

NORTHVILLE SOCCER ASSOCIATION

BY-LAWS

ARTICLE I

POLICY

SECTION 1. POLICY. The Association is dedicated to furthering and encouraging amateur youth sports and soccer programs and community involvement therein through a stimulating and competitively balanced soccer program. The Association shall serve all persons without regard to race, creed, color, national origin, sex, age, handicap or economic status and shall carry out charitable and educational acts as shall be appropriate for a nonprofit corporation within the laws of the State of Michigan. The specific programs and services shall be determined by the Board of Directors of the Association. The assets of the Association shall be used to achieve maximum benefit in promoting the purposes of the Association within or without the State of Michigan as shall be determined from time to time by the Board of Directors.

ARTICLE II

PURPOSE

SECTION 1. PURPOSE. The Association is organized and shall be operated only for charitable, scientific, educational and other purposes as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as now or hereafter amended (the "Code"), and for the following purposes:

- (a) To receive, administer and disburse funds to promote the youth soccer and provide a stimulating and competitively balanced soccer program.
- (b) To accept and receive by gift, devise, bequest, endowment, grant or otherwise real and personal property of any kind and to make grants and gifts of such property to organizations as designated by the Board of Directors and as consistent with the Articles of Incorporation and these By-Laws; and
- (c) To purchase, receive, acquire, own, use, lease, mortgage, sell, transfer, maintain and/or otherwise dispose of real and personal property of every nature and description and to direct the whole or any part of the appreciation or income therefrom and the principal thereof exclusively in furtherance of the purposes of the Association or to contribute same, directly or indirectly, to organizations

qualifying as exempt organizations under Section 501(c)(3) of the Code.

ARTICLE III

OFFICE

SECTION 1. REGISTERED OFFICE. The registered office of the Association shall be in the City of Livonia, County of Wayne, State of Michigan, or at such other registered office as the Board of Directors of the Association may determine from time to time.

SECTION 2. OTHER OFFICES. The Association may also have offices at such other places both within and without the State of Michigan as the Board of Directors may from time to time determine or the purposes of the Association may require.

ARTICLE IV

DIRECTORS

SECTION 1. NUMBER AND TERM OF DIRECTORS. The number of Directors which shall constitute the whole Board of Directors shall be at least one (1) Director but no more than ten (10) Directors. The first Board of Directors shall consist of three (3) Directors. Thereafter, the number of Directors which shall constitute the Board of Directors for each ensuing year shall be determined at the annual meeting by vote of the Directors prior to such election; provided, however, that if a motion is not made and carried to increase or decrease the number of Directors, the Board of Directors shall consist of the same number of Directors as were elected for the preceding year. A Director shall hold office until his or her resignation, death or removal. A Director must be a natural person over the age of eighteen (18) years.

SECTION 2. VACANCIES. A vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors, even though the remaining Directors may not constitute a quorum, and said person shall hold office until his or her resignation, death or removal. If because of death, resignation or other cause, the Association has no Directors in office, an officer, an executor, administrator, trustee or guardian of a Director, or other fiduciary entrusted with like responsibility for the person or estate of a Director, may call a special meeting in accordance with the Articles of Incorporation or these By-Laws. A vacancy that will occur at a specific date by reason of resignation or otherwise, may be filled before the vacancy occurs but the newly elected or appointed Director may not take office until the vacancy occurs.

SECTION 3. REMOVAL. A Director may be removed at any time, with or without cause, by a vote of the majority of Directors, not including the Director who is the subject of the vote for removal.

SECTION 4. RESIGNATION. A Director may resign by written notice to the Association. The resignation is effective upon its receipt by the Association or a subsequent time as set forth in the notice of resignation.

SECTION 5. POWERS. The Board of Directors shall have the following powers:

- (a) To determine the philosophy and direction of the Association;
- (b) To elect and remove, with or without cause, the officers of the Association;
- (c) To amend, alter, modify or repeal the Articles of Incorporation and By-Laws of the Association;
- (d) To acquire, purchase, sell, lease, transfer or encumber, construct or undertake the destruction of land and/or buildings owned by the Association or in which the Association has or will have equitable or legal title;
- (e) To terminate, merge, consolidate, affiliate, divide, or separate programs from this Association and/or to merge, consolidate, or affiliate the Association or any of its programs with any other corporation, organization or program having similar purposes and goals to those of the Association and which are exempt organizations under Section 501(c)(3) of the Code;
- (f) To dissolve the Association and to determine the distribution of the Association's assets upon dissolution in conformity with the Articles of Incorporation, these By-Laws, the Internal Revenue Code of 1986, as now or hereafter amended, and the applicable laws of the State of Michigan;
- (g) To approve any borrowing or other financial obligation not contained in the capital or operating budgets of the Association;
- (h) To grant prior approval to any increment or addition to the capital debt and/or to renegotiate, modify or otherwise change the existing capital debt obligation of the Association;
- (i) To require a certified audit of the corporate funds at any time and to appoint the fiscal auditor of the Association annually; and
- (j) To take such other actions as may be taken by a nonprofit corporation in accordance with the Association's Articles of Incorporation and the laws of the State of Michigan.

SECTION 6. COMMITTEES OF DIRECTORS. The Board of Directors may designate one (1) or more committees, each committee to consist of one or more Directors of the Association. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace an absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the members thereof present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors creating such committee may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Association. Provided, however, no such committee shall have the power or authority to (i) amend the Articles of Incorporation of the Association, (ii) adopt an agreement of merger or consolidation, (iii) sell, lease or exchange all or substantially all of the Association's property and assets, (iv) dissolve the Association, (v) revoke a dissolution, or a cessation of the business of the Association, (vi) amend the By-Laws of the Association, or (vii) fill vacancies in the Board of Directors. Any such committee, and each member thereof, shall serve at the pleasure of the Board of Directors.

SECTION 7. PLACE OF MEETING. All meetings of the Board of Directors of the Association shall be held at the registered office or such other place, within or without the State of Michigan, as may be determined from time to time by the Board of Directors of the Association.

SECTION 8. ANNUAL MEETING OF BOARD. The annual meeting of the Board of Directors shall be held within thirty (30) days prior to or one hundred twenty (120) days following the year end of the Association, on a day not a legal holiday, at such time as may be determined by the Board of Directors, unless such action is taken by written consent as provided in Article IV, Section 14, of these By-Laws. At said meeting the Board of Directors shall elect the officers of the Association and shall transact such other business as may properly be brought before the meeting. If the annual meeting is not held on the date designated therefor, the Board of Directors shall cause the meeting to be held as soon thereafter as convenient. The annual meeting in any year may be held at a different time and place than that herein provided by a consent of a majority of the Directors of such new Board of Directors. No notice of such meeting shall be necessary to the newly elected Directors in order legally to constitute the meeting, provided a quorum shall be present.

SECTION 9. ORDER OF BUSINESS AT ANNUAL MEETING. The order of business at the annual meeting of the Board of Directors shall be as follows:

- (a) Reading of notice and proof of mailing.
- (b) Reports of officers.
- (c) Election of officers.
- (d) Transaction of other business mentioned in the notice.
- (e) Adjournment.

Provided, however, in the absence of any objection, the presiding officer may vary the order of business at his discretion.

SECTION 10. NOTICE OF MEETING OF DIRECTORS. Except as otherwise provided in the Michigan Nonprofit Corporation Act (the "Act"), written notice of the time, place and purposes of a meeting of Directors shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail or land/air express courier service, to each Director of record entitled to vote at the meeting. When a meeting is adjourned to another time or place, it is not necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment the Directors fix a new record date for the adjourned meeting, a notice of adjourned meeting shall be given to each Director of record on the new record date entitled to vote at the meeting. Attendance of a person at a meeting of the Board of Directors, in person or by proxy, constitutes waiver of objection to (a) lack of notice of defective notice of the meeting, unless the Director at the beginning of the meeting objects to the holding of the meeting or transacting business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Director objects to considering the matter when presented.

SECTION 11. REGULAR MEETING OF THE BOARD OF DIRECTORS. Regular meetings of the Board of Directors, or of the members of a committee, may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors or the members of the committee, and may be held concurrently with the annual meeting of the Board of Directors or otherwise.

SECTION 12. SPECIAL MEETING OF THE BOARD OF DIRECTORS. Special meetings of the Board of Directors may be called by the President, or by a majority of the persons then comprising the Board of Directors (or if there are only two (2) members of the Board of Directors, by either of said Directors), at any time by means of notice of the time and place thereof to each Director, given not less than twenty-four (24) hours before the time such special meeting is to be held.

SECTION 13. QUORUM AND REQUIRED VOTE OF BOARD AND COMMITTEES. At all meetings of the Board of Directors, or of a committee thereof, a majority of the members of the Board of Directors then in office, or of the members of a committee thereof, shall constitute a quorum for transaction of business. The vote of the majority of members present at a meeting at which a quorum is present constitutes the action of the Board of Directors or of the committee unless the vote of a larger number is required by the Act, the Articles of Incorporation, the By-Laws, or, in the case of a committee, the Board of Directors resolution establishing the committee. Amendment of these By-Laws by the Board of Directors requires the vote of not less than a majority of the members of the Board of Directors then in office. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present there at may adjourn the meeting from time to

time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 14. CONSENT OF DIRECTORS IN LIEU OF MEETING.

Action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Directors then in office or a committee thereof, may be taken without a meeting if, before or after the action, all members of the Board of Directors then in office or of the committee consent thereto in writing. The written consents shall be filed with the minutes of the proceedings of the Board of Directors or committee. The consent has the same effect as a vote of the Board of Directors or committee for all purposes.

SECTION 15. COMPENSATION OF DIRECTORS. The Board of Directors, by affirmative vote of a majority of Directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of Directors or officers.

SECTION 16. PARTICIPATION IN MEETING BY TELEPHONE. A member of the Board of Directors or of a committee designated by the Board of Directors may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting.

SECTION 17. WAIVER OF NOTICE. Attendance at or participation of a Director at a meeting constitutes a waiver of notice of the meeting, unless the Director at the beginning of the meeting, or upon his arrival, objects to the meeting or the transaction of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

ARTICLE V

NOTICES

SECTION 1. NOTICE. Whenever any notice or communication is required to be given to any Director under any provision of the Act, the Articles of Incorporation or these By-Laws, it may be given in writing, either by mail or land/air express courier service, addressed to such Director, at the address designated by him or her for that purpose or, if none is designated, at his or her last known address. The notice or communication is given when deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States postal service or in an appropriate depository for such land/air express courier service. The mailing shall be registered, certified or other first class mail, except where otherwise provided in the Act. Notice may also be given orally in person or by telephone, facsimile, telex, radiogram or cablegram, and such notice shall be deemed to be given when the recipient receives the notice personally, by telephone, or when the notice, addressed as provided above, has been delivered to the company, or to the equipment transmitting such notice. Neither the business

to be transacted at, nor the purpose of, a regular or special meeting of the Board of Directors need be specified in the notice of the meeting, except as provided by the Act.

SECTION 2. WAIVER OF NOTICE. When, under the Act or the Articles of Incorporation or these By-Laws, or by the terms of an agreement or instrument, the Association may take action after notice to any person or after lapse of a prescribed period of time, the action may be taken without notice and without lapse of the period of time, if at any time before or after the action is completed the person entitled to notice or to participate in the action to be taken or, in case of a Director, by his or her attorney-in-fact, submits a signed waiver of such requirements. Neither the business to be transacted at, nor the purpose of, a regular or special meeting of the Board of Directors need be specified in the waiver of notice of the meeting, except as provided by the Act. Attendance of a person at a meeting constitutes a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objection, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VI

OFFICERS

SECTION 1. SELECTION. The Board of Directors, at the Association's organization meeting and at each annual meeting of Board of Directors thereafter, shall elect or appoint a President, Secretary and Treasurer. The Board of Directors may also elect or appoint one (1) or more Vice Presidents and such other officers, employees and/or agents as they shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. Two (2) or more offices may be held by the same person, but an officer shall not execute, acknowledge or verify an instrument in more than one (1) capacity if the instrument is required by law or the Articles of Incorporation or By-Laws of the Association to be executed, acknowledged or verified by two (2) or more officers.

SECTION 2. COMPENSATION. The compensation of all officers, employees and agents of the Association shall be fixed by the Board of Directors; provided, however, that the Board of Directors may delegate to the officers the fixing of compensation of employees and agents.

SECTION 3. TERM, REMOVAL AND VACANCIES. Each officer of the Association shall hold office for the term for which he or she is elected or appointed and until his or her successor is elected or appointed and qualified, or until his or her resignation or removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause at any time. Any officer may resign by written notice to the Association. The resignation is effective upon its receipt by the Association or at a subsequent time specified in the notice of resignation. Any vacancy occurring in any office of the Association shall be filled by the Board of Directors.

SECTION 4. CHIEF EXECUTIVE OFFICER. At the first meeting of each newly elected Board of Directors, the Board of Directors may designate the Chairman of the Board or President of the Association, or such other individual as it may deem appropriate, as the Chief Executive Officer of the Association; provided, however, that if a motion is not made and carried to change the designation, the designation shall be the same as the designation for the preceding year; provided, further, that the designation of the Chief Executive Officer may be changed at any special meeting of the Board of Directors. The President shall be the Chief Executive Officer of the Association whenever the office of Chief Executive Officer is vacant and there is no Chairman of the Board whose duties include being Chief Executive Officer. The Chief Executive Officer shall be responsible to the Board of Directors for the general supervision and management of the business and affairs of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. The Chairman of the Board or President who is not the Chief Executive Officer shall be subject to the authority of the Chief Executive Officer, but shall exercise all of the powers and discharge all of the duties of the Chief Executive Officer, during the absence or disability of the Chief Executive Officer.

SECTION 5. CHAIRMAN OF THE BOARD OF DIRECTORS. If the Board of Directors elects or appoints a Chairman of the Board, he shall be elected or appointed by, from and among, the members of the Board of Directors. He shall preside at all meetings of the Board of Directors and of any Executive Committee. He shall perform such other duties and functions as shall be assigned to him from time to time by the Board of Directors. He shall be ex officio, a member of all standing committees. Except where by law the signature of the President of the Association is required, the Chairman of the Board of Directors shall possess the same power and authority to sign all certificates, contracts, instruments, papers and documents of every conceivable kind and character whatsoever in the name of and on behalf of the Association which may be authorized by the Board of Directors. During the absence or disability of the President, or while the office is vacant, the Chairman of the Board of Directors shall exercise all of the powers and discharge all of the duties of the President.

SECTION 6. PRESIDENT. The President shall be responsible to the Board of Directors for the general supervision and management of the business and affairs of the Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she shall perform such other duties and functions as shall be assigned to him or her from time to time by the Board of Directors. He or she shall be, ex officio, a member of all standing committees. He or she shall possess the authority to sign all certificates, contracts, instruments, papers and documents of every conceivable kind and character whatsoever in the name of and on behalf of the Association which may be authorized by the Board of Directors. The President shall, in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

SECTION 7. VICE PRESIDENTS. The Board of Directors may elect or appoint one or more Vice Presidents. The Board of Directors may designate one or more Vice Presidents as Executive or Senior Vice Presidents. Unless the Board of Directors shall

otherwise provide by resolution duly adopted by it, such of the Vice Presidents as shall have been designated Executive or Senior Vice Presidents and are members of the Board of Directors in the order specified by the Board of Directors (or if no Vice President who is a member of the Board of Directors shall have been designated as Executive or Senior Vice President, then such Vice Presidents as are members of the Board of Directors in the order specified by the Board of Directors) shall perform the duties and exercise the powers of the President during the absence or disability of the President. The Vice President(s) shall perform such other duties as may be delegated by the Board of Directors, any committee or the President.

SECTION 8. SECRETARY. The Secretary shall attend all meetings of the Board of Directors and shall preserve in the books of the Association true minutes of the proceedings of all such meetings. He or she shall safely keep in his or her custody the seal of the Association and shall have authority to affix the same to all instruments where its use is required or permitted. He or she shall give all notice required by the Act, these By-Laws or resolution. The Secretary shall perform such other duties as may be delegated to him or her by the Board of Directors, any committee or the President.

SECTION 9. TREASURER. The Treasurer shall have custody of all corporate funds and securities and shall keep in books belonging to the Association full and accurate accounts of all receipts and disbursements. The Treasurer shall deposit all monies, securities and other valuable effects in the name of the Association in such depositories as may be designated for that purpose by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors whenever requested an account of all his or her transactions as Treasurer and of the financial condition of the Association. If required by the Board of Directors, he or she shall keep in force a bond in form, amount and with a surety or sureties satisfactory to the Board of Directors, conditioned for faithful performance of the duties of his or her office, and for restoration to the Association in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and property of whatever kind in his or her possession or under his or her control belonging to the Association. The Treasurer shall perform such other duties as may be delegated to him or her by the Board of Directors, any committee or the President.

SECTION 10. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The Board of Directors may elect or appoint one or more Assistant Secretaries and one or more Assistant Treasurers. The Assistant Secretary or Assistant Secretaries, in the absence or disability of the Secretary, shall perform the duties and exercise the powers of the Secretary. The Assistant Treasurer or Assistant Treasurers, in the absence or disability of the Treasurer, shall perform the duties and exercise the powers of the Treasurer. Any Assistant Treasurer, if required by the Board of Directors, shall keep in force a bond as provided in Section 9, Article VI. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or by the Treasurer, respectively, or by the Board of Directors, any committee or the President.

SECTION 11. DELEGATION OF AUTHORITY AND DUTIES BY DIRECTORS. All officers, employees and agents shall, in addition to the authority conferred, or duties imposed, on them by these By-Laws, have such authority and perform such duties in management of the property and affairs of the Association as may be delegated to them by the Board of Directors, unless the same is contrary to the Articles of Incorporation or these By-Laws.

ARTICLE VII

INDEMNIFICATION

SECTION 1. NON-DERIVATIVE ACTIONS. Subject to all of the other provisions of this Article VII, the Association shall indemnify any person who was or is a party defendant (including counter defendants, third party defendants and cross defendants) or is threatened to be made a party defendant (including counter defendants, third party defendants and cross defendants) 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 Association), by reason of the fact that the person is or was a Director or officer of the Association, against expenses (including actual and reasonable attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with the 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 Association, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his 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 Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 2. DERIVATIVE ACTIONS. Subject to all of the other provisions of this Article VII, the Association shall indemnify any person who was or is a party defendant (including counter defendants, third party defendants and cross defendants) to or is threatened to be made a party defendant (including counter defendants, third party defendants and cross defendants) to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a Director or officer of the Association against expenses (including actual and reasonable attorney fees) and amounts paid in settlement actually and reasonably incurred by the person in connection with defending the action or suit 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 Association. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the Association 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 the circumstances of

the case, the person is fairly and reasonably entitled to indemnification for the reasonable expenses incurred.

SECTION 3. EXPENSES OF SUCCESSFUL DEFENSE. Without limiting the foregoing indemnities in any way, 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 Sections 1 and 2 of this Article VII, 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 an action, suit, or proceeding brought to enforce the mandatory indemnification provided in this Section 3.

SECTION 4. CONTRACT RIGHT; LIMITATION ON INDEMNITY. The right to indemnification conferred in this Article VII shall be a contract right, and shall apply to services of a Director or officer as an employee or agent of the Association as well as in the person's capacity as a Director or officer. Except as provided in Section 3 of this Article VII, the Association shall have no obligations under this Article VII to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Board of Directors.

SECTION 5. DETERMINATION THAT INDEMNIFICATION IS PROPER. An indemnification under Sections 1 or 2 of this Article VII (unless ordered by a court) shall be made by the Association only as authorized in the specific case (a) when it is determined that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2, whichever is applicable, and (b) upon an evaluation of the reasonableness of expenses 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 of Directors 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 (a) above is not obtainable, then by majority vote of a committee consisting solely of two or more Directors, duly designated by the Board of 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: (1) by the Board of Directors or its committee in the manner prescribed in (a) or (b) above; or (2) if a quorum of the Board of Directors cannot be obtained under (a) above and a committee cannot be designated under (b) above, by the Board of Directors.

SECTION 6. PROPORTIONATE INDEMNITY. If a person is entitled to indemnification under Sections 1 or 2 of this Article VII for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement; but not for the total amount, the Association 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 7. EXPENSE ADVANCE. The Association may pay or reimburse the reasonable expenses incurred by a person referred to in Sections 1 and 2 of this Article VII 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 the person furnishes the Association a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet the standard of conduct. The authorization of payment must be made in the manner specified in Section 5. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but it need not be secured.

SECTION 8. NON-EXCLUSIVITY OF RIGHTS. The indemnification or advancement of expenses provided under this Article VII is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement, under the Association's Articles of Incorporation, or elsewhere under these By-Laws. 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 9. FORMER DIRECTORS AND OFFICERS. The indemnification provided in this Article VII continues for a person who has ceased to be a Director or officer with respect to acts or omissions taken by them during their tenure as a Director or officer and after the date this Article VII was adopted by the Association and shall inure to the benefit of the heirs, executors, and administrators of the person.

SECTION 10. INSURANCE. The Association may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Association against any liability asserted against the person and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have power to indemnify the person against the liability under these By-Laws or the laws of the State of Michigan.

SECTION 11. CHANGES IN MICHIGAN LAW. If there is any change in Michigan law applicable to the Association relating to the subject matter of this Article VII, then the indemnification to which any person shall be entitled under this Article VII shall be determined by the changed provisions, but only to the extent that the change permits the Association to provide broader indemnification rights than the provisions permitted the Association to provide before the change. Subject to Section 12, the Board of Directors is authorized to amend these By-Laws to conform to any such changed statutory provisions.

SECTION 12. AMENDMENT OR REPEAL OF THIS ARTICLE VII.

No amendment or repeal of this Article VII shall apply to or have any effect on any Director or officer of the Association for or with respect to any acts or omissions of the Director or officer occurring before the amendment or repeal.

ARTICLE VIII

REIMBURSEMENT

SECTION 1. REIMBURSEMENT TO THE ASSOCIATION. Should any payment made by the Association to an officer of the Association, or on his behalf, including, without limitation, salary, commission, bonus, interest, rent or expense reimbursement, be disallowed in whole or in part as a deductible expense for purposes of determining the income tax liability of the Association, then such officer shall reimburse the Association to the full extent of such disallowance. It shall be the duty of the Board of Directors to enforce payment of any amount to be reimbursed to the Association hereunder immediately following such disallowance. In lieu of payment to the Association by the officer, the Board of Directors, in its discretion, may permit proportionate amounts to be withheld from future compensation to be paid to such officer until the total amount owed to the Association has been recovered.

ARTICLE IX

GENERAL PROVISIONS

SECTION 1. BANK ACCOUNTS. The funds of the Association shall be deposited in such bank or banks as may be designated by the Board of Directors. All checks, drafts and orders of the payment of money shall be signed in the name of the Association in such manner and by such person or persons as the Board of Directors shall from time to time designate for that purpose. The Association shall keep detailed books of accounts pertaining to the administration of the Association in accordance with generally accepted accounting principles. Such account shall be open for inspection by the Board of Directors at each meeting of the Directors.

SECTION 2. CONTRACTS, CONVEYANCES, ETC. When the execution of any contract, conveyance or other instrument has been authorized without specification of the executing officers, the Chairman of the Board, President or any Vice President, and the Secretary or Assistant Secretary, may execute the same in the name and on behalf of this Association and may affix the corporate seal thereto. The Board of Directors shall have the power to designate the agents who shall have authority to execute any instrument in behalf of the Association.

SECTION 3. BOOKS AND RECORDS. The Association shall keep books and records of account and minutes of the proceedings of its Board of Directors or any committee. The Association shall keep at its registered office records containing the names and addresses of all its Directors. Any of such books, records or minutes may be in

written form or in any other form capable of being converted into written form. The Association shall convert into written form without charge any such record not in such form, upon written request of a person entitled to inspect them.

SECTION 4. YEAR END. The year end of the Association shall be the 31st day of December in each year.

SECTION 5. SEAL. If the Association has a corporate seal, it shall have inscribed thereon the name of the Association and the words "Corporate Seal" and "Michigan". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE X

AMENDMENTS

SECTION 1. AMENDMENTS. These By-Laws may be altered, amended or repealed or new By-Laws may be adopted at any regular or special meeting of the Board of Directors at which a quorum is present or represented, by the affirmative vote of a majority of the Directors then in office entitled to vote. Such action may be taken by written consent or at any meeting of the Board of Directors; provided, that if notice of any such meeting is required by these By-Laws, the notice of meeting shall contain notice of the proposed amendment, repeal or new By-Laws.

Effective Date: