

OPERATING POLICIES

OF

TEXAS EAST GYMNASTICS BOOSTER CLUB, INC, A TEXAS NON-PROFIT CORPORATION

As provided by Article 6, Section 4 (a) of the corporation's bylaws, the Board of Directors of Texas East Gymnastics Booster Club, Inc., has adopted the following operating policies to govern the financial operation of the corporation and guide officers and members in fulfilling the corporation's purpose.

Article 1: Restatement of Purpose.

As stated in its certificate of formation, this nonprofit corporation is organized for the following purposes: (1) to foster, support, and promote competitive gymnastics among gymnasts participating in the USAG Women's Artistic Gymnastics Competitive Program, the Texas Amateur Athletic Federation and American Gymnastics Association; (2) to foster, support, and promote national amateur women's gymnastics competition; (3) to foster, promote, and support the sport of women's competitive gymnastics, to encourage expanded opportunities for competitive gymnastics experiences, and to support and develop amateur athletes for that competition and (4) to promote health and fitness in girls and young women through competitive amateur gymnastics. All activities of the corporation should be consistent with this purpose statement.

Article 2: Fundraising.

In support of its purposes, the corporation shall engage in fundraising activities that include, but are not limited to, retail sales for profit (candles, cookies, pro shop items, etc.), solicitation of donations, hosting gymnastic events, car washes, garage sales, etc. All members are strongly encouraged to participate fully in these activities in support of the corporation's mission. The board of directors will develop recommended group and individual goals for each fundraising event.

Article 3: Expenditures.

A. General Authority for Expenditures. From time to time, at the discretion of the board of directors, and within the prudent use of the corporation's resources, the corporation may make expenditures that may include, but are not limited, to the following:

- Team competition expenses, as set forth in article 3.C below;
- Expenses, or a portion thereof, relating to bringing outside clinicians and training specialists to TEG facilities to train all competitive gymnasts at the designated skill level;
- Expenses, or a portion thereof, related to sending all competitive gymnasts at the designated skill level to train at various camps and training events;
- Expenses related to team building related activities;
- Ordinary operating expenses of the corporation such as bank fees, professional

- fees, office supplies, etc.;
- Expenses related to approved fund raising projects and events;
- Expenses related to equipment purchased and maintained by the Corporation for sole use by the team;
- The corporation with Board approval may make financial assistance available to an individual or individuals that, if such assistance were not made available, would not be able to participate in the sport of amateur competitive gymnastics.

B. Limitation. No expenditure on the part of the corporation shall be allowed that result in non-incidental inurement on the part of any member of the corporation or any owner of Texas East Gymnastics, LLC as defined in the appropriate section(s) of IRS regulations. No direct support of Texas East Gymnastics, LLC will be provided and no equipment will be provided thereto that will be used in the commercial business activities of Texas East Gymnastics, LLC.

C. Team Competition Expenses. Expenditures by the corporation on behalf of team gymnasts will be apportioned equally to all team members at a specified gymnastic competitive skill level regardless of the gymnast's standing (whether member or non-member of the corporation) and participation level in activities of the corporation. Team competition expenditures may include:

1. Coaches Travel Expenses: For meets that occur outside of Smith County, Texas, the corporation may pay the following:

- Automobile travel reimbursement at no greater a rate than the current IRS allowed per mile rate;
- Meals, per day and per coach at no greater than the current IRS allowed per diem rate;
- Hotel accommodations not to exceed host hotel rate;
- Airfare & car rental when necessary not to exceed what is reasonable and customary.

The corporation may consider TOPS testing as a meet, and may collect and pay coaches' travel accordingly. The corporation may treat pre-Elite level and Elite level training camps as a meet, and may collect and pay coaches' travel accordingly. Coaches' travel expenses for invitational meets that require airfare shall be limited to one (1) meet per fiscal year of the corporation; however, with reasonable cause the board shall have the authority to approve funding for additional such meets.

The above expenses are paid by the corporation, but a portion of the above expenses are considered a pass through expense to the individual gymnasts attending the meets. Therefore, the corporation ultimately bears only a portion of the above expenses. (See Article 3.D below for explanation of pass through expenses.)

2. Coaches Session Fees: The corporation may pay a nominal fee determined by the Board to be paid to each coach for each meet session worked by such coach. This fee is considered a payment to such coach for services rendered to team members present at such meet.

3. Limitation on Coach Related Expenses and Fees: The Board shall place a limitation on the Coaches Expenses and Coaches Session Fees expenditures based upon the following: The maximum number of coaches to gymnast ratio for any single meet or competition shall be:

1 to 2 Gymnasts	permits	1 Coach to be reimbursed
3 to 10 Gymnasts	permits	2 Coaches to be reimbursed
10 Gymnasts and up	permits	3 Coaches to be reimbursed

The Board of Directors may approve travel for one (1) additional coach to the above ratios.

4. Individual and Team Meet Entry Fees: All individual meet entry fees are paid by the Corporation (as an accommodation to the gymnast and on a pass through basis as described below) and all team meet entry fees are paid by the Corporation in support of the Corporation's purposes. Individual meet entry fees may be paid by the Corporation not on a pass through basis for the highest qualifying meet in each competitive skill level as long as such meet is at least a state-wide competition. For purposes of Elite gymnastics, the highest qualifying meet is considered the U.S. Classic since the U.S. Championships currently require no entry fee. In addition, the Booster Club may help defray some or all costs of meet entries for other meets based upon the funds available to the Booster Club. Such expenditures on behalf of team gymnasts will be apportioned equally to all team members at a specified gymnastic competitive skill level regardless of the gymnast's standing (whether member or non-member of the corporation) and participation level in activities of the corporation.

5. Individual Gymnast's Travel Expenditures: The Board of Directors may help defer some travel and hotel expenses for gymnasts participating in Regional and National events subject to the maximum amount determined by the Board. Additionally, the Board may defer a gymnast's travel expenses for invitational meets that require airfare. This shall be limited to one (1) meet per fiscal year. The Board recognizes the importance exposure of the team's gymnasts to competition with gymnasts from other areas of the United States.

D. Pass Through Expenses: As an accommodation to team gymnasts, the Corporation may pay certain individual expenses in bundle for the team and pass the expense through to each competitor's family.

1. Individual Meet Entry Fees: Individual gymnasts are responsible for paying their own meet entry fees (except as above described) and such meet entry fees are routinely paid to the Corporation who acts as the collection entity for meet entry fees. The Corporation then tenders payment of the usually-required single payment for all entry fees to the host gym. In the instance of the non-payment of a meet entry fee by a gymnast, the Corporation shall not pay the meet entry fee on behalf of such gymnast.

2. Coaches Travel Expenses: The Corporation shall collect a portion of the estimated coaches' expenses from each gymnast for each meet attended. The amount collected per meet shall be the same for each gymnast; however, the Board may elect to vary the per meet

amount by competitive skill level. The amount collected from each gymnast is considered a pass through charge to the gymnast to offset a portion of the coaches' actual expenses and the remaining portion of actual coaches' expenses is considered an expense of the Corporation in furtherance of its mission. In no event shall the amount collected from the gymnasts be greater than the actual coaches' expenses in the fiscal year. In the event that the amount collected exceeds the actual coaches' expenses incurred within the fiscal year, refund of the excess amount will be made to the gymnasts as determined by the Board.

3. Membership Dues: In order to participate in sanctioned gymnastic competition events, gymnasts must be a registered member of the affiliated sanctioning organization (such as USA Gymnastics, Texas Amateur Athletic Federation, etc.). The Corporation may collect the actual cost of the appropriate sanctioning or affiliated membership fee from each gymnast and make payment thereof to the respective sanctioning or affiliated organization.

4. Competitive Wear: Each team member is required by Texas East Gymnastics, LLC to wear team competitive wear (leotard and warm-ups) at the meets. The Corporation will act as an agent to collect the actual or estimated cost of the competitive wear (including any taxes and shipping) for each gymnast and then will pay the bill in its entirety. The Corporation will not profit from this but act as a collection and distribution agent of funds and apparel.

ADOPTED by the Board of Directors of Texas East Gymnastics Booster Club, Inc. on the 22nd day of September, 2009.

TEXAS EAST GYMNASTICS BOOSTER CLUB, INC.

By: Monica Shaffer
Monica Shaffer, President

Attest: Lisa Gardiner
Lisa Gardiner, Secretary