

**BYLAWS**  
**OF**  
**STURGIS IMPROVEMENT ASSOCIATION**

ARTICLE I

NAME AND REGISTERED OFFICE

Section 1. Name. The name of this Corporation is STURGIS IMPROVEMENT ASSOCIATION.

Section 2. Registered Office. The registered office of the Corporation is 112 South Monroe Street, Sturgis, Michigan 49091, and the mailing address of the initial registered office is 112 South Monroe Street, Sturgis, Michigan 49091. The resident agent shall be the person who from time to time is designated by the Board of Directors.

Section 3. Principal Office. The Corporation shall have its principal office at 112 South Monroe Street, Sturgis, MI 49091, and it may also maintain offices at such other place or places as the Board of Directors may from time to time designate.

ARTICLE II

PURPOSE

Section 1. Purposes. The Corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of Internal Revenue Code, or corresponding sections of any future federal code. Further, the Corporation is organized

to serve, on a non-profit basis, as an economic development agency for the City of Sturgis area and to build effective partnerships among business, education, tax-exempt foundations and the public sector to pursue new opportunities for development and growth, and to take on an active role in activities designed to develop the Sturgis area's human, technical and capital resources.

The Corporation may engage in any activity in connection with the above-stated purposes for which a nonprofit corporation may be organized under the Michigan Nonprofit Corporation Act of 1982, as amended. However, the Corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under 501(c)(3) of Internal Revenue Code, or (b) by a corporation to which contributions are deductible under Section 170(c)(2) of the Internal Revenue Code.

The Corporation has not been formed for pecuniary profit or gain. No part of the assets, income or profit of the Corporation will inure to the benefit of officers or directors. However, the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article II, Section 1.

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 or distribution of statements) any political campaign on behalf of any candidate for public office.

## ARTICLE III

### MEMBERSHIP

Section 1. Membership requirements are: a registered voter or place of business in the City of Sturgis, Michigan or the Townships of Sturgis, Burr Oak, Sherman, Fawn River or White Pigeon, Michigan who has filed his or her acceptance of membership. No new members will be accepted 30 days prior to any annual meeting.

Section 2. The Corporation is organized upon a non-stock directorship basis with no dues or assessments.

Section 3. A meeting of the members shall be held annually at the registered office of the Corporation or such other place as may be determined by the Board of Directors, on the 1<sup>st</sup> Tuesday of May of each year, not a legal holiday, and if a legal holiday, then on the day following, for the purpose of electing directors and for the meeting. Special meetings of the membership may be called by or at the request of the President or any two directors.

Section 4. Notice of Meeting. A published notice shall be inserted in the Sturgis Journal, a local newspaper, ten (10) days prior to the annual meeting.

## ARTICLE IV

### DIRECTORS

Section 1. General Powers. The property, business and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall have the power to accept, or refuse to accept, any bequests, devises, gifts or grants which are proposed to be made to this Corporation based upon the discretion and judgment of the Directors, taking into consideration the nature of the proposed gift, any conditions or restrictions placed upon the gift and the

appropriateness of such gift to the purposes of this Corporation.

Section 2. Number, Tenure and Qualifications. The Board of Directors shall consist of nine (9) to fifteen (15) persons, as determined from time to time by the Board of Directors. These directors shall be elected at the annual meeting of the membership for staggered terms of three (3) years. Directors shall serve without salary, but may be reimbursed their actual expenses incurred in the performance of their official duties. Nothing contained herein shall be construed to preclude any director from serving the Corporation in any other capacity, or receiving compensation therefor.

Section 3. Replacement and Vacancies. Subsequent directors shall be elected in the same manner as original elections at the expiration of each director's term of office. A director whose term of office has expired shall continue to hold office until his successor has been appointed with the advice and consent of the Board. A director may be reappointed to serve additional terms. If a vacancy is created by death, removal, or resignation, a successor shall be appointed by the Board within thirty (30) days to hold office for the remainder of the term of office so vacated.

Section 4. Removal. A director may be removed from office for neglect of duty, or misconduct or malfeasance by a majority vote of the Board. A member may not miss more than three (3) meetings per year without permission from the Chairman.

Section 5. Conflict of Interest. A director shall comply with the corporation's current or future conflict of interest policy adopted by the Board of Directors.

Section 6. Meetings. Meetings of the Board of Directors and membership shall be held annually at the registered office of the Corporation, or such other place as may be determined by the Board of Directors, on the 4<sup>th</sup> Friday of March of each year, not a legal holiday, if a legal holiday, then on the day following, for the purpose of electing officers and for the meeting.

Meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors.

Section 7. Notice. Notice of any meeting shall be given at least two (2) days previous thereto by written notice, delivered personally, electronically or mailed to each director at his business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mails in a sealed envelope so addressed, with postage thereon prepaid. Any director may waive of notice of any meeting. The attendance of a director at any meeting shall constitute waiver of notice of such meeting, except when 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. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 8. Quorum. A majority of the members of the Board of Directors then in office constitutes a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the directors are present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The vote of the majority of members present at a meeting at which a quorum is present constitutes the action of the Board of Directors, unless the vote of a larger number is required by statutes, the Articles of Incorporation or these Bylaws. Amendment of the Bylaws by the Board of Directors requires the vote of not less than a majority of the members of the Board of Directors then in office.

Section 9. Participation by Communication Equipment. A member of the Board of Directors or of a committee designated by the board may participate in a meeting by means of conference, telephone, or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this

provision constitutes presence in person at the meeting.

Section 10. Meetings by Consent. Any action taken by the unanimous written consent of the Board of Directors shall have the same force and effect as if taken at a meeting of the Board of Directors duly called and constituted.

Section 11. Committees. The Board of Directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The board may designate one or more directors as alternate members of a committee, who may replace an absent or disqualified member at a meeting of the committee. In the absence or disqualification of a member of a committee, the members thereof present at a meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the board to act at the meeting in place of such an absent, or disqualified member. A committee, and each member thereof, shall serve at the pleasure of the board. A committee so designated by the board, to the extent provided in the resolution by the board, may exercise all administrative and ministerial, but not discretionary, powers and authority of the board in the management of the business and affairs of the Corporation, except that such committee shall not have the power of authority to:

- (a) amend the Articles of Incorporation,
- (b) recommend to members a dissolution of the Corporation or a revocation of dissolution,
- (c) amend the Bylaws or the Corporation, or
- (d) fill vacancies in the board.

Section 12. Manifestation of Dissent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be assumed

to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent, to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

## ARTICLE V

### OFFICERS

Section 1. Officers. The officers of the Corporation shall consist of a President, one or more vice presidents, secretary, treasurer, and if desired, such other officers as may from time to time be determined by the Board of Directors, each of whom shall be elected by the directors. Two or more offices may be held by the same persons but an officer shall not execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law or the Articles or Bylaws to be executed, acknowledged or verified by two or more officers.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors. If the election of officers shall not be held or made at such meeting, such election shall be held or made as soon thereafter as is convenient. Each officer so elected shall hold office for the term of which he is elected and until his successor is elected and qualified, or until his resignation or removal.

Section 3. Removal. Any officer elected by the Board of Directors may be removed by the Board of Directors with or without cause whenever in its judgment the best interest of the Corporation would be served thereby.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal,

disqualification or otherwise, may be filled at any meeting of the Board of Directors for the unexpired portion of the term of such office.

Section 5. President. The president shall be the chief executive officer of the Corporation, but he may from time to time delegate all or any part of his duties to a vice president. He shall preside at all meetings of the directors; he shall have general and active management of the business of the Corporation, and shall see that all orders and resolutions of the board are carried into effect. He shall execute all bonds, mortgages, conveyances and other instruments entered into pursuant to the powers of the Corporation as set forth in the Articles of Incorporation with the approval and authority of the Board of Directors. He shall be ex-officio a member of all standing committees.

Section 6. Vice President. The vice president shall perform such duties as are delegated to him by the president. In the absence or in the event of the disability of the president, the vice president will perform the duties and exercise to powers of the president, and shall perform such other duties as the Board of Directors shall prescribe.

Section 7. Secretary. The secretary shall attend all meetings of the board and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees when requires. He shall give, or cause to be given, notice of all meeting of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation, and when authorized by the board, affix the same to any instrument requiring it, and when so affixed it shall be attested by his signature of by the signature of the treasurer. He shall be sworn to the faithful discharge of his duties. The assistant secretary, if one is elected, shall perform the duties and exercise the power of the secretary in his absence or in the



event of his disability.

Section 8. Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys, and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and director, at regular meetings of the board, or whenever they may require an account of all his transactions as treasurer and of the financial condition of the Corporation. He shall give the Corporation a bond if required by the Board of Directors in a sum, and with one or more sureties satisfactory to the board, for the faithful performance of the duties of his office, and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation. The assistant treasurer, if one is elected, shall perform the duties and exercise the power of the treasurer in his absence or in the event of his disability.

Section 9. Delegation of Duties of Officers. In the absence of any officer of the Corporation, or for any other reason that the board may deem sufficient, the board may delegate, from time to time and for such time as it may deem appropriate, the powers or duties, or any of them, of such officer to any other officer, or to any director, provided a majority of the board then in office concurred therein.

Section 10. Salaries. The officers of the Corporation shall serve without salary; provided, that nothing herein contained shall be construed to preclude any officer from serving the Corporation in any other capacity and receiving compensation therefore.

Section 11. Officer's Bond. The Board of Directors may secure the fidelity of any or all of such officers by bond or otherwise.

Section 12. Resignation. Any officer may resign such office at any time by giving written notice of such resignation to the Secretary of the Corporation. The resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the notice by the Secretary. Acceptance by the Board shall not be necessary to render the resignation effective.

## ARTICLE VI

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The board of Directors may authorize any office or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority shall be confined to specific instances.

Section 2. Loans. No loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority shall be confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

## ARTICLE VII

### FISCAL YEAR

The fiscal year of the Corporation shall begin on the 1<sup>st</sup> day of January in each year and end on the 31<sup>st</sup> day of December in each year.

## ARTICLE VIII

### INDEMNIFICATION OF OFFICERS,

### DIRECTORS, EMPLOYEES, AND AGENTS

Section 1. Indemnification: Third Party Actions. The Corporation has the power to indemnify a person who was or is a party, or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of this Corporation) by reason of the fact that the person is or was Director, officer, employee, volunteer or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses (including attorney's fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by that person in connection with the action, suit or proceeding if that person acted in good faith and in a manner reasonably believed by that person to be in or not opposed to the best interests of the Corporation or its members, and with respect to a criminal action or proceeding, if that person had no reasonable cause to believe that the conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement,

conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner reasonably believed by that person to be in or not opposed to the best interests of the Corporation or its members and, with respect to a criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Section 2. Indemnification: Actions in the Right of the Corporation. The Corporation has the power to indemnify a person who was or is a party to, or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was a Director, officer, employee, volunteer or agent of the Corporation, or is or was serving at the request of this Corporation as a Director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorneys' fees) and amounts paid in settlement incurred by that person in connection with the action or suit if that person acted in good faith and in a manner reasonably believed by that person to be in or not opposed to the best interests of the Corporation or its members. However, no indemnification shall be made for a claim, issue or matter in which such person shall have been found to be liable to the Corporation unless and only to the extent that the court in which such action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, that person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

Section 3. Indemnification: Mandatory and Permissive Payments.

(a) To the extent that a Director, officer, employee, volunteer or agent of the

Corporation has been successful on the merits or otherwise in defense of an action, suit or proceeding referred to in Section 1 or Section 2 of this Article, or in defense of a claim, issue or matter in the action, suit, or proceeding, that person shall be indemnified against expenses (including actual and reasonable attorneys' fees) incurred by that person in connection with the action, suit or proceeding as well as in connection with the action, suit, proceeding brought to enforce the mandatory indemnification provided in this Subsection.

(b) An indemnification under Section 1 or Section 2 of this Article, unless ordered by a court, shall be made by this Corporation only as authorized in a specific case upon a determination that indemnification of the Director, officer, employee, volunteer or agent is proper in the circumstances because that person has met the applicable standard of conduct as set forth in either Section 1 or Section 2. That determination shall be made in any of the following ways:

(i) By majority vote of a quorum of the Board consisting of Directors who were not parties to the action, suit or proceeding.

(ii) If that quorum is not obtainable, then by a majority vote of a Committee of Directors who were not parties to the action, suit, or proceeding. The Committee shall consist of not less than two (2) disinterested Directors.

(iii) By independent legal counsel in a written opinion.

(c) If a person is entitled to indemnification under Section 1 or Section 2 of this Article for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Corporation may 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 4. Indemnification: Expense Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section 1 or Section 2 of this Article may be paid by this Corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the Director, officer, employee, volunteer or agent to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by this Corporation. The undertaking shall be unlimited general obligation of the person on whose behalf advances are made but not secured.

Section 5. Indemnification: Continuation of Right. The indemnification provided in Sections 1 through 4 of this Article shall continue as to a person who has ceased to be a Director, officer, employee, volunteer or agent and shall inure to the benefit of the heirs, and personal representatives of any deceased or former Director, officer, employee or agent who would have been entitled to indemnification.

Section 6. Indemnification: Hereunder Not Exclusive. The indemnification or advancement of expenses provided in Sections 1 through 4 of this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, Bylaws or a contractual agreement. 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 for advancement of expenses.

Section 7. Directors and Officers Liability Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, volunteer or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, business corporation, partnership, joint venture,

trust or other enterprise against any liability asserted against the person and incurred by the person in any such capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify the person against such liability under Sections 1 through 6 of this Article.

Section 8. Mergers. For purposes of this Article, references to the “Corporation” include all constituent corporations absorbed in a consolidation or merger, as well as the resulting or surviving corporation, so that any person who is or was a director, officer, employee, volunteer or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation or business corporation as the person would if he or she had served the resulting or surviving corporation or business corporation in the same capacity.

## ARTICLE IX

### MISCELLANEOUS

Section 1. Seal. The corporate seal of the Corporation shall be such as the Board of Directors may by resolution from time to time approve.

Section 2. Waiver of Notice. When the Board of Directors or any committee thereof may take action after notice to any person or after lapse of a prescribed period of time, the action may be taken without notice and without lapse of the period of time, if at any time before or after the action is completed the person entitled to notice or to participate in the action to be taken submits a signed waiver of such requirements.

Section 3. Rules. Roberts Rules of Order shall govern the procedure of all meetings.

## ARTICLE X

### DISSOLUTION OF CORPORATION

Section 1. Discretionary Dissolution of Corporation. A dissolution of the Corporation shall be authorized only by the affirmative vote of a majority of Directors then in office. Notice of the meeting to authorize the dissolution shall be given to each Director then in office not less than ten (10) days before the meeting and shall state that the purpose of the meeting is to vote on dissolution of the Corporation. The notice shall include a copy or summary of the plan of distribution of assets.

Section 2. Dissolution Procedure. If the dissolution is approved, the Corporation shall cease to conduct its affairs except as may be necessary for the winding up of the Corporation. It shall immediately cause a certificate of dissolution to be executed and filed setting forth: (a) the name of the Corporation; (b) the date and place of the meeting of Directors approving the dissolution; and (c) a statement that dissolution was approved by the requisite vote of Directors.

Section 3. Distribution of Assets. In the event of dissolution, all assets of this Corporation, real and personal, shall be distributed consistent with the requirements of entities exempt from taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code.

## ARTICLE XI

### AMENDMENTS

These Bylaws may be altered or amended or repealed by the affirmative vote of a majority of the Board of Directors then in office at any regular or special meeting called for that purpose.



## ARTICLE XII

### REFERENCE TO INTERNAL REVENUE CODE

Any reference in these Bylaws to a provision of the Internal Revenue Code shall refer to that provision in the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law.