



MINUTES OF OFFICIAL MEETING OF:

**BOARD OF DIRECTORS OF CHUMPCAR INTERNATIONAL INCORPORATED,
A Mutual Benefit Organization, 501(c)(7)**

31 March 2017

1. Time and Place. The Board of Directors (“Board”) of ChumpCar International, Inc., (“CCII” or “ChumpCar”) held its sixth board meeting on 31 March 2017 at the Daytona International Speedway, Daytona Beach, FL, at 1500 hours Eastern Daylight Savings Time.

2. Attendance. All Directors attended: Chair/President/CEO, Bob Mink, in person; Treasurer/CFO, Jimi Day, via live-stream; Secretary/VP, Debs McIlhenny, in person; and Directors at Large, Bill Riley and Mikiel Kingsley, in person.

The new, paid bookkeeper, Talia Wunder, was present at the Board’s table.

Approximately 35 members attended in person, with as many as 900 members attending via live-streaming, all with the opportunity to ask questions and receive answers.

3. Presiding Officers and Quorum. Secretary introduced herself, convened and recorded the meeting, recognized a quorum, and opened the meeting for business. She passed the floor to CEO Mink.

4. Written Notice. The Board received and acknowledged written notice of the meeting.

5. REPORTS (None Required Action). Respective Board members delivered the following reports, none of which required action:

A. Chair/Pres./CEO, Bob Mink, introduced the remainder of the Board and commented as follows:

The new rule book took effect January 2017, with feedback being positive so far; unless we find a major hole in it, our goal is to hold major changes until 2020, so as to enable some stability in the system. We may need to tweak things, but don’t anticipate any major changes.

While the West Region is in flux, we are not abandoning it. We intend to run the 24-hour at Buttonwillow, an October Las Vegas race, and continued races at Laguna and Sonoma. For 2018 expect at least 5-7 races.

B. Secretary/VP, Debs McIlhenny reported on legal issues:
John Condren no longer is affiliated with ChumpCar, nor ChumpCar with John Condren. We have a contract with him to purchase John’s capital equipment that we need to run the



organization. We executed the contract this month. Payments are spread over several years so as not to interfere with operations.

ByLaws on the website are not accurate. Amending ByLaws is a very delicate business, especially in California. We had to hire California-licensed counsel to advise us on what we can amend, and how. We expect that advice shortly, and will post amended ByLaws as soon as we can. There is a difference in ByLaws and Minutes: in simple terms, ByLaws form the overarching, 50,000-foot perspective “regulations” reflecting California law, and dictate voting rights, shape management structure, and create a skeleton for running the business. Minutes reflect the ground-level, immediate actions that the Board takes to “flesh-out” the skeleton, and guide and oversee daily operations.

While we cannot prove it, we have reason to believe that there has been a significant diversion of funds, which we have to report on our 2016 taxes. Recall from the April 2016 board meeting here that we found mistakes in the 2014 return that impacted and delayed the 2015 return. We since have made the corrections and filed both returns. While working on those two returns and preparing for the 2016 return, however, we discovered that we were missing data, which we do not have and cannot get despite all efforts to do so, and appeared to be missing funds. Because we do not have documents prior to June 2016, we cannot prove what happened, so had to fill in blanks as well as possible to complete the 2016 return, which we will file timely. While we don’t expect any negative result from reporting the diversion, we must advise that it could trigger an investigation at some point in the future, and/or impact our non-profit status. We’ll keep you informed.

ChumpCar now owns our Trademarks, even though the ByLaws currently show John Condren as owner. Time has come to renew them, and we are in the process of doing that and securing new ones.

Although not a legal affiliate, our Canadian brethren wish to continue being part of the Chump “family.” To that end, we are considering some nature of licensing between them and ChumpCar, which should facilitate cross-border relations, so that U.S.-based racers can race with them, and Canadian-based racers can race with us, using consistent rules and protocol. More to follow.

C. Treasurer/CFO, Jimi Day, announced that we have a new QuickBooks system that enables ChumpCar to keep track of every financial detail, an exciting new development. It includes specifics that we never had in years past, such as membership income and transactions on PayPal and the website. With this system, our books should be in full order by this time next year.

Treasurer introduced our new, paid Bookkeeper, Talia Wunder, a member and racer, who demands and provides absolute precision with the accounting. Chair added that Talia Wunder is the wife of Director Mikiel Kingsley. Treasurer also announced that we have hired a nonprofit-



qualified, California-based CPA, Steve McFadden. Steve and Talia deserve great credit for handling the taxes successfully.

Treasurer advised that as of 31 March 2017, ChumpCar had money in the bank and owed no debt, except for the equipment contract with John Condren.

There were no further reports.

6. PETITIONS. Chair led the discussion, with Dir. Mikiel Kingsley providing the synopsis for each petition. Kingsley noted that, in an experimental departure from prior practice, the Board had not discussed these petitions prior to the meeting, so as to enable a more lively discussion on each:

- A. #0417-1. Add a price for a gallon of fuel over +2 to the Fixed Point List.
Online comments: 5 For, 27 Against.

Denied.

Chair emphasized that fuel is the best way to control horse-power and balance the field. Approving this petition would force most teams to change their set-ups, some at great cost.

- B. #0417-2. Additional rules on fueling, restrictions on fuel bottle opening size, no funnels, and fueler must be outside vehicle during fueling.
Online comments: 20 For, 9 Against.

Granted in Part – as to having feet outside vehicle during fueling.

Denied in Part – as to all other points.

Chair suggested a petition for each point denied, namely, one for fuel bottle opening size, one for no funnels, etc..

- C. #0417-3. Open springs.
Online comments: 3 For, 21 Against.

Denied.

The Board echoed the online comments, that the rules provide for coil-overs at cost, there are stock replacements with ridiculous spring rates for most cars, it's just another free thing, it's open season on springs within ¼", and it's a tough balancing act if you pick a car that requires very expensive replacement springs (in other words, consider spring issues when building/picking your car).

- D. #0417-4. Change passing rules so that passing car is not always at fault if there's contact.
Online comments: 24 For, 6 Against.

Granted unanimously. Dana Morrison to draft the rule.

Dana Morrison, timing/scoring for East Region, noted that the problem too often happens at corners, but can happen anywhere on track. All drivers should give 1" of room at all times.



Dir. Bill Riley noted that the slower car must work harder to be aware of the circumstances and act accordingly.

- E. #0417-5. Allow rear glass if laminated.
Online comments: 30 For, 2 Against (Dir. Mikiel Kingsley believed that these two dissenters misunderstood the purpose of the petition).

Granted for All Glass, with caveats, noted below.

Phil McKinney to write the rule.

The Board agreed to allow all glass, assuming that (1) the laminate is approved material and (2) front windows must be rolled and locked down.

- F. #0417-6. Change the class structure.
Online comments: 4 For, 27 Against.

Denied.

The Board noted the need to accommodate the majority, not create expensive change to accommodate the few. We are at heart, and seek to remain, a two-class series – Chump and EC, but with subclasses as they stand now.

- G. #0417-7. Allow normally-aspirated, carbureted cars to buy extra fuel capacity.
Online comments: 4 For, 26 Against.

Denied.

The Board was disinclined to grant this petition. CEO asked the attendees their preference; the room unanimously said “deny.”

- H. #0417-8. Reduce points for roll plastic to 1 point/sq. ft..
Online comments: 12 For, 5 Against.

Denied as written, with a suggestion for a rewrite to clarify product specifications for “roll plastic.”

The Board could not glean the product specifications from the petition, noting no strong leaning one way or the other, concern with member revolt for yet another change, the potential for members to use “roll plastic” to build body panels or other support parts for their cars. Consensus was that the petition was too vague to grant.

- I. #0417-9. Move pre-1980 cars to one lower class or make a separate class for them.
Online comments: 5 For, 22 Against.

Denied unanimously.

In denying this petition, the Board reiterated their reasons for denying Petition #6.

There were no further Petitions.



7. ONLINE and PRESENT ATTENDEE QUESTION and ANSWER SESSION (answers serve only as points of discussion, and not changes to Rules):

A. How many west coast races will there be for 2018? Should I not even bother building a car per Chump specs? CEO commented that he and Dir. Mikiel Kingsley are both west coast racers and intend to keep racing there; that we will focus on southern and central regions of California, and anticipate racing at Laguna, Sonoma, Buttonwillow (noting the expanded track in progress), and Chuckwalla, maybe adding a cool-season Las Vegas race. So, yes, build that car and come race.

B. Are you racing in Colorado this year? No, although High Plains, outside Denver, is a great track.

C. What does “significant diversion of funds” mean in layman language? Secretary likened it to noticing that you can’t trace what happened to money, and that there’s enough money missing to make you notice. “Significant” is not subject to a bright line definition, such as assigning it a percentage of the whole. An example would be saying that 10% or 20% or 30% missing is “significant.” Instead, what is “significant” depends on the circumstances. For example, missing \$1000 out of \$100,000 might not be a significant diversion of funds. But, missing \$1000 out of \$10,000 would be. That 10% is significant, given that the whole is only \$10,000. You’re likely to notice that 10% is missing.

D. Can the board release data which show community trends in, say, expansion, financial/member growth, attendance, etc.? CEO noted that we just recently began collecting data from which we will assimilate trends, thanks in part to Mr. Strong’s work. But we keep it close to the vest. We don’t make it readily available on the website, as it then would be equally available to our competitors, which we believe is a bad idea. But we are very happy to talk to our members about it.

E. When there are races from competing series that are scheduled close to ours, everyone loses. Are there going to be any efforts to reach out to the other organizations to coordinate schedules? CEO noted that, indeed, we have been reaching out to try to coordinate as much as possible with other series, so that our schedules are spread apart well enough. No guarantee of success, though, because it depends on a variety of things, including the cooperative nature of the folks with the competing series, when each series can get slots at the same track, and who gets those first.

F. The suggestion for allowing racers race only 12 hours of a 24 hour race got little traction, given how difficult it is to monitor, time, and score.

G. There is a suggestion that we do an official, recovery survey to get a feel for where we are going and where we should go in terms of organizational direction. Chair noted that one of



our west coast members has offered to do it. We recognize that it's easier to approach sponsors if we have hard demographic data to offer. Bill Strong noted that technically, we are developing this data without a survey.

H. A present attendee noted that speed creep can stop a potential new member. Chair mentioned that speed drives cost, and our goal is to keep cost down. We try to do that with the required 180 treadwear rating, fuel capacity limits, and other cheaty-parts limits.

This discussion morphed into one about image. Chair noted that we are an entry-level series, even though we have some very accomplished racers in our midst, and take the racing seriously. And due to the quality of our racing, Chair acknowledged that we've really outgrown the "chumpcar" image. This year is our first for going after sponsor cash, and sponsors may have concerns about the image. Bill Strong noted that our Chumpcast episodes show that our cars aren't really "junk," but cost-efficient race cars built and used for real racing. Strong indicated that we average 75,000 viewers per race. Chair suggested that we dig into Strong's data on viewership to inform our ideas on a name change.

With no further business to discuss, and following proper motion to adjourn, duly seconded and voted for unanimously, the Board adjourned at approximately 1700 hours Eastern Daylight Savings Time.

To view/hear the open session, please go to:
<https://youtu.be/7ZoKborqvTM>



SECRETARY'S CERTIFICATE

I, Deborah B. McIlhenny, certify the following:

I am the Secretary of ChumpCar International, Inc. ("CCII");

Each member of the CCII Board of Directors received written notice of the 31 March 2017 regular meeting in compliance with the CCII ByLaws;

The meeting was duly and regularly called and held in accordance with CCII ByLaws; and

The CCII Board of Directors at the regular meeting held 31 March 2017 neither adopted nor rescinded any Resolutions.

FOR THE BOARD, AND IN WITNESS THEREOF, I hereby set my hand this 12 April 2017.

/s/ Deborah B. McIlhenny
Deborah B. McIlhenny, Secretary – CCII