

# AMENDED AND RESTATED BYLAWS OF RUSSELL ISLAND YACHT CLUB, INC.

## ARTICLE I – OFFICES

**Section 1.** The principal office of the Corporation shall be at such place within the State of Michigan as the Board of Directors may determine from time to time.

## ARTICLE II – SHAREHOLDERS

**Section 1.** Shareholder Eligibility. To be eligible to hold stock in the Corporation after the effective date of these Bylaws, an individual must satisfy the following requirements:

- a. Shall be at least twenty-one (21) years of age;
- b. Shall own real property on Russell Island in Clay Township, Michigan, having a completed dwelling structure, as evidenced by the acquisition of fee simple title to such real estate and the recording with the Register of Deeds in St. Clair County, a deed or other instrument establishing record title, as well as procuring a Certificate of Occupancy from Clay Township, and the furnishing of such evidence to the Board of Directors. In the event that the aforementioned real property is owned by a corporation, partnership, limited liability company or trust, only the following individuals shall be eligible to hold stock in the Corporation:
  - i) Officers or directors of a corporation;
  - ii) Partners of the partnership;
  - iii) Members of the limited liability company; and
  - iv) Trustees of the trust.
- c. New initiation fees will be subjected to Shareholders who fall within these categories:
  - i) Change of ownership due to death of Member
  - ii) Purchase of cottage by new owner
  - iii) Additional membership qualifies for new initiation fee
- d. No Initiation fee will be deemed appropriate when:
  - i) Inheritance of cottage through death of immediate family member, no initiation fee.
  - ii) Legacy transfer of cottage versus purchase of cottage

**Section 2.** Persons desiring to become a Shareholder in the Corporation shall be approved through the following procedures:

- a. The individual must complete an application, endorsed by three (3) existing Shareholders of the Corporation and filed with the Corporation office and shall provide documentation required by Article II, Section 1(b);
- b. The Board of Directors shall vote, by ballot, on the application at any regular or special meeting, with balloting to be conducted by secret vote. Approval by a majority of the Board of Directors at any regular or special meeting shall result in the issuance of a share of the Corporation to the approved applicant.

No more than one hundred twenty (120) shares of the Corporation shall be issued. Individuals having made an outstanding contribution to the welfare of Russell Island Yacht Club or Russell Island Property Owners Association shall be eligible to become an Honorary Shareholder upon approval of a majority of the Board of Directors.

An Honorary Shareholder need not meet the eligibility requirements found in Section 1 herein. An Honorary Shareholder shall: (a) hold that designation for one year, unless extended by a vote of the majority of the Shareholders; (b) be exempt from paying initiation fees and/or dues; (c) have no voting rights; (d) not hold office of director or officer; and (e) not have an interest in the assets of the Corporation.

**Section 3.** Each Shareholder shall be deemed an active member of the Corporation. A married couple may jointly apply for membership, but shall only be granted one share and shall only be entitled to one vote. No individual meeting the Shareholder eligibility requirements found in Section 1 herein shall be permitted as a guest on the Russell Island Yacht Club premises. No one under the age of twenty-one (21) shall be permitted on the Russell Island Yacht Club premises after 9:00 p.m.

**Section 4.** The Board of Directors shall be responsible for establishing an initiation fee for each Shareholder and shall further establish annual dues to be levied against each Shareholder, as well as the due date for any dues. If an individual is approved as a Shareholder pursuant to Section 2, and said Shareholder jointly owns real property specified in Section 1(b) herein with an existing Shareholder, the newly approved Shareholder shall not be charged an initiation fee. The Board of Directors shall not spend more than ten (10%) percent of the previous year's gross receipts on one particular item without a vote by the members of the Club.

**Section 5.** The Board of Directors shall be entitled to establish a uniform late fee to be assessed against each Shareholder if the annual dues or special assessments are not paid by the due date. Any Shareholder failing to pay the annual dues or special assessments by the due date shall be suspended from the Corporation.

**Section 6.** The share of each Shareholder shall be terminated by death and may be terminated by resignation or expulsion, as determined by the Board of Directors.

- a. **Surviving Spouse.** Upon the death of a Shareholder, a surviving spouse of the Shareholder (except those named under Section 3 herein) shall be extended the opportunity to accept the stock certificate of the deceased spouse without payment of any fees, and upon acceptance thereof, shall be entitled to the privileges of the Corporation;
- b. **Surrender of Stock.** A member may resign from the Corporation by written notice to the Board of Directors surrendering the stock certificate held by the Shareholder. To be effective, such surrender must be accompanied by payment in full of all open accounts with the Corporation, after which the resignation shall become effective and all privileges of the Corporation shall terminate.

**Section 7.** The share of a Shareholder shall be canceled by the Board of Directors on the occurrence of any of the following events:

- a. Failure to pay dues or special assessments within ninety (90) days after written notice of payment due;
- b. Failure to satisfy or maintain the requirements of Section 1 of this Article;
- c. Failure to comply with the Bylaws or any rules and regulations adopted by the Board of Directors, following notice of such violation being provided to the Shareholder by first-class mail and an opportunity to appear before the Board of Directors and offer evidence in defense of such violation.
- d. See Rules and Regulations for progressive disciplinary action.

**Section 8.** A former Shareholder who surrendered his or her share while in good standing may be eligible for reinstatement upon submission of an application, payment of the then effective reinstatement fee and approval by the Board of Directors. A former Shareholder will be required to pay a \$100 reinstatement fee in addition to annual dues rate concurrent with payment of dues by the end of April to be in effect for coming season.

**Section 9.** No Shareholder shall transfer his or her share, except to a surviving Shareholder's heirs, successors or assigns as provided in this Article. No Shareholder may hold more than one (1) share. Shares shall be issued by the Commodore and Secretary, under the direction of the Board of Directors.

**Section 10.** Upon the death, resignation or expulsion of any Shareholder, the Corporation, at a date determined in its discretion, shall notify such Shareholder, or the Shareholder's heirs, successors or assigns, to deliver to the Corporation the certificate properly endorsed for transfer. Should the member, or the member's heirs, successors or assigns fail to deliver the certificate within the time provided by the Corporation, such certificate shall become null and void at the discretion of the Board of Directors, and of no further force and effect. The Corporation may then issue another certificate in its place.

## ARTICLE III – MEETINGS

**Section 1.** Meetings of the Corporation shall be held at the principal office of the Corporation or at such other suitable place convenient to the Shareholders as may be designated by the Board of Directors. Meetings of the Corporation shall be conducted in accordance with Roberts Rules of Order when not otherwise in conflict with the Articles of Incorporation and Bylaws of the Corporation.

**Section 2.** Annual meetings of the Shareholders shall be set by the Board of Directors at such date and time selected by the Board of Directors. At such meetings there shall be elected by written ballot of the Shareholders a Board of Directors/Officers in accordance with the requirements of Article IV and V of these Bylaws. Each eligible Shareholder may cast one vote for each open director/officer position. The Shareholders may also transact such other business of the Corporation as may properly come before them, except that any Shareholder wishing to propose new or old business at the meeting by written letter must submit such letter to the Secretary at least twentyfour hours in advance of the annual meeting.

**Section 3.** It shall be the duty of the Commodore to call a special meeting of the Shareholders as directed by resolution of the Board of Directors or upon a petition signed by one-fourth (1/4) of the Shareholders, all of whom must be in good standing, presented to the Secretary of the Corporation or upon the Commodore's own initiative. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice. Notice of the date of the special meeting must be submitted within thirty (30) days of receipt of a valid petition or adoption of a resolution by the Board of Directors.

**Section 4.** It shall be the duty of the Secretary (or other Corporation officer or designee in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Shareholder, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the Shareholder or by mailing by electronic transmission shall be deemed notice served. Any Shareholder may, by written waiver of notice signed by such Shareholder, waive such notice, and such waiver, when filed in the records of the Corporation shall be deemed due notice. Notice of the annual meeting shall consist of the slate of candidates compiled by the Nominating Committee.

**Section 5.** The presence in person, by proxy, absentee ballot or by written consent of twenty (20%) percent of the Shareholders qualified to vote shall constitute a quorum for holding a meeting of the Shareholders.

**Section 6.** If any meeting of the Corporation cannot be held because a quorum is not in attendance, the Shareholders who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. No notice of adjournment shall be necessary if a new date is announced at the meeting failing to meet quorum.

**Section 7.** The order of business at all annual meetings is: (a) proof of quorum; (b) proof of notice of meeting or waiver of notice; (c) reading and approval of minutes or preceding meeting; (d) reports of officers; (e) reports of committees; (f) old business; (g) new business; (h) appointment of inspectors of election (when appropriate); (i) election of directors (when appropriate).

**Section 8.** At the annual meeting of the Shareholders, the Commodore and Treasurer shall make reports to the Shareholders.

**Section 9.** The Secretary of the Corporation shall make and certify a complete list of the Shareholders entitled to vote at a Shareholder meeting or any adjournment. The list shall be arranged alphabetically by Shareholder's surname and include each Shareholder's address, be produced at the time and place of the Shareholder meeting, be subject to inspection by a Shareholder during the whole time of the meeting, and be prima facie evidence as to who are the Shareholders entitled to examine the list or to vote at the meeting.

#### **ARTICLE IV – VOTING**

**Section 1.** Each outstanding share is entitled to one vote on each matter submitted to a vote. When an action, other than the election of directors, is to be taken by a vote of the Shareholders, it shall be authorized by a majority of the votes cast by the holders of shares entitled to vote, unless a greater vote is required by the Bylaws or statute. Only those Shareholders current in the payment of their annual dues or special assessments shall be entitled to vote at any meeting of the Corporation.

**Section 2.** Votes may be cast in person, by proxy, by written absentee ballot or email (when authorized by the Board of Directors). Proxies and any written absentee ballots must be filed with the Secretary of the Corporation at or before the appointed time of each meeting of the members of the Corporation. Cumulative voting shall not be permitted.

#### **ARTICLE V – BOARD OF DIRECTORS**

**Section 1.** The affairs of the Corporation shall be governed by a Board of Directors, all of whom must be Shareholders of the Corporation, spouses of Shareholders or children of Shareholders at least twenty-one (21) years of age. The Shareholder wishing to serve, or whose spouse or children or step-children wish to serve, must be: (a) in good standing; and (b) have been a Shareholders for at least one

year prior to serving. However, the Board of Directors must consist of at least two (2) Shareholders at all times.

**Section 2.** The Board of Directors shall consist of seven (7) Directors. The term of office of each Director shall be one (1) year, except as provided in Article VI, Section 1, The Directors shall hold office until their successors have been elected and hold their first meeting.

**Section 3.** The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are not prohibited by law, the Articles of Incorporation, and these Bylaws.

**Section 4.** In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Corporation, the Board of Directors shall be responsible specifically for the following:

- a. Management and administration of the affairs of and maintenance of the Corporation;
- b. To levy, collect and disburse dues against and from the Shareholders of the Corporation and to use the proceeds thereof for the purposes of the Corporation;
- c. To carry insurance and collect and allocate the proceeds thereof;
- d. To initiate improvements after casualty;
- e. To contract for and employ persons, firms, corporations or their agents to assist in the management, operation, maintenance and administration of the Corporation, except that no member of the Board of Directors shall concurrently be employed as Club Manager;
- f. To acquire, maintain, and improve, and to buy, sell, convey, assign, mortgage or lease any real or personal property on behalf of the Corporation in furtherance of any of the purposes of the Corporation;
- g. To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of the business of the Corporation, and to secure the same by mortgage, pledge, or other lien, on property owned by the Corporation, provided, however, that any such action shall also be approved by affirmative vote of more than fifty (50%) percent of all Shareholders;
- h. To establish committees as deemed necessary, convenient, or desirable and to appoint persons to the committees for the purpose of implementing the administration and operation of the Corporation. All committees designated by the Board of Directors shall serve at the pleasure of the Board of Directors.

**Section 5.** Vacancies in the Board of Directors/Officers caused by any reason other than the removal of a Director/Officer by a vote of the members of the Corporation shall

be filled by vote of the majority of the remaining Directors/Officers, even though they may constitute less than a quorum. Each person so elected shall be a Director/Officer until a successor is elected at the next annual meeting of the Corporation.

**Section 6.** At any regular meeting or special meeting of the Corporation duly called, any one or more of the Directors/Officers may be removed with or without cause by more than two-thirds (2/3) of the Shareholders present in person, by proxy or absentee ballot at a duly called meeting of the Corporation and a successor may then and there be elected to fill the vacancy thus created for the duration of the removed Director's term. Any Director/Officer whose removal has been proposed shall be given an opportunity to be heard at the meeting.

**Section 7.** The first meeting of a newly elected Board of Directors shall be held between January 1 and January 30 following the Annual Meeting. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

**Section 8.** Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, telephone or email, at least ten (10) days prior to the date named for such meeting.

**Section 9.** Special Meetings of the Board of Directors may be called by the Commodore on three (3) days' notice to each director, given personally, by mail, telephone, or email, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the Commodore or Secretary in like manner and on like notice on the written request of one (1) director.

**Section 10.** Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board of Directors shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted as such meeting.

**Section 11.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder

of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Directors for purposes of determining a quorum.

**Section 12.** The Board of Directors shall require that all Officers and employees of the Corporation handling or responsible for Corporation funds shall furnish adequate fidelity bonds.

**Section 13.** Although Directors' meetings are not necessarily open to Shareholders, the Board of Directors generally intends them to be open. However, the Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the Shareholders for any reason, or in order to deal with confidential or privileged information, including but not limited to privileged communication between the Board of Directors and counsel for the Corporation, or any other matter to which a privilege against disclosure pertains under Michigan statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

**Section 14.** Any action permitted to be taken by the Board of Directors at a meeting of the Board of Directors shall be valid without a meeting if consented to in writing by the requisite majority of the Board of Directors. Further, the Board of Directors may be polled by telephone, email or other electronic transmission to obtain concurrence for decision, provided that such action is affirmed by the Board of Directors at its next regular meeting.

## **ARTICLE VI – OFFICERS**

**Section 1.** The officers of the Corporation shall also be members of the Board of Directors and shall be elected, by position, at the Annual Meeting, except that once elected as director/Rear-Commodore, an individual shall automatically ascend to ViceCommodore the following year and Commodore the year after that, provided however, that the Commodore may serve more than one (1) year term, on a consecutive basis, upon unanimous approval of the Board of Directors. Upon election to the positions of Commodore, Vice-Commodore or Rear-Commodore, these Directors/Officers shall not be subject to further election at an Annual Meeting. The officers shall be a Commodore, Vice-Commodore, Rear-Commodore, Secretary, and Treasurer. The Commodore shall be a voting member of the Board of Directors. The remaining two Directors shall be deemed Members-at-large and shall bear no officer designation.

**Section 2.** The Commodore shall be the chief executive officer of the Corporation and shall have authority over the general control and management of the business and affairs of the Corporation. The Commodore shall have power to appoint or discharge employees, agents, or independent contractors, to determine their duties, and to fix their compensation. The Commodore shall sign all corporate documents and agreements on behalf of the Corporation, unless the Commodore or the Board of Directors instructs that

the signing be done with or by some other officer, agent, or employee. The Commodore shall see that all actions taken by the Board of Directors are executed and shall perform all other duties incident to the office. This is subject, however, to the Commodore's right and the right of the Board of Directors to delegate any specific power to any other officer of the Corporation. The Commodore shall preside at all meetings of the Corporation or Board of Directors. The Commodore shall only serve a one (1) year term, unless extended by unanimous approval of the Board of Directors pursuant to Article VI, Section 1.

**Section 3.** The Vice-Commodore shall have the power to perform duties that may be assigned by the Commodore or the Board of Directors. If the Commodore is absent or unable to perform his or her duties, the Vice-Commodore shall perform the Commodore's duties until the Board of Directors directs otherwise. The Vice-Commodore shall perform all duties incident to the office. A Vice-Commodore shall only serve for a one (1) year term before automatically ascending to Commodore, unless approval is granted to the Commodore to serve more than one (1) year as provided in Article VI, Section 1.

**Section 4.** The Rear-Commodore shall have the power to perform duties that may be assigned by the Commodore or the Board of Directors. If the Commodore and Vice-Commodore are absent or unable to perform their duties, the Rear-Commodore shall perform the duties of the Commodore and/or Vice-Commodore until the Board of Directors directs otherwise. A Rear-Commodore shall only serve for a one (1) year term before automatically ascending to Vice-Commodore, unless approval is granted to the Commodore to serve more than one (1) year as provided in Article VI, Section 1.

**Section 5.** The Secretary shall (a) keep minutes of all meetings; (b) be responsible for providing notice to each Shareholder as required by law, the Articles of Incorporation, these Bylaws or the Rules and Regulations of the Corporation; (c) be the custodian of corporate records; (d) keep a register of the names and addresses of each Shareholder, officer and director; and (e) perform all duties incident to the office and other duties assigned by the Commodore or the Board of Directors.

**Section 6.** The Treasurer shall (a) have charge and custody over corporate funds and securities; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all monies and securities received by the Corporation at such depositories in the Corporation's name that may be designated by the Board of Directors; (d) complete all required corporate filings; and (e) perform all duties incident to the office and other duties assigned by the president or the Board of Directors. The Treasurer may designate an authorized employee or agent to undertake any of these duties.

## **ARTICLE VII - COMMITTEES**

**Section 1.** The Board of Directors, by resolution adopted by a vote of a majority of its Directors, may designate one or more committees, in addition to those provided in Section 4. If a committee member is disqualified from voting, members present at a meeting who are not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint an alternate committee member to act at the committee meeting in place of the disqualified member. All committees designated by the Board of Directors shall serve at the pleasure of the board. Committees shall be limited to Shareholders, spouses of Shareholders, or children of Shareholders.

A committee designated by the Board of Directors may exercise any powers of the Board of Directors in managing the Corporation's business and affairs to the extent provided by resolution of the Board of Directors. However, no committee shall have the power to:

- a. amend the Articles of Incorporation;
- b. adopt an agreement of merger or consolidation;
- c. amend the Bylaws of the Corporation;
- d. fill vacancies on the board;
- e. fix compensation of the directors for serving on the board or on a committee;
- f. recommend to Shareholders the sale, lease, or exchange of all or substantially all of the Corporation's property and assets;
- g. recommend to the Shareholders a dissolution of the Corporation or a revocation of a dissolution.

**Section 2.** Committees shall meet as directed by the Board of Directors, and their meetings shall be governed by the rules provided in Article III for meetings of the Board of Directors. Minutes shall be recorded at each committee meeting and shall be presented to the Board of Directors.

**Section 3.** Any action required or permitted to be taken pursuant to authorization of a committee may be taken without a meeting if, before or after the action, all members of the committee consent to the action in writing. Written consents shall be filed with the minutes of the committee's proceedings.

**Section 4.** The following Committees may be established by the Board of Directors:

- a. A House and Grounds Committee to maintain, restore, and oversee the building and real property of the Corporation;
- b. An Entertainment Committee responsible for planning social functions of the Corporation and its Shareholders;
- c. A Financial Committee, which shall include the Treasurer, responsible for preparing the budget for the Corporation;

- d. A Nominating Committee responsible for compiling a slate of eligible candidates for the Board/Officers to be elected by Shareholders at the annual meeting;
- e. The Past-Commodore Committee shall only consist of the immediate past Commodore of the Corporation. The past-Commodore shall serve as an advisor to the Board of Directors/Officers.

## **ARTICLE VIII - CORPORATE DOCUMENT PROCEDURE**

**Section 1.** No corporate documents (including stocks, bonds, agreements, insurance and annuity contracts, qualified and nonqualified deferred compensation plans, checks, notes, disbursements, loans, and other debt obligations) shall be signed by any officer, designated agent, or attorney-in-fact unless authorized by the Board of Directors or by these bylaws.

## **ARTICLE IX - INDEMNIFICATION**

**Section 1.** Subject to all of the other provisions of this Article, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the Corporation). Such indemnification shall apply only to a person who was or is a director or officer of the Corporation, or who was or is serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation or its members. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of *nolo contendere* or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Corporation or its members or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

**Section 2.** Subject to all of the provisions of this Article, the Corporation shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor because (a) the person was or is a director or officer of

the Corporation or (b) the person was or is serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic Corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation or its members. However, indemnification shall not be made for any claim, issue or matter in which the person has been found liable to the Corporation unless and only to the extent that the court in which the action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

**Section 3.** To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2 of this Article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this Article.

**Section 4.** The right to indemnification conferred in this Article shall be a contract right and shall apply to services of a director or officer as an employee or agent of the Corporation as well as in such person's capacity as a director or officer. Except as provided in Section 3 of this Article, the Corporation shall have no obligations under this Article to indemnify any person in connection with any proceeding or part thereof initiated by such person without authorization by the Board of Directors.

**Section 5.** Any indemnification under Sections 1 or 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case. The Corporation must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2, whichever is applicable. The determination shall be made in any of the following ways:

- a. By a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to such action, suit, or proceeding;
- b. If the quorum described in clause (a) above is not obtainable, by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested Directors;
- c. By independent legal counsel in a written opinion;
- d. By the Shareholders.

**Section 6.** If a person is entitled to indemnification under Sections 1 or 2 of this Article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the Corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

**Section 7.** Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 1 or 2 of this Article may be paid by the Corporation in advance of the final disposition of the action, suit, or proceeding on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Corporation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but it need not be secured.

**Section 8.** The indemnification or advancement of expenses provided under this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

**Section 9.** The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and Officers of the Corporation.

**Section 10.** The indemnification provided in this Article continues for a person who has ceased to be a Director or Officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

**Section 11.** The Corporation may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of the Corporation or (b) was or is serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. The insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify against liability under this Article or the laws of the State of Michigan.

**Section 12.** If there are any changes in the Michigan statutory provisions applicable to the Corporation and relating to the subject matter of this Article, the indemnification to which any person shall be entitled shall be determined by the changed provisions, but only to the extent that the change permits the Corporation to provide broader

indemnification rights than the provisions permitted the Corporation to provide before the change.

## **ARTICLE X - FINANCE**

**Section 1.** The fiscal year of the Corporation shall be a calendar year. The commencement date of the fiscal year shall be subject to change by the Board of Directors for accounting reasons or other good cause.

**Section 2.** The funds of the Corporation shall be deposited in such bank as may be designated by the Board of Directors and shall be withdrawn only upon a check or order of such officers, employees, or agents as are designated by resolution of the Board of Directors from time to time.

**Section 3.** The books, records and contracts of the Corporation may be inspected by any Shareholder in good standing at a mutually convenient date, time, and location, provided that: (a) such request is made at least thirty (30) days in advance any inspection; and (b) no such inspection may occur more than twice in any calendar year.

**Section 4.** The Corporation shall not offer reciprocity with other similarly situated corporations or associations unless approved by a majority of the Shareholders.

**Section 5.** In the event the Corporation is dissolved, all assets of the Corporation shall be distributed and conveyed to another non-profit corporation having obtained non-profit status through 501(c)(3) of the Internal Revenue Code.

## **ARTICLE XI - COMPENSATION**

**Section 1.** When authorized by the Board of Directors, a person shall be reasonably compensated for services rendered to the Corporation as an employee, agent, or independent contractor, except as prohibited by these bylaws. All Directors and Officers shall serve without compensation.

## **ARTICLE XII - SEVERABILITY**

**Section 1.** In the event that any of the terms, provisions, or covenants of these Bylaws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions, or covenants hereof or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable.

## **ARTICLE XIII - AMENDMENTS**

**Section 1.** These Bylaws may be amended with the consent of seventy-five (75%) percent of Shareholders qualified to vote in in person, by proxy, by absentee vote, or

email (if authorized by the Board of Directors) at a duly-called meeting of the Corporation.

**Section 2.** Amendments to these Bylaws may be promulgated by resolution of the Board of Directors or upon a signed petition of one-fourth (1/4) of the Shareholders in good standing.