

CATHEDRAL CITY CHAMBER OF COMMERCE

JOINT VENTURE POLICY

I. Introduction

This Joint Venture Policy (this "Policy") describes the circumstances under which the **Cathedral City Chamber of Commerce** (the "Chamber") will enter into a "joint venture", i.e., any arrangement such that the Corporation and any other legal entity share the benefits and any burdens of an economic activity. This includes, but is not limited to, interests in joint ownership of all types, express or implied partnerships, limited liability companies, privately-held corporations and contractual arrangements. This does not, include, however, interests in publicly-held corporations or publicly-traded debt instruments. Nor does it include arrangements with any organizations that either controls or is controlled by the Corporation, either directly or indirectly.

II. Presumption Against Joint Ventures

In general, the Chamber will refrain from entering into joint ventures of any type with any party, regardless of whether the other party is a for-profit entity or a non-profit and/or tax exempt entity. The Chamber will enter into joint ventures only in rare circumstances and pursuant to this Policy.

III. Requirement of Legal Opinion

It is recognized that the law governing joint ventures involving tax-exempt organizations such as the Chamber is fluid, complex and sometimes controversial. Therefore, this Policy cannot provide sufficient guidance for all situations. Accordingly, if despite the presumption against joint ventures, the Board of Directors of the Chamber determines that there is sufficient reason to enter into a joint venture, the Chamber shall first obtain a written opinion from legal counsel concluding that it is more likely than not doing so does not violate any provision of the Internal Revenue Code, any Treasury Regulation, or any valid legal ruling, announcement, interpretation or position promulgated by the Internal Revenue Service.