

BY-LAWS  
OF  
INVASIVE SPECIES CONTROL COALITION OF WATERSMEET, INC.

ARTICLE I  
OFFICES

- 1.01 *Principal Office.* 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.
- 1.02 *Other Offices.* The board of directors may establish other offices in or outside the state of Michigan.

ARTICLE II  
PURPOSES/MISSION

- 2.01 *Purposes/Mission.* The purposes for which the corporation is organized and its mission are:

To undertake all necessary actions to assure that waterways and real estate located in the Township of Watersmeet, County of Gogebic and State of Michigan become and remain environmentally sound and free of invasive species as practicable, and thereby remain suitable for a variety of recreational uses for the benefit of residents of the Watersmeet Township community at large, including all land owners and the visiting general public. To achieve the purposes stated herein, the corporation shall have three (3) core functions: education; inspection; and corrective action when necessary.

The corporation is to be organized exclusively for charitable, religious, educational, and scientific purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under said code section 501(c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

The corporation may acquire, own, dispose of and deal with real and personal property and interests therein, and apply for and use gifts, grants, bequests, devises, membership dues, actual monetary contributions or in-kind contributions of services, supplies and equipment, and such other contributions as may arise benefiting the purposes of the corporation.

The corporation may do such other things and perform such other acts to accomplish its purposes as the Board of Directors may from time to time determine to be appropriate and are not forbidden by the Code or the laws of the State of Michigan.

- 2.02 *Nonprofit Organization.* No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons. However, the corporation shall be authorized to pay reasonable

compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 2.01.

- 2.03 *Lobbying.* No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation. The corporation shall not participate in, or intervene in (including the publishing and distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under IRC 501(c) (3) or the corresponding section of any future federal tax code or (2) by a corporation whose contributions are deductible under section IRC 170(c) (2) or the corresponding section of any future federal tax code.
- 2.04 *Affiliations.* This organization is a stand-alone organization and is not subject to the control of any other group or government body. Notwithstanding the foregoing, it is understood that this organization is at liberty to cooperate as it sees fit with other groups or government bodies that shares a like purpose.

### ARTICLE III MEMBERS

- 3.01 *Eligibility for Membership.* Memberships shall be open to any person, business, organization, or corporation interested in the purposes of the corporation. Any such person, business, organization, or corporation may become a member hereof upon payment of the membership dues as established.
- 3.02 *Membership Classes.* The following membership classes are hereby established, with minimum contributions to be established annually by vote of the board of directors:
- Class A Individual/Family Membership is open to all persons and/or families who espouse the purposes and mission of the corporation.
- Voting rights of one (1) vote per membership are reserved for property owners and residents of the township of Watersmeet, MI. and all property owners with land abutting water on Watersmeet Township boundary lakes.
- Class B Organization/Business Membership is open to all organizations, associations, businesses, and/or corporations who espouse the purposes and mission of the corporation.
- Voting rights of one (1) vote per membership are reserved for all organizations/businesses on all lakes within the township of Watersmeet, MI. or on Watersmeet Township boundary lakes, and all other organizations/businesses within Watersmeet Township or whose proprietor is a property owner in Watersmeet Township or owns land abutting water on any Watersmeet Township boundary lake.

- 3.03 *Membership Dues.* Annual membership dues levels shall be recommended by the board to the membership at large at the annual meeting and may be ratified or changed by a majority vote of the membership. Notwithstanding such vote; Individual/Family Membership dues (Class A) shall not be less than \$25.00 per year or more than \$50.00 per year and Organization/Business Membership dues (Class B) shall not be set at more than five (5) times the Class A rate. Any member who is more than sixty (60) days in arrears on dues shall lose all voting privileges until such delinquent dues are paid. The billing and collection of dues shall be in a manner prescribed by the board of directors.
- 3.04 *Membership Term.* The term of all memberships shall be annual based on a twelve (12) month calendar year.
- 3.05 *Termination of Membership.* Membership may be terminated by the board of directors on the occurrence of any of the following events:
- (a) Failure to pay dues within 90 days after written notice of payment due.
  - (b) Failure to satisfy the requirements of section 3.01 of this article.
  - (c) For acting in violation of these bylaws and the articles of incorporation of the corporation, the purposes of the corporation or applicable law pertaining to the affairs of the corporation.
- 3.06 *Annual Meeting.* Following the initial annual meeting all on-going annual meetings of the corporation shall be held in August of each year, at such place, date and hour as the board of directors may determine at their June meeting so long as the annual meeting is held before the regularly scheduled board meeting in August. At each annual meeting, directors shall be elected and any other business shall be transacted that may come before the meeting, including ratification of the annual operating plan; and approval of the dues schedule which shall be required agenda items of the annual meeting. Such other business as the board may want to bring before the membership at large may also be added to the agenda.
- 3.07 *Special Meetings.* Special meetings may be called by petition of fifteen (15) or more of active members, based on the last report of membership or by the board of directors or by the president.
- 3.08 *Place of Meetings.* All membership meetings shall be held at the corporation's principal office or at any other place determined by the board of directors and stated in the notice of the meeting.
- 3.09 *Notice of Meetings.* Except as otherwise provided by statute, written notice of the time, place, and purposes of a membership meeting shall be given not less than 10 days or more than 60 days before the date of the meeting. Notice shall be given either personally or by first class mail to each member of record entitled to vote at the meeting at his or her last address as it appears on the books of the corporation or by electronic email providing that the member has provided an email address to the

corporation and consented to receiving notice by same. It shall be the member's responsibility to keep such data current. The board may include on the website of the corporation and also post at the Township Town Hall, in lieu of mailing same to the members, a copy of all supporting documents referenced in the agenda for consideration, provided that the meeting notice advises the members of their option to request in writing that the board promptly mail to a requesting member a copy of said supporting agenda documents maintained on the website of the corporation. Alternatively, notice may be published in the corporation's newsletter, if established, provided that the newsletter is published at least semiannually and is mailed to the members entitled to vote at the meeting not less than 10 days nor more than 60 days before the date of the meeting.

- 3.10 *Record Dates.* The board of directors may fix in advance a record date for the purpose of determining members entitled to notice of and to vote at a membership meeting or an adjournment of the meeting, or to express consent to or to dissent from a proposal without a meeting, or for the purpose of any other action. The date fixed shall not be more than 60 days nor less than 10 days before the date of the meeting, nor more than 60 days before any other action.
- 3.11 *Meeting Minutes.* The secretary shall keep a correct and complete record of all meetings and of all proceedings of this corporation, which shall be attested by the signature of the secretary.
- 3.12 *List of Members.* The secretary of the corporation or the agent of the corporation having charge of the membership records of the corporation shall make and certify a complete list of the members entitled to vote at a membership meeting or any adjournment. The list shall be arranged alphabetically with the address of each member, be produced at the time and place of the membership meeting, be subject to inspection by any members during the whole time of the meeting, and be prima facie evidence of the members entitled to examine the list or vote at the meeting.
- 3.13 *Quorum.* Unless a greater or lesser quorum is required by statute, twenty-five (25) members present in person or by proxy, as of the record date, and entitled to vote at a membership meeting, shall constitute a quorum at the meeting. Whether or not a quorum is present, the meeting may be adjourned by vote of the members present.
- 3.14 *Proxies.* A member entitled to vote at a membership meeting or to express consent or dissent without a meeting may authorize any other member to act for the member by proxy. A proxy shall be signed by the member or the member's authorized agent or representative and shall be valid only for the meeting specified. A proxy is revocable at the pleasure of the member executing it except as otherwise provided by statute.
- 3.15 *Voting.* Each member is entitled to one vote on each matter submitted to a vote. A vote may be cast either orally or in writing. When an action, other than the election of directors, is to be taken by a vote of the members, it shall be authorized by a majority of the votes cast by the members entitled to vote, unless a greater vote is required by statute. Directors shall be elected by a plurality of votes cast at any election.

ARTICLE IV  
BOARD

- 4.01 *General Powers.* The business, property, and affairs of the corporation shall be managed by the board of directors.
- 4.02 *Number.* There shall be not less than nine (9) nor more than fifteen (15) directors on the board or as shall be fixed from time to time by the board of directors by amendment to these bylaws. Board members shall include the four (4) seated officers of the corporation, the immediate past president of the corporation, and no less than four (4) members of the corporation selected at large.
- 4.03 *Tenure.* Directors shall be elected at the annual membership meeting of the corporation. Any member of the corporation in good standing shall be eligible for the office of Director. At large members shall be elected each year at the annual meeting for two (2) year terms, except initially one-half ( $\frac{1}{2}$ ) shall be elected to serve for two (2) year terms and one-half ( $\frac{1}{2}$ ) shall be elected to serve for three (3) year terms to hold office until the director's successor is elected and qualified, or until the director's death, resignation, or removal.
- 4.04 *Resignation.* A director may resign at any time by providing written notice to the corporation. Notice of resignation will be effective on receipt or at a later time designated in the notice. A successor shall be appointed as provided in section 4.06 of the bylaws.
- 4.05 *Removal.* Any director may be removed with or without cause by a majority vote of the members entitled to vote at an election of directors.
- 4.06 *Board Vacancies.* A vacancy on the board may be filled with a person selected by the remaining directors of the board, though less than a quorum of the board of directors, unless filled by proper action of the members. Each person so elected shall be a director for the remainder of the term of the director being replaced.
- 4.07 *Annual Meeting.* An annual meeting shall be held each year on the same date as and immediately following the annual membership meeting when an officer vacancy exists. If the annual membership meeting is not held as scheduled, the board shall cause the annual meeting of the board to be held as soon thereafter as is practicable and convenient.
- 4.08 *Regular Meetings.* Regular meetings of the board may be held at the time and place as determined by the board. Notice of the time, place, and purposes of a regular board meeting shall be given not less than ten (10) days before the date of the meeting. Regular meetings of the board shall be held on at least a quarterly basis.
- 4.09 *Special Meetings.* Special meetings of the board may be called by the president or any two directors at a time and place as determined by those persons authorized to

- call special meetings. Notice of the time and place of special meetings shall be given to each director in any manner at least three (3) days before the meeting.
- 4.10 *Notice.* Notice shall be given either personally, by electronic email or by telephone, or by first class mail to each board member of record entitled to vote at the meeting at his or her last address as it appears on the books of the corporation.
- 4.11 *Statement of Purpose.* Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice for that meeting.
- 4.12 *Waiver of Notice.* The attendance of a director at a board meeting shall constitute a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In addition, the director may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.
- 4.13 *Meeting by Telephone or Similar Equipment.* A director may participate in a meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.
- 4.14 *Quorum.* A majority of the directors then in office constitutes a quorum for the transaction of any business at any meeting of the board. Actions voted on by a majority of directors present at a meeting where a quorum is present shall constitute authorized actions of the board.
- 4.15 *Consent to Corporate Actions.* Any action required or permitted to be taken pursuant to board authorization may be taken without a meeting if, before or after the action, all directors' consent to the action in writing. Written consents shall be filed with the minutes of the board's proceeding.
- 4.16 *Minutes.* The secretary shall keep a correct and complete record of all its proceedings which shall be attested to by the signature of the secretary whose duty it shall be to keep such records.
- 4.17 *Powers.* Within the scope of the approved Annual Operating Plan/Budget the board of directors shall have complete control over, and management of, the property, affairs, and business of the corporation with power to borrow money and to authorize its general officers to execute in the corporate name, bills, notes, and other evidence of indebtedness and to mortgage the property of the corporation for that purpose. No contract shall be made or expense incurred on behalf of this corporation except in accordance with rules prescribed and approved by the board of directors. Specifically:
1. The board of directors shall have charge, control and management of the business, property, affairs and funds of the corporation and shall have the power and authority to do and perform all lawful acts and functions permitted for an organization described in Section 501(c) (3) of the Code not inconsistent with these bylaws, the articles of incorporation or the laws of the State of Michigan.

2. The board of directors shall have the power to raise funds for corporate purposes and within the limit of available funds to guarantee the debt of any affiliated or subsidiary entity, whenever the same shall be in the best interest of the corporation and in furtherance of its purposes.
  3. The board of directors shall have the power to modify any restrictions or conditions on the distribution of funds for any specified purpose, if in their judgment such restrictions or conditions are unnecessary, incapable of fulfillment, or inconsistent with the purposes of the corporation.
  4. The board of directors shall have the power to designate one or more officers, agents or employees to execute contracts, conveyances, or other instruments on behalf of the corporation and such authority may be general or confined to specific transactions. The board of directors may also ratify any execution. No contract or other action on behalf of the corporation obligating the corporation for more than \$2,000 is authorized or approved unless signed by two (2) officers of the corporation. No contract or other action on behalf of the corporation obligating the corporation for more than \$5,000 is authorized or approved unless first approved by the board at a meeting called to approve same and thereafter signed by two (2) officers of the corporation.
- 4.18 *Annual Operating Plan/Budget.* The board of directors shall prepare an annual operating plan with budget during the fourth quarter of each calendar year. This operating plan shall include all planned expenditures for the year, including but not limited to, duties and responsibilities of all proposed salaried or hourly paid employees (such as Project Coordinator, Educator, Lake Surveyor, etc.). Approval shall require a three-fourths (3/4) vote of all directors. Upon approval the plan will be made available to all members.

## ARTICLE V COMMITTEES

- 5.01 *General Powers.* The board, by resolution adopted by a vote of a majority of its directors, may designate one or more committees, each committee consisting of one (1) or more directors and other committee members who may be either directors or members of the corporation. The board may also designate one or more directors as alternate committee members who may replace an absent or disqualified member at a committee meeting. If a committee member is absent or disqualified from voting, then 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 absent or disqualified member. All committees designated by the board shall serve at the pleasure of the board.
- 5.02 *Meetings.* Committees shall meet as required, and their meetings shall be governed by the rules provided in article IV for meetings of the board.

- 5.03 *Consent to Committee Actions.* 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.
- 5.04 *Standing Committees.* There shall be two permanent standing committees; (1) Finance Committee, and (2) Public Relations and Education Committee. In addition, the board of directors may establish such other standing or special committees from time to time as it shall deem appropriate and shall define the powers and responsibilities of such committees. All additional standing committees must be ratified by majority of the votes cast by the members entitled to vote at the next scheduled regular or annual meeting. Each standing committee, at a minimum, will have a chairperson, secretary, and one (1) or more additional board members and such non-board members being members of the corporation as the board shall approve.
- 5.05. *Standing Committee Operation.* Standing committees may receive funds and commit same to the use of the committee upon presentation to and authorization by the board of directors of a committee operating plan and budget. All funds received and specifically designated for the purpose of promoting the function of a standing committee shall be treated as and accounted for as segregated funds and shall be applied solely for the purposes of the committee. However, such fund, if left uncommitted to specific committee expenditures, may be authorized as needed for general purpose use by a two-thirds vote of a quorum of all board members. In the event of a committee shortage of needed funds, the committee may request funds from the corporation general purpose funds and such funds may be authorized for committee use by a two-thirds vote of a quorum of all board members.
- 5.06 *Finance Committee.* The Finance Committee shall include the treasurer of the corporation. The chairperson of the Finance Committee shall be the chief fund raiser and funds organizer of the corporation, and, as such, shall be responsible for overseeing grants research and application; foundation giving; fund raising events, and all other funding procurement activities of the corporation.
- 5.07 *Public Relations and Education Committee:* The chairperson of the Public Relations and Education Committee shall be the chief information officer of the corporation, and, as such, shall be responsible for overseeing image promotion, public awareness, user education, and all other promotional and educational activities of the corporation.
- 5.08 *Vote.* Committee members acting on a matter before the committee shall act by majority vote of the members present.
- 5.09 *Meeting Notice.* A committee meeting may be called at the discretion of the chairperson with advance notice of said meeting given in person to a committee member, by telephone or by electronic email, no less than seventy-two (72) hours before said meeting or by first class mail mailed at least seven (7) days before said meeting.



- 5.10 *Minutes.* The committee chairperson shall see that minutes of the committee meeting are taken and subsequently presented to the board.
- 5.11 *Authority.* A committee, either as a whole or by the act of any of its members acting individually on behalf of the committee, shall have no authority to bind the corporation. A committee shall only have the authority to make recommendations to the board.

## ARTICLE VI OFFICERS

- 6.01 *Number.* The officers of the corporation shall be elected by the board. The officers shall be a president, a vice-president, a secretary, and a treasurer.
- 6.02 *Term of Office.* All officers shall be elected by the Board from its members at the annual meeting for a term of two (2) years, or until their successor has been elected. An officer may resign at any time by providing written notice to the corporation. Notice of resignation is effective on receipt or at a later time designated in the notice.
- 6.03 *Removal.* An officer elected by the board may be removed with or without cause by vote of a majority of the board. The removal shall be without prejudice to the person's contract rights, if any. Election to an office does not of itself create contract rights.
- 6.04 *Vacancies.* A vacancy in any office for any reason may be filled by the board.
- 6.05 *President.* The president shall be the chief executive officer of the corporation, and, as such, under the direction of the board of directors shall have power to perform all acts, execute and deliver all documents, and take all steps deemed necessary or desirable in order to effectuate the actions and policies of the corporation; and, shall be ex-officio a member of all committees of the corporation; and, shall have the general powers and duties of supervision usually vested in the president of a non-stock corporation. The president shall have power to appoint or discharge employees, agents, or independent contractors, to determine their duties, and to fix their compensation unless these bylaws provide otherwise. The president shall sign all corporate documents and agreements on behalf of the corporation, unless the president or the board or these bylaws instructs that the signing be done with or by some other officer, agent, or employee. The president shall see that all actions taken by the board are executed and shall perform all other duties incident to the office. This is subject, however, to the president's right and the right of the board to delegate any specific power to any other officer of the corporation.
- 6.06 *Vice President.* The vice president shall have the power to perform duties that may be assigned by the president or the board. If the president is absent or unable to perform his or her duties, the vice president shall perform the president's duties until the board directs otherwise. The vice president shall perform all duties incident to the office.

- 6.07 *Secretary.* The secretary shall (a) keep minutes of board meetings; (b) be responsible for providing notice to each member and director as required by law, the articles of incorporation, or these bylaws; (c) be the custodian of corporate records; (d) keep or cause to be kept a register of the names and addresses of each member, officer and director; and (e) perform all duties incident to the office and other duties assigned by the president or the board; (e) send or cause to be sent all required notices of meetings; (g) receive and attend to all correspondence; (h) have custody of all documents of the corporation; (i) shall keep and maintain accurate minutes of all meetings of the board and members, and retain copies of all committee minutes; and, (j) perform such other duties as usually pertain to the office or as shall be determined from time to time.
- 6.08 *Treasurer.* The treasurer shall be the financial officer of the corporation, as such, 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 moneys and securities received by the corporation at such depositories in the corporation's name that may be designated by the board; (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.
- 6.09 *Compensation of Officers.* No officer shall be entitled to compensation for services rendered to the corporation in the course of holding his or her office. The board may authorize reasonable compensation for services of value performed by a member independent of his or her office, or to one who does not hold office.
- 6.10 *Removal.* An officer may be removed from office for cause by the affirmative vote of two-thirds (2/3) of the directors present at a duly called meeting at which a quorum is present.
- 6.11 *Vacancies.* If the office of a corporate officer becomes vacant, the directors may elect a successor to fulfill the remainder of the term.

## ARTICLE VII CORPORATE DOCUMENT PROCEDURE

- 7.01 All corporate documents (including stocks, bonds, agreements, insurance and annuity contracts, checks, notes, disbursements, loans, and other debt obligations) shall not be signed by any officer, designated agent, or attorney-in-fact unless authorized by the board or by these bylaws.

## ARTICLE VIII INDEMNIFICATION

- 8.01 *Non-derivative Actions.* 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, officer, employee, agent, member or volunteer 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.

- 8.02 *Derivative Actions.* 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, officer, employee, agent, member or volunteer 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 such 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 such person has been found liable to the corporation unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.
- 8.03 *Expenses of Successful Defense.* 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 8.01 or 8.02 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.
- 8.04 *Contract Right; Limitation on Indemnity.* 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, or as concerns an employee, agent, member or volunteer acting on behalf of the corporation. Except as provided in section 8.03 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.

- 8.05 *Determination That Indemnification Is Proper.* Any indemnification under sections 8.01 or 8.02 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 8.01 or 8.02, whichever is applicable. Such determination shall be made in any of the following ways:
1. By a majority vote of a quorum of the board consisting of directors who were not parties to such action, suit, or proceeding.
  2. If the quorum described in clause (a) above is not obtainable, then by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.
  3. By independent legal counsel in a written opinion.
  4. By the members.
- 8.06 *Proportionate Indemnity.* If a person is entitled to indemnification under sections 8.01 or 8.02 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.
- 8.07 *Expense Advance.* Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 8.01 or 8.02 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 need not be secured.
- 8.08 *Nonexclusivity of Rights.* 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.

- 8.09 *Indemnification of Employees and Agents of the Corporation.* The corporation shall grant rights to indemnification and to the advancement of expenses to any employee, agent, member or volunteer acting on behalf 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.
- 8.10 *Former Directors, Officers, Employee, Agent, Member or Volunteer.* The indemnification provided in this article continues for a person who has ceased to be a director, officer, employee, agent, member, or volunteer for acts undertaken on behalf of the corporation and shall inure to the benefit of the heirs, executors, and administrators of that person.
- 8.11 *Insurance.* The corporation may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, agent, member or volunteer of the corporation or (b) was or is serving at the request of the corporation as a director, officer, employee, agent, member or volunteer of another corporation, partnership, joint venture, trust, or other enterprise. Such 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 such liability under this article or the laws of the State of Michigan.
- 8.12 *Changes in Michigan Law.* If there are any changes in the Michigan statutory provisions applicable to the corporation and relating to the subject matter of this article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits the corporation to provide broader indemnification rights than such provisions permitted the corporation to provide before any such change.

#### ARTICLE IX COMPENSATION

- 9.01 When authorized by the board, 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.

#### ARTICLE X FISCAL YEAR

- 10.01 The fiscal year of the corporation shall commence on January 1 and end on December 31.

#### ARTICLE XI DISSOLUTION

- 11.01 Upon the dissolution, liquidation and winding up of the corporation after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall be distributed to a non-profit fund, foundation, association, or corporation

organized and operated exclusively for the purposes specified in section 501(c)(3) of the Internal Revenue Code of 1986 and which has established its tax-exempt status under that section or corresponding section of any future federal tax code, and with preference given to such 501(c)(3) non-profit fund, foundation, association, or corporation for such permitted charitable, benevolent, educational or philanthropic purposes most-closely meeting the purposes of the corporation, including as set forth in the Articles of Incorporation, and applicable By-Laws of the corporation, and as within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended; or if not possible, shall be distributed to the federal government, or to a state or local government, for a public purpose, and with preference given to such local, state or federal governmental organization having a charitable, benevolent, educational or philanthropic public purpose most-closely meeting the purposes of the corporation, including as set forth in the Articles of Incorporation, and applicable By-Laws of the corporation, and as within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended. Any such assets not so disposed shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, to such organization or organizations as said court shall determine, with preference given, to the extent permitted the court, to such non-profit fund, foundation, association, or corporation for such permitted charitable, benevolent, educational or philanthropic purposes most-closely meeting the purposes of the corporation, including as set forth in the Articles of Incorporation, and applicable By-Laws of the corporation, and as within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended.

- 11.02 In the event of the liquidation of the corporation, no dividends or distribution of property then owned by the corporation shall be declared or paid to any officer, director, member, volunteer or agent of the corporation.

## ARTICLE XII AMENDMENTS

- 12.01 These By-Laws may be amended or any part thereof repealed upon recommendation of the Board and by a two-thirds (2/3) vote of all members present in person or by proxy at the annual meeting or a special meeting of the corporation at which a quorum is in attendance, provided the proposed amendment shall have been submitted in writing and read at a previous meeting of the Board of Directors and notice of the proposed amendment shall have been mailed to all members or posted on the corporation website with notice of such posting provided to all members at least twenty (20) days before the meeting.

## ARTICLE XIII. PROCEDURE

- 13.01 Roberts Rules of Order shall govern the meetings of the Board of Directors in all matters not provided for in these By-laws.