

**CODE OF REGULATIONS
OF
MIDWEST THUNDER SERIES, INC.**

**ARTICLE I
Members**

Section 1.01 - Members

The Members of Midwest Thunder Series, Inc. (the “**Corporation**”) shall be any quarter midget racing club (i) sanctioned with the primary national sanctioning organization (the “**Sanctioning Body**”) of the Corporation (as of the date of this Code of Regulations, the Sanctioning Body is the United States Auto Club), (ii) who supports the purposes of the Corporation, (iii) who agrees to abide by this Code of Regulations and other rules established by the Corporation, (iv) has submitted a letter of application to any current Director and (v) has received approval of said application by a vote of two-thirds (2/3) of the Board (collectively, the “**Members**”).

Section 1.02 - Meetings

- (a) The annual meeting of the Members shall be held on or before January 31 at such location, date and time as determined by the Board or the President for the purpose of electing certain officers and for the transacting such business as may come before the meeting.
- (b) Any special meeting of the Members may be called by any of the following:
 - (i) The President.
 - (ii) The Board by action at a meeting or a majority of the Directors acting without a meeting.
 - (iii) Ten percent (10%) of the Members.
- (c) Meetings of the Members may be held at any place within or without the State of Ohio. If no designation is made, the place of meeting shall be the principal office of the Corporation in the State of Ohio.
- (d) The order of business at meetings of the Members shall be such as the President may prescribe or follow, subject, however, to his being overruled with respect thereto by a majority of the Members present.

Section 1.03 - Notice of Meeting

- (a) Written notice of the time and place of each meeting of the Members shall be given to the Members either by personal delivery, or by mail, electronic mail, telecopy or other Authorized Communications Equipment at least ten (10) but not more than sixty (60) days before each meeting.
- (b) As used in this Code of Regulations, “***Authorized Communications Equipment***” shall have the meaning set forth in Section 1702.01(Q) of the Ohio Revised Code.
- (c) Members may waive notice of the time and place of any meeting of the Members, either before or after the holding of the meeting.

Section 1.04 - Quorum and Manner of Action

- (a) The Members present in person, by the use of Authorized Communications Equipment, by mail, or, if permitted, by proxy at any meeting of Members shall constitute a quorum for transaction of business at any meeting of the Members.
- (b) The act of a majority of the Members present at a meeting at which a quorum is present shall authorize any action by the Members, unless a greater number is required by law, the Articles of Incorporation, or this Code of Regulation.

Section 1.05 - Action Without Meeting

- (a) Any action which may be authorized or taken at a meeting of the Members may be taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by or on behalf of, all of the Members.
- (b) Any such writings shall be filed with or entered upon the records of the Corporation.

Section 1.06 - Voting

- (a) Each Member shall have one (1) vote on matters coming before the Members. Each Member shall exercise their right to vote at any meeting or to consent to any action without a meeting through the Member’s President, Chairperson, Treasurer, or Secretary, unless before such vote is taken or consent is given the Board of Directors of a Member provides a certified copy of a resolution stating that such authority is vested in some other officer or person.
- (b) In acting on any matter pertaining to the Corporation, whether at a meeting of the Members, a meeting of the Corporation or through written action, each Member may be represented at such meeting, execute such consents or waivers, or exercise any of their other rights, by proxy or proxies appointed by a writing

signed by the Member's President, Chairperson, Treasurer or Secretary.

Section 1.07 – Suspension or Revocation of Membership

- (a) The Board shall have the authority to discipline or suspend any Member up to and including the revocation of membership in the Corporation. Revocation of membership must be approved by a two-thirds (2/3) vote of the Board.

ARTICLE II
Rights of the Members

Section 2.01 - Election and Removal of Secretary and Treasurer

The Members shall have the sole right to elect the Secretary and Treasurer of the Corporation and remove, with or without cause, the Secretary and Treasurer prior to the expiration of their respective term.

Section 2.02 – Merger or Consolidation

The merger or consolidation of the Corporation with any other corporation or legal entity, shall be subject to approval by the Members.

Section 2.03 – Other Matters Required by Law

Any other matters required by law to be submitted to the Members or which the Board determines by resolution to submit to the Members, shall be subject to approval by the Members.

ARTICLE III
Board of Directors

Section 3.01 - General Powers

The powers of the Corporation shall be exercised, its business and affairs conducted, and its property managed under the direction of the Board (as hereinafter defined), except as otherwise provided by the law of the State of Ohio, by the Articles of Incorporation, or by this Code of Regulations, including without limitation:

- (a) The designation of one or more depositories for all Corporation funds and persons authorized to access any accounts established at said depositories.
- (b) The adoption of an annual budget.
- (c) The establishment of annual dues, fees, assessments and methods of collecting same.
- (d) To investigate all grievances and complaints of irregularities by Members presented to it and to serve as a body to which Members may appeal.

As used herein, the term “**Board**” shall refer to the Corporation’s Board of Directors.

Section 3.02 - Number and Composition

- (a) The number of Directors shall equal the number of Members. Without amendment to this Code of Regulations, the number of Directors may be fixed or changed by resolution of the Board. No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.
- (b) All natural persons shall be eligible for appointment to the Board without regard to race, color, religion, national origin, handicap, or sex.
- (c) Each Member shall appoint one (1) Director to the Board.

Section 3.03 – Appointment and Term

- (a) Each Member is responsible for identifying its Director and notifying the Board of same.
- (b) Each Director shall serve on the Board so long as they are (i) the President of the appointing Member or (ii) the authorized representative of the appointing Member; provided that the appointing Member is in good standing with the Corporation.

Section 3.04 – Bylaws

The Board may adopt Bylaws to govern its own proceedings so long as the Bylaws are consistent with the laws of the State of Ohio, the Articles of Incorporation and this Code of Regulations.

Section 3.05 - Meetings

- (a) An annual meeting of the Board shall be held immediately after and at the same place as the annual meeting of the Members.
- (b) Regular meetings of the Board may be held at such periodic intervals between annual meetings and at such time as the Directors may specify.
- (c) Special meetings of the Board may be called by the President, or a majority of the Directors.
- (d) The order of business at meetings of the Board shall be such as the President may prescribe or follow, subject, however, to his being overruled with respect thereto by a majority of the Directors present.

Section 3.06 - Place of Meeting and Manner of Holding Meetings

- (a) Meetings of the Board may be held at any place within or without the State of Ohio. If no designation is made, the place of meeting shall be the principal office of the Corporation in the State of Ohio.
- (b) Notwithstanding anything to the contrary, any meeting of the Board may be held through any Authorized Communications Equipment or in any other manner permitted under the laws of the State of Ohio and participation through any Authorized Communications equipment shall constitute attendance at such meeting.

Section 3.07 - Notice of Meeting

- (a) Written notice of the time and place of each meeting of the Board shall be given each Director either by personal delivery or by mail, electronic mail, telecopy, or other Authorized Communications Equipment at least two (2) days before each meeting.
- (b) Any Director may waive notice of the time and place of any meeting of the Board, either before or after holding of the meeting, including waiver by Authorized Communications Equipment. Attendance at a meeting by a Director shall constitute waiver of any required notice.

Section 3.08 - Quorum and Manner of Action

- (a) Two-thirds (2/3) of the total number of Directors shall constitute a quorum for transaction of business at any meeting of the Board.
- (b) In the absence of a quorum at any meeting of the Board, a majority of those present may adjourn the meeting from time to time until a quorum shall be present and notice of any adjourned meeting need not be given.
- (c) The act of a majority of the Directors present at a meeting at which a quorum is present shall authorize any action by the Board, unless a greater number is required by law, the Articles of Incorporation, this Code of Regulation, or the Bylaws.

Section 3.09 - Action by Board of Directors Without Meeting

- (a) Any action which may be authorized or taken at a meeting of the Board, may be taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by all of the Directors.
- (b) Any transmission by Authorized Communications Equipment that contains an affirmative vote or approval of a Director is a signed writing for the purpose of this Article III, Section 3.09.
- (c) Any such writing shall be filed with or entered upon the records of the Corporation.

Section 3.10 - Compensation

Directors shall not receive any compensation for their services as Directors, although the Board by resolution shall in its discretion make provision for reimbursement to the Directors of reasonable expenses incurred in carrying out their duties.

Section 3.11 - Resignations

- (a) Any Director of the Corporation may resign at any time by giving written notice to the President or the Secretary.
- (b) A resignation shall take effect at the time specified therein, and unless otherwise specified therein, shall become effective upon delivery. The acceptance of any resignation shall not be necessary to make it effective unless so specified in the resignation.
- (c) The non-payment of annual dues or special assessments of the appointing Member to (i) the Sanctioning Body, or (ii) the Corporation which results in the termination of membership in the Sanctioning Body or the Corporation, shall constitute a Director's resignation from the Board as of the date said membership

is terminated.

Section 3.12 - Removal

Any Director shall be removed from the Board if (a) the Director's appointing Member's membership in the Corporation has been revoked in accordance with Article I, Section 1.06(a), or (ii) the Director is no longer an appointed Director in accordance with Article III, Section 3.03(b). If the Member who appointed the removed Director remains in good standing with the Corporation, the Member shall appoint a new Director in accordance with Article III, Section 3.03(b).

Section 3.13 - Vacancies

Should a Member fail to appoint its respective Director under this Article III, the remaining Directors, though less than a majority of the authorized number of Directors, may, by a vote of a majority of their number, temporarily fill any vacancy for the offices of Director until a replacement Director is appropriately appointed by the respective Member.

ARTICLE IV

Officers

Section 4.01 - Officers

The officers of the Corporation shall be a President, a Secretary, and a Treasurer. The Board may elect or appoint such other officers or assistant officers as it shall deem desirable, such officers or assistant officers to have the authority and to perform the duties prescribed from time to time by the Board. The officers of Secretary and Treasurer may be combined and held by one (1) person. ~~The President shall be a Director, but no other officer is required to be a Director.~~ The President shall be a MWT member of USAC and in good standings, but no other officer is required to be a director.

Section 4.02 – Election and Term of Office

The President of the Corporation shall be elected by the Board at its annual meeting or as soon thereafter as is feasible. The Secretary and Treasurer shall be elected by the Members at their annual meeting or as soon thereafter as is feasible. The Board may elect or appoint such other officers or assistant officers as it shall deem desirable. Unless otherwise provided, each officer shall hold office for one (1) year and until a successor shall have been duly elected and shall have qualified. The Treasurer and the Secretary shall serve two (2) year terms and until a successor shall have been duly elected and shall have qualified. The election of the Secretary will occur in odd numbered years and the election of the Treasurer will occur in even numbered years.

Section 4.03 - Resignation

- (a) Any officer may resign at any time by giving written notice to the Board, or to the President or Secretary; except in the case of the President who shall give written notice to the Secretary.
- (b) A resignation shall take effect at the time specified therein, and unless otherwise specified therein, shall become effective upon delivery. The acceptance of such resignation shall not be necessary to make it effective unless so specified in the resignation.

Section 4.04 - Removal

Any officer may be removed by the Board, with or without cause, at any time by the affirmative vote of two-thirds (2/3) of the Board.

Section 4.05 - Vacancies

Any vacancy of an officer position for any reason may be filled by appointing body in such manner as it determines to be appropriate under the circumstance.

Section 4.06 - Treasurer

The Treasurer shall have supervision of all funds of the Corporation, shall perform all duties incident to the office of Treasurer, and shall perform such other duties as may be delegated from time to time by the Board. The Treasurer shall keep an itemized accounting and records of all receipts and disbursements of the Corporation and provide a statement of financial condition at all meetings of the Board or as requested by the Board. The Treasurer shall be responsible for preparing and timely filing all documents necessary to protect the Corporation's non-profit status as well as all annual Federal and State income tax returns and any other reports and returns as may be required by State and Federal laws. The Treasurer shall be authorized to countersign checks. Upon the expiration of his or her term of office, the Treasurer shall within fifteen (15) days deliver all books, papers, money and property of the Corporation in his or her control to the successor Treasurer or the President.

Section 4.07 - Secretary

The Secretary shall: (i) take or cause to be taken minutes of all meetings of the members and of the Board; (ii) see that all notices are duly given in accordance with the provisions of this Code of Regulations or as required by law; (iii) be custodian of all records and reports of the Board; (iv) keep a current list of each Member's individual membership, their respective postal and electronic address and such other information that may be required; (v) in general, perform all duties incident to the office of Secretary; and (vi) perform such other duties as may be delegated from time to time by the Board. Upon expiration of his or her term of office, the Secretary shall deliver all books, papers, money and property of the Corporation in his or her control to the successor Secretary or the President.

Section 4.08 - President

The President shall be the Chief Executive Officer of the Corporation. The President shall call and preside at all meetings of the Board and the Members. The President shall manage and shall generally supervise, administer, and direct the operations of the Corporation and its facilities, officers, and employees, subject to the overall authority of the Board. The President shall be responsible for providing administrative staff support to committees; providing information to the various committees necessary for the fulfillment of their functions; maintaining appropriate relationships with community, governmental, and professional bodies and the Corporation's administrative and professional staff; coordinating the preparation of the annual operating and capital budgets; setting standards for the performance of the management personnel of the Corporation and the Corporation's various departments and operating units, and establishing a process for making decisions when any of same fail to fulfill their/its responsibilities and/or accountabilities (including reporting to the Board as necessary); and developing a system for resolving conflicts among personnel working for the Corporation and reporting such conflicts to the Board as necessary. The President shall have the power and authority to appoint, hire, dismiss, regulate hours of work, and set and adjust rates of pay for all subordinate personnel of the Corporation. Except as otherwise determined by the Board, the President shall be an ex officio member without vote of all committees of the Board. The President shall have such other authorities and duties as are delegated from time to time by the Board. The President shall be authorized to countersign checks. The performance of the

President shall be monitored and evaluated by the Board.

Section 4.09 – Delegation by Board

In the absence of any officer or for any other reason which the Board may deem sufficient, the Board may delegate the authorities and duties of any officer to any other officer or to any Director.

ARTICLE V
Committees

Section 5.01 – Committees

- (a) The Board may, by resolution, designate one (1) or more committees, each of which shall consist of not less than three (3) Directors, which committees to the extent provided in said resolution, shall have and exercise the authority of the Board.
- (b) The designation of such committees and the delegation thereto of such authority shall not operate to relieve the Board, or any individual Director of any responsibility imposed by law.
- (c) Each committee shall serve at the pleasure of the Board, shall act only in the intervals between meetings of the Board, and shall be subject to the control and direction of the Board.

Section 5.02 – Quorum, Authority and Manner of Acting

- (a) A majority of the members of a committee shall constitute a quorum for transaction of business at any meeting of the committee.
- (b) In the absence of a quorum at any meeting of a committee, a majority of those present may adjourn the meeting from time to time until a quorum shall be present and notice of any adjourned meeting need not be given.
- (c) Notwithstanding anything to the contrary, any meeting of a committee may be held through any Authorized Communications Equipment or in any other manner permitted under the laws of the State of Ohio and participation through any Authorized Communications Equipment shall constitute attendance at such meeting.
- (d) Unless otherwise provided in this Code of Regulations or unless otherwise ordered by the Board, the act of a majority of the members of the committee present at a meeting at which a quorum is present shall authorize any action by the committee.
- (e) Any action which may be authorized or taken at a meeting of a committee, may be taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all of the members of the committee (excluding ex officio members). Any transmission by Authorized Communications Equipment that contains an affirmative vote or approval of a member of a committee is a signed writing for the purpose of this Article V, Section 5.02.
- (f) All committees of the Board shall prepare and file minutes of all meetings with

the Secretary to be filed with or entered upon the records of the Corporation.

- (g) Any act or authorization of an act or transaction of business by any such committee within the authority delegated to it shall be as effective for all purposes as the act or authorization of the Board.

Section 5.03 - Term

Unless otherwise specified by the Board, appointment to a committee shall be for a period of one (1) year.

Section 5.04 - Committee Chair

Unless otherwise specified, the chair of each committee shall be appointed by the Board.

ARTICLE VI
Conflicts of Interest

Section 6.01 - General Policy

Recognizing that members of the Board and officers of the Corporation have a duty of loyalty and fidelity to the Corporation and they must govern the Corporation's affairs honestly and economically exercising their best care, skill and judgment for the benefit of the Corporation, to avoid even the appearance of impropriety, the directors and officers of the Corporation shall:

- (a) disclose to the Board any situation wherein the director or officer has a conflicting interest or duality of interest that could possibly cause that person to act in other than the best interest of the Corporation; and
- (b) follow the procedures stated in Sections 9.02 and 9.03 of this Article VI governing the participation on behalf of the Corporation in any transaction in which the person has, or may have, a conflict of interest.

Section 6.02 – Conflicts of Interest Policy

Without limiting the generality of the provisions of Article VI, Section 6.01, The Corporation hereby adopts the Model Conflicts of Interest Policy developed by the Internal Revenue Service, in the form attached hereto as **Exhibit A** to this Code of Regulations, which is hereby incorporated herein by reference, as the Conflicts of Interest Policy of the Corporation.

Section 6.03 - Procedures

In addition to the procedures set forth in the Model Conflicts of Interest Policy, the following procedures shall be followed in addressing a potential or actual conflict of interest:

- (a) Any member of the Board having a known duality of interest or possible conflict of interest on any matter should make a disclosure of such conflict to the other Directors. Such person shall not vote or use his or her personal influence on the matter, but such person may be counted in determining the quorum for the meeting. The minutes of the meeting should reflect the making of the disclosure, the abstention from voting and the quorum situation.
- (b) Any officer of the Corporation having a known duality of interest or possible conflict of interest on any matter before such officer for administrative action shall report the conflict to the President or, in the case of the President, to the Secretary. Such officer shall abstain from taking any administrative action on such matter.
- (c) The forgoing requirements shall not be construed as preventing any member of the Board or officer of the Corporation from briefly stating his or her position in

the matter, nor from answering pertinent questions regarding same.

ARTICLE VII
Indemnification and Insurance

Section 7.01 – Indemnification

- (a) To the fullest extent not prohibited by applicable law, the Corporation shall indemnify each person who, by reason of being or having been a Director or officer of the Corporation, is named or otherwise becomes or is threatened to be made a party to any threatened, pending or completed civil, criminal or administrative action, suit, investigation or proceeding (or claim or other matter therein), and the Corporation by the Board may indemnify any other person as deemed proper by the Board of Directors, against any and all costs and expenses (including attorney fees, judgments, fines, penalties, amounts paid in settlement, and other disbursements) actually and reasonably incurred by or imposed upon such person in connection with any action, suit, investigation or proceeding (or claim or other matter therein), whether civil, criminal, administrative or otherwise in nature, with respect to which such person is named or otherwise becomes or is threatened to be made a party by reason of being or at any time having been a Director, officer, employee or other agent of or in a similar capacity with the Corporation, or by reason of being or at any time having been, at the direction or request of the Corporation, a director, trustee, officer, administrator, manager, employee, member, advisor or other agent of or fiduciary for any other corporation, partnership, limited liability company, trust, venture or other entity or enterprise including any employee benefit plan. Such indemnification, if appropriate, shall become effective upon the written request of the officer, Director, former officer or former Director and shall not require any additional action of the Board for approval. Such indemnification is conditioned upon the cooperation of the officer, Director, former officer, former Director or other indemnified person with the Corporation in the investigation and defense of the matter.
- (b) Each request or case of or on behalf of any person who is or may be entitled to indemnification pursuant to Article VII, Section 7.01(a), shall be reviewed by the Board, and indemnification of such person shall be authorized by the Board only if it is determined by the Board that indemnification is proper in the specific case, and, notwithstanding anything to the contrary in this Code of Regulations, no person shall be indemnified to the extent, if any, it is determined by the Board or by written opinion of legal counsel designated by the Board for such purpose that indemnification is contrary to applicable law. Such indemnification is conditioned upon the cooperation of the person seeking indemnification with the Corporation in the investigation and defense of the matter.

Section 7.02 - Insurance

The Corporation may, as the Board may direct, purchase and maintain such insurance on behalf of any person who is or at any time has been a Director, officer, employee or other agent

of or in a similar capacity with the Corporation, or who is or at any time has been, at the direction or request of the Corporation, a director, trustee, officer, administrator, manager, employee, member, advisor or other agent of or fiduciary for any other corporation, partnership, limited liability company, trust, venture or other entity or enterprise including any employee benefit plan, against any liability asserted against and incurred by such person.

ARTICLE VIII

Miscellaneous

Section 8.01 - Amendment

This Code of Regulations may be amended from time to time (i) by two-thirds (2/3) approval of the Board, without the assent of the Members, provided the Board shall give ten (10) days prior written notice of the proposed amendment(s) to the Members, or (ii) at a meeting of the Members, by two-thirds (2/3) approval of the Members present in person, by the use of Authorized Communications Equipment, by mail, or, if permitted, by proxy.

Section 8.02 – Parliamentary Authority

The rules of parliamentary practice comprised in Robert's Rules of Order Newly Revised, latest edition, shall govern all proceedings of the Corporation, including of the Members and the Board, except where inconsistent with this Code of Regulations, and shall be subject to any Bylaws which have been or may be adopted by the Corporation.

Section 8.03 – Debt Obligations and Personal Liability

No Member or Director shall be personally liable for the debts or obligations of the Corporation of any nature whatsoever, nor shall any of the property of the Members or Directors be subject to payment of the debts or obligations of the Corporation.

Section 8.04 – Statement of Dissolution

Upon dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code or shall be distributed to the federal government, or to a state or local government, for a public purpose.

Section 8.05 – Fiscal Year

The fiscal year of the Corporation shall be from January 1 through December 31.

Section 8.06 – Adoption

This Code of Regulations was adopted by the Members of the Corporation on September 1, 2010, replacing in its entirety those regulations previously adopted on January 17, 2010.

EXHIBIT A TO CODE OF REGULATIONS

Conflicts of Interest Policy

ARTICLE I

Purpose

The purpose of the conflicts of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

ARTICLE II

Definitions

1. Interested Person

Any 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 the Corporation has a transaction or arrangement, or
- (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 includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

ARTICLE III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts 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 and all material facts, and after any discussion with the interested person, he or she shall leave the 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 with a conflict of interest may make a presentation at the Board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the proposed transaction or arrangement.
- (b) The President or chair of the committee 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 committee shall determine whether the Corporation 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.
- (d) 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 whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts 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 further 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.

ARTICLE IV Records of Proceedings

The minutes of the Board and all committee 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 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 therewith.

ARTICLE V Annual Statements

Each Director, 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 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 is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one (1) or more of its tax-exempt purposes.