

*BRADFORD PLACE*  
*CONDOMINIUM*  
*ASSOCIATION*

09/26/98



## PREAMBLE

### **The Association (a Michigan nonprofit corporation)**

BRADFORD PLACE CONDOMINIUM ASSOCIATION was incorporated in Michigan on July 15, 1982, as a Michigan nonprofit corporation. Filing the articles of incorporation with the appropriate state agency created a separate legal entity governed by the Michigan Nonprofit Corporation Act. The ASSOCIATION was formerly named "Twin Lake Condominiums of Grand Rapids Condominium Association, Inc." The name was later changed, by amendment, February 19, 1987, to BRADFORD PLACE CONDOMINIUM ASSOCIATION.

### **The Association Bylaws**

The ASSOCIATION Bylaws were adopted shortly after incorporation. The bylaws contain rules and procedure for the ASSOCIATION's internal governance (e.g., electing a board, holding a meeting, and so on). The ASSOCIATION Bylaws were later amended:

- The *first* amendment was adopted in 1991. This amendment affected the following:
  1. Article III, Section 7, Rules and Regulations. This amendment refers to the separate condominiums as units, not apartments. The voting requirement was changed to one vote per member and no longer includes the percentage of value of each unit(s) owned; and
  2. Article VII, Section 1, Amendments. The voting requirement was changed to one vote per member and no longer includes the percentage of value of each unit(s) owned.
- The *second* amendment was adopted on January 8, 1996. This amendment gave the Board the power to adopt and amend rules and regulations without the approval of the members. Added to this section is the requirement that a copy of the rules and regulations be given to each member before the effective date.
- The enclosed *third* amendment to the ASSOCIATION Bylaws both amends and restates all previous ASSOCIATION Bylaws. There should be no need to refer to previous ASSOCIATION bylaws once they are adopted.

### **The Master Deed**

The condominium units (and other fixtures) and the land on which they stand are governed by the Michigan Condominium Act, an act relative to condominiums and condominium projects. The Master Deed was filed with the Kent County Register of Deeds on July 20, 1982. It recorded the condominium project, the Condominium bylaws (project bylaws), and the subdivision plan. The Master Deed includes the following: a legal description of the land involved in the project; a designation of common elements and the units served, and the rights in the common elements; the total percentage of value for the project and the separate percentages of value assigned to each unit; where the architectural plans and specifications for the project are filed; and other matters appropriate to the project. The Master Deed was later amended:

- The *first* amendment was adopted on December 3, 1986 (recorded Dec. 30, 1987). This amendment affected the following:
  1. The name of the project was changed to Bradford Place Condominium;
  2. The last paragraph of Article I, Nature of Project, was changed to allow for the project to build more condominium units;
  3. Article II, Legal Description, was changed to reflect the addition of more land to the project;
  4. The name of the developer was changed in the definition;
  5. The place where the architectural plans were filed was changed from the Michigan Department of Commerce to the City of Grand Rapids;
  6. Article V, Description and Percentage of Value, Section C was changed to account for the expansion of the project from 14 units to 63 units. It changed the percentage of values assigned; and
  7. The architectural plan was changed to include the new property and the layout of the new condominium units.
  
- The *Second* amendment was adopted on April 29, 1987 (recorded on May 4, 1987). This amendment deleted Sections C(1) and C(2) of Article VII, Amendment and Termination. The following was added in their place:
  1. The Condominium Bylaws can now be amended without the consent of the Co-Owners or the mortgagees if the changes do not materially alter the rights of the co-owners or the mortgagees; and
  2. If the amendment of the Condominium Bylaws, the Master Deed, or the subdivision plan will materially effect the rights of the co-owners or the mortgagees, then there must be a two-thirds (2/3) vote of the co-owners and mortgagees. Each mortgagee gets one vote for each mortgage held.
  
- The *third* amendment was adopted on January 28, 1988 (recorded on February 2, 1988). This amendment required that the proposed units "must be built" and that the new plans for this development shall take the place of the old plans.
  
- The *fourth* amendment was adopted on January 6, 1992 (recorded on January 15, 1992). This amendment changed the definition of "percentage in value" to be used in determining the assessment of the common elements, but percentage of value is no longer used when counting member votes.
  
- The *fifth* amendment was adopted on January 8, 1996 (recorded on January 16, 1996). This amendment removed doors and windows from the general common elements and included them in the limited common elements.

Now that the project is completed and all units have been sold, the Master Deed is referenced for its historical value, as well as the restrictions, conditions, and covenants in the deed effecting the condominium and those running with the land. These restrictions, conditions, and covenants should also be referenced in the deeds conveyed to the individual purchasers of the units.

### **The Condominium Bylaws (project bylaws)**

The administration of the condominium project was governed by the Condominium bylaws. The Condominium bylaws were recorded as part of the master deed. Now that the project is completed and all units have been sold, the Condominium bylaws are referenced for their historical value, as well as the bylaw provisions included as required under the Michigan Condominium Act (the mandatory provisions), and the permissive provisions.

The mandatory provisions of the Condominium bylaws still applicable include the following:

1. The administration of the project which is vested in the ASSOCIATION. (*See Article IV, Sections 1 - 9.*)
2. The designation of the ASSOCIATION as the person assessed with possession of any tangible personal property (owned or possessed in common by the co-owners). (*See Article V, Section 1.*)
3. The provisions directing the courses of action to be taken in the event of partial or complete destruction of the buildings of the project. (*See Article VI, Sections 2 - 3.*)
4. The provisions protecting co-owners against liability arising within, caused by, or connected with the common elements or the administration of the condominium project. (*See Article 6, Section 2.*)
5. The provision requiring the ASSOCIATION to prepare and distribute to each owner at least once a year a financial statement. (*See Article IV, Section 3, twice a year.*)
6. The indemnification provision protecting the ASSOCIATION's board of directors for their actions, except for willful and wanton misconduct and gross negligence. Ten (10) days notice shall be given to the co-owners. (*See Article IV, Section 9 (notice requirement missing) and Article V, Sections 1 - 4.*)
7. A provision may allocate to each condominium unit a number of votes in the ASSOCIATION proportionate to the percentage of value or an equal number of votes. (*See Article II, Section 2 as amended by the first amendment to the Condominium bylaws (one vote for each unit owned, not percentage of value).*)

There are also many permissible provisions, but they will not be discussed here. The Condominium bylaws were recorded with the Kent County Register of Deeds on July 20, 1982. The Condominium bylaws were later amended:

- The *first* amendment was adopted on May 1993. This amendment affected the following:

1. A co-owner's voting rights were changed to one vote per unit owned. Each member gets one vote when electing officers, approving special assessments, approving reconstruction and repair, electing for the Association to take its first option, and for selling a unit for less than what the Association paid for it;
  2. How a quorum is to be calculated was changed to include members present in person and by proxy; and
  3. The percentage of value is no longer used when counting votes or the presence of the members for quorum requirements.
- The *second* amendment was adopted on January 19, 1993. This amendment limits the amount that can be spent for additions to the common elements to \$10,000.
  - The *third* amendment was adopted on January 10, 1994. This amendment affected the following:
    1. The notice requirement for leasing was increased to 40 days;
    2. Restrictions were added on the leasing of the units: (a) a co-owner cannot lease his or her unit for more than 18 months out of any four-year period; (b) no more than four units may be rented or leased at one time; and (c) the co-owner must have specific approval of the Board to lease or rent (if approval is denied, the co-owner may not lease the unit); and
    3. The remedies were enhanced to include expenses, which may include attorney fees.
  - The *fourth* amendment was adopted on January 8, 1996 (recorded on January 16, 1996). This amendment affected the following:
    1. The board may now consider any factor which is relevant to whether a pet will disturb the other co-owner's enjoyment of their units and the common elements;
    2. The Board has very broad discretion when determining whether a pet should be allowed to be kept by a co-owner;
    3. Rules and regulations no longer need a majority vote of the co-owners. The Board has the power to adopt them;
    4. The Association needs to notify a mortgagee of each insurance company for the condominiums only upon the request of the mortgagee; and
    5. The written notice requirement for a transfer of a unit no longer needs to include financial and character references of the proposed transferee.

An amendment shall be inoperative until recorded.

**THIRD AMENDMENT  
AND  
RESTATEMENT  
TO THE  
BRADFORD PLACE  
CONDOMINIUM ASSOCIATION  
BYLAWS**

**BRADFORD PLACE  
CONDOMINIUM ASSOCIATION  
BYLAWS**

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# ARTICLE I

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## Purposes of the Association

- 1.01 Purposes.** BRADFORD PLACE CONDOMINIUM ASSOCIATION, a Michigan nonprofit corporation is organized for the following purpose:

To do any and all acts necessary for the administration, operation, management and maintenance of Bradford Place Condominiums, and to do acts allowed by law and required by law by a nonprofit condominium owners association.

# ARTICLE II

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## Location

- 2.01 Principal Office.** The principal office of the ASSOCIATION shall be located in the City of Grand Rapids, County of Kent, State of Michigan. Other corporate offices, either within or outside the State of Michigan, may be designated by the Board of Directors.
- 2.02 Registered Office.** The registered office of the ASSOCIATION may also be, but need not be, the principal office named above. The registered office shall be maintained in the State of Michigan as required by the Michigan Nonprofit Corporation Act, and the address of such registered office may be changed from time to time by the Board of Directors.

# ARTICLE III

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## Membership

- 3.01 Corporate Structural Basis.** The ASSOCIATION is organized on a non-stock, membership basis within the meaning of section 2202 of the Michigan Nonprofit Corporation Act, as amended.
- 3.02 Membership Qualifications.** Members of the ASSOCIATION must be Co-Owners of a Bradford Place Condominium unit.
- 3.03 Membership Year.** The membership year will begin on the first day of January and end on the last day of December of each year. If a unit is purchased during the year, the membership year for that Co-Owner shall begin on the date of purchase. If a unit is sold, gifted, devised, or transferred during the year, the membership year for that Co-Owner shall end when his or her interest in the unit is transferred.
- 3.04 Membership Dues.** Membership dues will be established by the Board of Directors. Membership dues shall be paid monthly on the first (1st) day of the month. Membership dues received after 5:00 p.m., on the tenth (10th) day of the month will be assessed a late fee as determined by the Board of Directors. Members owing dues after the end of the month will not be considered members in good standing.
- 3.05 Voting Rights.** There shall be one (1) vote for each unit, regardless of the number of Co-Owners of the unit. Bradford Place Condominiums consist of 63 units; therefore, no more than 63 votes will be cast. If there is more than one Co-Owner of a unit, the person entitled to cast the vote for the unit and to receive all notices and other communications from the ASSOCIATION will be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the ASSOCIATION. The certificate will state the name and address of the person designated, the number of the Unit(s) owned, and the name and address of any other Co-Owner(s) (i.e., person(s), corporation, partnership, association, trust, or other legal entity). All certificates will be valid until revoked, until superseded by subsequent certificates, or until a change in the ownership of the unit. Members will be entitled to vote in the election for directors and on each matter submitted to the membership by the Board of Directors.
- 3.06 Members Voting By Proxy.** A member entitled to vote may authorize another person to act for the member by executing a written proxy; it must also be signed and dated. The proxy is revocable at the pleasure of the member. The proxy is

valid for one (1) year. The proxy shall be presented to the Secretary of the ASSOCIATION before voting.

- 3.07 Disciplinary Procedures.** Any member whose actions tend to injure the good name of the ASSOCIATION, disturb its well-being, or hamper the ASSOCIATION in its work may have their membership voting rights suspended or revoked by the Board of Directors by an affirmative vote of two-thirds (2/3) of the entire Board and approval by a majority of all voting members.
- 3.08 Transferability of Membership.** A Co-Owner may, without any restrictions, sell, give, devise, or transfer his or her interest in a unit, to a spouse, child, parent, sibling, or descendant, or to any one or more of them, or to any trustee of a trust, the sole beneficiary of which is the Co-Owner or a spouse, child, parent, sibling, or descendant or any one or more of them.
- 3.09 Annual Membership Meeting.** The annual meeting of the members for election of directors shall be held on the second Tuesday of October. If the annual membership meeting is not held at that time, the Board shall cause the meeting to be held as soon thereafter as is convenient. Written notice of the time, place, and purpose of the annual meeting of members shall be given not less than 10 nor more than 60 days before the date of the meeting.
- 3.10 Special Meetings.** Special meetings of the members may be called by a majority of the Board of Directors or by the President. Such meetings shall also be called by the President or the Secretary at the written request of not less than twenty-five (25) of the members entitled to vote.
- 3.11 Notice of Meetings.** Written notice of the time, place, and purposes of a membership meeting shall be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Notice shall be given either personally or by 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 ASSOCIATION. Alternatively, notice may be published in the ASSOCIATION's newsletter, provided that the newsletter is published at least semiannually and is mailed to the members entitled to vote at the meeting not less than ten (10) days nor more than sixty (60) days before the date of the meeting.
- 3.12 Quorum.** Not less than one-third (1/3) of the voting members, present in person or by proxy, constitutes a quorum for matters submitted to the membership at a membership meeting.
- 3.13 Manner of Acting.** When an action is to be taken by vote of the members, other than the election of Board members, it shall be authorized by a majority of the votes cast

when a quorum is present. In an election for the Board of Directors, the vote of the members shall be authorized by a plurality of the ballots cast.

**3.14 Membership Bill of Rights.** The rights of members shall include, but not be limited to:

- (a) The right to vote in elections of the Board of Directors and to vote in any recall question concerning the members of the Board of Directors;
- (b) The right to vote on any proposed amendment of the bylaws;
- (c) The right to receive the services and benefits of the ASSOCIATION;
- (d) The right to be protected against personal derogation, violation of privacy or intimidation;
- (e) The right to participate in leadership procedures according to the terms of these bylaws;
- (f) The right to present proposals and to advocate their acceptance by the ASSOCIATION;
- (g) The right to due process in the functioning of the ASSOCIATION;
- (h) The right to obtain information concerning the actions of the Board of Directors, the operations of the ASSOCIATION and the finances of the ASSOCIATION. Member's rights shall not be abrogated, nor shall they be lost even if not fully exercised, nor may these rights be surrendered or bargained away, nor may anyone be permitted to violate these rights; and
- (i) The ASSOCIATION shall act promptly and diligently to protect and maintain these rights.

## ARTICLE IV

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### Board

- 4.01 General Powers.** The business, property, and affairs of the ASSOCIATION shall be managed and administered by the Board of Directors. The Board shall have all powers and duties necessary for the administration of the affairs of the ASSOCIATION as empowered by the Condominium bylaws, and set forth in the ASSOCIATION bylaws. The Board shall have the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under these bylaws. Special assessments, however, require the approval of sixty percent (60%) of the voting members, as indicated in the Condominium bylaws.
- 4.02 Qualifications.** Each Director shall be a Co-owner or the spouse of a Co-owner. If a Co-owner is a Trustee of a trust, a Director may be a beneficiary of such trust. If a Co-owner or beneficiary is a corporation or partnership, a Director may be an officer, partner, or employee of such Co-owner or beneficiary. If a Director ceases to meet the qualifications for the Board, he or she shall cease to be a Director, and his or her place on the board shall be deemed vacant. Directors must be residents of the State of Michigan.
- 4.03 Number.** There shall be not less than three (3) or more than nine (9) Directors on the Board as shall be fixed from time to time by the Board of Directors.
- 4.04 Election and Tenure.** One-third (1/3) of the Directors will be elected each year at the annual membership meeting for a two (2) year term, or for any unexpired term for which elected. A Director may serve for three (3) consecutive terms not to exceed six consecutive years. After serving for three consecutive terms, a Director shall take one term off before standing for election again. A Director's term of office may be shortened by death, resignation, or removal.
- 4.05 Resignation.** Any Director may resign at any time by providing written notice to the ASSOCIATION. The resignation will be effective on receipt of the notice or at a later time designated in the notice. A successor shall be appointed as provided in section 4.07 of the Bylaws.
- 4.06 Removal.** Any Director may be removed with or without cause by a two-thirds (2/3) vote in number of the full membership entitled to vote.

- 4.07 Board Vacancies.** A vacancy on the Board may be filled with a person elected by a majority vote of the remaining Directors of the Board, even though less than a quorum of the Board remains. Each person elected to fill a vacancy shall remain a Director only until the next annual membership meeting for election of Directors.
- 4.08 Regular Meetings.** The Board of Directors shall hold regular meetings at a time and place determined by resolution of the Board. The Board of Directors may provide for other meetings by resolution. Notice of regular meetings shall be given to each Director personally or by first-class mail at least ten (10) days before the date of the meeting.
- 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 the special meetings shall be given to each Director, at least three (3) days before the meeting.
- 4.10 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.
- 4.11 Waiver of Notice.** Directors may waive notice of any special meeting by a written waiver submitted either before or after the meeting has been held. Any Director attending a special meeting shall be deemed to have waived notice of the meeting unless attendance is for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened.
- 4.12 Meeting by Telephone or Similar Equipment.** A Director may participate in a meeting by conference telephone or any communications equipment through which all persons participating in the meeting can communicate with each other. Participation in a meeting under this section constitutes presence in person at the meeting.
- 4.13 Quorum.** Not less than two-thirds (2/3) of the Directors then in office, present in person or by proxy, constitutes a quorum for the transaction of business, including special assessments, at any meeting of the Board. Actions voted on by the Directors present at a meeting where a quorum is present shall constitute authorized actions of the Board, unless a higher number is specified elsewhere in these bylaws or required by Michigan law.
- 4.14 Board Members Voting By Proxy.** A member entitled to vote may authorize another person to act for the member by executing a written proxy; it must also be signed and dated. The proxy is revocable at the pleasure of the member. The proxy is not



valid after three (3) years from its date of signature unless otherwise provided in the proxy. The proxy shall be presented to the Secretary of the ASSOCIATION before voting.

- 4.15 Consent to Corporate Actions.** Any action required or permitted to be taken by authorization of the Board 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 Presumption of Assent.** A Director of the ASSOCIATION shall be deemed to have assented to an action taken by the Board of Directors unless he or she makes his or her dissent known during the meeting at which action was taken and his or her dissent is recorded in the minutes of the meeting, or unless the dissenting Director, immediately after the meeting, shall send by registered mail, to the Secretary of the ASSOCIATION, a written dissent against the action. No Director who affirmatively votes for any action may later dissent to that action.
- 4.17 Rules and Regulations.** The Board of Directors shall adopt and amend rules and regulations respecting the use and enjoyment of the Bradford Place Condominium units and common elements, and such other rules and regulations as may be necessary or convenient for the maintenance and operation of Bradford Place Condominiums. A copy of rules and regulations and any amendments shall be given to each member before the effective date. All rules and regulations imposed by the Board of Directors shall be binding on the members unless a petition to overturn the Board's decision is submitted to the Secretary, signed by a majority of the members.

# ARTICLE V

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## 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 should consist of at least one Director and two non-Director members. 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.

A committee designated by the Board may exercise any powers of the Board in managing the ASSOCIATION's business and affairs to the extent provided by resolution of the Board. 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 ASSOCIATION,
- (d) fill vacancies on the Board, or
- (e) fix compensation of the Directors for serving on the Board or on a committee.

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

**5.03 Quorum.** A majority of the members of any committee constitutes a quorum for the transaction of business at any committee meeting. Actions voted on by a majority of committee members present at a meeting where a quorum is present shall constitute authorized actions of the committee,

**5.04 Consent to Committee Actions.** Any action required or permitted to be taken by 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.

**5.05 Nominating Committee.** A Nominating Committee shall be appointed by the Board of Directors at the first meeting of the Board of Directors following the annual membership meeting. The Nominating Committee shall submit a slate of names for the following year's election of directors. The committee shall consist of one Director and two non-Director members.

# ARTICLE VI

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## Officers

- 6.01 Number.** The officers of the ASSOCIATION shall consist of a President, one or more Vice Presidents (to be determined by resolution of the Board of Directors), a Secretary, and a Treasurer, and Assistant Secretaries and Assistant Treasurers as the needs of the business may require. Any two or more offices, except for those of the President and Secretary, may be held simultaneously by the same person. The Board of Directors may elect officers or assistant officers as they deem necessary.
- 6.02 Election and Terms of Office.** The Board of Directors shall elect the officers of the ASSOCIATION. Officer elections will be held annually at the first meeting of the Board of Directors held immediately after the annual membership meeting for election of directors, or as soon as possible thereafter.
- An officer's term shall commence on their election by the Board. An officer shall continue to serve for one year or until a successor is elected, or until death, resignation, or removal of the officer (as provided in section 6.03 of these Bylaws).
- 6.03 Removal.** The Board of Directors may, with or without cause, remove any officer by a majority vote of the Directors when, according to the Board's best judgment, the removal serves the best interest of the ASSOCIATION. The removal of an officer shall be without prejudice to the contract rights of the officer, if any. The election or appointment of an officer does not of itself create contract rights.
- 6.04 Vacancies.** The Board of Directors may fill a vacancy in any office because of death, resignation, or removal of any officer of the ASSOCIATION by a majority vote. The officer filling the vacancy shall serve for the unexpired portion of the vacating officer's term and until his successor has been duly elected and qualified.
- 6.05 President.** The President is the chief executive officer of the ASSOCIATION and shall have authority over the general control and management of the business and affairs of the ASSOCIATION, subject to the control of the Board of Directors. The President may sign any instruments necessary to the operations of the ASSOCIATION, unless the signing of the documents has been delegated by the Board of Directors to some other officer of the ASSOCIATION, or unless the signing is prohibited by law to be so signed or required by law to be otherwise signed. The President shall preside over all meetings of the members and of the Board and shall be a member of all standing committees. The President shall perform all other duties prescribed by the Board

of Directors from time to time, and all other duties incident to the office of President.

**6.06 The Vice President(s).** The Vice President(s), if any, shall perform all duties assigned to the Vice President by the President or by the Board of Directors. The Vice President shall assume the duties of the President in the event of the President's death, resignation, removal, disqualification, or inability or refusal to act until the time as the Board of Directors can duly elect a new President. When more than one Vice President serves the ASSOCIATION, the Vice Presidents shall fill the vacancy of the office of President in the order designated at the time of their election, or in the absence of a designation, in the order of their election.

**6.07 Secretary.** The Secretary shall:

- (a) keep minutes of the meetings of the Board of Directors in the minutes book(s) provided for that purpose;
- (b) be responsible for providing notice to each Director of all meetings as required by law, the Articles of Incorporation, or these Bylaws;
- (c) be the custodian of the corporate records and the Corporate Seal, and affix the seal to all documents which require it;
- (d) keep a register containing the address of each officer and Director, the address to be provided to the Secretary;
- (e) sign any documents with the President or Vice President that the law requires the secretary to sign;
- (f) perform all duties incident to the office of Secretary, or any other duties assigned to the Secretary from time to time by the Board of Directors or the President;
- (g) attend all meetings of the members, the Board, and the executive committee; and
- (h) keep a record of all members entitled to vote and any proxies submitted for the members.

**6.08 Treasurer.** The Treasurer shall:

- (a) be in charge of, have custody over, and be responsible for all the funds and securities of the ASSOCIATION;
  - (1) disburse funds authorized by the Board;
  - (2) take vouchers for the disbursements;
  - (3) account for all transactions taken as Treasurer; and
  - (4) account for the financial condition of the ASSOCIATION;

- (b) receive and issue receipts for any money due and payable to the ASSOCIATION from any and all sources;
- (c) deposit any and all money in the ASSOCIATION's name in accordance with Article VII of these Bylaws;
- (d) assure that accurate books and records are kept of corporate receipts and disbursements;
- (e) perform all duties incident to the office of Treasurer or any duties designated from time to time by the Board of Directors or the President; and
- (f) attend all meetings of the members, the Board, and the executive committee.

The Board of Directors may require the Treasurer to post a bond for the faithful discharge of the Treasurer's duties in an amount and with sureties as determined by the Board of Directors.

**6.09 Assistant Secretaries and Treasurers.** The Board of Directors may appoint or elect Assistant Secretaries or Treasurers as deemed necessary and in the best interest of the ASSOCIATION. The assistants shall perform the duties assigned to them by the Board of Directors or the President, and may be required to fulfill any conditions in sections 6.07 or 6.08 of these Bylaws that apply to the officer the assistants are appointed to assist.

# ARTICLE VII

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## Conflict of Interest

- 7.01 Statement of Policy.** It is the policy of the membership that all directors, officers, and committee members avoid any conflict between their own respective individual interests and the interests of the ASSOCIATION, in any and all actions taken by them on behalf of the ASSOCIATION in their respective official capacities.
- 7.02 Transactions With the ASSOCIATION.** A contract or other transaction between the ASSOCIATION and one or more of its directors, officers, or committee members, or between the ASSOCIATION and a domestic or foreign corporation, business, firm, or association of any type or kind, in which one of its directors, officers, or committee members is a director, officer, committee member, or otherwise interested, is not void or voidable solely because of such common relationships or solely because such persons are present at the meeting of the board or committee which authorizes or approves the contract or other transaction or solely because their votes are counted for such purposes if any of the following conditions is satisfied:
- (a) The contract or other transaction is fair and reasonable to the ASSOCIATION when it is authorized, approved, or ratified; or
  - (b) The material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or known to the board or committee, and the board or committee authorizes, approves, or ratifies the contract or transaction by a vote of a majority of the directors, officers, or committee members who has no interest in the contract or transaction, even though less than a quorum; or
  - (c) The material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or known to the members, and they authorize, approve, or ratify the contract or transaction by a vote of a majority of the membership who had no interest in the contract or transaction. Members holding a majority of votes held by membership who had no interest in the contract or transaction shall constitute a quorum for any such vote.
- 7.03 Validity of the Contract or Transaction.** The burden of proving the validity of the contract or transaction is on the person(s) asserting its validity.

Common or interested person(s) may be counted in determining the presence of a quorum at a board or committee meeting at which a contract or transaction is authorized, approved, or ratified.

- 7.04 Procedure in the Event of a Potential Conflict of Interest.** In the event that any director, officer, or committee member shall have direct or indirect interest in, or some relationship with, any individual, business, or organization which proposes to enter into any transaction with the ASSOCIATION, such director, officer, or committee member shall give the Board of Directors notice of such interest or relationship and shall refrain from voting or otherwise attempt to exert any influence on the ASSOCIATION, its Board of Directors, or its committees, to affect its decision to participate or not to participate in such transaction.
- 7.05 Notice of Policy.** Every director, officer, or committee member shall be advised of the policy set forth in this Article by the president immediately upon election or appointment. Each director, officer, or committee member shall be asked to submit a letter outlining any possible area of conflict of interest at the first meeting of the Board of Directors following his or her election or appointment, and the letter shall become a part of the permanent records of the ASSOCIATION.
- 7.06 Publication of Policy.** The policy set forth in this Article shall be called to the attention of the Board of Directors and each Committee of the ASSOCIATION at a regular meeting thereof, not less than once each year, and such action shall be recorded in the minutes of such meeting. A copy of this policy shall be furnished to each director, officer, or committee member who is presently serving the ASSOCIATION, or who may become associated with the ASSOCIATION.



## ARTICLE VIII

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### Contracts, Loans, Checks, and Deposits

- 8.01 Contracts.** The Board of Directors may authorize any officer or agent of the ASSOCIATION to enter into contracts on behalf of and in the name of the ASSOCIATION. The Board of Directors may also authorize any officer or agent of the ASSOCIATION to execute and deliver any instrument in the name of and on behalf of the ASSOCIATION.
- 8.02 Loans.** The Board of Directors may, by resolution, authorize that loans shall be contracted for or that evidence of indebtedness shall be issued in the name of the ASSOCIATION. However, for any loan amount over \$10,000, the Board of Directors shall receive approval by two-thirds (2/3) of the voting members. This is the only manner by which loans or evidence of indebtedness shall be authorized. Authorization may be general or limited to specific instances.
- 8.03 Checks and Drafts.** The Board of Directors shall determine, by resolution, which officer or officers, agent or agents of the ASSOCIATION shall have the authority and duty to sign all checks, drafts, or other orders for the payment of money issued in the name of the ASSOCIATION.
- 8.04 Deposits.** Any funds of the ASSOCIATION not being used in any other manner for the benefit of the ASSOCIATION shall be deposited to the credit and in the name of the ASSOCIATION in a manner the Board of Directors shall select from time to time.

# ARTICLE IX

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## Indemnification

**9.01 Nonderivative Actions.** Subject to all of the other provisions of this article, the ASSOCIATION may indemnify any person, as described in (a) or (b) below, who was or is a party, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding, whether formal or informal (other than an action by or in the right of the ASSOCIATION). The indemnification shall apply only to a person who was or is:

- (a) a Director or officer of the ASSOCIATION, or
- (b) serving at the request of the ASSOCIATION as a director, officer, partner, trustee, employee, or agent of another foreign or domestic ASSOCIATION, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit.

The person may be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the 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 ASSOCIATION. 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, or 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 the person reasonably believed to be in or not opposed to the best interests of the ASSOCIATION, or
- (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

**9.02 Derivative Actions.** Subject to all of the provisions of this article, the ASSOCIATION may 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 ASSOCIATION to procure a judgment in its favor because the person was or is:

- (a) a Director or officer of the ASSOCIATION, or
- (b) serving at the request of the ASSOCIATION as a director, officer, partner, joint venture, trust, or other enterprise, whether or not for profit.

The person may 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 ASSOCIATION.

However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the ASSOCIATION 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.

- 9.03 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 9.01 or 9.02 of this article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person may 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.
- 9.04 Contract Right; Limitation on Indemnity.** Any 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 ASSOCIATION as well as in the person's capacity as a Director or officer. Except as provided in section 9.03 of this article, the ASSOCIATION shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Board.
- 9.05 Determination That Indemnification Is Proper.** Any indemnification under sections 9.01 or 9.02 of this article (unless ordered by a court) shall be made by the ASSOCIATION only after ten (10) days written notice to all Co-Owners of the facts surrounding the request for indemnification only as authorized in the specific case. The ASSOCIATION 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 9.01 or 9.02 whichever is applicable. Determination shall be made in any of the following ways:
- (a) by a majority vote of a quorum of the Board consisting of Directors who were not parties to the action, suit, or proceeding,
  - (b) if the quorum described in clause (a) above cannot be obtained, then by a committee of not less than two disinterested Directors who are not parties to the action.

- (c) by independent legal counsel in a written opinion.
- (d) by the members.

- 9.06 Proportionate Indemnity.** If a person is entitled to indemnification under sections 9.01 or 9.02 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 ASSOCIATION 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.
- 9.07 Expense Advance.** Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 9.01 or 9.02 of this article may be paid by the ASSOCIATION in advance of the final disposition of the action, suit, or proceeding, as authorized by the Board of Directors, 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 ASSOCIATION. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but need not be secured.
- 9.08 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 any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. 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.
- 9.09 Indemnification of Employees and Agents of the ASSOCIATION.** The ASSOCIATION may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the ASSOCIATION 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 ASSOCIATION.
- 9.10 Former Directors and Officers.** 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.

**9.11 Insurance.** The ASSOCIATION may purchase and maintain insurance on behalf of any person who was or is:

- (a) a Director, officer, employee, or agent of the ASSOCIATION, or
- (b) serving at the request of the ASSOCIATION as a director, officer, employee, or agent of another ASSOCIATION, 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 ASSOCIATION would have power to indemnify against such liability under this article or the laws of the State of Michigan.

**9.12 Changes in Michigan Law.** If there are any changes in the Michigan statutory provisions applicable to the ASSOCIATION and relating to the subject matter of this article, then the indemnification to which any person shall be entitled shall be determined by the changed provisions, but only to the extent that any change permits the ASSOCIATION to provide broader indemnification rights than the provisions permitted the ASSOCIATION to provide before the change.

## A R T I C L E X

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### Compensation

**10.01 Compensation.** Directors shall not receive compensation for their services as directors unless expressly provided by resolution duly adopted at least one-thirds (1/3) of the voting members of the ASSOCIATION. Directors will, however, be reimbursed for all reasonable, ordinary, and necessary expenses, properly substantiated, incurred in carrying out their duty as Director.

## A R T I C L E X I

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### Fiscal Year And Audit

- 11.01 Fiscal Year, Generally.** The ASSOCIATION's fiscal year shall begin on the first day of January and end on the last day of December of each year.
- 11.02 Annual Audit.** There shall be an annual audit performed by an accountant or an audit committee selected by the Board of Directors. Directors may not serve on the audit committee.

## ARTICLE XII

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### Notice

- 12.01 Notice.** When notice is required, it shall be given in person or by first-class mail. All written notices required to be given by the provision of these bylaws shall state the authority under which they are issued [e.g., "by the order of the President"] and shall bear the written signature of the Secretary. Notice shall be deemed duly served when it has been deposited in the United States mail, with postage fully prepaid, plainly addressed to the addressee at his, her, or its last address appearing on the membership records of the ASSOCIATION.
- 12.02 Waiver of Notice.** A person entitled to notice under these bylaws, the ASSOCIATION's articles of incorporation, or the Michigan Nonprofit Corporation Act may waive notice by submitting a signed waiver to the Board. The waiver of notice shall be deemed the equivalent of the giving of notice when notice is otherwise required.

## ARTICLE XIII

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### Amendments

- 13.01 Amendments.** These Bylaws may only be amended, altered, changed, added to, or repealed by the affirmative vote of one-third (1/3) of the voting members of the ASSOCIATION.

## ARTICLE XIV

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### Parliamentary Authority

**14.01 Rules.** The rules contained in the current Robert's Rules of Order, Newly Revised shall govern the Board in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Board may adopt.

## ARTICLE XV

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### Corporate Seal

**15.01 Corporate Seal.** The corporate seal shall be circular in form, and shall contain the name of the ASSOCIATION, the state of incorporation, and the words "Corporate Seal" on its face. The Board shall determine and provide for the corporate seal.

**APPROVED**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary