

BY-LAWS
OF THE
ST. CLAIR SHORES FIGURE SKATING CLUB, INC.

ARTICLE 1
NAME AND LOCATION

Section 1.1 Name. The corporation shall be called the St. Clair Shores Figure Skating Club, Inc. ("Club"). The Club is a nonprofit corporation organized under the Nonprofit Corporation Act of the State of Michigan.

Section 1.2 Principal Office. The principal office of the Club shall be located at 20000 Stephens Drive, St. Clair Shores, Michigan 48080, or such other place as may be designated as the principal office by the Board of Directors. The Club also may have offices or branches at such other places, both within and without the State of Michigan, as the Board of Directors may determine from time to time or as the business of the Club may require.

Section 1.3 Registered Office. The registered office of the Club may be the same as the principal office of the Club, but in any event must be located in the State of Michigan, and be the business office of the registered agent.

ARTICLE 2
PURPOSE

Section 2.1 Purpose. The club shall be organized and operated for the following purposes:

- (a) To foster amateur competition in figure skating and to promote the advancement of figure skating in the Detroit Metropolitan area.

- (b) To provide merit based financial assistance to competitive skaters.
- (c) To represent skaters and their parents within the rules and bylaws of the United States Figure Skating Association ("USFSA").
- (d) To encourage the instruction, practice, and advancement of skaters in compulsory figures, free skating, pair skating, dancing, and other types of figure skating.
- (e) To encourage and cultivate a spirit of shared effort and accomplishment among ice skaters.
- (f) To provide a positive healthy environment for skaters and their families.
- (g) To sponsor, produce or cooperate in the production of amateur ice carnivals and shows.
- (h) To promote and encourage mental discipline and physical well being.
- (i) To generally perform such other acts as may be necessary, advisable, proper or incidental to the realization of the objects and purpose of this organization and to carry out the general policies of the United States Figure Skating Association.

ARTICLE 3 PROHIBITED ACTIVITIES

Section 3.1 Actions Jeopardizing Tax Status. The Club shall not take any action or carry on any activity not permitted to be taken or carried on by an organization exempt under §501(c) of the Internal Revenue Code of 1986 ("Code") and its regulations as amended, or by an organization, contributions to which are deductible under §170 (c) (2) of such Code and its regulations as amended.

Section 3.2 Lobbying and Political Activities.

(a) The Club shall not lobby (including the publication or distribution of statements) or otherwise attempt to influence legislation except as authorized by a resolution adopted by the Board of Directors.

(b) The Club shall not participate or intervene in (including the publication or distribution of statements) any political or judicial campaign on behalf of any candidate for public office whatsoever.

Section 3.3 Private Inurement. No part of the net income or net assets of the Club shall inure to the benefit of, or be distributable to, its directors, officers, members or other private persons. However, the Club is authorized to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its tax exempt purposes.

Section 3.4 Private Foundation Status. At any time during which the Club is deemed a private foundation, the Club shall not engage in any act of self-dealing as defined in Internal Revenue Code §4941 (d); the Club shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Code §4942; the Club shall not own any excess business holdings that would subject it to tax under Code §4943; the Club shall not make any investments in such manner as to subject the Club to the tax imposed by Code §4944; and the Club shall not make any taxable expenditures as defined in Code §4945 (d).

ARTICLE 4
MEMBERSHIP

Section 4.1 Classes of Membership.

(a) Senior Members. Senior Members shall be eighteen (18) years of age or over. Senior Members and all members of their immediate families, except children or wards over the age of eighteen (18) years, or married, shall enjoy all privileges of the

Club and all privileges authorized in the United States Figure Skating Association By-Laws. Senior Members shall be the only members entitled to have the right to vote and hold office, with the exception of Professionals in skating who shall have the right to vote but not hold office. Individuals shall be eligible for Senior Membership regardless of race, religion, national origin, sexual orientation or sex.

(b) A son, daughter or ward of a Senior Member, upon reaching the age of eighteen (18) years, or becoming married, whose parents (or guardian) have been Senior Members in good standing for a minimum of five (5) years shall be entitled to a Senior Membership for a reduced initiation fee as determined by the Board of Directors.

(c) A son, daughter or ward of a Senior Member who is a full-time college student and who is unmarried and whose parents (or guardian) have been Senior Members in good standing for a minimum of five (5) years shall be entitled to be included in a parent's (or guardian's) Senior Membership until such son, daughter or ward reaches the age of twenty-five (25) years. There is no limitation on residence of such son, daughter, or ward.

Section 4.2 Honorary Members. Honorary Members may be elected at any meeting of the Club after recommendation by the Board of Directors, but three (3) negative votes shall be sufficient to reject the candidate. Honorary Members shall be free from initiation fees, dues or assessments. They may represent the Club in exhibitions and attend ice skating sessions under the same rules governing active members. They shall not be nominated or elected to office or be a member of the Board of Directors. They shall not have any vote.

Section 4.3 Other Memberships. The Board of Directors may create and bestow such other membership upon such persons for such periods and under such conditions and with such privileges as the Board may determine from time to time. Such members shall not be entitled to vote.

Section 4.4 Board Members. The Club shall assume and pay one-half (1/2) of the annual dues of any person who has actively served on the Board of Directors of the Club for a period of two (2) years or more.

Section 4.5 Affiliate Club Skaters. Any visiting U.S.F.S.A. or C.S.F.S.A. Club skater may utilize the facilities of the Club upon approval of a member of the Board of Directors and such visiting skater may be charged a reasonable charge for such use.

Section 4.6 Election of Members.

- (a) Applications for membership in the Club shall be in writing and signed by the applicant, state the person's name, occupation and address, and include an agreement to comply with the By-Laws, and shall be accompanied by, the written recommendation of not less than two (2) (allowing only one probationary) Senior Members of the Club in good standing. The sponsor's responsibilities shall include the stewardship of the prospective members. A U.S.F.S.A. member from a U.S.F.S.A. Club will require only one letter plus a letter from the secretary of their previous club.
- (b) Applications for membership shall be presented to the Chairperson of the Membership Committee appointed by the President. Application must be accompanied with payment of the required initiation fee. It shall be the duty of this Committee to post the names of all applicants, together with their sponsors, on the bulletin board of the Club or to mail such information to all members at least six (6) days before the application is to be acted upon by the Board of Directors. Objections to any applicant shall be made in writing to the Chairperson of the Membership Committee. Upon completion of the application with required fees, the prospective members shall have skating privileges until action is taken by the Membership Committee and the Board.

(c) It shall be the duty of the Membership Committee to act upon all applications. Three (3) or more negative votes in this Committee shall result in a recommendation to the Board of Directors that the applicant not be accepted for membership in the Club. If less than three (3) negative votes are cast, the Board of Directors shall be advised that the Committee recommends that the applicant be accepted for such membership in the Club.

(d) After having been voted upon by the Membership Committee, applications shall be presented to the Secretary of the Club, together with the recommendation of the Committee, to be finally acted upon at the next meeting of the Board of Directors. All applicants must be personally known to at least two (2) members of the Board of Directors. A majority of negative votes by the Directors shall exclude the application from further consideration at that time.

(e) Reconsideration of the vote on any application may be made at the same meeting of either the Membership Committee or the Board of Directors at which a vote has been taken, upon motion by any Member of the Committee of the Board.

(f) If any applicant is rejected for membership in the Club two (2) months must elapse before such application may be again considered for membership.

Section 4.7 Probationary Membership. New memberships are granted subject to a one (1) year probationary period from the time membership is approved by the Board of Directors. The Membership Committee will review the probationary status one month prior to expiration of such status and will make final recommendation to the Board of Directors.

During probationary status, members will have all rights and privileges of membership applied for, except sponsorship of new members.

If a member does not successfully complete probationary status, they shall be entitled to a refund of the initiation fee only.

Section 4.8 Suspension or Expulsion of Members.

(a) Any member or members having complaint against another member for the infraction of any law or rule, other than skating rules, or for conduct injurious to the welfare of the Club, may report the same in writing to the Board of Directors. Such complaint shall set forth the facts of the case, together with names of witnesses, if any. After receiving such complaint, a meeting of the Board of Directors shall be held within thirty (30) days to investigate same. The complaint or complainants and the member complained of shall receive at least fifteen (15) days notice of such meeting and may be heard with their witnesses. The statements and evidence shall be reduced to writing and filed with the Secretary, and he shall mail copies thereof to the complainant or complainants, and to the member complained of. The Board of Directors shall report its action taken to the parties within seven (7) days of their meeting, and an appeal from the decision of the Board of Directors may be taken to the Club within seven (7) days thereafter, by serving upon the Secretary a written notice of such appeal. A special meeting of membership shall thereupon be called for the consideration of the case, and a two-thirds (2/3) vote shall be necessary to reverse any decision of the Board of Directors.

(b) Suspension of Club privileges of any member may be effected by the Board of Directors if a member's account with the Club is not in good standing or if conduct of such member is injurious to the good order, peace or interest of the Club, or for violation of the Bylaws or Rules of the club.

(c) No member in arrears for dues or other indebtedness shall be eligible to hold office, vote, be tested or compete as a member of the Club.

ARTICLE 5
CLUB MEETINGS

Section 5.1 Regular Meetings. There shall be three (3) regular Club Membership Meetings annually. The meetings shall be held during the months of October, January, and May. The May Meeting shall be for the purpose of election of members to the Board of Directors due to the expiration of terms or other vacancy, and all Regular Meetings shall allow transaction of business as may properly come before the Meeting. At the May meeting of the Club, the Board of Directors shall make a full report of their proceedings during the preceding year and shall recommend such measures as they deem advisable.

Section 5.2 Special Meetings. The Secretary shall call Special Meetings at the direction of the President or upon the written request of five (5) Senior Members, in good standing. No Business shall be transacted at a Special Meeting except that of which notice is given.

Section 5.3 Notices. Notices of time and place of Regular and Special Meetings shall be mailed by the Secretary to every Senior Member, of record at his address as it appears on the records of the Club, at least twenty-one (21) days in advance thereof. In the case of Special Meetings, the notice shall state briefly the purpose thereof.

Section 5.4 Voting List.

(a) The Secretary or his agent shall make available, at each regular and special meeting of the membership, a complete list of Senior Members, arranged in alphabetical order. Such list shall be open at the place where such meeting is held and shall be subject to examination by any Senior Member in attendance at such meeting.

(b) No vote by proxy shall be allowed at any time on any matter, but voting by mail in a manner prescribed by the Board of Directors, shall be permitted in voting for the election of Directors, and decisions regarding the sale, encumbrance, etc. of the Club property as referred to above.

(c) At any meeting where voting by mail is permitted, votes cast by mail shall be taken into consideration in determining a quorum, but only for the purpose of voting upon the matter which the vote by mail was permitted.

(d) The President, or in his absence, the Vice-President, shall call the meeting of the members to order and act as the Chairperson. In the absence of the President and the Vice-President, the Board of Directors shall appoint one of its members to act as the Chairperson of any meeting.

(e) Voting on all matters shall be limited to Senior Members in good standing.

Section 5.5 Quorum. At any meeting of the members, Twenty-five (25) members entitled to vote or twenty (20%) percent of the Senior Membership, whichever is greater, as set forth by the voting list, shall constitute a quorum for the transaction of business. If a sufficient number of Senior Members entitled to vote necessary to constitute a quorum fail to attend at the time and place of the meeting, the Chairperson of the meeting, or a majority of the members present and entitled to vote may adjourn the meeting from time to time without notice other than by announcement of the meeting, until a quorum shall attend, or three (3) such adjournments have been taken.

Section 5.6 Rules. Rules of order as contained in Robert's Rules of Order shall govern the meeting of members and the Board of Directors when not inconsistent with the Bylaws or Articles of Incorporation of the Club, or of the U.S.F.SA.

Section 5.7 Disruptive Conduct. Any member representative who disrupts the proceedings or otherwise interferes with the lawful conduct of any membership meeting may be removed from that meeting by the Chairman, and be permanently barred from future membership meetings upon the two-thirds vote of all the member representatives.

Section 5.8 Removal of a Director. The membership may remove a member from the Board of Directors at any meeting of the members called for such purpose, provided that such Board Member has been given notice of such meeting and a copy of the charges against him at least ten (10) days in advance of such meeting. Such Board Member shall be given the opportunity at such meeting to defend themselves if they so wish against such charges. A vote by ballot shall be taken and the vote of two-thirds (2/3) of the members attending such meeting shall be required for removal of any director.

ARTICLE 6 DIRECTORS

Section 6.1 Powers. Subject to any limitations of the Articles of Incorporation or the Michigan Nonprofit Corporation Act as to actions to be authorized or approved by the members, and subject to the duties of Directors as described by these Bylaws, all corporate powers shall be exercised by, or under the authority of, and the business and affairs of the Club shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers:

- (a) To appoint and remove all officers and agents of the Club, subject to such limitations as may appear in the Bylaws, and to prescribe such powers and duties for officers and agents as may not be inconsistent with law, with the Articles of Incorporation, or the Bylaws.

- (b) To conduct, manage and control the affairs of the Club, and to make such rules and regulations therefor, not inconsistent with law, or with the Articles of Incorporation, or the Bylaws, as they may deem best to initiate all amendments to the Articles of Incorporation and Bylaws.
- (c) To designate any place for the holding of any membership meeting or Board of Directors meeting, to change the principal office of the Club for the transaction for its business from one location to another; to adopt, make and use a corporate seal and to alter the form of such seal from time to time, as, in their judgment, they may deem best, provided such seal shall at all times comply with the provisions of law.
- (d) To borrow money and incur indebtedness for the purpose of the Club and to cause to be executed and delivered therefor, in the Club's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation's or other evidences of debt, and securities thereof.
- (e) To manage in such manner as they may deem best, all funds and property, real and personal, received and acquired by the Club, and to distribute, loan or dispense the same or the income and profits therefrom.
- (f) To create such trusts, foundations, and subsidiaries as the Board of Directors shall deem necessary and to appoint the trustees, directors, or other governing officials of such legal entities.
- (g) To make such rules as it deems proper respecting the use of the Club's property, prescribe rules for the admission of non-members, fix penalties for offenses against the rules and make rules for their own government of the committee or committees appointed by time.
- (j) To limit the indebtedness of a member of the Club.
- (k) The Board of Directors may audit records of the Secretary, Treasurer and the Committees, or may have such records audited by an independent professional.

ARTICLE 7
DIRECTOR'S QUALIFICATIONS AND ELECTION
SPECIAL CORPORATE ACTS

Section 7.1 Number of Directors. There shall be a Board of Directors composed of nine (9) Senior Members.

Section 7.2 Terms of Office. Three (3) Directors shall be elected each year at the May Membership Meeting and said Directors shall serve for a period of three (3) years or until their successors are elected or appointed as hereinafter provided. If the term, or terms, for which Directors are to be elected shall be less than three (3) years, then the candidates shall serve for the longest terms in the order of the greatest number of votes received.

Section 7.3 Qualification. Any candidate for the Board of Directors must be a Senior Member in good standing and have been a Senior Member for at least eighteen (18) months prior to the date of his election or appointment.

- (a) No active figure skating professional shall be eligible to serve on the Board of Directors, nor shall the spouse or immediate family of any active figure skating professional under contract to the Club be eligible to serve on the Board of Directors.
- (b) Either husband or wife of a Senior Membership shall be eligible to serve on the Board of Directors, but not both at the same time.

Section 7.4 Nomination of Directors. Nominations for Directors subscribed by a Senior Member and the Candidate shall be submitted to the Election Committee no less than fourteen (14) days prior to the May Membership Meeting.

Section 7.5 Election of Directors.

- (a) Not less than thirty (30) days prior to the May Membership Meeting, the Board of Directors shall appoint an Election Committee consisting of three (3) Senior Members, none of which may presently be a director. Notice of the appointment of the Election Committee shall accompany the notice required hereinabove for the May Membership Meeting.
- (b) The Election Committee Members and/or their spouses are prohibited from running for the Board of Directors for the current election. The names of the members of this Nominating Committee shall be posted on the Club bulletin board on or before April 1st of each year.
- (c) The Election Committee shall meet, elect a chairman and prepare a ballot which shall include all nominations submitted and provides for write-in candidates which may be nominated to be placed in alphabetical order on the ballot, no distinction being made between the candidates nominated by the two methods herein provided. No designation denoting incumbent shall be made on the ballot or notice of election.
- (d) Members eligible to vote who cannot attend the May Membership Meeting shall be entitled to vote for Director by absentee ballot. Requests for absentee ballots shall be in writing and directed to the Chairman of the Election Committee who shall comply with such request immediately upon receipt thereof. Procedures for the return of the absentee ballots shall be determined by the Election Committee not later than 6:00 p.m. on the date of the May Membership Meeting.

- (e) In the event that candidates for any one vacancy shall receive an equal number of votes, a re-vote shall be taken at the same annual meeting to determine a winner.

Section 7.6 Method of Voting. Each Senior Member of the St. Clair Shores Figure Skating Club shall be entitled to cast as many votes as there may be Directors to be elected but may not cast more than one (1) vote for any candidate. Votes shall be by secret ballot and shall be tabulated by the Election Committee. The candidates receiving the greatest number of votes shall be declared elected and the Election Committee shall publish and certify the results of such election.

Section 7.7 Appointment of Replacement. If a Directorship shall become vacant to resignation, retirement, disqualification, withdrawal, death, or any other cause, the majority of the Board of Directors then in office shall appoint a Senior Member to fill such vacancy until the next May Membership Meeting, at which time a Director shall be elected to fill the unexpired term. Withdrawal shall be defined as missing from three (3) consecutive meetings without the approval of the Board of Directors. Conviction of a felony shall constitute disqualification.

Section 7.8 Meeting of the Board of Directors.

- (a) The Board of Directors shall meet at least once in every month. The date of such meetings shall be established by the President. Special Meetings may be called at the discretion of the President, the Vice-President, or any four (4) members of the Board of Directors may call a board meeting upon written notice to all members of the Board of Directors at least three (3) days prior to the meeting. The notice shall state the date of the meeting and the purpose for which the meeting is called.
- (b) The secretary shall give notice of the time and place of such meetings at least seventy-two (72) hours in advance thereof either personally or by ordinary course of mail. Five (5) Board members shall constitute a quorum.

- (c) Members of the Board of Directors, or any Committee designated by the Board, may participate in a meeting of the Board or Committee by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.
- (d) The transactions of any meetings of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though they had a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
- (e) At all meetings of the Board of Directors, the President, or in his absence, the Vice President, or in the absence of both, a member of the Board to be selected by the members present shall preside. The Secretary of the Club shall act as Secretary at all meetings of the Board and in case of his absence, the Chairperson of the meeting may designate any person to act as Secretary of the meeting.

Section 7.9 Committees. Committees of the Board of Directors shall be standing or special. The Board of Directors or the Club may refer to the proper committee any matter affecting the Club or any operations needing study, recommendation, or action. The Board may establish such standing or special committees as it deems appropriate with such duties and responsibilities as it shall designate, except that no committee has the power to do any of the things a committee is prohibited from doing under §528 of the Michigan Nonprofit Corporation Act. The Board shall appoint the members of such committees. Persons other than directors may be appointed to such committees.

Section 7.10 U.S.F.S.A. Delegate. The Club Secretary shall inform the Association's Secretary, in writing, of the name and address of the delegate or delegates elected. Said delegate or delegates shall be the representative between the Club and Association and shall attend the Association's meetings, either in person or by proxy. The Board of Directors may pay the traveling expenses of the delegate or delegates to the Association meetings.

Section 7.11 Election of Officers. The President, Vice President, Secretary, and Treasurer (which offices may be combined at the Board's discretion) shall be elected by the Board of Directors at their first regular meeting, by ballot, and shall hold office for one (1) year or until their successors are chosen. The Board of Directors may elect members to the Board of Directors to fill any of such offices, or elect a member who is not on the Board, in which case such officers will have the right to attend and take part in all Board of Directors meetings. The Board of Directors may elect such other officers, as it shall deem necessary and appropriate.

ARTICLE 8 OFFICERS

Section 8.1 Officers. The Officers of the Club shall be President, Vice-President, Secretary and Treasurer and such other officers, as the Board of Directors shall deem necessary.

Section 8.2 Duties of President. It shall be the duty of the President to take charge of the Club; to preside at all the meetings of the Club, and of the Board of Directors, but shall not vote on any matter except as required to break a tie. The President shall have the entire supervision and management of the Club and its property pending the action of the Board of Directors; the power to suspend any member for violating the By-Laws or Regulations of the Club, pending the approval of the Board of Directors; to call special meetings and club meetings. The President together with the Secretary shall sign all agreements and contracts made by the Club, upon the approval of the Board of Directors. The President shall appoint such Committees as he shall deem necessary or advisable, and be an ex-officio member of all Committees.

Section 8.3 Duties of Vice-President. At the request of the President, or in the President's absence or disability, the Vice-President shall perform all the duties of the President. When so acting, the Vice President shall have all of the powers of, and be subject to all the restrictions upon the President. The Vice President shall have such other duties and responsibilities and may exercise such other powers as from time to time may be assigned by the President or the Board of Directors or as may be provided in these Bylaws.

Section 8.4 Secretary. The Secretary shall cause to be kept at the principal office of the Club, the Secretary's principal place of business, or such other place as the Board of Directors may order, the official seal of the Club (if any), the membership book and a book of minutes of all meetings of directors and members. The Secretary shall keep a membership book containing names and addresses of each member, and the date upon which the membership ceased. The Secretary shall give the notices of the special meetings of the members as provided in these Bylaws. The Secretary shall also maintain and protect a file of all official and legal documents of the Club. The Secretary shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or the Bylaws.

Section 8.5 Duties of Treasurer. The Treasurer shall have charge of the funds of the Club and shall keep a record of all receipts and disbursements and shall render a written report when requested by the President or the Board of Directors. Disbursements shall be made only upon vouchers approved by the Board of Directors. The Board of Directors shall have the power whenever they deem it necessary to appoint an acting Treasurer. The funds shall be deposited in the name of the Club in a bank approved by the Board of Directors. All Disbursements by check shall be signed by the Treasurer and the President or another designated officer or member of the Board of Directors.

Section 8.6 Annual Transition. To maintain Club continuity, officers whose terms of office have expired shall assure the orderly transition of authority to their successors before being relieved of their responsibilities. Similarly, officers whose terms of office have expired shall take all appropriate steps to substitute their successors on all of the Club's financial accounts and signature cards.

ARTICLE 9 CONFLICT OF INTEREST

Section 9.1 Duality of Interest. A qualified person shall not be prevented from serving on the Board because of a duality of interest.

Section 9.2 Disclosure. Any duality of interest or possible conflict of interest on the part of any member of the Board should be disclosed to the other Directors and made a matter of record, either when the interest becomes a matter of Board action or as part of a periodic procedure to be established by the Board.

Section 9.3 Voting. Any Director having a duality of interest or possible conflict of interest on any matter should not vote or use his or her personal influence on the matter, and should not be counted in determining a Quorum for the meeting at which the matter is voted upon, even though Permitted by law. The minutes of the meeting should reflect that disclosure was made, that the interested Director abstained from voting, and that his or her presence was not counted in determining a quorum.

Section 9.4 Director May State Position. The foregoing requirements should not be construed as preventing a Director from stating his or her position on the matter, nor from answering pertinent questions of other Directors since his or her knowledge may be of great assistance.

Section 9.5 Duty of Good Faith. The Officers of the Club shall exercise the utmost good faith in all transactions touching upon their duties to the Club and its property. In their dealings with and on behalf of the Club they shall be held to a strict rule of honest and fair dealing between themselves and the Club. They shall not use their position, or knowledge gained therefrom, in such a way that a conflict might arise between their own interest and that of the Club.

ARTICLE 10 MISCELLANEOUS

Section 10.1 Property of the Club. The title to all property of the Club, both real and personal, shall be vested in the Club.

Section 10.2 Contributions. All contributions of any nature, unless designated for a specific purpose, shall be used for such purpose as the Board of Directors may direct; and in the absence of any direction by the Board, such may be used for the general purposes of the Club. Contributions of any nature for specific purposes shall be used only for the purposes and in the manner for which the contributions are made. Contributions include bequests and devises of deceased persons. At the discretion of the Board of Directors, the Club may raise revenues through fund-raising activities and contributions.

Section 10.3 Contracts. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Club, and such authority may be general or confined to a specific instance, and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Club by any contract or engagement, or to pledge its credit, or render it liable peculiarly any purpose or to any amount. When the execution of any contract or other instrument has been authorized by the Board of Directors without specification of the executing officer, the Chairman, either alone or with the Secretary or any Assistant Secretary, may execute the same in the name of, and on behalf of, the Club, and any such officer may affix the corporate seal (if any) of the Club thereto.

Section 10.4 Voting Stock Owned by the Club. The Board of Directors may by resolution provide for the designation of the person who shall have full power and authority on behalf of the Club to vote either in person or by proxy at any meeting of the security holders of any corporation or other entity in which the Club may hold voting stock or other securities, and may further provide that at any such meeting such person may possess and exercise all of the rights and powers incident to the ownership of such voting securities which, as the owner thereof, the Club might have possessed and exercised if present. The Board of Directors may revoke any such powers as granted at its pleasure.

Section 10.5 Financial Accounts. The Club may establish one or more checking accounts, savings accounts or investments accounts with appropriate financial entities or institutions as determined in the discretion of the Board of Directors to hold, manage or disburse any funds for Club purposes. All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Club, shall be signed by such officer (s) or agent (s) of the Club, and in such manner, as is determined by the Board of Directors from time to time.

Section 10.6 Limitations on Debt. No debt shall be incurred by the Club beyond the accounts payable incurred by it as a result of its ordinary operating expenses, and no evidence of indebtedness shall be issued in the name of the Club unless authorized by the Board of Directors.

Section 10.7 Limitations on Loans. The Club shall not make or extend a loan to any director, officer or employee thereof for any purpose whatever.

Section 10.8 Liability of Members and Directors. No member or director of the Club shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to the Club's assets for payment.

Section 10.9 Property Interests Upon Termination of Membership. Members have no interest in the property, assets or privileges of the Club. Cessation of membership shall operate as a release and assignment to the Club of all right, title and interest of any member, but shall not affect any indebtedness of the Club to such member.

Section 10.10 Fiscal Year. The fiscal year of the Club shall be from each September 1 to each August 31.

Section 10.11 Robert's Rules of Order shall serve as parliamentary authority for the Club.

ARTICLE 11 DISPOSITION OF ASSETS UPON DISSOLUTION

Section 11.1 Method of Approval. Upon the recommendation of a majority of the Board of Directors to dissolve the Club, a Special General Meeting shall be called and a final approval by two thirds (2/3) of the Senior Members present shall be required. The Board of Directors is empowered to act as trustees and supervise the liquidation of the Club's assets.

Section 11.2 Dedication of Assets. The Club does not contemplate Pecuniary gain or profit to the members thereof except as provided by law under §501 (c) (3) of the Internal Revenue Code of 1986, as amended from time to time. The property of the Club is irrevocably dedicated to tax exempt purposes under said §501 (c) (3) as described herein and no part of the net income or assets of this organization shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private persons.

Section 11.3 Disposition Upon Dissolution. Upon the dissolution or winding up of the Club, or in the event it shall cease to engage in carrying out the purposes set forth in these Articles, all of the business, properties, assets and income of the Club remaining after payment, or provision for payment, of all debts and liabilities of the Club, shall be distributed to the

U.S.F.S.A. Memorial Fund, Inc. If the Memorial Fund is not then exempt from income tax under §501 (c) (3) of the Code, the distribution shall be in the discretion of the Board of Directors to one or more nonprofit funds, foundations, or corporations which are affiliated with or members of the Club, which are organized and operated exclusively for purposes consistent with the purposes of the Club, and which have established tax exempt status under §501 (c) (3) of the Internal Revenue Code of 1986, as amended. In no Event shall any of the business, assets or income of the Club, in the event dissolution thereof, be distributed to the directors, individual members or officers, either for the reimbursement of any sums subscribed, donated or contributed by the same, or for any other purposes.

Section 11.4 Final Report. A final report of such liquidation and distribution of assets, as outlined above, shall be made to a General Membership Meeting within sixty (60) days of the date of disposal of the assets of the Club.

ARTICLE 12 INDEMNIFICATION

Section 12.1 Nonderivative Actions. Subject to all of the other provisions of this Article, the Club shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal (other than an action by or in the right of the Club), by reason of the fact that the person is or was a director or officer of the Club, or, while serving as a director or officer of the Club, is or was serving at the request of the Club as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorney fees), judgements, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Club or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith

and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Club or its members and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 12.2 Derivative Actions. Subject to all of the provisions of this Article, the Club shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Club to procure a judgment in its favor by reason of the fact that the person is or was a director or officer of the Club serving at the request of the Club as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses (including attorney fees) and amounts paid in settlement actually and reasonably incurred by the person in connection with the action or suit, if the person acted in good faith and in a manner the person of the Club or its Members. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the Club unless and only to the extent that the court in which the action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the reasonable expenses incurred.

Section 12.3 Expenses of Successful Defense. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim issue, or matter in the action, suit, or proceeding, the person shall be indemnified against actual and reasonable expenses (including attorney fees) incurred by the person in connection with the action, suit, or proceeding and any action, suite, or proceeding brought to enforce the mandatory indemnification provided by this Section.

Section 12.4 Definition. For the purpose of this Article, “other enterprises” shall include employee benefit plans; “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan, and “serving at the request of the Club” shall include any service as a director, officer, employee, or agent of the Club that imposes duties on, or involves services by, the director or officer with respect to an employee benefit plan, its participants, or its beneficiaries; and a person who acted in good faith and in a manner the person reasonable believed to be in the

interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner “not opposed to the best interests of the Club or its members.”

Section 12.5 Contract Right; Limitation on Indemnity. The right to indemnification conferred in this Article shall be a contract right and shall apply to services of a director or officer as an employee or agent of the Club as well as in the person’s capacity as a director or officer. Except as provided in Section 3 of this Article, the Club shall have no obligations under this Article to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Board of Directors.

Section 12.6 Determination That Indemnification is Proper. Any indemnification under this Article (unless ordered by a court) shall be made by the Club only as authorized in the specific case upon a determination that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 1 or 2 of this Article, whichever is applicable, and upon an evaluation of the reasonableness of expense and amounts paid in settlement. The determination and evaluation shall be made in any of the following ways:

- (a) By a majority vote of a quorum of the board consisting of directors who are not parties or threatened to be made parties to the action, suit, or proceeding.
- (b) If the quorum described in clause (a) above is not obtainable, then by majority vote of a committee of two or More directors who are not at the time parties or threatened To be made parties to the action, suit, or proceeding.
- (c) By independent legal counsel in a written opinion, which Counsel shall be selected in one of the following ways:
 - (i) by the Board or its committee in the manner prescribed in subparagraph (a) or (b); or
 - (ii) if a quorum of the Board cannot be obtained under subparagraph (a) and a committee cannot be designated under subparagraph (b), by the Board.

- (d) By the members, except for members who are also directors, officers, employees, or agents who are parties or threatened to be made parties to the action, suit, or proceeding.

Section 12.7 Proportionate Indemnity. If a person is entitled to indemnification under this Article for a portion of expenses, including attorney fees, judgments, penalties, fines and amounts paid in settlement, but not for the total amount, the Club shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

Section 12.8 Expense Advance. The Club may pay or reimburse the reasonable expenses incurred by a person referred to in Section 1 or 2 of this Article who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition of the proceeding if all of the following apply: (a) the person furnishes the Club a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Section 1 or 2 of this Article; (b) the person furnishes the Club a written undertaking executed personally, or on his or her belief, to repay the advance if it is ultimately determined that he or she did not meet the standard of conduct; and (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under Section 1 or 2 of this Article. The authorization of payment must be made in the manner specified in Section 6 of this Article.

Section 12.9 Non-Exclusivity of Rights. The indemnification or advancement of expenses provided under this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Club. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

Section 12.10 Indemnification of Employees and Agents of the Club. The Club may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Club to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Club.

Section 12.11 Former Directors and Officers. The indemnification provided in this Article continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of the person.

Section 12.12 Insurance. The Club may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Club, or is or was serving at the request of the Club as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Club would have power to indemnify the person against the liability under these Bylaws or the laws of the State of Michigan.

Section 12.13 Changes in Michigan Law. If there is any change of the Michigan statutory provisions applicable to the Club relating to the subject matter of this Article, then the indemnification to which any person shall be entitled under this Article shall be determined by the changed provisions, but only to the extent that the change permits the Club to provide broader indemnification rights than the provisions permitted the Club to provide before the change. Subject to the next Section, the Board of Directors is authorized to amend these bylaws to conform to any such changed statutory provisions.

Section 12.14 Amendment or Repeal of Article. No amendment or repeal of this Article shall apply to or have any effect on any director or officer of the Club for or with respect to any acts or omissions of the director or officer occurring before the amendment or repeal.

Section 12.15 Impact of Tax Exempt Status. The rights to indemnification set forth in this Article are expressly conditioned upon such rights not violating the Club's status as a tax exempt organization described in §501 (c) (3) of the Internal Revenue Code of 1986, as amended.

ARTICLE 13
AMENDMENTS TO BYLAWS

Section 13.1 Adoption. New Bylaws may be adopted, amended, or repealed or these Bylaws may be amended or repealed by the Board of Directors, subject to membership ratification as hereinafter provided, except those items specified in these Bylaws (if any) as not being subject to amendment.

Section 13.2 Ratification by Members. All amendments to the Bylaws must be ratified by the vote of at least two-thirds of the total number of members of the Club and shall be effective only upon such ratification. Such amendments shall have been mailed to each member of the Club, entitled to vote, at least ten (10) days prior to the meeting at which said proposed amendments are to be considered.

Section 13.3 Inspection of Bylaws. The original or copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary of the Club, shall at all times be kept in the principal office of the Club for the transaction of business, and shall be open to inspection by the members at all reasonable time during office hours.

