

**BY-LAWS
OF
CHAMPIONSHIP KART
RACING ASSOCIATION, INC.**

Article I. Name

The name of this nonprofit organization shall be CHAMPIONSHIP KART RACING ASSOCIATION, INC. and it shall hereafter be referred to in these By-Laws as the "Corporation".

Article II. Offices

The headquarters and principal offices of the Corporation shall be maintained in Eastlake, Ohio.

Article III. Purposes

This Corporation is organized and shall be operated exclusively for the following purposes:

- A. Said corporation is organized for the social, fellowship and recreational benefit of its members, including the organization and the conducting of amateur sprint go-kart racing in Northeast Ohio and the dissemination of information regarding karting among its members. To purchase, lease or otherwise acquire, and hold, own, use and operate real and personal property in furtherance of such purpose. It is the intent that the corporation qualifies as a tax-exempt social and recreational club pursuant to Internal Revenue Code Section 501(c)(3) or similar type statute.
- B. To accept, solicit, receive, hold, invest, reinvest, and use funds and property furnished by members, any governmental subdivision, unit or agency, individuals in the community or the general public, exclusively to carry out the foregoing objectives.
- C. To develop and implement programs for the benefit of and to further the development of the Corporation in any manner, including encouraging cooperation with federal, state, local and private agencies to carry forward the purposes of the Corporation.
- D. To use all of the assets of the Corporation for the purposes of the Corporation and the Corporation shall not allow any of the assets of the Corporation to inure to the benefit of any firm or corporation except those being given assistance by the Corporation while the Corporation is pursuing its authorized purposes.

- E. To do all other things determined by the Corporation to be in any way related to its purpose.
- F. To have and exercise all the rights and powers confirmed on nonprofit corporations under the Ohio Non-Profit Corporation Law, as such is now in effect or may at any time hereafter be amended. .

Article IV. Members

Section 1 MEMBERSHIP

Members shall consist of two (2) classes: Voting members and Associate Members. Associate Members are further defined as one of three types.

- (a) Voting Members. The Voting Members of the Corporation shall be all of the Trustees of the Corporation. Voting Members shall be entitled to attend all meetings of the Corporation and shall have the right to enter into discussions at such meetings and determine the policy of the Corporation and shall have one vote per member at all meetings of the members.
- (b) Annual Associate Members. Annual Associate Members shall consist of all persons, families, corporations or entities who make full payment to the Corporation in the amount determined by the Trustees for an Annual Membership. Such Annual Associate Members shall be entitled to membership during the fiscal year during which they make full payment of their annual membership fee to the Corporation. Annual Associate Members shall be entitled to attend meetings of the Corporation and may enter into discussion at any such meeting but they shall not be entitled to vote at such meetings. Annual Associate Members do have the right to nominate and vote for the officers and trustees at the Annual Meeting of the Corporation. Each Annual Associate membership is entitled to one vote at such meetings.
- (c) Race Day Associate Members. Race Day Associate Members shall consist of all persons who are not Annual Associate Members or Voting Members who make a financial contribution to the Corporation in the amount determined by the Trustees for a Race Day Membership. Such Race Day Associate Members shall be entitled to membership during the same day which they make a financial contribution to the Corporation. A Race Day Associate membership is in effect for one day allowing the Race Day Associate Member to participate in the Corporation's competition event. Race Day Associate Members shall not be entitled to attend meetings of the Corporation and as such, may not enter into discussion at any such meeting nor shall they not be entitled to vote at such meetings. If at such time, the amount of Race Day Membership financial contributions is equal to or greater than the Annual Associate Membership financial contribution, then said Race Day Associate Member will automatically become an Annual Associate Member.

- (d) Practice Day Associate Members. Practice Day Associate Members shall consist of all persons who are not Annual Associate Members or Voting Members who make a financial contribution to the Corporation in the amount determined by the Trustees for Practice Day fees. Such Practice Day Associate Members shall first be entitled to membership during the same day which they make a financial contribution to the Corporation for Practice Day fees. Practice Day Associate Members shall not be entitled to attend meetings of the Corporation and as such, may not enter into discussion at any such meeting nor shall they be entitled to vote at such meetings. Practice Day Associate Members are not entitled to participate in Corporation competition events without either becoming an Annual Associate Member or a Race Day Associate Member. There is no limit to the number of Practice Day Associate memberships that may be secured during the fiscal year.

Section 2 TRANSFER OF MEMBERSHIP

Membership in the Corporation shall not be transferable, however any member who is not an individual may change the individual designated to represent it at meetings.

Section 3 TERMS OF MEMBERSHIP

Annual Associate Membership in the corporation and the rights that carries commences with the full payment of yearly dues and continues, with membership in good standing, until the end of the fiscal year, at which point all memberships are automatically terminated.

Race Day Associate Membership in the corporation and the rights that carries is valid for the day of full payment only entitling the bearer to participate in the day's competition event and automatically expires at the completion of the day's competition event.

Practice Day Associate Membership in the corporation and the rights that carries is valid for the day of full payment only entitling the bearer to participate in the day's practice activities and automatically expires at the completion of the day's practice activities.

Article V. Meetings of the General Membership of the Corporation

Section 1 ANNUAL MEETING OF THE CORPORATION

There shall be an annual meeting of the members of the Corporation held between the 1st day of January and the 31st day of May of each year in the State of Ohio on a day and at a time and place determined by the Board of Trustees. This meeting shall be open to members of the Corporation and invited guests only and no one else shall be permitted to attend. At the annual meeting, the Board of Trustees, the Officers and the various Committee Chairpersons shall report to the membership on their activities and the activities of the Corporation during the prior year, and the Treasurer shall give a financial report.

The annual meeting shall also be open for a general discussion of the activities of the Corporation and all members of the Corporation who attend the meeting shall have the right to ask questions of the Board of Trustees and the Officers of the Corporation regarding the activities of the Corporation.

The Trustees of the Corporation shall be elected by the Annual Associate Members at the annual meeting. Written notice of the annual meeting shall be sent to all members not less than ten (10) nor more than sixty (60) days prior to the date of the meeting.

The members of the Corporation present at such annual meeting shall constitute a quorum for the conduct of business at such meeting.

Section 2 SPECIAL MEMBERSHIP MEETINGS

Special Meetings of the members may be called at any time by the order of the Board of Trustees. A Special Meeting of the members of the Corporation shall be called upon the written request of two (2) members of the Board of Trustees by said members making such request in writing to the Secretary of the Corporation.

Article VI. Trustees

Section 1 POWERS

The corporate powers, property and affairs of the Corporation shall be exercised, conducted and controlled by the Board of Trustees.

Section 2 NUMBER AND TENURE AND TERM OF TRUSTEES

The Board of Trustees shall consist of no more than nine (9) members or less than three (3) members.

The Trustees shall serve one (1) year terms except as otherwise provided by these By-Laws.

The Officers shall serve two (2) year terms except as otherwise provided by these By-Laws.

Any Trustee who shall fail to attend three (3) consecutive Board of Trustee meetings may be removed from the Board of Trustees by the affirmative vote of the members of the Board of Trustees at a meeting called for such purposes.

Section 3 APPOINTMENT AND ELECTION OF TRUSTEES

The Trustees shall be elected by a majority vote of a quorum of the Annual Associate members in good standing either present at the annual meeting of the membership or by approved mail in ballot. Nominations for Trustees may be made by Annual Associate members or the Board of Trustees prior to the annual meeting.

Section 4 REMOVAL OF TRUSTEES

Trustees shall be required to attend at least sixty percent (60%) of the meetings of the Board of Trustees held in any calendar year. If any Trustee fails to attend sixty percent (60%) of the meetings, said Trustee shall automatically be removed as a Trustee of the Corporation and his seat as a Trustee shall become vacant and shall be filled as hereinafter provided for vacancies among the Trustees.

Section 5 VACANCIES

Any vacancy among the Trustees by reason of death, resignation or any other circumstances shall be filled by an election or appointment, as the case may be, of a new Trustee to fill the unexpired term of the Trustee who has left the Board, at the first meeting of the Trustees held after a Trustee has left the Board.

Section 6 COMPENSATION

There will be no compensation or reimbursement of expenses paid to Trustees for attending meetings of the membership or of the Board of Trustees.

Section 7 MEETINGS

The Trustees shall determine the number of meetings held by them in the course of a year, but shall in no year hold less than four (4) meetings.

Special meetings may be called at any time by the President of the Corporation, by any other two (2) officers of the Corporation, or by any three (3) Trustees.

Section 8 QUORUM AND PROCEDURE OF MEETINGS

Three (3) members of the Board of Trustees shall constitute a quorum for all meetings of the Trustees. The vote of a majority of a quorum shall be required to pass resolutions except where a greater number is provided for in these By-Laws.

Section 9 COMMITTEES

The Board of Trustees, in its discretion, may constitute and appoint Committees to assist in the supervision, management and control of the affairs of the Corporation, with responsibilities and powers appropriate to the nature of the committees and as provided by the Board of Trustees in the resolution of appointment or in subsequent resolutions or directives. Such committees may include the following: insurance committee, personnel committee, compensation and audit committee, and public relations committee. Each committee shall be composed of members of the Corporation and shall include a member of the Board of Trustees, and the President. The members thereof shall serve at the pleasure of the Board of Trustees.

In addition to such obligations and functions as may be expressly provided for by the Board of Trustees, each committee so constituted and appointed by the Board shall from time to time report to the Board on corporate affairs within its particular area of responsibility and interest.

The President of the Corporation, with the consent of the Board of Trustees, may appoint such ad hoc committees as the President may feel appropriate, and may appoint individuals other than from the Board of Trustees to serve as resource members of said ad hoc committees.

Article VII. Officers

Section 1 GENERAL

The officers of the Corporation shall be a President, a Secretary, a Treasurer and, at the discretion of the Board of Trustees, one or more Vice Presidents. The Trustees may from time to time elect such additional Vice Presidents and may appoint such Assistant Secretaries, Assistant Treasurers and such other officers, subordinate officers and assistant officers as they may determine. All of the officers of the Corporation shall be members of the Corporation.

Section 2 ELECTION OF OFFICERS AND TERMS OF OFFICE

The Annual Associate Members in good standing shall elect the officers at its annual meeting. All officers shall be members of the Board of Trustees. All officers shall serve for a term of two (2) years, or until their successors are elected and qualified. Any officer may be elected to successive terms in the same office if not otherwise inconsistent with these By-Laws. The election of officers is staggered such that the President and Treasurer are elected when the Vice-President and Secretary are mid-term and vice-a-versa.

In the event of the death, resignation or disqualification of any officer, a successor to said officer shall be elected at the first meeting of the Board of Trustees held after the death, resignation or disqualification of said officer. The successor shall be elected to serve until the next annual meeting of the Trustees.

Section 3 PRESIDENT

The President shall be the principal representative of the Corporation.

The President shall perform all duties usually incident to such office and shall perform such other and further duties as may be from time to time requested of the President by the Board of Trustees.

Section 4 VICE PRESIDENT

The Vice President, if any, shall perform all duties of the President in the President's absence or during the President's inability to act, and shall have such other and further powers, and shall perform such other and further duties as may be assigned to the Vice President by the Board of Trustees.

Section 5 SECRETARY

The Secretary shall keep an accurate record of all transactions of the Trustees. The Secretary shall give all notices required by law and all notices provided for in the Articles of Incorporation and the By-Laws of the Corporation. The Secretary shall keep a proper Secretary's book and shall properly record therein all minutes of Trustees' meetings and such other matters as shall be proper and necessary. The Secretary shall perform such other duties as may be required of the Secretary by the Board of Trustees. At the expiration of the Secretary's term of office, the Secretary shall deliver all books, papers and property of the Corporation in the Secretary's hands to the President or the President's successor in office.

Section 6 TREASURER

The Treasurer shall receive and safely keep all monies and rights belonging to the Corporation and shall disburse the same under the direction of and to the satisfaction of the Board of Trustees. The Treasurer shall receive proper vouchers for disbursements and it shall be the Treasurer's duty to keep an accurate account of the finances of the Corporation on the books of the Corporation prepared and furnished for that purpose. The Treasurer shall render an account of the standing of the Corporation at the annual meeting of the Corporation and at such other times as the Board of Trustees may require. The Treasurer shall perform such other duties as may be required of the Treasurer by the President or Board of Trustees. At the expiration of the Treasurer's term of office, the Treasurer shall deliver all monies, property and rights of the Corporation in the Treasurer's hands to the President or the President's successor in office.

Section 7 COMPENSATION

The President and other officers shall receive no salary.

Article VIII. FINANCE

Section 1 AUTHORITY TO RECEIVE

The Corporation may receive gifts, bequests, devises, legacies and donations for such purposes as are within the general scope of the Corporation's purposes and powers. All money and property so received by the Corporation shall be administered in accordance with the purpose of the Corporation.

Section 2 DEPOSITS AND INVESTMENTS

The funds of the Corporation shall be deposited in such banks or other financial institutions as may be designated by the Board of Trustees. Funds not required for current needs of the Corporation are subject to the regulations and conditions contained in any specific donation, and shall be invested in such securities as the Board may direct in conformity with the laws of the State of Ohio. The Board of Trustees shall prescribe suitable regulations for the safekeeping of all property, money and securities of the Corporation.

Section 3 CHECKS

All checks, drafts and orders for the payment of money from the Corporation shall be signed by such officers or agents with such number of signatures required as the Board of Trustees shall specify by resolution.

Section 4 WITHDRAWAL OF SAVINGS AND WITHDRAWAL OF SECURITIES

Withdrawals from savings accounts in the name of the Corporation and withdrawals of securities owned by the Corporation from any safe deposit box or held by a custodian or trustee shall be withdrawn for Corporation purposes by such person or persons authorized by resolution of the Board of Trustees.

Section 5 SALE OF OR TRANSFER OF SECURITIES

Securities may only be sold or voted upon on behalf of the Corporation by persons authorized so to do by resolution of the Board of Trustees.

Section 6 BUDGET

The Board of Trustees shall generate a budget at the beginning of each fiscal year.

Section 7 BOND

The Board of Trustees may require the Treasurer or any other officer, agent or employee of the Corporation to give a bond for the faithful discharge of his duties in such amount as it shall determine.

Section 8 FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year .The fiscal year may be changed by a vote of two-thirds (2/3) of the Board of Trustees.

Section 9 ANNUAL REPORT

The Board of Trustees shall present at the annual meeting a written report giving a complete and itemized account of the finances and financial transactions of the Corporation during the previous year. The annual report shall list the money and the property of every kind, nature and description owned by the Corporation, showing where such funds or property are located, and the investment held

Article IX. Indemnification

The Corporation shall indemnify the Trustees, officers and other persons in the following manner:

- (a) The Corporation shall indemnify any person against expenses, including attorney fees, judgments, decrees, penalties, fines, amounts paid in settlement and liabilities actually and reasonably incurred by such person in connection with any threatened pending or completed action, suit or proceeding whether criminal, civil, administrative or investigatory, including all appeals, other than an action by or in the right of the Corporation, to which such person is, was or could reasonably be expected to be made a party by reason of the fact that such person is or was a trustee, officer, employee or agent of the Corporation, OF is or was serving as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise at the request of the Corporation, provided it is determined:
 - (1) that such person acted In good faith in what such person reasonably believed to be in or not opposed to the best interests of the Corporation; and
 - (2) that in any matter the subject of a criminal action, suit or proceeding such person has no reasonable cause to believe that such person's conduct was unlawful.

The termination of any claim, 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 such person did not meet the standards of conduct referred to in Paragraph (a) (1) or (a) (2) of this Article.

- (b) The Corporation shall indemnify any person against expenses, including attorney fees, judgments, fines, amounts paid in settlement and liability actually and reasonably incurred by such person in connection with any threatened pending or completed action, suit, or proceeding, whether criminal, civil, administrative, or investigatory by or in the right of the Corporation to procure a judgment in its favor to which such person is or could reasonably expect to be made a party or was made a party by reason of being or having been a trustee, officer, employee or agent of the Corporation, or is or was serving as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise at the request of the Corporation provided:
- (1) that such person acted in good faith and reasonably believed to-be in or not opposed to the best interests of the Corporation; and
 - (2) no indemnification shall be made under Paragraph (b) in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duties to the Corporation unless and only to the extent that the Court of Common Pleas or the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case such person is fairly and reasonably entitled to
 - (3) indemnity for such expenses which the Court of Common Pleas or such other court shall deem proper.
- (c) To the extent that any such person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Paragraph (a) or (b) or in the defense of any claim, issue, or matter therein, such person shall be indemnified against expenses actually and reasonably incurred in connection therewith without the determination specified above.
- (d) Any indemnification under Paragraph (a) or (b) of this Article, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of such person is proper in the circumstances because such person has met the applicable standard of conduct as set forth in Paragraph (a) or (b) of this Article. Such determination shall be made:

- (1) by a majority vote of a quorum of the Board of Trustees of the Corporation consisting of Trustees who were not and are not parties to or threatened with any such action, suit or proceeding; or
 - (2) if such a quorum is not obtainable or if a majority vote of the disinterested Trustees so directs, in a written opinion by independent legal counsel other than an attorney or a firm having associated with- it an attorney who has been retained by or who has performed services for the Corporation, or any person to be indemnified within the past five (5) years; or
 - (3) by the Court of Common Pleas or the court in which such action, suit or proceeding was brought.
- (e) Expenses, including attorney fees incurred in defending any action, suit or proceeding referred to in Paragraph (a) or (b) of this Article, may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Trustees, whether a disinterested quorum exists or not, in the specific case upon receipt of an undertaking by or on behalf of the person to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation as authorized in this Article.
- (f) The indemnification provided by this Article shall not be deemed exclusive of, or in any way to limit, any other rights to which any person seeking indemnification may be or may become entitled as a matter of law, by the articles, regulations, agreements, insurance, vote of members, vote of disinterested trustees or otherwise with respect to action in such person's official capacity, and shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.
- (g) (g) The Corporation may purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article or of the Ohio Non Profit Corporation Law.
- (h) (h) If any part of this Article should be found in any action, suit or proceeding to be invalid or ineffective the validity and the effect of the remaining parts shall not be affected.

Article X. Liquidation

On liquidation of the Corporation any funds of the Corporation shall be distributed to the Associate members prorata based upon each Associate member's prorata contribution to the Corporation.

Article XI. Parliamentary Authority

Robert's Rules of Order Newly Revised, shall be the authority on parliamentary procedure at any meeting of the duly constituted bodies of the Corporation. .

Article XII. Approval of and Amendment to these By-Laws

These By-Laws may be amended at any time by a vote of two-thirds (2/3) of the members of the Board of Trustees present at a meeting called for that purpose, provided at least a quorum is present.

Article XIII. Termination or Liquidation

In the event of the termination or liquidation or the Corporation existence for any reason, all of the assets of the Corporation shall be distributed in cash or in kind as determined by the Board of Trustees in their sole discretion to any organization which has previously qualified as tax exempt under Section 501 (c) (3) of the Internal Revenue Code as determined by the Board of Trustees in their sole discretion.