

Articles of Incorporation

ARTICLE I - NAME

The name of this corporation shall be St. Charles Athletic Association, Inc.

ARTICLE II - PURPOSE

Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

The Corporation's primary purpose is to receive and distribute funds for the benefit of the student athletic programs of St. Charles Community Schools by:

- Providing uniforms and general assistance for the student athlete programs of St. Charles Community Schools.
- Providing annual scholarships to graduating senior athletes of St. Charles Community Schools.

ARTICLE II

1. The corporation is organized upon a nonstock basis.
2. Description and value of its real property assets are: None
3. Description and value of its personal property assets are: None
4. The corporation is to be financed under the following general plan:
Charitable contributions and fundraising events.
5. The corporation is organized on a directorship basis.

ARTICLE IV

Address of the registered office is:

12335 Ithaca Road, St. Charles, MI 48655

The mailing address of the registered office is:

P.O. Box 73, St. Charles, Michigan 48655

The name of the registered agent is: James McSweyn

ARTICLE V

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE VI

Upon the 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 the 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. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

These Restated Articles of Incorporation were duly adopted on the 12th day of March, 2008, in accordance with the provisions of Section 642 of Act 162, Public Acts of 1982. These Restated Articles of Incorporation restate, integrate, and do further amend the provisions of the Articles of Incorporation and were duly adopted by the written consent of all the directors pursuant to Section 525 of the Act as the corporation is organized on a directorship basis.

BY-LAWS
OF
ST. CHARLES ATHLETIC ASSOCIATION, INC.

ARTICLE I – GENERAL PROVISIONS

- 1.1 Purpose. The St. Charles Athletic Association, Inc. (herein called “the Association”) has been established as a nonstock, directorship corporation under laws of the State of Michigan and shall be operated to accomplish the following purposes and objectives:
- a. The Association has been organized exclusively for charitable, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.
 - b. The Association’s primary purpose is to receive and distribute funds for the benefit of the student athletic programs of St. Charles Community Schools by:
 - Providing uniforms and general assistance for the student athlete programs of St. Charles Community Schools.
 - Providing annual scholarships to graduating senior athletes of St. Charles Community Schools.
 - c. To accomplish its purposes and objectives, the Association will have broad authority to engage in activities and to enter into transactions consistent with provisions of its Articles of Incorporation and these By-Laws, including the following:
 - To promote, foster, encourage, and support the St. Charles Community Schools athletic programs or any related activities that the Board of Directors deems worthwhile operating within the St. Charles Community Schools.
 - To receive and administer funds and assets to support and pay for the Association’s administrative expenses and costs of conducting its programs and projects.
 - To grant funds to organizations for payment of all or part of the costs of programs and projects which are permitted to be undertaken by tax exempt charitable organizations under Internal Revenue Code Section 501(c)(3).

ARTICLE II - MEMBERSHIP

- 2.1 Eligibility for membership. The following individuals are considered members of the Association:
- a. Any parent or guardian of any student participating in the current school year on a St. Charles Community Schools athletic team is an automatic member.
 - b. The current Athletic Director of St. Charles Community Schools.
 - c. Past presidents of the Association.

- d. Any other person who is interested in supporting, assisting, or promoting the athletic programs of St. Charles Community Schools shall be eligible to become a member by requesting membership status from the Board of Directors.
- 2.2 Rights of members. All members have a right to advise the Board of Directors. Other than the Board of Directors, members have no voting rights. As a matter of policy, the Board of Directors actively considers the advice of its members. All members are eligible to become an officer of the Association.
- 2.3 Dues. There are no monetary dues required. Dues shall consist of active participation in any function of this organization that will help further athletic programs and related activities in St. Charles Community Schools.

ARTICLE III - BOARD OF DIRECTORS

- 3.1 Number of Directors. The number of members of the Association's Board of Directors shall be not less than three nor more than seven as determined from time to time by the Board of Directors. The board receives no compensation other than reasonable expenses.
- 3.2 Selection of Directors. Directors shall be selected annually by the majority vote of the existing members of the Board of Directors. Members of the Association's Board of Directors shall consist of the officers of the Association, the current Athletic Director of St. Charles Community Schools, and any at-large directors as may be appointed by the Board of Directors.
- 3.3 Terms. All board members shall serve one-year terms, but are eligible for re-election.
- 3.4 Vacancies. When a vacancy on the board exists mid-term, nominations for new members shall be presented to the board for a vote at the next board meeting. These vacancies will be filled only to the end of the particular board member's term.
- 3.5 Resignation, termination, and absences. Resignation from the board should be in writing and received by the secretary. A board member may be terminated from the board due to excess absences or may be removed for other reasons by a two-thirds vote of the remaining directors.
- 3.6 Appointment of a Replacement Director. If a vacancy occurs on the Board of Directors, the Board shall appoint another person to serve as a replacement Director for the remainder of the term of that vacant Directorship position. The replacement director shall be selected subject to a by a two- thirds vote of the remaining directors.
- 3.7 Board Meetings. Meetings of the Board of Directors shall be convened and conducted in accordance with the following provisions:
 - a. *Regular meetings.* Regular meetings of the Board of Directors shall be convened on the second Wednesday of each month during the school year or as determined from time to time by the Board.

- b. *Special Meetings.* Upon written request of three or more Directors, the President (or in the event of the President's absence or unavailability; other officers of the Board in the following order of priority: Vice President, Secretary, Treasurer) shall be required to call a special meeting of the Board of Directors.
- c. *Notice of Meeting.* The Association's Secretary, or other officer acting in place or in behalf of the Secretary, shall give each Director, personally, by mail, or by electronic transmission, at least six days advance notice of the time and place of a regular meeting and at least three days advance notice of a special meeting of the Board of Directors.
- d. *Action of Directors Without Meeting.* Notwithstanding any of the foregoing provisions, without convening a Board of Directors meeting, Directors may take action and make determinations within the power of the Board of Directors under these By-Laws upon written statement or directive signed by all of the members of the Board of Directors and such statement or directive shall be inserted in the Association's record book.
- e. *Place of Meeting.* Each meeting of the Board of Directors shall be held at a convenient location as determined by the President with the approval of the Board.
- f. *Quorum.* The presence of a majority of the Directors at a meeting of the Board of Directors shall constitute a quorum for business transaction to take place and motions to pass.
- g. *Participation in meetings by conference telephone or by other means of remote communication.* A Director not physically present at a meeting of the Board of Directors may, subject to the guidelines and procedures adopted by the Board of Directors, may participate and vote by means of remote communication.
- h. *Meeting Procedures.* A meeting of the Board of Directors shall be presided over by the most senior officer of the Board present at the meeting, in the following order of priority: President, Vice President, Secretary, Treasurer. Meetings shall be conducted in conformity with *Robert's Rules of Order Newly Revised* or other parliamentary procedure acceptable to a majority of the Directors. Minutes of each Board of Directors meeting shall be prepared by the Secretary or in absence of the Secretary by another person appointed by the presiding officer.

3.8 Powers and Duties. The Board of Directors as the governing board of the Association shall have the following powers and duties.

- a. Oversee and review the operation of Association business, including the administration and investment of Association funds.
- b. Adopt policies for the conduct of Association business consistent with the Articles of Incorporation and these By-Laws.
- c. Approve programs and projects undertaken by the Association, including real estate acquisition, development, administration, sale or disposition, consistent with the Association's purposes and objectives.
- d. Approve annual budgets for the Association and oversee the administration of Association funds and maintenance of appropriate financial records.

- e. Authorize the conclusion of contracts and agreements between the Association and persons, firms, businesses or other agents to assist in the management and operation of Association business.
 - f. Authorize and approve acquisition of casualty and liability insurance for the Association, including officers' and directors' errors and omissions insurance policies.
 - g. Approve solicitation and request for gifts, contributions and grants from individuals, businesses and grant-making foundations, to provide funds for Association programs and projects.
 - h. Take other actions and engage in other types of transactions consistent with the Articles of Incorporation and these By-Laws as the Board of Directors deems necessary or desirable for the conduct of the Association's business.
- 3.9 Voting. Each Director may cast one vote on each matter properly considered and decided upon by the Board of Directors. Directors shall be entitled to cast votes in person or by electronic transmission. Directors shall not be entitled to vote by proxy. Any action or resolution of the Board shall require the affirmative vote of a majority of Directors who cast votes on that matter.
- 3.10 Compensation and Expenses. A Director shall not receive salary or other compensation as a member of the Board. Expenses incurred in connection with the performance of their official duties may be reimbursed to officers upon approval by the Board of Directors
- 3.11 Fiduciary Responsibility. Directors shall serve in a fiduciary capacity and shall exercise their powers in such a manner as not to disqualify the Association from Federal income tax exemption under the Internal Revenue Code Sections 501(c)(3) and 509(a)(3).
- 3.12 Liability. Neither the Board of Directors, nor any individual Director, shall be liable for acts, neglect or default of an employee, agent or representative of the Association with respect to matters and transaction undertaken in good faith. In accordance with provisions of Michigan Compiled Laws 450.2209 (d) and 450.2541 (4), volunteer members of the Board of Directors shall not be personally liable to the Association for monetary damages for breach of fiduciary duty. The Association shall assume all liability to any person or party, other than the Association, for all acts or omissions of a volunteer member of the Association's Board of Directors, incident to the good faith performance of that Director's duties and functions in behalf of the Association.

ARTICLE IV – OFFICERS

- 4.1 Election. The Association officers shall consist of the following positions: President, Vice President, Secretary, and Treasurer. The officers shall be elected by the Board at the April Board meeting after any at-large members are seated. The Board may appoint other officers it deems appropriate.

- 4.2 Term. All officers shall serve for a minimum of one (1) year and are to be installed July 1, after the election.
- 4.3 Duties. Officers of the Association shall have the following duties:
- a. *President.* The President shall be the chief executive officer of the Association and shall have the responsibilities and powers generally attributed to the chief executive officer of a corporation together with other responsibilities and powers as from time to time may be conferred upon him by the Board. The President shall preside at meetings of the Board of Directors.
 - b. *Vice President.* The Vice President shall in the event of the absence or inability of the President to exercise his office become acting president of the Association with all the rights, privileges and powers as if he had been the duly elected president.
 - c. *Secretary.* The Secretary shall keep minutes of the meetings of the Board of Directors, assure that all notices are given in accordance with the provisions of these By-Laws or as required by law, serve as custodian of Association records, and perform other duties as prescribed from time to time by the President or by the Board of Directors.
 - d. *Treasurer.* The Treasurer shall have general charge of all money and property belonging to the Association, to disburse the same under direction of the Board of Directors, and to keep an accurate account of those transactions. The Treasurer shall perform all duties incident to the office of the Treasurer and such other duties as from time to time may be prescribed by the President or by the Board of Directors.
 - e. *Committee Chairs.* All appointed Committee Chairs shall be responsible to the President of the Association and shall give a report on their activities at any time when called upon by the President.

ARTICLE V - CONTRIBUTIONS AND GRANTS TO ASSOCIATION

- 5.1 Method. Individuals, businesses and other organizations may make contributions or grants to the Association by naming or otherwise identifying the Association as the recipient thereof. Contributions and grants shall vest in the Association upon receipt and acceptance of same by the Board of Directors, or by an officer or agent authorized by the Board to accept contributions and grants in behalf of the Association.
- 5.2 Terms. Contributions and grants to the Association shall be subject to all terms and provisions of the Association's Articles of Incorporation and these By-Laws. A contributor to the Association may specify conditions applicable to the contribution, provided that, any such restrictions shall comply with the following criteria: (i) restrictions are consistent with the policies, purposes and objectives of the Association and with provisions of the Association's Articles of Incorporation and these By-Laws; (ii) no such restriction will jeopardize the Association's status as a tax exempt organization under Internal Revenue Code Section 501(c)(3), and analogous provisions of future Federal Internal Revenue Laws; (iii) restrictions are acceptable to the Board of Directors.

- 5.3 Variance. Whenever the Board of Directors determines that conditions or restrictions pertaining to such a grant or contribution is inconsistent with the provisions of the Association's Articles of Incorporation or these By-Laws, the Board may order variances from the restrictions as the Board determines to be necessary or desirable to accomplish the Association's purposes and objectives.

ARTICLE VI - MANAGEMENT OF ASSOCIATION FUNDS AND ASSETS

- 6.1 Directors' Responsibility. The Association's Board of Directors shall have fiduciary responsibility for the maintenance of Association physical assets and for the administration and investment of Association funds and financial holdings, including the oversight of the Association's internal control. The Association's funds which are not expected to pay costs of business operations as set forth in Article VIII of these By-Laws shall be invested in a prudent manner in accordance with provisions of Michigan law pertaining to the investment of trust funds.
- 6.2 Receipts. All funds of the Association shall be deposited on a timely basis to the credit of the Association in banks, trust companies, or other depositories as the Board of Directors may select.
- 6.3 Disbursements. Except as otherwise expressly provided by written policy approved by the Board of Directors with respect to payment of the Association's ordinary business and operating expenses, all disbursement of Association funds shall be approved by the Board of Directors and the check, draft, or order shall be signed by such Officer or Officers of the Association in such manner as shall from time to time be determined by resolution of the Board of Directors.
- 6.4 Loans to Directors, Officers, and Others. No loan shall be made by or to this Association and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loans shall be made by the Association to any of its Directors or Officers.
- 6.5 Financial Records. The Board of Directors and the Treasurer shall be responsible for assuring the maintenance of complete and accurate records of Association financial transactions in accordance with accounting principles generally accepted in the United States of America or an other comprehensive basis of accounting. Such records shall be available for examination by any Association Director or officer and by any examiner or auditor appointed by the Association's Board of Directors.
- 6.6 Annual Financial Report. The Treasurer shall prepare annual financial statements for the Association including a statement of net assets, a statement of activities, and other additional reports and information requested by the Board of Directors. The Treasurer shall also prepare Federal and State tax returns and financial reports required to be filed by the Association.

ARTICLE VII - CONFLICT OF INTEREST POLICY

7.1 Purpose. The purpose of this policy is to protect the tax-exempt interest of the Association when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

7.2 Definitions.

- a. *Interested Person* - Any director, officer, employee, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. *Financial Interest*
 - 1) 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 Association has a transaction or arrangement, or
 - b) A compensation arrangement with the Association or with any entity or individual with which the Association 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 Association is negotiating a transaction or arrangement.
 - 2) Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
 - 3) A financial interest is not necessarily a conflict of interest. Under Section 6.3.b., a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

7.3 Procedures:

1. *Duty to Disclose.* In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing 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/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. *Procedures for Addressing the Conflict of Interest.*

- 1) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - 2) The President of the board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - 3) After exercising due diligence, the Board shall determine whether the Association 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.
 - 4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
4. Violations of the conflicts of interest policy:
- 1) If the Board has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.
 - 2) If, after hearing the response of the interested person and making further investigation as may be warranted in the circumstances, the Board 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 VIII - BUSINESS OPERATIONS

- 8.1 To accomplish the purposes and objectives stated in Article I of these By-Laws, the Association under the direction and oversight of its Board of Directors, shall have the power to engage in the following transactions and business activities:
- a. Accept contributions and grants of money, securities, or real or tangible personal property from individuals, businesses or other organizations, subject to the provisions of Article V of these By-Laws.
 - b. Enter into agreements, contracts and arrangements with other non-profit organizations, with for-profit businesses, and with individuals, as the Board of Directors deems to be appropriate to accomplish the Association's purposes and objectives.
 - c. Retain and pay for the services of independent accountants, attorneys, consultants and other professionals as needed to conduct the Association's business.

- d. The Board shall have the discretion to authorize the Association to pay for and maintain liability insurance coverage to insure Association Directors, officers, employees, agents and representatives against liability arising from their activities in behalf of the Association, except gross negligence or intentional wrongdoing.

ARTICLE IX - INDEMNIFICATION

- 9.1 Conditions for Indemnification. The Association shall indemnify its present or former Directors, officers, employees, agents or representatives, against costs or liabilities incurred in connection with legal claims or proceedings resulting from such persons' acts or conduct undertaken in good faith in behalf of the Association, provided that, the Board of Directors shall expressly determine that the indemnified persons had no reasonable cause to believe that their acts or conduct which are the subject of such legal claim or proceedings, were unlawful or improper. Costs and liabilities which shall be indemnified by the Association pursuant to the foregoing provisions of this paragraph 9.1, include the following:
 - a. Legal costs, including reasonable attorney fees, incurred in connection with the defense of a civil or criminal suit or proceeding.
 - b. Liability imposed by judgment, decree, fine, penalty or under provisions of a settlement agreement.
- 9.2 Other Rights. The rights of indemnification set forth in this Article VIII shall not be interpreted to preclude Association Directors, officers, employees, agents or representatives from exercising other rights provided under the provisions of the Association's Articles of Incorporation and these By-Laws or by Federal or State law.
- 9.3 Insurance. At the discretion of the Board of Directors, the Association may obtain insurance to protect the Association from liability and expense arising from its obligations under the provisions of this Article IX.

ARTICLE X - MISCELLANEOUS

- 10.1 Fiscal Year. The fiscal year of the Association shall be the twelve month period ending on the 30th day of June.
- 10.2 Statutory Reference. All references in these By-Laws to Section 501(c)(3) of the Internal Revenue Code, shall be construed to include analogous provisions of any future federal tax code.
- 10.3 Amendment to Articles of Incorporation or By-Laws. The Board of Directors, by a two-thirds majority vote of Directors at a duly convened and conducted meeting, may amend the Association's By-Laws, consistent with the purposes and objectives of the Association and in compliance with applicable laws and regulations, provided that, no

such amendment shall jeopardize the Association's status as stated in the articles of incorporation.

BOARD OF DIRECTORS ADOPTION OF BY-LAWS

These bylaws were approved at a meeting of the board of directors by a two-thirds majority vote on January 7, 2009.

Secretary

Date

POLICIES
OF
ST. CHARLES ATHLETIC ASSOCIATION, INC.

POLICY OF NON-INTERFERENCE

The Association has established a policy of non-interference with the school administration and a cooperative attitude toward the coaching staff and their methods on athletic curriculum.

POLICY OF REFRESHMENTS TO VISITING TEAMS

The St. Charles Athletic Association, Inc. hereby establishes a policy of providing some form of acceptable refreshment, free of charge, to the opposing team including: their coaching staff, cheerleaders, bus drivers, and/or managers providing: they have traveled a distance of fifty (50) miles or more to compete in any St. Charles High School regular season sports competition; the Association is properly requested to do so either in writing or verbally, by any member of the Executive or Operating Boards, the St. Charles Community School Coaching staff, or any other active Association member. Provision of said refreshments would include: St. Charles Athletes, coaching staff, cheerleaders, and/or managers with the approval of the current Board and/or the coach(es) of the sport involved.

POLICY OF STUDENT SCHOLARSHIPS

Here within allows for the St. Charles Athletic Association, Inc. of St. Charles, Michigan to financially support her students in 'special' athletic endeavors. This scholarship fund will be administered by the Executive and Operating Boards of the St. Charles Athletic Association, Inc.

The Executive and Operating Boards shall determine the availability of said fund and the amount of the fund for each current school year at the January meeting.

Application for consideration must be submitted in writing and submitted to the Association secretary by April 15th of the current school year. Applicants will be notified by May 15th Of the Board's decision.