



## CITY COUNCIL ACTION REPORT

December 15, 2009

TO: John Szerlag, City Manager

FROM: Tonni L. Bartholomew, City Clerk

SUBJECT: Request for Recognition as a Nonprofit Organization Status from Milton A. Gust, Executive Secretary for the Order of *Ahepa District #10, Educational Foundation*

Background:

- Attached is a request from Milton A. Gust, Executive Secretary for the *Order of Ahepa District #10, Educational Foundation* seeking recognition as a nonprofit organization status for the purpose of obtaining a charitable gaming license for fundraising purposes.
- It has been City Management's practice to support the approval of all such requests.



THE ORDER OF AHEPA  
DISTRICT #10  
EDUCATIONAL FOUNDATION



To: Honorable Mayor City of Troy and City Council Members  
From: Mr. Milton A. Gust, Executive Secretary,  
Order of Ahepa District #10 Educational Foundation  
Subject: Recognition as a Non-Profit Organization for the  
Purpose of obtaining a gaming license  
Date: December 4, 2009

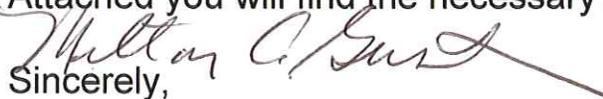
Dear Madam Mayor and City Council Members:

The Order of Ahepa District #10 Educational Foundation, has been in existence since 1975. Its main purpose is to give out educational scholarship awards to both high school seniors as well as college level students. The awards are both merit based as well as need based.

Since its inception our organization has given out in excess of \$325,000.00 to over 350 students state wide. In fact this past year 5 students who either live in Troy, or attend church services in Troy were recipients of our awards. This is not uncommon but since our existence, the City of Troy students have done well in receiving these awards.

We would like to secure with your help a gaming license so that we can have a raffle and with the proceeds from this raffle be able to give out additional awards. At present our lowest award is \$1,000.00.

Attached you will find the necessary documents that you have requested.

  
Sincerely,

Milton A. Gust  
Executive Secretary  
Order of Ahepa Dist.#10 Educational Foundation



Charitable Gaming Division  
 Box 30023, Lansing, MI 48909  
 OVERNIGHT DELIVERY:  
 101 E. Hillsdale, Lansing MI 48933  
 (517) 335-5780  
 www.michigan.gov/cg

## LOCAL GOVERNING BODY RESOLUTION FOR CHARITABLE GAMING LICENSES

(Required by MCL 432.103(K)(ii))

At a \_\_\_\_\_ meeting of the \_\_\_\_\_  
REGULAR OR SPECIAL TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD

called to order by \_\_\_\_\_ on \_\_\_\_\_  
DATE

at \_\_\_\_\_ a.m./p.m. the following resolution was offered:  
TIME

Moved by \_\_\_\_\_ and supported by \_\_\_\_\_

that the request from \_\_\_\_\_ of \_\_\_\_\_,  
NAME OF ORGANIZATION CITY

county of \_\_\_\_\_, asking that they be recognized as a  
COUNTY NAME

nonprofit organization operating in the community for the purpose of obtaining charitable

gaming licenses, be considered for \_\_\_\_\_  
APPROVAL/DISAPPROVAL

APPROVAL	DISAPPROVAL
Yeas: _____	Yeas: _____
Nays: _____	Nays: _____
Absent: _____	Absent: _____

I hereby certify that the foregoing is a true and complete copy of a resolution offered and adopted by the \_\_\_\_\_ at a \_\_\_\_\_  
TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD REGULAR OR SPECIAL

meeting held on \_\_\_\_\_  
DATE

SIGNED: \_\_\_\_\_  
TOWNSHIP, CITY, OR VILLAGE CLERK

\_\_\_\_\_  
PRINTED NAME AND TITLE

\_\_\_\_\_  
ADDRESS

COMPLETION: Required.  
 PENALTY: Possible denial of application.  
 BSL-CG-1153(R6/09)

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: SEP 26 2001

ORDER OF AHEPA DISTRICT 10  
EDUCATIONAL FOUNDATION  
1628 CRIMSON DR  
TROY, MI 48083-5535

Employer Identification Number:

DLN:

Contact Person:

DAVID V SCIAN

ID# 31369

Contact Telephone Number:

(877) 829-5500

Our Letter Dated:

April 1998

Addendum Applies:

No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Letter 1050 (DO/CG)

ORDER OF AHEPA DISTRICT 10

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Steven T. Miller  
Director, Exempt Organizations

## Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056  
 If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.  
 A User Fee must be attached to this application.  
 If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.  
 Complete the Procedural Checklist on page 7 of the instructions.

**Part I** Identification of Applicant

1a Full name of organization (as shown in organizing document) Order of Ahepa District #10 Educational Foundation		2 Employer identification number (EIN) (If none, see page 2 of the instructions.) 38 [REDACTED]
1b c/o Name (if applicable) Milton A. Gust		3 Name and telephone number of person to be contacted if additional information is needed Duane L. Tarnacki ( 313 ) 965-8264
1c Address (number and street) 1628 Crimson Drive	Room/Suite	
1d City or town, state, and ZIP code Troy, MI 48083		4 Month the annual accounting period ends June
5 Date incorporated or formed 12/23/96	6 Activity codes (See page 3 of the instructions.) 040	7 Check here if applying under section: a <input type="checkbox"/> 501(e)    b <input type="checkbox"/> 501(f)    c <input type="checkbox"/> 501(k)
8 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation. <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
9 Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see page 3 of the Specific Instructions). <span style="float: right;"><input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>		
10 Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form numbers, years filed, and Internal Revenue office where filed. <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		

- 11 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See Specific Instructions for Part I, Line 11, on page 3.) Get Pub. 557, Tax-Exempt Status for Your Organization, for examples of organizational documents.)
- a  Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
  - b  Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
  - c  Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here

*Milton A. Gust*  
 (Signature)

EXEC. SEC. - TREAS.  
 (Title or authority of signer)

1-5-98  
 (Date)

**Part II** Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

S E E    A T T A C H M E N T

- 2 What are or will be the organization's sources of financial support? List in order of size.

Individual and Chapter contributions and investment income.

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

S E E    A T T A C H M E N T

**Part II** Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

b Annual compensation

S E E     A T T A C H M E N T

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? . . . . .  Yes  No  
If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See Specific Instructions for Part II, Line 4d, on page 3.) . . . . .  Yes  No  
If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? . . . . .  Yes  No  
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? . . . . .  Yes  No  
If either of these questions is answered "Yes," explain.

S E E     A T T A C H M E N T

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? . . . . .  Yes  No  
If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization? . . . . .  Yes  No  
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

S E E     A T T A C H M E N T

**Part II** Activities and Operational Information (Continued)

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

N/A

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? . . . .  Yes  No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? . . . .  Yes  No

b Is the organization a party to any leases? . . . .  Yes  No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? . . . .  Yes  No  
If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues.

b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.

c What benefits do (or will) the members receive in exchange for their payment of dues?

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? . . . .  N/A  Yes  No  
If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? . . . .  N/A  Yes  No  
If "Yes," explain how the recipients or beneficiaries are or will be selected.

See the response to Schedule H.

13 Does or will the organization attempt to influence legislation? . . . .  Yes  No  
If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? . . . .  Yes  No  
If "Yes," explain fully.

**Part III** Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed?  Yes  No  
If you answer "Yes," do not answer questions on lines 2 through 7 below.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 8.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See Specific Instructions, Line 2a, on page 4;
- b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed?  Yes  No

If "Yes," your organization qualifies under section 4.01 of Rev. Proc. 92-85, 1992-2 C.B. 490, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 7.

If "No," answer question 4.

4 If you answer "No" to question 3, has the organization been contacted by the IRS regarding its failure to file Form 1023 within 27 months from the end of the month in which the organization was created or formed?  Yes  No

If "No," your organization is requesting an extension of time to apply under the "reasonable action and good faith" requirements of section 5.01 of Rev. Proc. 92-85. Do not answer questions 5 through 7.

If "Yes," answer question 5.

5 If you answer "Yes" to question 4, does the organization wish to request relief from the 15-month filing requirement?  Yes  No

If "Yes," give the reasons for not filing this application prior to being contacted by the IRS. See Specific Instructions, Line 5, on page 4 before completing this item. Do not answer questions 6 and 7.

If "No," answer question 6.

6 If you answer "No" to question 5, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed?  Yes  No

7 If you answer "Yes" to question 6 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here  and attach a completed page 1 of Form 1024 to this application.

**Part III** Technical Requirements (Continued)

- 8 Is the organization a private foundation?  
 Yes (Answer question 9.)  
 No (Answer question 10 and proceed as instructed.)

- 9 If you answer "Yes" to question 8, does the organization claim to be a private operating foundation?  
 Yes (Complete Schedule E.)  
 No

After answering question 9 on this line, go to line 15 on page 7.

- 10 If you answer "No" to question 8, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

## THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- |   |   |  |
|---|---|--|
| a | <input type="checkbox"/> As a church or a convention or association of churches<br>(CHURCHES MUST COMPLETE SCHEDULE A.)   | Sections 509(a)(1)<br>and 170(b)(1)(A)(i)                          |
| b | <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.)  | Sections 509(a)(1)<br>and 170(b)(1)(A)(ii)                         |
| c | <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a<br>medical research organization operated in conjunction with a<br>hospital (MUST COMPLETE SCHEDULE C.)   | Sections 509(a)(1)<br>and 170(b)(1)(A)(iii)                        |
| d | <input type="checkbox"/> As a governmental unit described in section 170(c)(1).   | Sections 509(a)(1)<br>and 170(b)(1)(A)(v)                          |
| e | <input type="checkbox"/> As being operated solely for the benefit of, or in connection with,<br>one or more of the organizations described in a through d, g, h, or i<br>(MUST COMPLETE SCHEDULE D.)  | Section 509(a)(3)  |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public<br>safety.  | Section 509(a)(4)  |
| g | <input type="checkbox"/> As being operated for the benefit of a college or university that is<br>owned or operated by a governmental unit.  | Sections 509(a)(1)<br>and 170(b)(1)(A)(iv)                         |
| h | <input checked="" type="checkbox"/> As receiving a substantial part of its support in the form of<br>contributions from publicly supported organizations, from a<br>governmental unit, or from the general public.  | Sections 509(a)(1)<br>and 170(b)(1)(A)(vi)                         |
| i | <input type="checkbox"/> As normally receiving not more than one-third of its support from<br>gross investment income and more than one-third of its support from<br>contributions, membership fees, and gross receipts from activities<br>related to its exempt functions (subject to certain exceptions). | Section 509(a)(2)  |
| j | <input type="checkbox"/> The organization is a publicly supported organization but is not sure<br>whether it meets the public support test of block h or block i. The<br>organization would like the IRS to decide the proper classification.   | Sections 509(a)(1)<br>and 170(b)(1)(A)(vi)<br>or Section 509(a)(2) |

If you checked one of the boxes a through f in question 10, go to question 15. If you checked box g in question 10, go to questions 12 and 13. If you checked box h, i, or j, in question 10, go to question 11.

**Part III** Technical Requirements (Continued)

- 11 If you checked box h, i, or j in question 10, has the organization completed a tax year of at least 8 months?  
 Yes—Indicate whether you are requesting:  
 A definitive ruling (Answer questions 12 through 15.)  
 An advance ruling (Answer questions 12 and 15 and attach two Forms 872-C completed and signed.)  
 No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the application.
- 12 If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

N/A

- 13 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here  and:  
 a Enter 2% of line 8, column (e), Total, of Part IV-A.  
 b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 13a above.
- 14 If you are requesting a definitive ruling under section 509(a)(2), check here  and:  
 a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see Specific Instructions, Part II, Line 4d, on page 3.)  
 b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

15 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete Schedule:
Is the organization a church? . . . . .		X	A
Is the organization, or any part of it, a school? . . . . .		X	B
Is the organization, or any part of it, a hospital or medical research organization? . . . . .		X	C
Is the organization a section 509(a)(3) supporting organization? . . . . .		X	D
Is the organization a private operating foundation? . . . . .		X	E
Is the organization, or any part of it, a home for the aged or handicapped? . . . . .		X	F
Is the organization, or any part of it, a child care organization? . . . . .		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.? . . . .	X		H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . .		X	I

**Part IV** Financial Data

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

**A. Statement of Revenue and Expenses**

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL	
	(a) From..... to	(b) 19.....	(c) 19.....	(d) 19.....		
Revenue	1 Gifts, grants, and contributions received (not including unusual grants—see pages 5 and 6 of the instructions) . . . . .					
	2 Membership fees received . . . . .					
	3 Gross investment income (see instructions for definition) . . . . .					
	4 Net income from organization's unrelated business activities not included on line 3 . . . . .					
	5 Tax revenues levied for and either paid to or spent on behalf of the organization . . . . .					
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge). . . . .					
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule) . . . . .		SEE ATTACHMENT			
	8 Total (add lines 1 through 7) . . . . .					
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22. . . . .					
	10 Total (add lines 8 and 9) . . . . .					
	11 Gain or loss from sale of capital assets (attach schedule). . . . .					
	12 Unusual grants. . . . .					
	13 Total revenue (add lines 10 through 12) . . . . .					
Expenses	14 Fundraising expenses . . . . .					
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .					
	16 Disbursements to or for benefit of members (attach schedule) . . . . .					
	17 Compensation of officers, directors, and trustees (attach schedule) . . . . .					
	18 Other salaries and wages . . . . .					
	19 Interest . . . . .					
	20 Occupancy (rent, utilities, etc.) . . . . .					
	21 Depreciation and depletion . . . . .					
	22 Other (attach schedule) . . . . .					
	23 Total expenses (add lines 14 through 22) . . . . .					
	24 Excess of revenue over					

**Part IV** Financial Data (Continued)

**B. Balance Sheet (at the end of the period shown)**

Current tax year  
Date:.....11/30/97

Assets			
1	Cash . . . . .	1	
2	Accounts receivable, net . . . . .	2	
3	Inventories . . . . .	3	
4	Bonds and notes receivable (attach schedule) . . . . .	4	
5	Corporate stocks (attach schedule). . . . .	5	
6	Mortgage loans (attach schedule) . . . . .	6	
7	Other investments (attach schedule) . . . . .	7	
8	Depreciable and depletable assets (attach schedule). . . . .	8	
9	Land . . . . .	9	
10	Other assets (attach schedule) . . . . .	10	
11	<b>Total assets (add lines 1 through 10)</b> . . . . .	11	-0-
Liabilities			
12	Accounts payable . . . . .	12	
13	Contributions, gifts, grants, etc., payable . . . . .	13	
14	Mortgages and notes payable (attach schedule) . . . . .	14	
15	Other liabilities (attach schedule) . . . . .	15	
16	<b>Total liabilities (add lines 12 through 15)</b> . . . . .	16	-0-
Fund Balances or Net Assets			
17	<b>Total fund balances or net assets</b> . . . . .	17	
18	<b>Total liabilities and fund balances or net assets (add line 16 and line 17)</b> . . . . .	18	-0-

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation

Schedule H. Organizations Providing Scholarship Benefits, Student Aid, etc., to Individuals

1a Describe the nature and the amount of the scholarship benefit, student aid, etc., including the terms and conditions governing its use, whether a gift or a loan, and how the availability of the scholarship is publicized. If the organization has established or will establish several categories of scholarship benefits, identify each kind of benefit and explain how the organization determines the recipients for each category. Attach a sample copy of any application the organization requires individuals to complete to be considered for scholarship grants, loans, or similar benefits. (Private foundations that make grants for travel, study, or other similar purposes are required to obtain advance approval of scholarship procedures. See Regulations sections 53.4945-4(c) and (d).)

SEE ATTACHMENT

b If you want this application considered as a request for approval of grant procedures in the event we determine that the organization is a private foundation, check here . . . . .

c If you checked the box in 1b above, check the boxes for which you wish the organization to be considered.

4945(g)(1)

4945(g)(2)

4945(g)(3)

2 What limitations or restrictions are there on the class of individuals who are eligible recipients? Specifically explain whether there are, or will be, any restrictions or limitations in the selection procedures based upon race or the employment status of the prospective recipient or any relative of the prospective recipient. Also indicate the approximate number of eligible individuals.

SEE ATTACHMENT

3 Indicate the number of grants the organization anticipates making annually . . . . .  16-18

4 If the organization bases its selections in any way on the employment status of the applicant or any relative of the applicant, indicate whether there is or has been any direct or indirect relationship between the members of the selection committee and the employer. Also indicate whether relatives of the members of the selection committee are possible recipients or have been recipients.

No members of the selection committee or their relatives are eligible for scholarship awards.

5 Describe any procedures the organization has for supervising grants (such as obtaining reports or transcripts) that it awards and any procedures it has for taking action if the terms of the grant are violated.

SEE ATTACHMENT

Order of Ahepa District #10 Educational Foundation  
1628 Crimson Drive  
Troy, MI 48083

**FORM 1023**  
**Part II, Line 1**

The Order of Ahepa (American Hellenic Educational Progressive Association), an organization described in Section 501(c)(8) of the Internal Revenue Code, was founded in Atlanta, Georgia in 1922 for the purpose of assisting all immigrants of Greek descent to achieve American citizenship through individual city chapters. Chapter meetings are based on the principles of American government, the use of, and increased fluency in, the English language and facilitating assimilation by encouraging members to participate actively in the civic life of their communities. Ahepa now spans the entire United States, Canada, Australia and the Bahamas. Although approximately 95% of the membership of Ahepa consists of American or Canadian citizens of Hellenic descent, membership is open to anyone who believes in the objectives of the Order. The Ahepa has three auxiliaries: The Daughters of Penelope - the senior women's auxiliary; the Maids of Athena - the young women's auxiliary; and the Sons of Pericles - the young men's auxiliary. Together, the Ahepa and its three auxiliaries make up the Ahepa "family." The Ahepa and each auxiliary consists of individual chapters operating under the lodge system.

In the state of Michigan, thirteen Ahepa and twelve Daughters chapters have joined to sponsor the order of Ahepa District #10 Educational Foundation. Each year, graduating high school seniors that are affiliated with the Ahepa family, the Greek Orthodox Church or are of Hellenic descent are honored at a banquet and awarded scholarships for exceptional high school academic and/or athletic achievements. Applications for these scholarships are distributed to the Greek Orthodox churches, all local Ahepa family chapters in the state of Michigan and local high schools. The scholarship program was established and has been operated as a program of the Order of Ahepa District #10 since 1975. Since that time, \$119,950 has been awarded to approximately 185 students. The student application for the 1997 program is attached hereto.

The Foundation was incorporated in the state of Michigan in 1996 as a non-profit organization. Upon receipt of the determination letter, the scholarship program will be transferred to the Foundation. It is the intent of the Board to use the interest from endowed scholarships and from annual chapter donations as well as membership in the E-Club, an auxiliary support group of the Order of Ahepa District #10 open to the general public whose minimal membership dues are used exclusively for scholarship awards, to provide the basis of monies that will be used to provide the scholarships to individual students.

The Foundation's Board consists of three members from the Order of Ahepa who are elected in staggered three-year terms as well as three Daughters of Penelope who are also elected in the same manner. Each year, one Ahepan and one Daughter of Penelope are elected at the District Convention to serve on the Board. In addition, the district governor of both the Ahepa and Daughters of Penelope are members of the Board by virtue of their title for their term of office. Finally, the Board has appointed an executive secretary-treasurer to run the day-to-day operations. Each year the Board, at its first meeting of the year after the district convention, elects within its membership a chairman and a vice chairman. Each year, the Board solicits scholarship funds and students. Scholarship funds are sought from and provided by civic-minded

Order of Ahepa District #10 Educational Foundation  
1628 Crimson Drive  
Troy, MI 48083

individuals and the respective Ahepa and Daughters of Penelope chapters in the state of Michigan.

**FORM 1023**  
**Part II, Line 3**

The Foundation's fundraising program includes an annual solicitation by the Board of Directors from individual contributors for the current year. Solicitation by the Board members each year involves sending solicitation letters to contributors from prior years and new prospects as identified by members of the Order of Ahepa District #10 and the Daughters of Penelope District #10. Thereafter, Foundation directors pursue the solicitation personally, by, for example, phone calls and personal visits. All such efforts are on a volunteer basis. Professional fund raisers are not used. A brochure is distributed describing the purpose of the solicitation. A memorial envelope is also distributed as a means of soliciting funds. Copies of the brochure and memorial envelope are attached.

Future activities that may be considered are a 25th anniversary dinner-dance and commemorative album and a recognition dinner-dance and commemorative album for memorial scholarship benefactors.

**FORM 1023**  
**Part II, Line 4(a)**

1997-1998 BOARD OF DIRECTORS

Ms. Beth Gregory (Chairman)  
919 Sunny Beach Blvd.  
White Lake, MI 48386

Dr. John G. Pappas (Vice Chairman)  
1843 Collegewood Dr.  
Ypsilanti, MI 48197

Mrs. Georgia Sekles  
4091 Fox Pointe Dr.  
Orchard Lake, MI 48323

Dr. Mike Syropoulos, District Gov. Order of Ahepa  
46602 Red River Dr.  
Macomb Twp., MI 48044

Mr. Ted Corakis  
District Lt. Gov. Order of Ahepa  
P.O. Box 312  
Oshtemo, MI 49077

Mr. Milton A. Gust (Exec.  
Secretary-Treasurer)  
1628 Crimson Drive  
Troy, MI 48083

Mrs. Anne Hulce  
1900 Weldon  
Ann Arbor, MI 48103

Mr. George Kallos  
20 Winfred Place  
Saginaw, MI 48602

George Papageorgiou  
5310 Longmeadow  
Bloomfield Hills, MI 48304

Order of Ahepa District #10 Educational Foundation  
1628 Crimson Drive  
Troy, MI 48083

Mrs. Perry Katsikas  
District Gov. Daughters of Penelope  
2533 Londonderry  
Ann Arbor, MI 48104

Mrs. Emily Cunningham  
District Lt. Gov. Daughters of  
Penelope  
1250 S. Oxford  
Grosse Pointe Woods, MI 48236

**FORM 1023**  
**Part II, Line 4(b)**

All directors and officers, other than the Executive Secretary-Treasurer, serve as unpaid volunteers. The Executive Secretary-Treasurer receives \$1,200 per year as an honorarium.

**FORM 1023**  
**Part II, Line 5**

The Foundation Board consists of individuals who come from Order of Ahepa and Daughters of Penelope chapters located in District #10 (state of Michigan), and who are elected at the annual Order of Ahepa and Daughters of Penelope District #10 convention. In addition, the Order of Ahepa and the Daughters of Penelope District #10 Governors are appointed as members of the Foundation Board by virtue of their respective positions for the duration of their terms of office

**FORM 1023**  
**Part II, Line 7**

The Foundation is financially accountable to the Order of Ahepa District #10 and Daughters of Penelope District #10 convention delegates. A detailed financial report is presented at each year's district convention. A copy of this annual report is given to each delegate and chapter representative for their files. A copy of the 1997 Annual Report is attached hereto.

Order of Ahepa District #10 Educational Foundation  
 1628 Crimson Drive  
 Troy, MI 48083



FORM 1023  
 PART IV, A. STATEMENT OF REVENUE AND EXPENSES

	ACTUAL		PROPOSED BUDGETS		TOTAL
	7/1/97- 11/30/97	12/23/96- 6/30/97	12/1/97- 5/30/98	6/1/98- 5/30/99	
Gifts, grants, and contributions received	\$0	\$0	\$11,225	\$11,800	\$23,025
Gross investment income	\$0	\$0	\$11,000	\$11,500	\$22,500
<b>TOTAL REVENUE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,225</b>	<b>\$23,300</b>	<b>\$45,525</b>
Contributions, gifts, grants, and similar amounts paid	\$0	\$0	\$12,000	\$12,500	
Secretarial Honorarium	\$0	\$0	\$1,200	\$1,200	
Lodging Expenses for Scholarship Recipients	\$0	\$0	\$1,000	\$1,100	
New Scholarship Designations	\$0	\$0	\$6,375	\$6,500	
Printing	\$0	\$0	\$250	\$300	
Office Supplies	\$0	\$0	\$400	\$500	
Telephone	\$0	\$0	\$500	\$600	
Postage	\$0	\$0	\$500	\$600	
<b>TOTAL EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,225</b>	<b>\$23,300</b>	
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

The Foundation has run its scholarship program since 1975 as a program of the Order of Ahepa District #10. Financial information for these years is available for review, although no distinction was made upon becoming a corporation in December, 1996. None of this money has been transferred to the corporation at this time.

Order of Ahepa District #10 Educational Foundation  
1628 Crimson Drive  
Troy, MI 48083

**FORM 1023**

**Schedule H. Organizations Providing Scholarship Benefits, Student Aid, etc. to  
Individuals**

**Line 1a**

The Foundation provides gifts of varying amounts between \$400 and \$1,100 to eligible applicants which do not have to be paid back to the Foundation. The availability of the scholarship is published by distributing applications to the Greek Orthodox churches, all local Ahepa family chapters in the state of Michigan and local high schools. Scholarship awards are to be used by the recipients for expenses related to their education, including tuition, fees, books, room and board, and other incidental expenses. A copy of the Scholarship Application is attached hereto.

**FORM 1023**

**Schedule H. Organizations Providing Scholarship Benefits, Student Aid, etc. to  
Individuals**

**Line 2**

To be eligible for a scholarship, an applicant must be a current high school student who is graduating in June of the year he or she is applying, must be scholastically qualified and must be of Hellenic descent and/or affiliated with the Order of Ahepa through its Order or its auxiliaries and/or related to a member of the Ahepa organization. The scholarship will be awarded with special emphasis on character and intelligence, capacity in chosen field as reflected in school work, scope of interest as reflected in extra-curricular activities, evidence of leadership and some financial need. There are absolutely no restrictions or limitations in the selection process based upon the race or employment status of the prospective recipient or any relative.

**FORM 1023**

**Schedule H. Organizations Providing Scholarship Benefits, Student Aid, etc. to  
Individuals**

**Line 5**

The scholarship recipients receive their non-renewable award with a letter stating that their endorsement of the check constitutes acknowledgment that the money will be used for expenses directly related to their college education. Because there are no scholarship renewals, the Foundation does not have any follow-up reporting requirements.

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU		
Date Received		(FOR BUREAU USE ONLY)
Name Margery Siegel Klausner		EFFECTIVE DATE:
Address Clark Hill P.L.C., 500 Woodward Ave., Ste. 3500		
City Detroit	State Michigan	

DOCUMENT WILL BE RETURNED TO NAME AND ADDRESS INDICATED ABOVE

**RESTATED ARTICLES OF INCORPORATION**  
For use by Domestic Nonprofit Corporations

*Pursuant to the provisions of Act 162, Public Acts of 1982, as amended (the "Act"), the undersigned Corporation executes the following Restated Articles:*

1. The present name of the Corporation is Order of Ahepa District #10 Educational Foundation.
2. The corporation identification number (CID) assigned by the Bureau is 746-105.
3. There are no former names of the Corporation.
4. The date of filing the original Articles of Incorporation was December 23, 1996.

*The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and shall be the Articles of Incorporation for the corporation:*

**ARTICLE I**

The name of the Corporation is Order of Ahepa District #10 Educational Foundation.

## ARTICLE II

The Corporation is organized to receive and administer funds exclusively for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), including the promotion and provision of scholarship opportunities to those who seek higher education and the perpetuation of American-Hellenic ideals and traditions. In addition, the Corporation will create, establish and promote educational programs for the enlightenment, progress and benefit of the members of the District #10 Order of Ahepa, its auxiliaries and the public in general. The Corporation will not be conferring degrees or certificates.

## ARTICLE III

The Corporation is organized on a nonstock basis.

As of June 18, 1997, the Corporation has no real property and has \$215,000 in cash.

The Corporation is to be financed under the following general plan: Annual Chapter obligations, memorial scholarship donations, membership fees in the Foundation's E-Club and general donations.

The Corporation is organized on a directorship basis.

## ARTICLE IV

The address of the current registered office is: 1628 Crimson Drive, Troy, Michigan 48083.

The name of the current resident agent is: Milton A. Gust.

## ARTICLE V

The Corporation will at all times be conducted as an organization described in Section 501(c)(3) of the Code. The Corporation will not carry on any activities which are not permitted to be carried on by (a) a corporation exempt from federal income tax under Section 501(c)(3) of the Code, (b) a corporation eligible to receive tax deductible contributions under Section 170(c) and Section 2055, Section 2522 or Section 2106 of the Code, or (c) a nonprofit corporation organized under the laws of the State of Michigan pursuant to the Act.

No part of the assets or net earnings of the Corporation may inure to the benefit of or be distributable to its Directors, officers or other private persons; provided, however, that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its charitable purposes.

No substantial part of the activities of the Corporation will be the carrying on of propaganda or otherwise attempting to influence legislation. The Corporation will not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office and shall not publish or distribute statements relating to political campaigns.

## ARTICLE VI

Except as otherwise provided by law, a volunteer Director or a volunteer officer of the Corporation is not personally liable to the Corporation for monetary damages for a breach of the Director's or officer's fiduciary duty.

The Corporation assumes all liability to any person other than the Corporation for all acts or omissions of a volunteer Director incurred in the good faith performance of his or her duties as a Director.

The Corporation assumes the liability for all acts or omissions of a volunteer Director or volunteer officer, provided that:

- (a) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- (b) the volunteer was acting in good faith;

(c) the volunteer's conduct did not amount to gross negligence or willful or wanton misconduct;

(d) the volunteer's conduct was not an intentional tort; and

(e) the volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle as described in Section 209(e)(v) of the Act.

#### ARTICLE VII

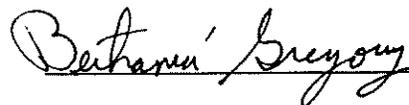
Upon the termination, dissolution or winding up of the Corporation, the Board of Directors will distribute all remaining assets of the Corporation for a purpose or to an organization consistent with the purposes for which this organization was established.

#### ARTICLE VIII

These Articles may be amended or repealed by a majority vote of the Directors of the Corporation then in office at any regular or special meeting of the Directors provided that any statutory notice requirements are met.

5. These Restated Articles of Incorporation were duly adopted on September 27, 1997, in accordance with the provisions of Section 642 of the Act. These Restated Articles of Incorporation restate, integrate, and do further amend the provisions of the Articles of Incorporation and were duly adopted by the members. The necessary number of votes were cast in favor of these Restated Articles of Incorporation.

Signed this 27th day of September, 1997.

Chairperson

# ORDER OF AHEPA DISTRICT #10 EDUCATIONAL FOUNDATION BYLAWS

## ARTICLE I

### Board of Directors

Section 1. Directorship. The Corporation is organized upon a directorship basis effective October 10, 1997. The property, business affairs of the Corporation will be managed by its Board of Directors.

Section 2. Number and Term of Office. The Board of Directors of this Corporation will consist of 4 Ahepans elected at the AHEPA District #10 Convention and 4 Daughters of Penelope (the "Daughters") elected at the Daughters' District #10 Convention.

The term of office of two of the Directors (one Ahepan and one Daughter) will be for four years, with the term of the remaining Directors being three years from the date of his or her election or appointment by the affirmative vote of a majority of the individuals present at each District Convention and continue until his or her successor has been elected and qualified, unless the Director is appointed to fill a vacancy, in which event it will be for the remainder of the term to which the Director is succeeding. The terms of these Directors will be staggered.

In addition to the foregoing members, the incumbent District Governors of the AHEPA and Daughters will function as voting members of the Board during their respective terms of office. The District Lt. Governors of both Orders will be members of the Board for their respective terms without voting powers in the absence of the Governor.

No other member of the District Lodges will be a member of the Board during his or her term of office.

The Directors may serve only two consecutive three-year or four-year terms. However, after a three-year absence, any person may again be elected or appointed to serve as a Director of the Corporation.

Section 3. Resignation, Removal and Vacancies. A Director may resign by written notice to the Corporation. The resignation will be effective upon its receipt by the Corporation or a subsequent time as set forth in the notice of resignation. A Director may be removed, either with or without cause, by the affirmative vote of a majority of the Directors then in office.

If a vacancy has occurred among the members of the Board as a result of death, resignation, removal, or otherwise, the vacancy may be filled by a majority vote of the Governor and Directors of the Lodge to which that member belongs. A member appointed to fill a vacancy occurring other than by expiration of a term shall be appointed until the following District Convention.

Section 4. General Powers as to Negotiable Paper. The Board of Directors may, from time to time, authorize the making, signature or endorsement of checks, drafts, notes and other negotiable paper or other instruments for the payment of money and designate the persons who will be authorized to make, sign or endorse the same on behalf of the Corporation.

Section 5. Powers as to Other Documents. All material contracts, conveyances and other instruments may be executed on behalf of the Corporation by the Chairman or any Vice Chairman, and if necessary, attested by the Executive Secretary.

Section 6. Compensation. Directors will serve without compensation but may be reimbursed for actual, reasonable and necessary expenses incurred by a Director in his or her capacity as a Director.

Section 7. Establishment of Non-voting Membership Classes. The Board has the right to establish classes of non-voting membership. Non-voting membership in the Corporation shall be open to individuals, organizations, institutions and corporations interested in advancing the purposes of the Corporation.

## ARTICLE II

### Meetings

Section 1. Annual Meetings. The annual meeting of the Directors of the Corporation will be held in conjunction with the Ahepa's District Convention and the Daughters' District Convention at a place designated by the Directors or at any other place and date as designated by the Directors for the purpose of installing Directors and officers for the ensuing year and for the transaction of other business properly brought before the meeting.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held without notice if the time and place of the meeting has been determined by resolution of the Board. At least one regular meeting of the Board must be held each year.

Section 3. Special Meetings. Special meetings of the Directors may be called by the Chairman and will be called by the Chairman or Executive Secretary at the direction of not less than two Directors or as may otherwise be provided by law. Special meetings will be held at the principal office of the Corporation unless otherwise directed by the Chairman or Executive Secretary and stated in the notice of meeting. Any request by the Directors must state the purposes of the proposed meeting.

Section 4. Notice of Meeting. Except as otherwise provided by these Bylaws or by law, written notice containing the time and place of all meetings of the Board of Directors will be given either personally or by mail to each Director not less than ten days before a regular meeting and not less than two days before a special meeting. Notice of a regular meeting need not state the purpose or purposes of the meeting nor the business to be transacted at the meeting. Notice of a special meeting must state the purpose of the meeting.

Attendance of a Director at a meeting constitutes a waiver of notice of the meeting, except where the Director attends the meeting for the express purpose of objecting to the transaction of any business the meeting was not lawfully called or convened.

Section 5. Quorum and Voting. A majority of all Directors will constitute a quorum at any meeting. The vote of a majority of the Directors present at a meeting at which a quorum is present will constitute the action of the Board of Directors, unless the vote of a larger number is required by law or by other sections of these Bylaws or the Articles of Incorporation.

Section 6. Conduct at Meetings. Meetings of the Directors will be presided over by the Chairman of the Board of Directors or, if the Chairman is not present, by the Vice Chairman or, if there is no Chairman or Vice Chairman or if the Vice Chairman is not present, by the Chairman to be chosen at the meeting. The Executive Secretary or, in his or her absence, a person chosen at the meeting will act as Secretary of the meeting.

Section 7. Action by Unanimous Written Consent. Any action required or permitted to be taken at an annual or special meeting of Directors may be taken without a meeting, without prior notice and without a vote, if all of the Directors consent in writing to the action so taken. Written consents will be filed with the minutes of the proceedings of the Board of Directors.

Section 8. Telephonic Conferences. A Director may participate in a meeting of Directors by conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other if all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

## ARTICLE III

### Officers

Section 1. Election or Appointments. The Board of Directors will elect a Chairman of the Board, Vice Chairman of the Board, an Executive Secretary of the Corporation, and a Treasurer of the Corporation at each annual meeting. The same person may hold any two or more offices, but no officer will execute, acknowledge or verify any instrument in more than one capacity. The Directors may also appoint any other officers and agents as they deem necessary for accomplishing the purposes of the Corporation.

Section 2. Term of Office. The term of office of all officers will commence upon their election or appointment and will continue until the next annual meeting of the Corporation and until their respective successors are chosen or until their resignation or removal. Any office (other than the Executive Secretary) may be removed from office at any meeting of the Directors, with or without cause, by the affirmative vote of a majority of the Directors then in office, whenever in their judgment the best interests of the Corporation will be served.

An officer may resign by written notice to the Corporation. The resignation will be effective upon its receipt by the Corporation or at a subsequent time specified in the notice of the resignation.

Section 3. Compensation. Any officer who is an employee of the Corporation will receive reasonable compensation for his or her services as fixed by the Board of Directors.

Section 4. Chairman of the Board. The Chairman of the Board will preside at all meetings of the Board of Directors. He or she will have those powers and duties prescribed by the Board of Directors.

Section 5. Vice Chairman. The Vice Chairman of the Board, in the absence or disability of the Chairman of the Board, will preside at all meetings of the Board of Directors. He or she will have those powers and duties prescribed by the Board of Directors.

Section 6. Executive Secretary. The Executive Secretary will perform all of the duties and obligations of the Secretary of the Corporation. The Executive Secretary will see that all orders and resolutions of the Board of Directors are carried into effect. The Executive Secretary will execute all authorized conveyances, contracts or other obligations in the name of the Corporation except where required by law to be otherwise signed and executed and except where signing and execution is expressly delegated by the Directors to some other person. The Executive Secretary will maintain records and documents, make all communications including notices of meetings and maintain minutes and correspondence. Additional duties may be prescribed by the Board. The Executive Secretary will receive a monthly honorarium as approved by the Board. The Executive Secretary will be remunerated for expenses approved by the Board. The Executive Secretary will submit semi-annual report: at the mid-year conference and at the District Convention. The appointment to fill this position will be by majority vote of the Board. The Executive Secretary term of office will be renewed automatically unless eight of the ten Board members, which must include both Governors, reject renewal prior to the commencement of the term. The Executive Secretary may also be removed upon the affirmative vote of eight of the ten Board members.

Section 7. Treasurer. The Treasurer will perform all of the duties and obligations of the Treasurer of the Corporation. The Treasurer is a volunteer position. The Treasurer will receive all funds directed to the Corporation and deposit them in the Corporation account or investments as directed by the Board. The Treasurer will be bonded and will submit semi-annual accountings of the Corporation funds to the District Governors of the AHEPA and the Daughters at the mid-year conference and at the District Conventions. The accountings will include, but not be limited to, a statement of the receipts and expenditures by the Corporation and the amount of funds available for scholarships. Additional duties may be prescribed by the Board. The Treasurer will be remunerated for expenses approved by the Board. The Treasurer will serve as the Chair of the Financial Sub-Committee. The Treasurer will serve for one year term of office which may be renewed by a majority vote of the Board. The Treasurer may also be removed upon the affirmative vote of eight of the ten Board members. The Treasurer shall be elected from within the elected Board members.

## ARTICLE IV

### Committees

Section 1. Committee. The Board of Directors may designate committees as deemed appropriate. The committees will have the authority as delegated to them by the Board of Directors.

Section 2. Procedure. All committees, and each member thereof, will serve at the pleasure of the Board of Directors. The Board of Directors will have the power at any time to increase or decrease the number of members of any committee, to fill vacancies thereon, to change any member thereof, and to change the functions or terminate the existence of any committee. Regular or special meetings of any committee may be held in the same manner provided in these Bylaws for regular or special meetings of the Board of Directors, and a majority of any committee will constitute a quorum at the meeting.

## ARTICLE V

### Indemnification

Section 1. Indemnification. The Corporation will, to the fullest extent now or hereafter permitted by law, indemnify any Director or officer of the Corporation (and, to the extent provided in a resolution of the Board of Directors or by contract, may indemnify any volunteer, employee or agent of the Corporation) who was or is a party to or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding by reason of the fact that the person is or was a Director, officer, volunteer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, partner, volunteer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses including attorney's fees (which expenses may be paid by the Corporation in advance of a final disposition of the action, suit or proceeding as provided by law), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action suit or proceeding if the person acted (or refrained from acting) in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful.

Section 2. Rights to Continue. The indemnification will continue as to a person who has ceased to be a Director or officer of the Corporation. Indemnification may continue as to a person who has ceased to be a volunteer, employee or agent of the Corporation to the extent provided in a resolution of the Board of Directors or in any contract between the Corporation and the person. Any indemnification of a person who was entitled to indemnification after such person ceased to be a Director, officer, volunteer, employee or agent of the Corporation will inure to the benefit of the heirs and person representatives of that person.

## ARTICLE VI

### Scholarship Policies and Procedures

Section 1. Scholarships. The Board will administer the awarding of Corporation scholarships. In fulfilling this responsibility, the Board will: (a) promote awareness of the Corporation's scholarship program; (b) develop and disseminate the Corporation's scholarship application; (c) review applications for determination of scholarship awards; and (d) select scholarship recipients.

Section 2. Scholarship Applications. The Board will send scholarship applications with proper instructions to each AHEPA and Daughters chapter. Each chapter will respond to the Corporation in writing that it has held a meeting where discussion and dissemination of the Corporation's scholarship occurred and eligible applicants were identified.

Section 3. Eligible Applicants. The Board will award a scholarship only to an eligible applicant.

- (a) An eligible applicant for the high school scholarship(s) will be a scholastically qualified current Michigan high school graduate who is of Greek descent and/or affiliated with the Order of AHEPA or its auxiliaries.
- (b) An eligible applicant for the college level scholarship(s) will be scholastically qualified U.S. Citizen, National or Legal Permanent resident of U.S.A. who is currently enrolled in a college, university or graduate school who is of Greek descent and affiliated with the Order of AHEPA District #10 through its auxiliaries and /or a child or grandchild of an active member of the Order of AHEPA or its auxiliaries.

Section 4. Funds to be Used for Scholarships. In any fiscal year, the Board may use for scholarship purposes only interest accrued on Corporation funds, except that this limitation may be waived in a fiscal year by affirmative vote of a least six Board members, two of whom must be the District Governors. In the event that one District Governor votes in the negative, seven affirmative votes must be cast.

Section 5. Investment of Funds. The Board will appoint an Investment Committee consisting of one representative each from the Daughters of Penelope and AHEPA and the current Treasurer of the Foundation. The Corporation will be funded with: (a) funds designated as education scholarship funds by the AHEPA and Daughters at the inception of the Corporation; (b) future funds raised by the District Lodges of the AHEPA and Daughters for scholarship purposes; (c) any monetary awards from National Foundation; and (d) any other funds contributed, donated, or bequeathed to be Corporation. The responsibility of the Investment Committee will be to work with the Corporation's broker/investment representative to invest and administer the Corporation's funds according to the guidelines set forth below. In fulfilling this responsibility, the Investment Committee will invest the Corporation's entire portfolio and value of funds, with each individual scholarship fund represented as a percentage of the whole, as follows:

- (a) No funds shall be invested in tax exempt, tax deferred tax free or tax managed mutual funds or securities of any kind;
- (b) No funds shall be invested in proprietary products of any kind, including funds and investment products issued or managed by the current broker/investment representative's firm or broker/dealer, and any investment vehicle which is being underwritten or initially offered in any fashion by said broker/investment representative's firm or broker/dealer;
- (c) No funds shall be invested in variable annuities or any other insurance products;
- (d) No funds shall be invested in puts, calls, covered calls and other option investments;
- (e) The investment of funds in common and/or preferred stocks shall not exceed 10% of the value of the entire portfolio, with not more than 3% of such investments in the stock or shares of any one company or entity;
- (f) The investment of funds in corporate bonds, commercial paper or other similar products shall not exceed 30% of the value of the entire portfolio with not more than 5% invested in any individual issue or company;
- (g) The investment of the Corporation's funds in bond instruments as specified in subsection (f), above, shall be limited to investment grade or higher as rated by Moody's (Baa or higher), Standard and Poor's (BBB or higher) or Fitch (BBB or higher);
- (h) Money Market Funds (MMF) and Certificates of Deposit should not be considered investment vehicles, but shall be utilized to hold funds for unspecified and unrestricted periods of time until a suitable investment can be identified.
- (i) The remaining portion of the portfolio not invested as set above shall be invested in mutual funds, with every effort made to diversify this 60% plus portion of the portfolio between growth, growth and income, global, value and straight income funds as seen fit at the discretion of the Investment Committee based on the current market conditions. The use of Morningstar and other such services should only be used as an indication of the fund manager's past accomplishments and not an indicator of future performance.
- (j) Any of these guidelines may be waived or amended by the Investment Committee upon recommendation of and by the approval of the Board, on an investment by investment basis, based on current economic, fiscal or other circumstances deemed relevant and necessary at the time.

Section 6. Fundraising. The Board may engage in fundraising activities on behalf of the Corporation and may solicit contributions, donations and bequests on behalf of the Corporation. In fulfilling this responsibility, the Board will; (a) develop and disseminate fundraising materials to potential donors and benefactors; (b) have authority to conduct fundraising events, including but not limited to, dances and dinners; and (c) have authority to create

programs which recognize the efforts of donors and benefactors. The latter may include the creation of commemorative scholarships.

**Section 7. Expenditures.** The Board may expend Corporation funds for administrative, promotional and fundraising purposes, except that the total expenditure for any purpose must not exceed \$1,000.00 in any fiscal year unless approved by at least six Board members, two of which must be the District Governors. In voting on whether the above expenses will exceed \$1,000.00 in any fiscal year, a District Governor will cast his or her vote consistent with the decision of a majority of the elected members of his or her Order, voted upon at a regular scheduled meeting. Routine secretarial expenses for the proper running of the Corporation will not have the \$1,000.00 restriction. However, all bills must be approved by a majority vote of the Board members then in office.

**Section 8. Bequests.** The Corporation will administer all bequests.

**Section 9 Minimum Contributions for Perpetuating Scholarships.** The minimum contribution that the Corporation will accept to initiate a perpetuating scholarship will be \$5,000.00. If the interest earned on this contribution is less than \$1,000.00, the donor will either contribute whatever is necessary to bring the interest award to \$1,000.00 or will forego the issuing of an award for that year. In addition any donations towards a perpetuating scholarship which is less than \$5,000.00 will be placed in an escrow account until the minimum \$5,000.00 balance is met.

## ARTICLE VII

### Miscellaneous

**Section 1. Fiscal Year.** The fiscal year of the Corporation will begin on January 1<sup>st</sup> and end on the last day December.

**Section 2. Amendments.** These Bylaws may be amended or repealed by the affirmative vote of a majority of the Directors of the Corporation then in office with the advice and consent by two-thirds vote of the delegates to the Ahepa District Convention and by two-thirds vote of the delegates to the Daughters' District Convention. In order for the Bylaws to be amended the AHEPA and Daughters must vote amend in the same year.

APPROVED AT THE 76<sup>TH</sup> DISTRICT #10 CONVENTION HELD IN TROY, MICHIGAN, JUNE 9<sup>TH</sup>, 2007.  
THESE BYLAWS SUPERCEDE ANY AND ALL OTHERS.