

BY-LAWS

SISTER CITY ASSOCIATION OF CHELSEA, MICHIGAN, INC.

ARTICLE I

ORGANIZATION AND PURPOSE

Section 1. Name and Organization. The name of the organization shall be the "**Sister City Association of Chelsea, Michigan, Inc.**" It shall be organized on a directorship, non-stock basis.

Section 2. Purpose. The purpose of the organization shall be to cause the people of the Village of Chelsea, Michigan, and its surrounding area and the people of similar cities of foreign nations to acquire a consciousness of each other, to foster as a consequence of such knowledge and consciousness a continuing relationship of mutual concern between the people within and around the Village of Chelsea, Michigan, and the people of similar cities of other nations, to undertake any activities and programs as will provide to one another appropriate aid and comfort, education and mutual understanding, and to encourage other organizations and residents of American communities to engage and participate in such programs, and for such other purposes not inconsistent with status as a tax exempt charitable organization under Internal Revenue Code Section 501(c)(3).

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

Section 3. Nondiscrimination. In carrying out its activities the organization shall not discriminate on the basis of sex, race, color, religion, creed, national or ethnic origin, or marital status.

Section 4. Dissolution. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or 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 disposed of shall be disposed of by the court of appropriate jurisdiction of the county in which the principal office of the organization 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.

Section 5. Inurement. No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the organization 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 the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not, participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities nor permitted to be carried on (a) by an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Term of Office. The business and property of the Corporation shall be managed by a Board of Directors initially consisting of three (3) Directors, which number shall be determined from time to time by resolution of the Board. The Directors shall, except as hereinafter otherwise provided for filling vacancies, be elected at the annual meeting of the Board to serve until successors are elected and qualified.

Section 2. Vacancies and Additional Directors. Vacancies in the Board of Directors may be filled at a special meeting, and each person so elected shall be a Director until a successor is elected by the Board of Directors who may make such election at the next annual meeting of the Board of Directors or at any special meeting called for that purpose and held prior thereto.

Newly created Directorships resulting from any increase in the authorized number of Directors may be filled by the affirmative vote of a majority of the Directors then in office, but the term of any Directors so elected shall expire at the next succeeding annual meeting of the Board of Directors.

Section 3. Place of Meetings. The meetings of the Board of Directors may be held at such place, in the State of Michigan or elsewhere, as a majority of the Directors may from time to time determine.

Section 4. Annual Meeting. The Board of Directors shall meet each year for the purpose of organization, election of officers and directors whose terms are expiring and consideration of any other business that may properly be brought before the meeting. No notice of any kind to either old or new members of the Board of Directors for such annual meeting shall be necessary.

Section 5. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by direction of the President or by a majority of the Directors.

Written notice of the time, place and purpose or purposes of every such meeting shall be given each Director by mailing the same to each Director's address as the same shall appear for such purpose on the records of the Corporation at least two (2) days before the meeting. At any meeting at which a majority of the Directors shall be present, even though without the notice herein provided, any business may be transacted.

Section 6. Quorum. Subject to the provisions of Section 2 of this article, a majority of the Board of Directors shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors, unless otherwise provided by law, the Articles of Incorporation or the Bylaws.

Section 7. Books. The Directors may cause the books of the Corporation, except such as are required by law, to be kept within the state, outside of the State of Michigan, at such place or places as they may from time to time determine.

Section 8. Compensation of Directors. Directors shall not receive any salary for their services; but, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attending any regular or special meeting of the Board or of any committee thereof; provided, however, that nothing herein contained shall be construed as precluding any Director from serving the Corporation in any other capacity and receiving the compensation therefor.

Section 9. Committees. The Directors may appoint such committees of the Board of Directors as the Board of Directors deems appropriate for the accomplishment of the purposes of the Corporation. The Board of Directors may appoint such agents and committees of agents on behalf of the Corporation as the Board deems appropriate.

ARTICLE III

OFFICERS

Section 1. Officers. The Board of Directors of the Corporation shall elect a President, a Secretary and a Treasurer, and may select one or more Vice-Presidents, Assistant Secretaries, Assistant Treasurers and a Chairperson of the Board. No one of such officers, except the President and Chairperson of the Board, need be a Director, but a Vice-President who is not a Director cannot succeed to or fill the office of President. Any two (2) offices, except those of President and Vice-President, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity. The Board of Directors may also appoint such other officers and agents as they may deem necessary for the transaction of the business of the Corporation. All officers and agents shall respectively have such authority and

perform such duties in the management of the property and affairs of the Corporation as may be delegated by the Board of Directors. The Board of Directors shall have power to fill any vacancies in any office occurring for whatever reason. The Board of Directors may secure the fidelity of any or all of such officers by bond or otherwise. Officers shall serve at the pleasure of the Board of Directors.

Section 2. Powers and Duties of the President. The President shall be the Chief Executive Officer of the Corporation, and, subject to the control of the Board of Directors, shall have general charge and control of all its business and affairs and shall supervise the other officers and agents of the Corporation in the performance of their regular duties. The President shall preside at all meetings of the Board of Directors unless a Chairperson of the Board has been appointed.

Section 3. Powers and Duties of Vice-Presidents. Vice-Presidents of the Corporation shall have such powers and perform such duties as shall from time to time be assigned by them by these By-Laws or by the Board of Directors.

Section 4. Powers and Duties of the Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Board of Directors in books provided for that purpose. The Secretary shall attend to the giving or serving of all notices of the Corporation and may sign with the President or Vice-President, in the name of the Corporation, all contracts when authorized so to do either generally or in special instance by the Board of Directors, and, when so ordered by the Board of Directors, the Secretary shall affix the seal of the Corporation thereto. The Secretary shall have charge of all books and papers as the Board of Directors shall direct, all of which shall at all reasonable times be open to the examination of any Director and shall, in general, perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors.

Section 5. Powers and Duties of the Treasurer. The Treasurer shall have custody of all of the funds and securities of the Corporation which may come into the Treasurer's hands. The Treasurer may endorse on behalf of the Corporation for collection checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depository or depositories as the Board of Directors may designate. The Treasurer may sign all receipts and vouchers for payment made to the Corporation and shall enter or cause to be entered regularly in the books of the Corporation kept for the purpose full and accurate accounts of all monies received and paid on account of the Corporation, and, whenever required by the Board of Directors, shall render statements of such accounts. The Treasurer shall at all reasonable times exhibit the books and accounts to any Director of the Corporation and shall perform all the actions incident to the position of Treasurer, subject to the control of the Board of Directors.

Section 6. Compensation of Officers. The President and other officers of the Corporation shall be entitled to receive such compensation for their services as shall from time to time be determined by the Board of Directors.

Section 7. Absence of Officers. In the absence of any officer of the Corporation, or for any other reason which the Board of Directors may deem sufficient, the Board of Directors may delegate, for the time being, the powers or duties of any of them, or such officers, to any other officer or to any Director or Directors provided a majority of the Board of Directors concur therein.

ARTICLE IV

MISCELLANEOUS

Section 1. Corporate Seal. The Board of Directors may provide a suitable seal containing the name of the Corporation, which shall be in the charge of the Secretary. If and when so directed by the Board of Directors, a duplicate of the seal may be kept and used by any officer of the Corporation designated by the Board.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

Section 3. Indemnification.

A. Third Party Actions. The Corporation shall indemnify any person who is a party or is threatened to be made a party to any threatened or actual action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that said person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation in such capacity against expenses (including attorney fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with said action, suit or proceeding if the individual acted in good faith and any manner reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such conduct was unlawful.

B. Action by or in Right of Corporation. The Corporation shall indemnify any person who is or was threatened to be made a party to any threatened or pending action or suit by or in the right of the Corporation to procure a judgment in favor of the Corporation by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation in such capacity against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with the action or suit, if the individual acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation.

C. Exception. The Corporation shall not indemnify any person claiming indemnification if that person shall have been adjudged to be liable to the Corporation; provided, however, that indemnification shall be made if and only to the extent that the court in which such action or suit was brought determines, upon application, that despite the adjudication of liability but in view of

all circumstances of the case, the person seeking indemnification is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

D. No Presumption of Fault. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, shall not of itself, create a presumption that the person seeking indemnification did not act in good faith and in a manner which is reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal action or proceeding, that such person had reasonable cause to believe that the conduct was unlawful.

Section 4. Records, Accounts. All accounts, records and memoranda shall be kept in books and papers supplied by the Corporation, and these and all vouchers, documents and other writings, whether in book form or otherwise, whether or not supplied by the Corporation, shall be subject to the control of the Board of Directors.

Section 5. Waivers of Notice. Notice of the time, place and purpose of any meeting required to be given under the provisions of these By-Laws may be waived by telegram, radiogram, cablegram or other writing by those not present and entitled to vote thereat either before or after the holding thereof.

Section 6. Bank Accounts, Checks, Drafts, etc. The officers of the Corporation shall establish and maintain bank accounts in the name of the Corporation, in such banks or depositories as the Board of Directors shall select. Any monies, checks, drafts and orders for the payment of money shall be deposited therein to the credit of the Corporation without undue delay, and all payments on behalf of the Corporation shall be made by check on any of such accounts.

All notes, checks, drafts and orders for the payment of money issued by this Corporation shall be signed on behalf of the Corporation by such officers or agents of the Corporation as the Board of Directors shall from time to time prescribe. The sale, transfer, assignment and/or conveyance of any of the assets of the Corporation shall be executed in the name of and on behalf of the Corporation by such officers of the Corporation as the Board of Directors shall from time to time prescribe; and, in the absence of such specification by the Board of Directors, the President may execute the same in the name of and on behalf of this Corporation or any Vice-President and the Secretary or Assistant Secretary may execute the same in the name of and on behalf of this Corporation.

ARTICLE V

AMENDMENTS

The Board of Directors shall have power to alter, amend, add to and repeal the Bylaws of the Corporation by a vote of a majority of the Board. The Board of Directors may make, alter, amend or add to the Bylaws without notice at any regular meeting, or at any special meeting, if the substance of such amendment be contained in the

notice of such special meeting, provided that the Board of Directors shall not make or alter any Bylaws fixing their qualification, classifications or term of office.

ARTICLE VI

ACTION BY UNANIMOUS WRITTEN CONSENT

Notwithstanding any other provision of these Bylaws, if and when the Board of Directors of this Corporation shall severally or collectively consent in writing to any action to be taken by the Corporation, such action shall be as valid a corporate action as though it had been authorized at a meeting of the Board of Directors, whether such consent is given before or after the action is taken, and said consent in writing and the action taken thereon shall be evidenced by appropriate memorandum in the Minute Book of this Corporation, and the execution of said consent in writing by the Board of Directors shall constitute a waiver of the notice requirements set forth in the statutes of the state of incorporation of this Corporation or Bylaws of this Corporation which might otherwise invalidate said action.

ARTICLE VII

DISALLOWED PAYMENTS TO OFFICERS

Any payments made to an officer of the Corporation, such as salary, commission, bonus, interest or rent, or entertainment expenses incurred by an officer which shall be disallowed in whole or in part as a deductible expense by the Internal Revenue Service, shall be reimbursed by such officer to the Corporation to the full extent of such disallowance. It shall be the duty of the Directors, as a Board, to enforce payment of each such amount disallowed. In lieu of payment by the officer, subject to the determination of the Directors, proportionate amounts may be withheld from an officer's future compensation payments until the amount owed to the Corporation has been recovered.