

BY-LAWS
OF THE
GRAY EAGLES FOOTBALL CLUB

Article I.
NAME AND PURPOSE

Section 1. This corporation shall be called the Gray Eagles Football Club (hereinafter "Club").

(a) The purposes of the Club are:

- (i) To receive, administer, invest, and expend funds in the form of scholarship aid to financially needy student athletes (male or female) involved with the football program at the Lock Haven University, subject to the requirements that such aid shall conform in all respects to applicable N.C.A.A. Regulations;
- (ii) To create an atmosphere of loyalty and pride toward Lock Haven University; and
- (iii) Such other lawful purposes within, and pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provisions of subsequent federal tax laws.

(b) The Club shall pursue and such purposes exercise all rights and powers conferred by the Pennsylvania Non-Profit Code, 15 PA. C.S. Section 701 et seq., if and as amended, upon non-profit corporation.

(c) The foregoing purposes are to be restricted as follows:

- (i) The Club shall not carry on any activities not permitted to be carried on or conducted by any organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law) or any regulations promulgated thereunder;
- (ii) No part of the net earnings of the Club shall inure to the benefit of, or be distributable to, its directors, trustees, officers, or other private persons, except that the Club shall be authorized and empowered to pay reasonable compensation for services rendered to or for the Club affecting one or more of its purposes and to make payments and distributions in furtherance of its corporate purposes as hereinbefore set forth;
- (iii) Upon dissolution of the Club, the Board of Trustees shall, after paying or making provision for the payment of all liabilities of the Club, distribute all of the assets of the Club to such organizations recognized as exempt under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law) as the Board of Trustees shall determine. Any

such assets not so distributed shall be distributed by the Court of Common Pleas of the county in which the principal office of the Club is located, exclusively to such organization or organizations, in accordance with the termination of the Court.

Article II.
MEMBERSHIP

Section 1. All alumni and friends of the Lock Haven University are eligible for membership. All persons who wish to support the purpose of the Club and to share in its work will be considered active members. A current list of the members shall be maintained by the Club; however, except to the extent necessary to carry over the legitimate functions and activities of the Club, the content of such list shall remain confidential.

Article III.
BOARD OF TRUSTEES

Section 1. The Board of Trustees shall consist of not less than 5 and not more than 10 individuals. All members of the Board of Trustees shall be selected from time to time from the membership of the Club subject to approval by a majority vote of the Executive Committee of the Board of Trustees.

Section 2. A member of the Board of Trustees of this Club shall stand in a fiduciary relation to this Club and shall perform his duties as a Trustee, including his duties as a member of any committee of the Board of Trustees upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interest of this Club, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his duties, a Trustee shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

1. One or more officer or employees of this Club whom the Trustee reasonably believes to be reliable and competent in the matters presented.
2. Counsel, public accountant or other persons as to matters which the Trustee reasonably believes to be within the professional or expert competence of such persons.
3. A committee of the Board of Trustees upon which he does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Trustee reasonably believes to merit confidence.

A Trustee shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause his reliance to be unwarranted.

Section 3. In discharging the duties of their respective positions, the Board of Trustees, committees of the Board of Trustees and individual Trustees may, in considering the best

interests of this Club, consider the effects of any actions upon employees, upon suppliers and beneficiaries of this Club and upon communities in which offices or other establishments of this Club are located, and all other pertinent factors. The consideration of these factors shall not constitute a violation of Section 2 hereof.

Section 4. Absent breach of fiduciary duty, lack of good faith or self-dealing actions taken as a Trustee or any failure to take any action shall be presumed to be in the best interest of this corporation.

Section 5. A Trustee of this Club shall not be personally liable for the monetary damages as such for any action taken, or for failure to take any action, unless:

- (i) The Trustee has breached or failed to perform the duties of his office under Section 2 through 4 hereof; and
- (ii) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

Section 6. The provisions of Section 5 hereof shall not apply to:

- 1. The responsibility or liability of a Trustee pursuant to any criminal statute; or
- 2. The liability of a Trustee for the payment of taxes pursuant to local, state or federal law.

Article IV.
EXECUTIVE COMMITTEE

Section 1. The affairs of the Club shall be managed by the Executive Committee of the Board of Trustees.

Section 2. The Executive Committee of the Board of Trustees will consist of members of the Board of Trustees.

Section 3. Membership upon the Executive Committee shall be for a period of one (1) year and may be renewed annually. Appointment to the Executive Committee shall be made by majority vote of the Officers of the Board of Trustees at the first regular meeting in September.

Section 4. The Executive Committee shall consist of a minimum of 4 and a maximum of 5 regular members who shall assume their duties at the first regular meeting in October.

Article V.
OFFICERS

Section 1. The Officers of the Club shall be a President, a Vice-President, a Treasurer, and a Secretary.

Section 2. The Officers shall serve for a term of two (2) years but may succeed themselves as stated herein.

Section 3. The President shall chair the Board of Trustees and the Executive Committee and shall serve for no more than four (4) consecutive years.

Article VI.
ELECTION OF OFFICERS

Section 1. All persons elected or appointed as an officer of the Board of Trustees shall be a member of the Executive Committee prior to their election or appointment.

Section 2. The election of officers shall take place during the last regular meeting of the Executive Committee in each odd number year. Elected Officers shall assume their duties on the first day of the Fiscal Year.

Section 3. When an office, other than the President, is vacated prior to the end of the term, the President shall be empowered to appoint a member from the Executive Committee to fill the vacancy for the balance of the term. If the President vacates his office, his replacement shall be elected as prescribed in these by-laws.

Section 4. Nomination of candidates for the officers shall be made by the members of the Executive Committee.

Section 5. Nominees receiving the highest number of votes from the Executive Committee members present on the date of the election shall be declared elected.

Section 6. Elections may be by written ballot or by voice count.

Article VII
QUORUM

Section 1. A quorum for a meeting shall be fifty (50) percent plus one of the members of the Executive Committee.

Article VIII
TENURE/DUTIES OF OFFICERS

Section 1. All officers' terms of office shall be for a term of two (2) years.

Section 2. The duties of the President shall be to preside at all meetings and to appoint committees in accordance with these by-laws. The President will present an annual budget for review and adoption to the Executive Committee at the regular meeting in September.

Section 3. In case of absence or incapacity of the President, the Vice-President shall perform the duties of the President.

Section 4. The duties of the Secretary shall be to keep minutes of all meetings of the Club and to attend to all clerical work of the Club and to assume the chair in case of absence or incapacity of the President and Vice-President.

Section 5. The duties of the Treasurer shall be to take charge of the finances of the Club; to administer to all monetary matters that arise within the Club and to assume the chair in case of the absence or incapacity of the President, Vice-President, and Secretary.

Article IX.

INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

Section 1. This Club shall indemnify any Trustee or officer, and may indemnify any other employee or agent, who was or is a party to, or is threatened to be made a party to or who is called as a witness in connection with any threatened, pending or completed action, suite or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of this Club, by reason of the fact that he is or was a Trustee, Officer, employee or agent of this Club, or is or was serving at the request of this Club as a director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding unless the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Section 2. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the By-Law agreement, contract, vote of the membership or disinterested directors or pursuant to the direction, how so ever embodied, of any court of competent jurisdiction or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. It is the policy of this Club that indemnification of, and advancement of expenses to, Trustees and officers of this Club shall be made to the fullest extent permitted by law. To this end, the provisions of the Article IX shall be deemed to have been amended for the benefit of the Trustees and officers of this Club effective immediately upon any modification of the Business Corporation Law of the Commonwealth of Pennsylvania (the "BCL"), the Nonprofit Corporation Law (the "NPCL") or the

Directors' Liability Act of the Commonwealth of Pennsylvania (the "DLA") which expands or enlarges the power or obligation of corporations organized under the BCL, the NPCL, or subject to the DLA to indemnify, or advance expenses to, trustees and officers of the Club.

Section 3. This Club shall pay expenses incurred by a Trustee or director, and may pay expenses incurred by any other employee or agent, in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by this Club.

Section 4. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a trustee, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 5. This Club shall have the authority to create a fund of any nature, which may, but not need be, under the control of an independent trustee, or otherwise secure or insure in any manner, its indemnification obligations, whether arising under these By-Laws or otherwise. This authority shall include, without limitation, the authority to:

- (i) Deposit funds in trust or in escrow;
- (ii) Establish any form of self-insurance;
- (iii) Secure its indemnity obligation by grant of a security interest, mortgage or other liens on the assets of this Club; or
- (iv) Establish a letter of credit warranty or surety arrangement for the benefit of such persons in connection with the anticipated indemnification or advancement of expenses contemplated to by this Article IX. The provisions of this Article IX shall not be deemed to preclude the indemnification of, or advancement of expenses to, any person who is not specified in Seciton 7 of this article IX but whom this Club has the power or obligation to indemnify, or to advance expenses for, under the provisions of the BCL, the NPCL, the DLA or otherwise. The authority granted by this Section 5 shall be exercised by the Executive Committee of the Board of Trustees of this Club.

Article X.
MEETINGS

Section 1. A regular meeting of the Club shall be held once a month during each calendar year unless otherwise decided by the Executive Committee.

Seciton 2. Special meetings may be called by the President at any time if the need arises.

Article XI.
FISCAL YEAR

Section 1. The fiscal year shall begin on September 1 of each year and continue through August 31 of the succeeding year.

Article XII
SCHOLARSHIP

Section 1. The revenue generated yearly from the funds of the Club will be made available for disbursement to the Lock Haven University football program awarded annually as scholarships.

Section 2. Revenues awarded for scholarship will be valued and dispersed by formula in accordance with the Spending Policy set forth in the Investment Policy statement, a copy of which is attached and incorporated herein as Exhibit A.

Changes to the Investment Policy statement may occur by a two-thirds (2/3) vote of those present of the Executive Committee at any regular meeting. Disbursement of said revenue must be consistent with all NCAA and LHU regulations.

Section 3. Any revenue available each year for disbursement for scholarship aid which is not awarded for whatever reason will be reinvested.

Section 4. The scholarship will be awarded in honor of the friends and alumni of the Lock Haven University football program.

Article XIII
AMENDMENT

Section 1. These By-Laws may be amended by a two-thirds (2/3) vote of those present of the Executive Committee at any regular meeting, provided written notice of such amendment has been given to each member of the Executive Committee two weeks prior to the meeting.

Article XIV
PARLIAMENTARY PROCEDURES

Section 1. Robert's Rule of Order, Revised, shall be the authority governing all matters of procedure not otherwise specified in these By-Laws.