

**ARTICLES OF FORMATION OF
THE ROTARY CLUB OF SPACE CENTER, HOUSTON, TEXAS
AN UNINCORPORATED NONPROFIT ASSOCIATION**

These Articles of Formation are adopted pursuant to the applicable provisions of Chapter 252 of the Texas Business Organizations Code pertaining to Unincorporated Nonprofit Associations.

Article I - Entity Name and Type

The name and type of entity being formed are: The Rotary Club of Space Center, Houston, Texas, a Texas Unincorporated Nonprofit Association (hereinafter “Club”).

Article II - Purpose

The Club is organized as a “fraternal organization” for purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986 (the “Code”), and the Texas Tax Code, Section 11.18. In particular the Club is a Rotary Club officially chartered by Rotary International (RI) and a member club of Rotary District 5890.

Article III - Restrictions and Limitations

Notwithstanding the foregoing or anything to the contrary herein, the Club may not:

- A. Engage in any activity or take any action prohibited by the applicable provisions of the Texas Business Organizations Code.
- B. Pay any dividend or distribute any part of the income of the Club to its members, directors or officers, except as reimbursement for authorized expenditures on behalf of the Club. Neither members, directors, or officers shall be paid compensation for services rendered.
- C. Make loans to the members of the Club’s Board.
- D. Engage in any activities, except to an insubstantial degree, that are not in furtherance of the purpose or purposes of Rotary International and in accordance with the Constitution and Bylaws of RI and the Club.
- E. Conduct or carry on any activities not permitted to be conducted or carried on by an organization under Section 501(c)(4) of the Internal Revenue Code and its regulations.
- F. Serve any private interest except if clearly incidental to the public benefit provided by the Club.
- G. Allow any of the Club’s service funds to financially benefit of the members of the Club.

- H. Engage in more than an insubstantial degree in the carrying on of propaganda, or otherwise attempting, to influence legislation, and the Club shall not directly or indirectly participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office, except as allowed by Internal Revenue Code and its regulations.

Article IV - Registered Office and Registered Agent

The Club is not required to have, but may voluntarily have as determined by its Board, a registered office or registered agent by notification filed with the office of the Texas Secretary of State.

Article V - Governing Authority

Management of the affairs of the Club is vested in its Board which consists of its six officers and nine directors. The names of the members of the Board who are to serve as directors until their successors are elected and qualified are:

<u>Office</u>	<u>Name</u>
President	David Coney
President Elect	Michael Dennard
Secretary	Marilyn Musial
Treasurer	Sheryl Berg
Sergeant at Arms	Scott Rainey
Immediate Past President	Jon McKinnie
Director	Kippy Caraway
Director	Rae DeCastro
Director	Michael Duckworth
Director	William Geissler
Director	J. W. Lowes, III
Director	John Nugent
Director	Phil Sandlin
Director	Robert Taggart
Director	Travis Vermeer

Members of the Board must be Active members of the Club (as defined by its Constitution and Bylaws). If at any time, an officer or director ceases to be an Active member, his or her directorship shall at such time become vacant.

Article VI - Organizational Structure

The Club will have members, both Active and Honorary, as elected in accordance with its Constitution and Bylaws.

Article VII - Power to Amend Bylaws Reserved by Members

The power to amend the Bylaws is reserved exclusively to the members if previously approved by the Board.

Article VIII - Indemnification

To the full extent permitted by the applicable provisions of Title 1, Chapter 8 of the Texas Business Organizations Code and other applicable law, the Club may advance or reimburse expenses to and indemnify any present and former directors and officers of the Club and persons serving or formerly serving at the request of the Club as directors and officers against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratative or investigative, any appeal in such action, suit or proceeding and any inquiry or investigation that could lead to such an action suit or proceeding, because the person is or was acting in one of the capacities set forth above.

Article IX - Contracts or Transactions with Interested Directors, Officers and Members

This provision applies only to a contract or transaction between the Club and one or more of its directors or officers, or between the Club and an entity or other organization in which one or more of the Club's directors or officers is a managerial official or has a financial interest.

An otherwise valid contract or transaction is valid notwithstanding that a director, officer, or member of the Club is present at or participates in the meeting of the Board, of a committee of the board, or of the members that authorizes the contract or transaction, or votes or signs, in the person's capacity as a director, a unanimous written consent of Board to authorize the contract or transaction, if: (1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by (a) the Club's Board or the members, and the Board, the members in good faith and with ordinary care authorize the contract or transaction by the approval of the majority of the disinterested members of the Board or members, regardless of whether the disinterested members of the Board or members constitute a quorum; or (b) the members entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the members; or (2) the contract or transaction is fair to the Club when the contract or transaction is authorized, approved, or ratified by the Board or the members. Common or interested of the Board or members of the Club may be included in determining the presence of a quorum at a meeting of the Board, a committee of the board, or members that authorizes the contract or transaction.

Article X - Board Consent Required For Fundamental Action

The affirmative vote of only a majority of the members Board shall be sufficient to approve a Fundamental Action (as the term is defined by Section 22.164 of the Texas Business Organizations Code, as amended from time to time).

Article XII - Distribution of Assets Upon Winding Up

After all liabilities and obligations of the Club in the process of winding up are paid, satisfied and discharged, the property of the Club shall be applied and distributed in accordance with section 22.304, Texas Business Organizations Code.

Article XIII - Effective Date

These Articles of Formation become effective when approved by the Board but shall be effective retroactive to date the Club's charter was forfeited by the Texas Secretary of State, and it is specifically provided that during any gap in time, the Club has been an unincorporated nonprofit association as such exists under the common law and case law of the State of Texas.

Article XIV - Execution

These Articles of Formation were approved by the Board on August 17, 2010, 2010.

Attest:

Marilyn Musial

Marilyn Musial, Secretary