

**Certificate of Incorporation and
Articles of Incorporation
Peninsula Soccer Club
dated
November 28, 1990**

**Amendment to Articles of Incorporation
Peninsula Soccer Club
dated
June 6, 2005**

**Amendment to Articles of Incorporation
Harbor Soccer Club
dated
May 17, 2007**



**STATE OF WASHINGTON
SECRETARY OF STATE**

**ARTICLES OF AMENDMENT
WASHINGTON
NONPROFIT CORPORATION**

(For Chapter 24.03 RCW)

- Please PRINT or TYPE in black ink
- Sign, date and return original AND ONE COPY to:

CORPORATIONS DIVISION
801 CAPITOL WAY SOUTH • PO BOX 40234
OLYMPIA, WA 98504-0234

FILED
SECRETARY OF STATE
SAM REED

EXPEDITED (24-HOUR) SERVICE AVAILABLE - \$20 PER ENTITY
INCLUDE FEE AND WRITE "EXPEDITE" IN BOLD LETTERS
ON OUTSIDE OF ENVELOPE

FEE: \$20

- BE SURE TO INCLUDE FILING FEE. Checks should be made payable to "Secretary of State"

06/10/05

STATE OF WASHINGTON

FOR OFFICE USE ONLY

FILED: 1 1

IMPORTANT! Person to contact about this filing

GARY BERTELSEN

Daytime Phone Number (with area code)

253 857-9020

AMENDMENT TO ARTICLES OF INCORPORATION

NAME OF CORPORATION (As currently recorded with the Office of the Secretary of State)

PENINSULA SOCCER CLUB

UBI NUMBER

601287136

CORPORATION NUMBER (If known)

AMENDMENTS TO ARTICLES OF INCORPORATION WERE ADOPTED ON

Date: **MAY 1ST, 2000**

EFFECTIVE DATE
OF ARTICLES OF
AMENDMENT

(Specified effective date may be up to 30 days AFTER receipt of the document by the Secretary of State)

Specific Date: _____

Upon filing by the Secretary of State

ADOPTION OF THE ARTICLES OF AMENDMENT (Please check ONE of the following)

The amendment was adopted by a meeting of members held on (specify date): **MAY 1ST, 2000**. A quorum was present at the meeting and the amendment received at least two-thirds of the votes which members present or represented by proxy were entitled to cast.

The amendment was adopted by a consent in writing and signed by all members entitled to vote.

There are no members that have voting rights. The amendment received a majority vote of the directors at a board meeting held on (specify date): _____.

AMENDMENTS TO THE ARTICLES OF INCORPORATION ARE AS FOLLOWS
If necessary, attach additional amendments or information.

**CLUB NAME CHANGE: THE CURRENT CLUB NAME
PENINSULA SOCCER CLUB TO BECOME
HARBOR SOCCER CLUB.**

SIGNATURE OF OFFICER

This document is hereby executed under penalties of perjury, and is, to the best of my knowledge, true and correct.

Signature of Officer

GARY BERTELSEN, PRESIDENT

Printed Name

6th JUNE, 2005

Date

FOR OFFICE USE ONLY



STATE of WASHINGTON SECRETARY of STATE

I, **Ralph Munro**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF INCORPORATION

to

PENINSULA SOCCER CLUB

a Washington Non Profit corporation. Articles of Incorporation were
filed for record in this office on the date indicated below:

U.B.I. Number: 601 287 136

Date: November 28, 1990

Given under my hand and the seal of the State of
Washington, at Olympia, the State Capitol

Ralph Munro, Secretary of State

2-435016-7

NOV 28 1990

RALPH MUNDT
SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
PENINSULA SOCCER CLUB
A NONPROFIT CORPORATION

THE UNDERSIGNED, Stanley M. Talcott, a person of the age of more than eighteen (18) years, acting as the incorporator of the above corporation, does hereby sign and acknowledge the Articles of Incorporation in duplicate originals, and does declare and set forth as follows:

ARTICLE I

The name of the corporation shall be: PENINSULA SOCCER CLUB

ARTICLE II

The term of existence of the corporation shall be perpetual.

ARTICLE III

The purposes for which the corporation is organized are as follows:

To advance the appreciation of soccer as a team sport on the Gig Harbor Peninsula and other areas, to educate youth and adults to the benefits of the sport of soccer, to promote good sportmanship and healthy athletic competition among youth and adults in the sport of soccer, and to generally promote and advance the sport of soccer.

ARTICLE IV

The internal affairs of the corporation shall be conducted by the Board of Directors, who shall be elected by members of the organization at an annual meeting.

ARTICLE V

The name of the Registered Agent of the corporation is:

Stanley M. Talcott

The street address of the Registered Office, which is also the address of the Registered Agent, is as follows:

Stanley M. Talcott
Attorney at Law
605 South G Street
Tacoma, WA 98405

ARTICLE VI

There shall be eight (8) directors serving as the initial Board of Directors. The Board may, by a vote of the majority of its members, appoint an executive committee of not less than three (3) directors to act on its behalf. The initial directors of the corporation and their addresses are as follows:

- DIRECTOR: Neville Culy
3808 Mt. View Dr.
Gig Harbor, WA 98335
- DIRECTOR: Terry Groshong
9315 Woodworth
Gig Harbor, WA 98335
- DIRECTOR: Penny Ritchie
9815 86th Ave. N.W.
Gig Harbor, WA 98335
- DIRECTOR: Casey Carvey
3510 137th St. N.W.
Gig Harbor, WA 98335
- DIRECTOR: Alan Jones
3911 62nd Ave. Ct. N.W.
Gig Harbor, WA 98335
- DIRECTOR: Harry Swift
8511 30th St. Ct. N.W.
Gig Harbor, WA 98335
- DIRECTOR: Don Moore
7127 87th Ave. N.W.
Gig Harbor, WA 98335
- DIRECTOR: Floyd Walker
10920 Moller Drive
Gig Harbor, WA 98335

ARTICLE VII

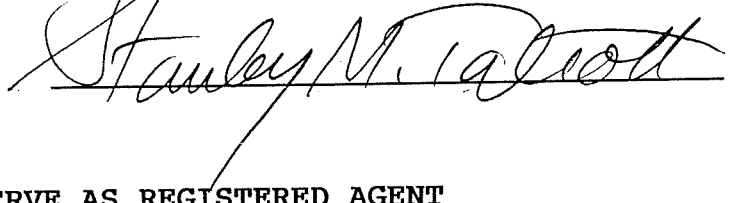
The name and address of the incorporator is as follows:

Stanley M. Talcott
Attorney at Law
605 South G Street
Tacoma, WA 98405

ARTICLE VIII

In the event of dissolution of the corporation by operation of law, action of its members, or according to its Bylaws, all assets of the corporation shall be distributed to its successor, if its successor be an organization whose membership is devoted to the same purposes as the Peninsula Soccer Club. In the event no successor corporation or organization exists, all assets of the corporation shall be distributed to such non-profit organizations as its directors at the time of dissolution shall, by majority vote, determine.

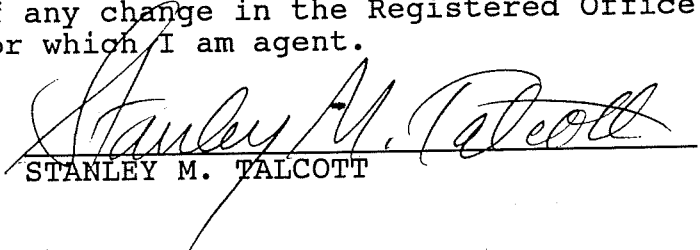
IN WITNESS WHEREOF the incorporator has affixed his signature on this 27th day of November, 1990.



CONSENT TO SERVE AS REGISTERED AGENT

I, STANLEY M. TALCOTT, hereby consent to serve as Registered Agent, in the State of Washington, for the corporation herein named. I understand that as agent for the corporation, it will be my responsibility to receive Service of Process in the name of the corporation; to forward all mail to the corporation; and to immediately notify the Office of the Secretary of State in the event of my resignation or of any change in the Registered Office address of the corporation for which I am agent.

11/27/90
Date


STANLEY M. TALCOTT



**STATE OF WASHINGTON
SECRETARY OF STATE**

**ARTICLES OF AMENDMENT
WASHINGTON
NONPROFIT CORPORATION**
(Per Chapter 24.03 RCW)

- Please PRINT or TYPE in black ink
- Sign, date and return original AND ONE COPY

CORPORATIONS DIVISION
801 CAPITOL WAY SOUTH • PO BOX 40234
OLYMPIA, WA 98504-0234

- BE SURE TO INCLUDE FILING FEE. Checks should be made payable to "Secretary of State"

**FILED
SECRETARY OF STATE
SAM REED**

May 23, 2007

FEE: \$20

**EXPEDITED (24-HOUR) SERVICE AVAILABLE - \$20 PER ENTITY
INCLUDE FEE AND WRITE "EXPEDITE" IN BOLD LETTERS
ON OUTSIDE OF ENVELOPE**

FOR OFFICE USE ONLY

FILED: / /

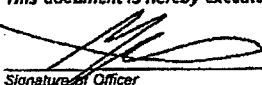
IMPORTANT! Person to contact about this filing Diana K. Waxler	Daytime Phone Number (with area code) (253) 682-3143
---	--

AMENDMENT TO ARTICLES OF INCORPORATION

NAME OF CORPORATION (As currently recorded with the Office of the Secretary of State) HARBOR SOCCER CLUB		
UBI NUMBER 601-287-136	CORPORATION NUMBER (if known)	AMENDMENTS TO ARTICLES OF INCORPORATION WERE ADOPTED ON Date: March 9, 2007
EFFECTIVE DATE OF ARTICLES OF AMENDMENT (Specified effective date may be up to 30 days AFTER receipt of the document by the Secretary of State) <input type="checkbox"/> Specific Date: _____ <input checked="" type="checkbox"/> Upon filing by the Secretary of State		
ADOPTION OF THE ARTICLES OF AMENDMENT (Please check ONE of the following) <input checked="" type="checkbox"/> The amendment was adopted by a meeting of members held on (specify date): March 9, 2007 . A quorum was present at the meeting and the amendment received at least two-thirds of the votes which members present or represented by proxy were entitled to cast. <input type="checkbox"/> The amendment was adopted by a consent in writing and signed by all members entitled to vote. <input type="checkbox"/> There are no members that have voting rights. The amendment received a majority vote of the directors at a board meeting held on (specify date): _____		

AMENDMENTS TO THE ARTICLES OF INCORPORATION ARE AS FOLLOWS
If necessary, attach additional amendments or information.

CHANGING IN ITS ENTIRETY

SIGNATURE OF OFFICER <i>This document is hereby executed under penalties of perjury, and is, to the best of my knowledge, true and correct.</i>		
	Gary Bertelsen, Director	5-11-07
Signature of Officer	Printed Name	Date

INFORMATION AND ASSISTANCE - 360/753-7115 (TDD - 360/753-1485)

FOR OFFICE USE ONLY

FOR OFFICE USE ONLY

FOR OFFICE USE ONLY

05/23/07 1066127-001
\$20.00 K #119399
RD:1296192

05/23/07 1066128-001
\$20.00 K #119300
RD:1296192

Articles of Amendment to

ARTICLES OF INCORPORATION OF HARBOR SOCCER CLUB

The undersigned, President certifies that the following restated articles of incorporation were adopted at a duly called meeting of the Harbor Soccer Club.

ARTICLE I - NAME

The name of this corporation is HARBOR SOCCER CLUB.

ARTICLE II - PURPOSES

The purposes for which this corporation, a nonprofit charitable organization, is formed are:

1. To advance the appreciation of soccer as a team sport on the Gig Harbor Peninsula and other areas, to educate youth and adults to the benefits of the sport of soccer, to promote good sportsmanship and healthy athletic competition among youth and adults in the sport of soccer, and to generally promote and advance the sport of soccer, all of which must be consistent with Article II(2).

2. To engage in any other lawful activity which may hereafter be authorized from time to time by the Board of Directors; provided, however, that the purposes for which the corporation is formed shall at all times be consistent with charitable religious, educational and/or scientific purposes as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as it now exists or as hereafter amended (the "Code"), including within such purposes the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code.

ARTICLE III - POWERS

This corporation shall have the power to do all lawful acts or things necessary, appropriate, or desirable to carry out and in furtherance of its purposes described in Article II which are consistent with the Washington Nonprofit Corporation Act and Section 501(c)(3) of the Code.

ARTICLE IV - INFLUENCE LEGISLATION

No substantial part of the activities of this corporation shall be devoted to attempting to influence legislation by propaganda or otherwise, and the corporation shall not participate in, or intervene in (including the publication or distribution of statements with

respect to) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE V – REGISTERED OFFICE

The address of the initial registered office of this corporation is 3552 Hunt Street NW, Gig Harbor Washington, 98335 (Mailing Address: P. O. BOX 1123, GIG HARBOR, WASHINGTON 98335), and the name of its initial registered agent at such address is GARY BERTELSEN. The written consent of such person to serve as registered agent is attached hereto.

ARTICLE VI – BOARD OF DIRECTORS

The management of this corporation shall be vested in a Board of Directors. The number of directors, and the method of selecting directors, shall be fixed by the Bylaws of this corporation; provided, that the elected directors at the time of this restatement shall be seven (7) in number and their names and addresses are:

<u>NAME</u>	<u>ADDRESS</u>
Gary Bertelsen	1715 Leonie Lane NW Gig Harbor, WA 98335
Greg Noson	7414 86 th Ave NW Gig Harbor, WA 98335
Michael McCoy	15803 - 17th Ave. Ct. NW Gig Harbor, WA 98332
Robert "Scott" Wood	4316 – 40 th Ave. NW Gig Harbor, WA 98335
Bruce Arrington	1427 – 11 th Lane Fox Island, WA 98333
Curt Carroll	2711 22nd Ave. Ct. NW Gig Harbor, WA 98335
Todd Lupkes	4407 62 nd St NW Gig Harbor, WA 98335

The initial directors shall serve until the first organizational meeting of the Board of Directors and until their successors are appointed and qualified.

ARTICLE VII - BYLAWS

The Bylaws shall be amended by the members according to the provisions set forth in the bylaws.

ARTICLE VIII - LIMITATIONS

This corporation shall have no capital stock and no part of the net earnings of this corporation shall inure in whole or in part to the benefit of, or be distributable to, any officer, director, or other individual having a personal or private interest in the activities of the corporation, or to any person or organization other than an organization which is exempt from federal income taxation under Sections 501(a) and 501(c)(3) of the Code, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered, to make reimbursement for reasonable expenses incurred in its behalf, and to make payments and distributions in furtherance of the purposes stated in Article II. Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) by a corporation the contributions to which are deductible under Section 170(c)(2) of the Code.

ARTICLE IX - TRANSACTIONS INVOLVING DIRECTORS

9.1 No contracts or other transactions between this corporation and any other corporation, and no act of this corporation shall in any way be affected or invalidated by the fact that any director of this corporation is pecuniarily or otherwise interested in, or is a trustee, director, or officer of, such other corporation.

9.2 Any director, individually, or any firm of which any trustee may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contracts or transactions of the corporation; provided, that the fact that such director or such firm is so interested shall be disclosed to or shall have been known by the Board of Directors or a majority thereof.

ARTICLE X - DISTRIBUTIONS UPON DISSOLUTION

Upon any dissolution of this corporation under provisions of the laws of the State of Washington for nonprofit corporations, all of its assets remaining after payment of creditors shall be distributed to one or more organizations selected by the Board of Directors which are qualified as exempt from taxation under the provisions of Sections 501(a) and 501(c)(3) of the Code, or any successor statutes, and which further the purposes set forth in Article II. In no event shall any of the corporation's assets be distributed to the officers, directors, or members of the corporation.

ARTICLE XI – PRIVATE FOUNDATION

If this corporation becomes a private foundation within the meaning of Section 509 of the Code, as long as its private foundation status continues the following provisions shall apply in the management of its affairs:

11.1 Each year the corporation shall distribute the income of the corporation, for the purposes specified in Article II, at such time and in amounts at least sufficient to avoid liability for the tax imposed by Section 4942 of the Code;

11.2 The corporation shall not engage in any act of "self-dealing" (as defined in Section 4941(d) of the Code) which would give rise to any liability for the tax imposed by Section 4941(a) of the Code;

11.3 The corporation shall not sell, exchange, distribute, or otherwise dispose of any "excess business holdings" (as defined in Section 4945(c) of the Code) which would give rise to any liability for the tax imposed by Section 4943(a) of the Code;

11.4 The corporation shall not make any investments which would jeopardize the carrying out of any of its exempt purposes (within the meaning of Section 4944 of the Code) and which would, therefore, give rise to any liability for the tax imposed by Section 4945(a) of the Code.

11.5 The corporation shall not make any "taxable expenditures" (as defined in Section 4945(d) of the Code) which would give rise to any liability for the tax imposed by Section 4945(a) of the Code.

ARTICLE XII – AMENDMENTS

This members reserve the right to amend, alter, change, or repeal any provision contained in these Articles of Incorporation according to the provisions of the bylaws.

ARTICLE XIII – MEMBERS

The corporation shall have one or more members to be as set forth in the bylaws.

ARTICLE XIV

The name and address of the members of the board at the time of the adoption of these Articles are:

NAME

ADDRESS

Gary Bertelsen

1715 Leonie Lane NW
Gig Harbor, WA 98335

Greg Noson

7414 86th Avenue NW
Gig Harbor, WA 98335
15803 - 17th Ave. Ct. NW
Gig Harbor, WA 98332

Michael McCoy

Bruce Arrington

1427 - 11th Lane
Fox Island, WA 98333

Curt Carroll

2711 22nd Ave. Ct. NW
Gig Harbor, WA 98335

Robert "Scott" Wood

4316 - 40th Ave. NW
Gig Harbor, WA 98335

Todd Lupkes

4407 62nd St. NW
Gig Harbor, WA 98335

ARTICLE XV - LIMITATION OF DIRECTORS' LIABILITY

A director shall have no liability to the corporation or its members for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director, or a knowing violation of law by the director, or for conduct violating RCW 23B.08.310, or for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled. If the Washington Business Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Washington Business Corporation Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

ARTICLE XVI - INDEMNIFICATION OF DIRECTORS AND OFFICERS

16.1 Right to Indemnification. Each person who was, or is, threatened to be made a party to, or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the corporation, or, while a director or officer, he or she is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to

employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the corporation, to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification 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 his or her heirs, executors and administrators; provided, however, that except as provided in Section 2 of this Article with respect to proceedings seeking to enforce rights to indemnification, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the board of directors of the corporation. The right to indemnification conferred in this Section 1 shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section 1 or otherwise.

16.2 Right of Claimant To Bring Suit. If a claim under Section 1 of this Article is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the corporation), and thereafter the corporation shall have the burden of proof to overcome the presumption that the claimant is not so entitled. Neither the failure of the corporation (including its board of directors, independent legal counsel or its members) to have made a determination prior to the commencement of such action that indemnification or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by the corporation (including its board of directors, independent legal counsel or its members) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so.

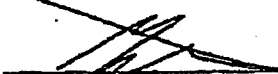
16.3 Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the articles of incorporation, bylaws, agreement, vote of members or disinterested directors or otherwise.

16.4 Insurance, Contracts and Funding. The corporation may maintain insurance, at its expense, to protect itself and any director, trustee, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act. The corporation may, without further member action, enter into contracts with any director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.


16.5 Indemnification of Employees and Agents of the Corporation. The corporation may, by action of its board of directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act or otherwise.

The undersigned persons of the age of eighteen years or more, as directors of this corporation under the Washington Business Corporation Act, adopt these Articles of Incorporation, as amended and that the Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto.


DATED: March 9th, 2007.




President
Gary Bertelsen




Michael McCoy



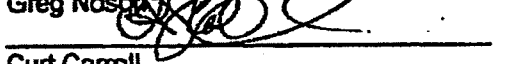
Bruce Arrington



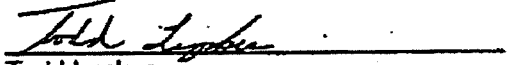
Robert "Scott" Wood



Greg Nospelt



Curt Carroll




Todd Lupkes

CONSENT TO APPOINTMENT OF REGISTERED AGENT

I, GARY BERTELSEN, hereby consent to serve as registered agent, in the State of Washington, for the HARBOR SOCCER CLUB. I understand that as agent for the corporation, it will be my responsibility to accept service of process in the name of the corporation; to forward all mail and license renewals to the appropriate officer of the corporation; and to immediately notify the Office of the Secretary of State of my resignation or of any changes in the address of the registered office of the corporation for which I am agent.

DATED: March 9th, 2007


GARY BERTELSEN
Registered Agent

I:\DOCS\H127325\Doc\Articles3.doc

**AMENDMENT TO
AMENDED AND RESTATED BYLAWS OF
OF
HARBOR SOCCER CLUB**

A new Section 8.1 shall be added to the Amended and Restated Bylaws to read in its entirety as follows:

8.10 *Conflict of Interest*

8.10.1 Purpose. The purpose of the conflict of interest policy is to protect this tax-exempt organization's ("Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

8.10.2 Definitions.

8.10.2.1 Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

8.10.2.2 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: a) an ownership or investment interest in any entity with which the Organization has a transaction or arrangement, b) a compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 8.10.3.2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

8.10.3 Procedures.

8.10.3.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

8.10.3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

8.10.3.3 Procedures for Addressing the Conflict of Interest.

a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c) After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

8.10.3.4 Violations of the Conflicts of Interest Policy.

a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

8.10.4 Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

8.10.4.1 The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

8.10.4.2 The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

8.10.5 Compensation.

8.10.5.1 A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

8.10.5.2 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

8.10.5.3 No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

8.10.6 Annual Statements. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person: a) has received a copy of the conflicts of interest policy; b) has read and understands the policy, c) has agreed to comply with the policy; and d) understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

8.10.7 Periodic Reviews. To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

8.10.7.1 Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

8.10.7.2 Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

8.10.8 Use of Outside Experts. When conducting the periodic reviews as provided for in Article 8.10.7, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to Bylaws to be executed on this 9th day of JANUARY, 2007.

HARBOR SOCCER CLUB

By: 
Gary Bertelsen
Its President

I:\DOCS\H\27325\Doc\BylawAmend.doc