

**BYLAWS OF
SOKOL INCORPORATED OF ENNIS, TEXAS
A Non-Profit Corporation**

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Ennis, Texas

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Article 1. Name and Location

- 1.1. The name of this corporation, which is a nonprofit corporation organized under the Texas Business Organizations Code, is Sokol Incorporated of Ennis, Texas (hereinafter "Social Club").
- 1.2. The principal office of the Social Club shall be situated at 2622 East Highway 34, Ennis, Texas 75119 or at such specific location within the State of Texas as the Board of Directors (hereinafter "Club Board") shall determine from time to time. The Social Club may also have such other offices as the Club Board determines from time to time.

Article 2. Purpose

- 2.1. General Purpose. The Social Club is organized and operated for the following general purposes:
 - a) Exclusively as a social club organized and operated for the pleasure and recreation of its members within the meaning of section 501(c)(7) of the Internal Revenue Code of 1986 (as amended) or the corresponding provision of any future United States internal revenue law.
 - b) To exercise such of the rights, powers, duties and authority of a nonprofit corporation organized under the Texas Business Organizations Code which are consistent with the preceding paragraph.
- 2.2. Specific Purposes. The specific purposes of the Social Club shall be charitable, patriotic, educational, social, and athletic and shall include, without limitation, the following:
 - a) To provide for training in good citizenship.
 - b) To provide physical training by teaching gymnastics, physical education, and athletics.
 - c) To provide moral training for all members.
 - d) To maintain a library dedicated to the teaching of Czech language, history, music, culture, and physical education.
 - e) To teach the above branches of learning to anyone who might apply on a purely nonprofit basis.

Article 3. Membership

- 3.1. Identity and Powers of Sole Voting Member. The sole voting member of the Social Club shall be American Sokol Organization Ennis, Texas (hereinafter the "Unit"). The Unit shall have the right to vote on those matters granted to members by the Texas Business Organizations Code, as well as any matters specified in these Bylaws, specifically including the following:
 - a) The election and removal of all directors on the Club Board.
 - b) The election and removal of all officers of the Social Club.
 - c) The adoption, amendment and/or repeal of any provision of the Articles of Incorporation and these Bylaws.
 - d) At its option, the adoption or ratification of the Social Club's capital budget, operating budget, mission statement, and strategic plan.
- 3.2. Manner of Acting. The Unit may act through its membership meetings, or between meetings of

the membership, through its Executive Board.

- 3.3. Privileges. The membership of the Unit may enjoy all the privileges of the Social Club.
- 3.4. Associate Members. The Social Club may have associate members (hereinafter "Social Members"). Social Members include all members who are not members of the Unit. Social Members shall have no voting rights.
- 3.5. Qualifications For Membership. Social Members shall consist of such persons as: 1) apply for membership on a form approved by the Club Board; 2) subscribe to the purposes and goals of the Social Club; 3) agree to abide by the Bylaws of the Social Club as amended from time to time; 4) are age 17 or older; 5) are citizens or legal residents of the United States; 5) demonstrate good character and habits; 6) have an appreciation of Czech, Slovak and Slavonic culture and heritage; and 7) observe the directives and polices of the Social Club.
- 3.6. Classes of Members. Social Members may be divided into different classes of membership. The classes and their terms and conditions of each class shall be determined by the Club Board and set forth in separate documents from these Bylaws.
- 3.7. Membership Dues. All Social Members shall pay annual membership dues to the Social Club in such amounts and in such manner as the Club Board determines from time to time. Each year the Club Board shall specify a date, and give all Social Members prior written notice thereof, when membership dues are due, and permit Social Members to pay their dues at any time ninety-one (91) days thereafter.
- 3.8. Termination of Membership. The membership of each Social Member will terminate upon the member's death, resignation, expulsion, or failure to pay dues as next described. Unless otherwise determined by the Club Board, each Social Member's membership will immediately terminate if his or her membership dues have not been paid within ninety-one (91) days after such member's dues were due. Social Members terminated as a result of expulsion may not renew their membership in the Social Club without obtaining the affirmative vote of at least two-thirds (2/3) of all the directors. Social Members terminated as a result of non-payment of dues may reactivate their membership in the Social Club within two years after such termination by the payment of all current and past due membership dues. Social Members terminated as a result of resignation or for non-payment of dues in excess of two years may renew their membership only by re-application for membership in the Social Club.
- 3.9. Suspension and Expulsion of Members. Any Social Member may be suspended or expelled from membership with or without cause upon the affirmative vote of at least two-thirds (2/3) of all the directors if, in the discretion of the Club Board as indicated by such vote, such suspension or expulsion would be in the best interests of the Social Club. Nothing in these Bylaws shall be construed as granting to any Social Member a continued membership or expectation of membership in the Social Club.
- 3.10. Acceptance of Members. Social Members shall be passed on and elected by the Club Board. No application for membership may be approved until the application has been filed with the Club President and approved by the Club President.
- 3.11. Preliminary Membership. The Club President, or a designated agent appointed by the Club President, may issue preliminary memberships in the Social Club without the approval of the Club Board for a period not exceeding seven (7) days on the request of an applicant for membership. A preliminary member has all of the privileges of a Social Member.

Article 4. Professional Coaches and Guests

- 4.1. Definition. A Professional Coach is a qualified instructor who is invited by the Club Board to provide instruction to members of the Social Club. A Professional Coach need not be a member of the Social Club.
- 4.2. Privileges. Each Professional Coach may enjoy all the privileges of the Social Club, except that they may not vote or hold any office within the Social Club unless they are also a voting member of the Unit. However, a Professional Coach may serve as a member of any committee of the Social Club.
- 4.3. Independent Contractor. Each Professional Coach is an independent contractor and must, as a condition of approval, either: 1) provide his or her own workers disability compensation insurance; or 2) sign a waiver of liability against the Social Club for any loss, expense or injury arising from the conduct of Social Club related business.
- 4.4. Approval. To become a Professional Coach, a candidate must submit a written personal resume to the Club Board and receive the approval of the Club Board.
- 4.5. Guests. Each member may bring one or more guests to Social Club activities, but no individual guest may attend more than three (3) activities per year as a guest. The Social Club may require guests to pay drop-in fees.
- 4.6. Responsibility For Guests. Each member shall be responsible for the conduct of, and indebtedness incurred by, all guests admitted to the Social Club's facilities at the member's request.
- 4.7. Prospective Members. A prospective member may be admitted to three (3) Social Club activities per season as a guest provided he or she is accompanied in person by a member who introduces such guest to the Club President, or in the absence of the Club President, one of the directors of the Social Club, at each such event attended.

Article 5. Directors

- 5.1. Powers. Subject to any limitations of the Articles of Incorporation, the Texas Business Organizations Code or these Bylaws, all corporate powers shall be exercised by, or under the authority of, and the business and affairs of the Social Club shall be controlled by the Club Board. 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 conduct, manage and control the affairs of the Social 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.
 - b) To designate any place for the holding of any Club Board meeting, to change the principal office of the Social Club for the transaction of 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 provisions of law.
 - c) To borrow money and incur indebtedness for the purpose of the Social Club and to cause to be executed and delivered therefor, in the Social Club's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt, and securities thereof.

- d) To manage in such manner as they may deem best, all funds and property, real and personal, received and acquired by the Social Club, and to distribute, loan or dispense the same or the income and profits therefrom.
 - e) To create such trusts, foundations, and subsidiaries, as the Club Board shall deem necessary and to appoint the trustees, directors, or other governing officials of such legal entities.
- 5.2. Number of Directors. The number of directors constituting the entire Club Board shall be a minimum number of six (6) and a maximum of eighteen (18). The number of directors may be determined from time to time by action of the Unit. No decrease in the number of directors shall shorten the term of any director then in office.
- 5.3. Qualifications for Office. Every director must be a voting member in good standing of the Unit. Each director must be as U.S. citizen. Each director shall serve without compensation except for reasonable expenses incurred for the Social Club. Each director shall be at least 18 years of age.
- 5.4. Election of Directors. All directors shall be elected by the Unit. The term of each director, upon being elected to office, shall begin at the beginning of the next calendar/fiscal year.
- 5.5. Term of Office. The regular term of office for each director shall be one (1) year, unless sooner terminated by death, incapacity, resignation or removal. All directors shall hold office until the expiration of the term for which each was elected, until a successor has been duly elected and qualified, or until the director's prior resignation or removal as hereinafter provided.
- 5.6. Nomination of Directors. All directors shall be nominated by the Unit. Nominations for directors may also be received from the floor during any meeting of the Unit at which directors are to be elected.
- 5.7. Removal, Resignation. Any director may resign from office at any time by giving written notice thereof to an officer of the Unit. Any director may be removed from such office, with or without cause, by a two-thirds (2/3) vote of the Unit. Cause for removal exists (without limiting other causes for removal) whenever a director:
- a) fails to attend three (3) consecutive regular meetings of the Club Board, notwithstanding that he or she otherwise qualifies for office;
 - b) is convicted of a felony;
 - c) has committed a material breach of his or her fiduciary duty;
 - d) has committed an act of moral turpitude; or
 - e) ceases to be a member in good standing of the Unit while in office as a director.
- 5.8. Existence of Vacancies. A vacancy in the Club Board exists in case of the happening of any of the following events:
- a) The death, incapacity, resignation, or removal of any director.
 - b) The authorized number of directors is increased.
- 5.9. Filling of Vacancies. Any vacancy occurring on the Club Board may be filled by a vote of the Unit. A director so chosen shall serve for the balance of the unexpired term of the vacant office. If the Unit accepts the resignation of a director, tendered to take effect at a future time, the Unit may elect a successor to take office when the resignation becomes effective for the balance of the unexpired term of the resigning director. However, the Unit has the power to fill or leave

unfilled, until the next election, all vacancies occurring on the Club Board, including those created by an authorized increase in the number of directors.

- 5.10. Place and Number of Meetings. Meetings of the Club Board shall be held at any place which has been designated from time to time by resolution of the Club Board or by written consent of all directors. In the absence of such designation, meetings shall be held at the principal office of the Social Club. The Club Board shall hold at least three (3) meetings each calendar year.
- 5.11. Special Meetings. Special meetings of the Club Board for any purpose(s) may be called at any time by the Club President, or if the Club President is absent, or unable or refuses to act, by one-third (1/3) of the directors then in office.
- 5.12. Notice of Meetings. A regular meeting of the directors may be held without prior notice. Notice of the time and place of special meetings of the Club Board shall be given personally to the directors or sent by mail or other form of communication, charges prepaid, addressed to the director at their address as shown upon the records of the Social Club at least three (3) days in advance of such meeting. Such notice shall state the general nature of the business to be considered at the special meeting.
- 5.13. Quorum and Voting. A quorum will consist of at least one-third (1/3) of the total number of directors. Every act or decision done or made by a majority of the directors present at a meeting duly held, at which a quorum was present, shall be regarded as the act of the Club Board, unless a greater number is required by law or by the Articles of Incorporation or by these Bylaws. Each director present shall be entitled to one (1) vote.

Voting by proxy may be permitted. A director present by proxy at a meeting may not be counted toward a quorum. The proxy must be executed in writing by the director and expires three (3) months after the date the proxy is executed. A proxy is revocable unless otherwise provided by the proxy or made irrevocable by law.

A director may participate in any meeting of the directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this paragraph constitutes presence in person at the meeting.

The transactions of any meetings of the Club Board, however called an 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.

- 5.14. Presumption of Assent. A director who is present at any meeting of the directors, or a committee thereof of which the director is a member, at which action on a corporate matter is taken, is presumed to have assented to such action unless a dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as the secretary of the meeting before or promptly after the adjournment thereof. A director who is absent from a meeting of the Club Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a dissent with the Club Secretary of the Social Club within a reasonable time after obtaining knowledge of the action.
- 5.15. Action By Unanimous Written Consent. Any action required or permitted to be taken by the Club Board may be taken without a meeting and with the same force and effect as if taken by a

unanimous vote of directors, if authorized by writing signed individually or collectively by all directors. Such consent shall be filed with the regular minutes of the Club Board.

- 5.16. Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Article 6. Officers

- 6.1. Responsibility. All officers are subordinate and responsible to the Club Board.
- 6.2. Number and Selection. The Unit shall elect a Club President, a Club Secretary and a Club Treasurer, and may elect one or more Club Vice-Presidents, Assistant Club Secretaries, Assistant Club Treasurers, and such other offices as it may determine. Any two or more offices may be held by the same person except the offices of Club President and Club Secretary. The Club President shall be an ex-officio member of the Club Board and have voting rights. Each officer shall hold office until a successor is elected and qualified, or until the officer's resignation, death or removal. Vacancies in offices shall be filled by election by the Unit at any time to serve unexpired terms.
- 6.3. Resignation and Removal. The resignation of any officer shall be tendered in writing to any other officer and shall be effective as of the date stated in the resignation. Any officer may be removed during their term by majority vote of the Club Board whenever, in their judgment, removal would serve the best interests of the Social Club. Such removal shall terminate all authority of the officer, except that any rights to compensation and other perquisites shall depend on the terms of the officer's employment and the circumstances of removal. Furthermore, any officer may be removed from such office, with or without cause, by a two-thirds (2/3) vote of the Club Board at any regular or special meeting of the Club Board called expressly for that purpose.
- 6.4. Club President. The Club President shall be chief executive and operating officer of the Social Club, and subject to the direction and under the supervision of the Club Board, shall have general charge of the business affairs and property of the Social Club. The Club President shall preside at all meetings of the Club Board. The Club President shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned by these Bylaws or the Club Board.
- 6.5. Club Vice-President. At the request of the Club President, or in the Club President's absence or disability, the Club Vice-President shall perform the duties of the Club President. When so acting, the Club Vice-President shall have all the powers of, and be subject to all the restrictions upon the Club President. The Club 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 Club President or the Club Board or as may be provided in these Bylaws.
- 6.6. Club Secretary. The Club Secretary shall cause to be kept at the principal office of the Social Club, the Club Secretary's principal place of business, or such other place as the Club Board may order, the official seal of the Social Club (if any), the membership book, and a book of minutes of all meetings of directors. The Club Secretary shall keep a membership book containing names and addresses of each Social Member, and the date upon which the membership ceased. The Club Secretary shall also maintain and protect a file of all official and legal documents of the Social Club. The Club 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 Club Board.

- 6.7. Club Treasurer. The Club Treasurer shall have custody of all Social Club funds; keep full and accurate accounts of all receipts and disbursements of the Social Club; an inventory of assets, and a record of the liabilities of the Social Club; deposit all money and other securities in such depositories as may be designated by the Club Board; disburse the funds of the Social Club as ordered by the Club President or Club Board taking proper vouchers for disbursements; and prepare all statements and reports required by law, by the Club President or by the Club Board. The Club Treasurer shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned by these Bylaws, the Club Board, or the Club President. The Club Board or the Club President may delegate all or part of the authority and duties of the Club Treasurer to subordinate officers.
- 6.8. Salaries. The salaries of the officers, if any, of the Social Club shall be fixed from time to time by the Club Board. The Club Board may delegate to any officer the authority to fix the salary or other compensation of subordinate officers. No officer or subordinate officer shall be prevented from receiving such salary by reason of the fact that such officer is also a director of the Social Club. The Club Board may make provision for continuance, for a reasonable period, of a reasonable portion of the salary of any officer who may become disabled during their term of office.
- 6.9. Annual Transition. To maintain Social 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 Social Club's financial accounts and signature cards.

Article 7. Prohibited Activities

- 7.1. Actions Jeopardizing Tax Status. The Social Club shall not carry on any activities not permitted to be carried on by an organization exempt from federal income taxes under section 501(c)(7) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law.
- 7.2. Private Inurement. No part of the net income or net assets of the Social Club shall inure to the benefit of, or be distributable to, its directors, officers, or members. Specifically, Social Club revenue generated from nonmembers shall not be used to the personal advantage of the members (such as in reduced dues, improved facilities, and the like). However, the Social Club is authorized to pay reasonable compensation to employees for services actually rendered and to make payments and distributions in furtherance of its tax exempt purposes.
- 7.3. Non-Discrimination. In the conduct of all aspects of its activities, the Social Club shall not discriminate on the grounds of race, color, national origin or gender.
- 7.4. Conflicts of Interest. A conflict of interest occurs when a person under a duty to promote the interests of the Social Club (a "fiduciary") is in a position to promote a competing interest instead. Fiduciaries include all Social Club employees, directors or officers, and members of any Social Club committee. Undisclosed or unresolved conflicts of interest are a breach of the duty to act in the best interests of the Social Club and work to the detriment of the Social Club.
- 7.5. Typical Conflict Situations. Conflicts of interest are likely to arise whenever: a) a fiduciary has a personal interest in a vendor of goods or services to the Social Club; or b) Social Club employees are loaned to other organizations, or the employees of another organization are

loaned to this Social Club.

- 7.6. Discharging Conflicts of Interest. All conflicts of interest must be disclosed to the Club Board. After disclosure is made, the individual with a conflicting interest must not participate in judging the merits of that interest. That is, such individual must abstain from voting on, or recommending a course of action with respect to, the situation giving rise to the conflict. When these are done, the conflict of interest has been properly discharged.
- 7.7. Preventing Conflict Situations. The Social Club, through the Club Board, shall encourage all fiduciaries to prevent conflicts of interest where possible.
- a) Fiduciaries should refuse to enter into self-dealing relationships with the Social Club as a vendor.
 - b) Fiduciaries should not accept anything but gifts of insubstantial value from vendors.
 - c) The lending of employees to, or acceptance of loaned employees from, other organizations should be avoided. If done, however, a clearly drafted contract defining wages, responsibilities, indemnification and conditions of employment is required.
- 7.8. Litigation. The Social Club shall not be a voluntary party in any litigation without the prior written approval of the Club Board.

Article 8. Other Financial Matters

- 8.1. Property of the Social Club. The title to all property of the Social Club, both real and personal, shall be vested in the Social Club.
- 8.2. Disposition Upon Dissolution. Upon the dissolution or winding up of the Social Club, or in the event it shall cease to engage in carrying out the purposes and goals set forth in these Bylaws, all of the business, properties, assets and income of the Social Club remaining after payment, or provision for payment, of all debts and liabilities of the Social Club, shall be distributed to a nonprofit fund, association, or corporation which is organized and operated exclusively for tax exempt purposes which are reasonably related to the purposes and goals of the Social Club, as may be determined by the Club Board of the Social Club in its sole discretion, and which has established its tax exempt status under section 501(c)(7) of the Internal Revenue Code of 1986, as amended.
- 8.3. Contracts. The Club Board 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 Social Club. Such authority may be general or confined to a specific instance. Unless so authorized by the Club Board, no officer, agent, or employee shall have any power or authority to bind the Social Club by any contract or engagement, or to pledge its credit, or render it pecuniarily liable for any purpose or to any amount. When the execution of any contract or other instrument has been authorized by the Club Board without specification of the executing officer, the Club President, either alone or with the Club Secretary or any Assistant Club Secretary, may execute the same in the name of, and on behalf of, the Social Club, and any such officer may affix the corporate seal (if any) of the Social Club thereto.
- 8.4. Voting Stock Owned by the Social Club. The Club Board may by resolution provide for the designation of the person who shall have full power and authority on behalf of the Social 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 Social 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 Social Club might have possessed and exercised if present. The Club Board may revoke any such powers as granted at its pleasure.

- 8.5. Financial Accounts. The Social Club may establish one or more checking accounts, saving accounts or investment accounts with appropriate financial entities or institutions as determined in the discretion of the Club Board to hold, manage or disburse any funds for Social Club purposes. All checks, drafts or other orders for the payment of money, and all notes or other evidences of the indebtedness issued in the name of the Social Club, shall be signed by such officer(s) or agent(s) of the Social Club, and in such manner, as is determined by the Club Board from time to time.
- 8.6. Appointment and Employment of Advisors. The Club Board may from time to time appoint, as advisors, persons whose advice, assistance and support may be deemed helpful in determining policies and formulating programs for carrying out the Social Club's purposes. The Club Board is authorized to employ such persons, including an executive officer, attorneys, accountants, agents and assistants as in its opinion are needed for the administration of the Social Club and to pay reasonable compensation for services and expenses thereof.
- 8.7. Financial Statements and Reports. An independent auditor appointed or approved by the Club Board shall at such time as the Club Board determines prepare for the Social Club as a whole a consolidated financial statement, including a statement of combined capital assets and liabilities, a statement of revenues, expenses and distributions, a list of projects and/or organizations to or for which funds were used or distributed, and such other additional reports or information as may be ordered from time to time by the Club Board. The auditor shall also prepare such financial data as may be necessary for returns or reports required by state or federal government to be filed by the Social Club. The auditor's charges and expenses shall be proper expenses of administration.
- 8.8. Limitations on Debt. No debt shall be incurred by the Social 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 Social Club unless authorized by the Club Board. Specifically, without limitation, no loan shall be made to any officer or director of the Social Club. Any director or officer who assents to or participates in the making of any such loan shall be liable, in addition to the borrower, for the full amount of the loan until it is fully repaid.
- 8.9. Liability of Directors and Officer. No director or officer of the Social Club shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to the Social Club's assets for payment. Further, neither any officer, the Club Board nor any of its individual members shall be liable for acts, neglects or defaults of an employee, agent or representative selected with reasonable care, nor for anything the same may do or refrain from doing in good faith, including the following of done in good faith: errors in judgment, acts done or committed on advice or counsel, or any mistakes of fact or law.
- 8.10. Liability of Members. No member of the Social Club shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to the Social Club's assets for payment.
- 8.11. Property Interests Upon Termination of Membership. Members have no interest in the property, assets or privileges of the Social Club. Cessation of membership shall operate as a release and assignment to the Social Club of all right, title and interest of any member, but shall not affect any indebtedness of the Social Club to such member.

- 8.12. Fiscal Year. The fiscal year of the Social Club shall be maintained in conformity with the fiscal year of the Unit.

Article 9. Committees

- 9.1. Committee Powers. Committees of the Social Club shall be standing or special. The Club Board or the Club President may refer to the proper committee any matter affecting the Social Club or any operations needing study, recommendation, or action. The Club Board may establish such special or standing committees in addition to those specified in this Article 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 the Texas Organizations Business Code. The Club Board shall appoint the members of such committees. All committees shall act by majority vote, unless otherwise prescribed by the Club Board.
- 9.2. Limitations. Except in cases where these Bylaws or the Club Board has by written resolution provided otherwise, the function of any committee is as an advisory group to the Club Board. No member of any committee, without prior consent of the Club Board, has the authority to purchase, collect funds, open bank accounts, implement policy, or bind or obligate the Social Club or its Club Board in any way or by any means. All such powers are expressly reserved to the Club Board and the officers of the Social Club.
- 9.3. Committee Membership. The Club Board, acting upon the recommendation of the Club President, shall appoint the members of such committees, and also select a committee Chair. Persons other than directors may be appointed to such committees, but the Chair of each committee must be a director of the Social Club. The Club President shall be an ex-officio member of every committee. Every committee shall consist of at least two (2) persons, exclusive of the Club President. Committee members shall be appointed for one-year terms unless otherwise specified in these Bylaws. No member of any committee may serve more than two (2) consecutive terms on the same committee.
- 9.4. Special Committees. The Club Board may establish such special committees as it deems appropriate from time to time. Special committees shall have the duties and responsibilities as the Club Board shall designate from time to time.

Article 10. Indemnification

- 10.1. Right to Indemnification. Each person who was or is a party to or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal (hereinafter referred to as a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Social Club or, while serving as a director or officer of the Social Club, is or was serving at the request of the Social Club as a director, officer, partner, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, including service with respect to employee benefit plans, whether the basis of the proceeding is alleged action in an official capacity as a director, officer, employee, or agent or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Social Club to the fullest extent authorized by state law, as it exists or may be amended (but, in the case of any such amendment, only to the extent that the amendment permits the corporation to provide broader indemnification rights

than state law permitted the Social Club to provide before the amendment), against all expenses, liability, and loss (including attorney fees, judgments, fines, ERISA excise taxes, or penalties and amounts to be paid in settlement) reasonably incurred by the person in connection therewith, and the indemnification shall continue for a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors, and administrators; provided, however, that except as provided in the next section with respect to proceedings seeking to enforce rights to indemnification, the Social Club shall indemnify any such person seeking indemnification in connection with a proceeding, or part thereof, initiated by the person only if the proceeding, or part thereof, was authorized by the Club Board of the Social Club. To the extent authorized by state law, the Social Club may, but shall not be required to, pay expenses incurred in defending a proceeding in advance of its final disposition. The right to indemnification conferred in this article shall be a contract right.

- 10.2. Non-Exclusivity of Rights. The right to indemnification conferred in this article shall not be exclusive of any other right that any person may have or acquire under any statute, provision of the articles of incorporation, bylaw, agreement, vote of stockholders or disinterested directors, or otherwise.
- 10.3. Indemnification of Employees and Agents of the Social Club. The Social Club may, to the extent authorized from time to time by the Club Board, grant rights to indemnification and to payment by the Social Club, for expenses incurred in defending any proceeding before its final disposition, to any employee or agent of the Social 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 Social Club.
- 10.4. Insurance. The Social Club may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Social Club, or is or as serving at the request of the Social Club as a director, officer, partner, 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 Social Club would have power to indemnify the person against the liability under these bylaws or the laws of the state of Texas.
- 10.5. Changes in Texas Law. If there is any change of the Texas statutory provisions applicable to the Social 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 Social Club to provide broader indemnification rights than the provisions permitted the Social Club to provide before the change. Subject to the next Section, the Club Board is authorized to amend these bylaws to conform to any such changed statutory provisions.
- 10.6. Amendment or Repeal of Article. No amendment or repeal of this Article shall apply to or have any effect on any director, officer, employee, or agent of the Social Club for or with respect to any acts or omissions of the director, officer, employee, or agent occurring before the amendment or repeal.
- 10.7. Impact of Tax Exempt Status. The rights to indemnification set forth in this Article are expressly conditioned upon such rights not violating the Social Club's status as a tax exempt organization described in section 501(c) of the Internal Revenue Code of 1986, as amended.

Article 11. Amendments To Bylaws

- 11.1. Adoption. These Bylaws may be amended or new Bylaws adopted upon the affirmative vote of a two-thirds (2/3) of the Unit. The Club Board may also propose bylaws amendments, but all such proposals must be approved by the Unit.
- 11.2. Inspection of Bylaws. The original or copy of these Bylaws, as amended or otherwise altered to date, certified by the Club Secretary, shall at all times be kept in the principal office of the Social Club for the transaction of business, and shall be open to inspection by the Unit and officers and directors of the Social Club at all reasonable times during office hours.