existence of the organization or upon its dissolution

Article II

Section 1: Membership -Full

Initial membership in the club shall be restricted to Corvette owners only; all years. Members in good-standing shall be allowed to remain members in the unfortunate event that they no longer own a corvette. Prospective club members must be at least 18 years of age and are eligible for membership after reviewing the Constitution and By Laws herein or attending a club meeting. For prospective members, dues must accompany the application for membership to the club in order to be voted in as a member. A two-thirds majority of voting members present is necessary for membership.

Any member, previously in good standing, whose membership lapses for a period of one year or more, may be reinstated in good standing once current year dues are paid.

Full members are entitled to the following privileges:

1. Voting on Club business
2. Holding a Club office. (After 12 months of membership)
3. Acting as a chairperson or co-chairperson of a Club event. (After 12 months of membership)
4. Displaying the Club logo: i.e. plaque, cards, jackets, shirts, etc.
5. Participate in all Club events.

Full members shall receive the following upon acceptance to club

1. Copy of Corvette Of Choice Constitution & By-Laws
2. Copy of Affiliate Club Constitution & By-Laws
3. One Club T Shirt
4. One Club Key Chain

5. One Club Tote Bag
6. One Corvette of Choice Placard (for displaying in window during club events)

Section 2: Membership – Associate

An associate member shall be anyone who has a serious interest in the history and tradition of the Corvette marquee and aspires to own a Corvette or provide monetary support for Corvette Of Choice.

Associate members are entitled to the following privileges:

1. Displaying of Club logo: i.e. plaque, cards, jackets, shirts, etc.
2. Participate in all Club events.

Associate members shall not have voting privileges and may only attend open club meetings.

Section 3: Membership Card

Membership cards will be issued for one year from April 1st through March 31st or from the member's application month if joining midyear through March 31st. Membership cards shall be issued upon the Treasurer receiving the member's annual or commitment to pay monthly dues. Each membership card will expire annually on March 31st. A family membership is entitled to two membership cards with the same membership number. Members agree to return their membership cards if they resign or are expelled from the Club.

Section 4: Membership Responsibility

As a member of Corvette Of Choice, members will be expected to promote and attend club meetings, activities, fund raisers and functions brought forth. Members must operate vehicles in such a manner as to not harm the image and reputation of the club. Members are expected to abide by the laws of the State of California, or any other State when involved in club functions or traveling with Corvette Of Choice. Members shall have a valid Driver's license while driving and representing the club.

Section 5: Dues

Initial membership dues are \$90.00 (\$55.00 for initiation and \$35.00 for National Council of Corvette Clubs, Incorporated (NCCC)). Annual dues are \$150 due in January or \$15.00 per month paid at each club meeting. Significant others may join at \$100.00 annual or \$10.00 per month. Annual dues begin on January 1st and end on December 31st of the following year. For renewing membership, annual dues may only be paid in January. After January, membership renewal is paid monthly. Checks shall be made payable to "Corvette Of Choice". New members that join during the dues year and opt to pay yearly shall pay a monthly prorated fee in accordance with Table 1-1 below.

January Through February	\$150.00
March	\$120.00
April Through December	Monthly Payments Only During This Period

TABLE 1-1

Affiliated club organization dues and any pro rata shall be in accordance with that clubs constitution and by-laws. When membership dues are greater than 90 days past due, the member will be considered "Not in Good Standing" and lose club privileges until dues are paid.

Membership dues for NCCC run from January 1st through December 31st every year. NCCC requires all dues for the new year to be received by the 15th of December of the previous membership year. The Corvette Of Choice NCCC Governor shall collect NCCC dues in October and November to ensure timely processing of Corvette Of Choice application. The Corvette Of Choice NCCC Governor shall explain to members the pay schedule and assist new members in determining when best to actually become a member.

Section 6: Resignation

Club members may proactively resign or temporarily suspend their membership from the Club by writing a letter of resignation to the Secretary of the club or their Chapter Representative and return their membership card. A resignation becomes effective when received by the respective club Secretary or their Chapter Representative, providing the member resigning has no indebtedness to the Club.

Section 7: Expulsion

Membership will automatically lapse for non-payment of dues after three (3) months and the member will be considered inactive. Club will notify subject member after dues are delinquent in excess of 30 days. This will give the member the opportunity to bring the dues current. Inactive members will be suspended from all club activities until dues are paid in full.

Members shall be expelled for breaching any Club by-laws and/or rules and/or bringing negative publicity to bear on the Club.

Violations of Club rules and/or other reasons not in the Club's best interests as determined by a majority of officers are also grounds for expulsion. However, before any action is taken, the alleged offending member may submit in writing or in person his/her position on any charges to Club officers.

Section 8: Conflict and Resolution

Conflicts within the club shall be resolved by the club. Every attempt shall be made to resolve conflicts among the interested parties without any additional mediation first. If to no avail, the interested parties may elevate the conflict to the Board of Directors for final and binding resolution. The Board of Directors are identified in Article IV Section 1.

Section 9: Membership in Affiliated Organization

All members of the Corvette Of Choice Club shall also maintain membership in any Affiliated Club Organization(s), currently the National Council of Corvette Clubs Incorporated (NCCC). Any changes in Affiliated Club Organization(s) membership shall be by club majority vote.

Article III

Section 1: Meetings

The Corvette Of Choice Regular Business meeting shall be held the second Sunday of each month, at 3:00pm. The location is subject to change and will be posted on the club web page, Facebook and through email. These are "General/Open Meetings". Matters such as financials and voting are not covered in General/Open meetings; they are discussed in "Closed Meetings". Only full members in good standing can attend Closed meetings. The President may reschedule meetings based on Holidays or scheduled events. The club shall also hold at least two monthly meeting per year in the city of the Corvette Of Choice Chapters.

Standard Agenda

- Call to Order
- Opening Prayer
- Acknowledgement of Visitors
- Old Business – 10 Minutes
- New Business
 - Membership Director – 5 Minutes
 - Events Director -10 Minutes
 - Public Relations Director – 10 Minutes
 - Treasurer – 5 Minutes
 - Sunshine Director – 5 Minutes
 - What's on your mind? – 15 Minutes

Section 2: Annual Meetings

Nomination of Officers shall be held each October of even years

Election of Officers shall be held each November of even years

Board of Director shall hold annual meetings. The agenda shall include:

1. Scheduling annual review of the Constitution and By-Laws
2. Identify members of By-Laws Committee (comprised of an odd number of members)
3. Review audit report of Treasury
4. Develop next year goals and activities
5. Define budget for upcoming year for club and its committees
6. Any other business needs

By-Laws committee shall hold annual meetings. The agenda shall include:

1. Review continued effectiveness of existing Constitution and By-Laws
2. Review proposed/recommended changes to Constitution and By-Laws
3. Develop draft and publish revised Constitution and By-Laws

All annual Meeting(s) shall be scheduled by the Secretary.

Section 3: Special Meetings

Any additional meetings will be scheduled and held at the discretion of the Board of Directors.

Article IV

Section 1: Officers and Elected Positions

There shall be a Board of Directors consisting of:

1. President
2. Vice-President
3. Secretary
4. Treasurer
5. Membership Director
6. Social Activities Director
7. Publication Director
8. Chapter Representative(s)

The board shall elect another board member if the board membership is an even number.

Annual dues for the Treasurer shall be absorbed by the Club. This does not include any Affiliate Club Organization dues. Dues absorbed by the Club will be full amount.

Section 2: Terms of Officers

The officers of the Club shall each serve for twenty-four (24) months:

Section 3: Election of Officers

At the club business meeting in September, the President will appoint three members in good standing to be assigned to the nominating committee. The nominating committee will seek out members who would be willing to serve as Club Officers. The four officers that will be voted on are:

1. President
2. Vice President
3. Secretary
4. Treasurer

All other positions of the club as listed in Article V Sections 5 through 13 are appointed by the President. Nominees for Club Officers shall have been a member for at least one year and have been in good standing with the club for the past twelve months. The committee will present to the Treasurer all the nominees to obtain affirmation that the candidate is eligible and will present the affirmed list of all candidates for each office at the October Club meeting. Incumbent Officers shall serve one term unless voted on by two-thirds majority to extend the term. The list of candidates will also be published in the newsletter and the minutes prior to the November election. Election of officers will take place at the November meeting, by secret ballot. All members in good standing with the club are eligible to vote. The nominating committee will confer with the Treasurer and prepare ballots for all eligible members. Each Member will receive four ballots. Each office shall be voted upon in a separate ballot and the results shall be made known to the members before proceeding with the election of the next office. Absentee ballots will be accepted as follows:

1. Forward absentee ballot to any member of the nominating committee and/or the Treasurer through email.
2. The Treasurer shall confirm eligibility
3. Once confirmed, the ballot shall be tallied with the "members present" votes in November

The Treasurer and the Secretary shall maintain the number of the total eligible voters. At 4:00pm during the November election meeting, the nominating committee shall be excused to tally the results. The results shall be presented to the members by expression of percent and total number for each candidate. The candidate receiving the highest number of votes cast for the office shall be elected. The committee shall

maintain the ballot results for a minimum of thirty (30) days after the election and after which shall be destroyed. New officers will be installed at the December meeting and assume their responsibility January 1st.

Section 4: Recall of Officers

Any elected officer of the Club may be recalled from office if he/she has failed to perform the duties of his/her office or has through the discharge of his/her duties failed to serve the best interests of the Club. The recall proceedings may be initiated by any active member in good standing by making a motion for recall at a normal business meeting. The motion must be approved by a two-thirds (2/3) majority of the members present at the meeting. After the motion is approved, the Club officers, less the charged officer, will prepare a statement of charges and will schedule the recall proceedings to be held at the next business meeting. The charged officer and all Club members in good standing will be notified of the charges and the date of the scheduled recall proceedings. The charged officer will have the opportunity to submit in writing or in person, at the recall meeting, his/her position on any and all charges of which he/she may be accused. After the charged officer has made his/her statement, a secret ballot will be taken. A two-thirds (2/3) majority of the Club members present at the proceedings will be required to approve the recall of the charged officer. If a two-thirds majority vote is not obtained to recall, the matter is dismissed, the accused is exonerated and the matter is to be dropped by all members. However, if the officer is recalled, he/she may remain a member in good standing providing their dues are current.

Article V

Section 1: Duties of the President

President shall:

- a. Preside at all regular meetings
- b. Officially represent the Club
- c. Have the power to fill appointive offices
- d. Serve as Chairman of the Board of Directors
- e. Have the power to form special committees
- f. Support all standing committees
- g. Ensure that the spirit and the letter of the By-Laws are preserved
- h. Secure a meeting place for all regularly scheduled meetings

Section 2: Duties of the Vice-President

The Vice President shall:

- a. Preside at Club meetings when the President is unable to attend
- b. Perform all duties as delegated by the President

- c. Coordinate all special committees as appointed by the President
- d. Maintain Club relationships and act as a liaison for all Club sponsors, including the recruitment of new sponsors
- e. Be responsible for all Club paraphernalia involving the Club logo including sportswear and other items

Section 3: Duties of the Secretary

Secretary shall:

- a. Keep an accurate record of all proceedings of the general meetings and Board of Directors meetings
- b. Transcribe and distribute the general meeting minutes to the Publication Director for publication within 48 hours of meeting. NOTE: Closed meeting minutes have limited distribution (members in good standing only) and are not published on the web site
- c. Transcribe and distribute the Board of Directors meeting minutes to the Board within 48 hours of meeting
- d. Assist any Board Member with correspondence
- e. Maintain custody of the By-Laws for the Club
- f. Function as Club historian
- g. Update and reprint any changes to the Club By-Laws as necessary
- h. Maintain a repository of original Club documents, contracts, legal records and templates

The Secretary will chair the annual by-law committee and oversee the election of officers.

Section 4: Duties of the Treasurer

Treasurer shall:

- a. Maintain Club bank accounts and be responsible for Club funds
 - b. Be responsible for the collection of all fees and dues
 - c. Be in charge of any and all monetary transactions, which have been budgeted and approved by the President and Vice President.
 - d. Ensure that transactions that have not been budgeted and approved have prior approval by the President and Vice President
 - e. Present a financial report to the general membership at each Closed business meeting of the Club, showing the receipts and disbursements, as well as an annual report of all financial transactions during the calendar year to be submitted at our regular meeting in January. Prepare and present an annual operating budget by February 1st of each year.
 - g. File all pertinent state and federal tax forms as prescribed by law.
 - h. Prepare all financial records for audit as requested by the Board of Directors.
- NOTE: Financial records may be audited for the current and/or past year(s)

- i. Ensure that authorized signatories of checks drawn on the funds of this Club shall be only the President, Vice-President, and/or the Treasurer
 1. Checks drawn on the funds of this club for less than \$250.00 shall only require the authorized signature of the treasurer.
 2. Checks drawn on the funds of this Club for \$250.00 or more shall require two (2) authorized signatures; the President and Vice President.
 3. Checks issued to any of the signatories above may not be signed by that signatory

Section 5: Duties of Membership Director

Membership Director shall:

- a. Promote membership through fliers, advertisements, social gatherings or other methods that may be available.
- b. Meet with guests for refreshments after their first meeting attended to answer questions and encourage sign-ups.
- c. Maintain a file of all applications as well as current membership rosters and prospective members
- d. Review and verify all applications and confirm eligibility for membership
- e. Maintain and distribute "membership kit" upon acceptance
- f. Send out Annual Renewal/Past Due Reminders to all members
- g. Maintain and provide a record of members' attendance points to the Social Activities Director for the "Prestigious Membership Award"

The "Prestigious Membership Award" shall be given to members who have earned thirty (30) attendance points in a two (2) year period. Points cannot be carried pass two years. Members shall receive four (4) points for each year of on time dues payment (yearly or monthly) and one (1) point per month for consecutive meeting attendance in a twenty-four (24) month period. Members are allowed two (2) excused meeting within the twenty-four (24) month period provided the two (2) excused meetings are not consecutive and they have notified the membership director or their chapter representative prior to the absence.

The "Prestigious Membership Award" shall be valued at a minimum of \$50.00

Section 6: Duties of Public Relations & Social Activities Director

Public Relations & Social Activities Director shall:

- a. Present social activities to the Board for approval, then upon approval, plan and coordinate functions.
- b. Submit a tentative calendar of monthly events to the Publications Director.
- c. Publicize social events: flyers, posters
- d. Submit an annual social budget in January of each year.
- e. Maintain and provide a record of members' participation points for the "Prestigious Social Activity Award"

The "Prestigious Social Activity Award" shall be given to members who have earned twenty (20) activity points in a two (2) year period. Points cannot be carried pass two years. Members shall receive seven (7) points for supporting each fund raising event (Dances are excluded) and seven points (7) for supporting each charitable event, all in a twenty-four (24) month period.

Section 7: Duties of the Chapter Representatives

The Chapter Representatives will represent their Chapter at monthly meetings, promote club organizations' activities in the Chapter area and assist the President and Vice President in organization of events. They shall maintain the structure and organization of the Club for the Chapter.

Section 8: Duties of the Affiliate Club Representative

The Club Representative to the Affiliate Club Organization(s) will represent Corvette Of Choice at regional meetings and promote the affiliate club organizations' activities.

Section 9: Duties of the Webmaster

The Webmaster:

- a. Will plan, manage, control, revise, and update the Corvette Of Choice Web Site to communicate the mission of Corvette Of Choice to the Council clubs and other interested parties.
- b. Post Business meeting agendas, meeting minutes, and Corvette Of Choice activities. Post flyers and other promotional material.
- c. Establish links to other social media sites such as Facebook and of mutual interest and promote sponsor advertising.
- d. Assist the Board of Directors in developing cost data for advertising on the site and advise of any needed changes to the site.

Section 10: Duties of the Sergeant at Arms

The Sergeant at Arms shall maintain order at the club function(s) and track meetings to agenda. The Sergeant at Arms will also sequester new prospective members during the voting process.

Section 11: Duties of the Sunshine Chairperson

The Sunshine Chairperson shall acknowledge members' birthdays, anniversaries and other significant events pertaining to the members.

Section 12: Duties of Event Chairperson

The Event Chairperson shall lead the committee in establishing the planned events for the year. They shall coordinate and negotiate the venues for all the activities within the budget allocated to the committee. They shall work closely with the Public Relations and Social Activities Director to coordinate scheduled events and remove all conflicts. They shall maintain communication with the treasurer on how to collect, receive and pay out funds. The Events Chairperson or designee shall present the events for the current month and the upcoming months at the club meeting. A calendar shall be provided to all members no later than the February meeting.

Section 13: Duties of Newsletter Editor

The Newsletter Editor shall coordinate, assemble, and oversee the publication and distribution of the Club newsletter quarterly. The Newsletter Editor shall solicit newsletter articles of social, technical, and automotive nature from club members. Distribution shall be to the Club General Membership, Affiliate Club Organization(s), and other Corvette clubs as required. Any publication or distribution costs shall be reimbursable by the club.

Section 14: Vacant Positions

In the event that any of the officer positions, except Treasurer, are not filled, either by resignation, recall, expulsion, etc, the President shall assume, delegate, or combine those duties to other positions for the remainder of the term. Treasurer Vacancy shall be filled by election.

Section 15: Attendance of Officers

No Officer of the Club shall miss more than three (3) consecutive meetings without notifying another Officer of the Club or the Membership Director. Any Officer that misses three (3) consecutive meetings without notification shall be considered to have resigned the office and the President shall assume or delegate the Officer's position to another for the remainder of the term.

Section 16: Committees

The club may create committees as needed, such as Fundraising, Annual Car Show, etc.

Each committee will appoint a Chair. The Chair will act as the focal point for reporting status of the Committee at the monthly club meetings, point-of-contact for information or

questions. Each committee shall be limited to five members but must be an odd number of members. In an effort to give every member an opportunity to serve on a committee, each member shall only serve on one committee at a time. Exceptions to this policy may be granted by the President. Committees are to research their assigned tasks and are vested with the authority to make the decision for their tasks.

Section 17: Reimbursement of Expenses

Members holding the above positions shall be entitled to reimbursement for reasonable expenses related to the office or position. Reasonable expenses must be approved by the Board of Directors in advance.

Article VI

Section 1: By-Laws Amendment Procedure

Proposals to amend these By-Laws may be initiated by any member(s) in good standing, the By-Laws Committee and/or the Board. All proposed amendments must be submitted to the By-Laws Committee for prior review and endorsement before adding them to the Agenda of the General Meeting for approval. The Secretary must make the amendment proposals available to the membership through an announcement/e-mail sent at least twenty-one (21) days before any vote is submitted. The proposed amendments must be read publicly during at least one Regular Business Meeting prior to amending the By-Laws. Proposed amendments must be approved by a two-thirds majority of voting members present at the Regular Business Meeting. If all amendments are not ratified in whole, line item amendments will be voted on separately. The ratified amendments to the By-Laws shall go into effect immediately upon its adoption, unless the motion to adopt specifies a time for its going into effect.

Section 2: Conflicts and Interpretation

Any discrepancies or conflicts of interpretation within this document shall be resolved by the Board of Directors.

Section 3: Personal Liability

All persons or corporations extending credit to, contracting with or having any claims against the Club, or the Officers, shall look only to the funds of the Club for payment of any such contract or claim, or the payment of any debt, damage judgment or decree or any other money that may otherwise become due and payable to them from the Club or its Officers. Neither the members of the Club, nor the Officers, past, present nor future shall be personally liable for any such contract, claims, debt, damage, judgment, or decree.

Section 4: Entering into Contracts

Committees are tasked with seeking cost effective solutions to support the clubs objectives. However, any and all contracting which obligates Corvette Of Choice must be reviewed by at least two of the committee members and can only be signed and entered into contract by the President and the Vice President. Once the contract is officiated, it is to be forwarded to the secretary for historical records.

Section 5: Conflict of Interest Policy

Corvette Of Choice is non-profit organization committed to serving the community. Each officer, chairperson, director and member must protect the tax exempt interest of Corvette Of Choice by strict adherence to the Conflict of Interest Policy. Members will be required to annually sign a statement which attests compliance, to the best of their knowledge, to the Conflict of Interest Policy.

Definitions

This page will help define terms used throughout the Corvette Of Choice CONSTITUTION AND BY-LAWS document.

Membership Terms

Individual - Any person, married or single, joining Corvette Of Choice

Couple - Any two people together as Married or Domestic Partners, joining Corvette Of Choice.

Member in Good Standing - Any member that is current with all applicable dues.

Affiliate Club

Organization

Corvette Of Choice Affiliate Organizations - Any organization that Corvette Of Choice belongs. Membership in these clubs will be required as part of Corvette Of Choice membership.

Sister Club – Any Corvette club

Dues Terms

Corvette Of Choice Club Dues - Dues due to Corvette Of Choice as a membership requirement. Dues go towards club activities, charities, and business expenses as detailed throughout the document.

Affiliate Club Organization Dues - Dues due to Corvette Of Choice Affiliate Organizations. These dues are paid to affiliate organizations in their entirety and are a requirement to belong to the Corvette Of Choice. These dues will be collected along with Corvette Of Choice Club dues.

Voting Rules

Voting Items to be voted on will be brought up and voted on at a regular business meeting. The voted on item will be accepted or rejected by a two-thirds majority of voting members present at that meeting.

CONFLICT OF INTEREST POLICY
Of
Corvette of Choice, Inc.

Article I

Purpose

The purpose of the conflict of interest policy is to protect the tax-exempt interest of Corvette of Choice Inc when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or chairperson of the Organization 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 officer, chairperson or member of a committee with governing 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 Corvette of Choice has a transaction or arrangement,
- b. A compensation arrangement with Corvette of Choice or with any entity or individual with which Corvette of Choice has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Corvette of Choice 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 governing 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 officers, chairpersons and members of committees with governing board delegated powers considering the proposed transaction or arrangement. The governing board for this review shall be the Board of Directors as described in Article IV, Section 1 of the Corvette of Choice By-Laws

2. **Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the governing board or committee meeting while the determination of a conflict of 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. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, s/he 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 governing board or committee (the president) shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether Corvette of Choice 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Corvette of Choice's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it 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 governing board or committee 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 as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or

possible conflict of interest, it shall take appropriate disciplinary and corrective action in accordance with Article IV, Section 4 of the Corvette of Choice By-Laws.

Article IV

Records of Proceedings

The minutes of the governing 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 governing 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 governing board who receives compensation, directly or indirectly, from Corvette of Choice 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 Corvette of Choice for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Corvette of Choice, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each Officer, Chairperson 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, and
- d. Understands Corvette of Choice is charitable 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 Corvette of Choice 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 officers, chairpersons and committee members conform to Corvette of Choice's By-Laws and policies described herein, 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, Corvette of Choice 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, secretary of Corvette of Choice, hereby certifies that the Conflict of Interest Policy of Corvette of Choice was duly adopted as of the 8th day of March, 2013

Signature on file

Shirley Hillman, Secretary